Fairburn
Situated to Succeed

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2025



Prepared by
Finance Department - City of Fairburn, Georgia

CITY OF FAIRBURN, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

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INTRODUCTORY SECTION
(Unaudited)

May 18, 2026

The Honorable Mayor Hattie Portis-Jones,
Fairburn City Council Members, and
Citizens of the City of Fairburn

Dear Mayor, Council Members, and Citizens:

The Annual Comprehensive Financial Report (ACFR) of the City of Fairburn, GA for the fiscal year ended September 30, 2025, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge, the enclosed data are accurate in all material aspects and fairly present the financial position and results of operations of the City. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the City's financial affairs are included.

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

In compliance with state laws requiring an annual audit by independent certified public accountants, the financial statements for the fiscal year ended September 30, 2025, were audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of an independent audit is to provide reasonable assurance that the financial statements are free of material misstatements. The audit involved performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and evaluating the risks of material misstatement whether due to fraud or error. Mauldin & Jenkins expressed an unmodified opinion, and it is included in this report. Their audit was conducted in accordance with auditing standards generally accepted in the United States of America and with Government Auditing Standards issued by the Comptroller of the United States of America. An unmodified opinion indicates that the audit did not disclose any conditions that would cause the basic financial statements not to be fairly presented in all material aspects. The independent auditor's report can be found at the beginning of the financial section.

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

Profile of the City of Fairburn

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

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

City Administration and Officials

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

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

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

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

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

City Services

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

Local Economy

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

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

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

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

The City has seen several signs that the local economy is stable. The collection of City revenues has increased by 35% over the last five years. Tax collections have remained positive. In addition, the City continues to focus on plans for residential and economic growth. Retail sales are also steadily increasing as evidenced by the Local Option Sales Taxes (LOST). During fiscal year 2025, LOST distributions were renegotiated for all cities in Fulton County. Overall increased revenues resulted in the city receiving larger distributions. New home permits have continued to increase over the last five years.

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

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

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

Long-Term Financial Planning

The City's transportation improvements were funded with the 2016 Transportation Special Purpose Local Option Sales Tax (TSPLOST). On November 8, 2016, voters approved the TSPLOST. This seventy-five cents sales tax program can only be spent on transportation improvements, such as roads, bridges, sidewalks, bicycle paths, and signal lights. The TSPLOST I initiative was collected from April 1, 2017, to March 30, 2022. The City collected $12,659,514 over the 5-year life of the program. The total collected on TSPLSOST II from April 1, 2022, through September 30, 2025 is $12,083,881.

The Government Finance Officers Association recommends an unassigned general fund balance of at least two months of expenditures for governments. Two months of expenditure for the City of Fairburn is 16% of total expenditures. Currently, the City of Fairburn has 44% of expenditures in unassigned general fund balance. The City of Fairburn is placing an emphasis on financial stability which includes increasing revenues, reducing expenditures, and minimizing debt. The City has devoted attention to the redevelopment of various areas of the City. The City's top priority is attracting more restaurants and businesses for both the downtown and SR 74 corridors.

Relevant Financial Policies

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

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

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

Major Initiatives

The TSPLOST and Capital Improvements Projects completed in Fiscal Year 2025 included: 1) resurfacing and reconstructing (reclamation) of city roads, and 2) installation of sidewalks, and other pedestrian improvements to include handicap ramps.

Completed the City of Fairburn's 2025 CDBG Project, the Mullis Street Pedestrian Improvements Project
This project entailed installation of pedestrian improvements along Mullis Street, from West Campbellton Street to Dodd Street, and from Dodd Street to Strickland Street. The project also entailed the installation of pedestrian improvements on a section of Dodd Street, from Mullis Street to W. Broad Street. The scope of Add Alternate #1 consisted of the installation of decorative pedestrian lighting within the project limits. This implementation of this project was based on recommendations contained in the 2009 Livable Centers Initiative (LCI) Study and the Lightning Community Development Study which was completed in 2019.The City of Fairburn received a 2024 Community Development Block Grant (CDBG) Award of $195,000 from the Fulton County Board of Commissioners on January 27, 2025, to help deliver this project.

Completed the Washington Street Pedestrian Improvements Project
This project involved the installation of pedestrian improvements on the west side of Washington Street, from Malone Street to West Campbellton Street. This project also included the installation of new driveway aprons, new ADA handicap ramps, and new decorative hot synthetic patterned textured paving crosswalks to accommodate pedestrian movements.

Completed the Grant Street Pedestrian Improvements Project
This project involved the installation of new sidewalk with a beauty strip (fescue sod) on the west side of Grant Street, from Milo Fisher Street to Bay Street. In addition, new sidewalk was installed on the east side of Grant Street, from Chestnut Street to Bay Street. The project also included the installation of new driveway aprons, and the installation of new ADA handicap ramps to accommodate pedestrian movements. It is important to note that this project provides connectivity to a previously completed "Safe Routes to School" project in the area designed to accommodate Landmark Christian School.

Completed the Shaw Drive Pedestrian Improvements Project
This project involved the installation of pedestrian and drainage improvements on both sides of Shaw Drive, from Roosevelt Highway/West Broad Street/SR 14/US 29 to the Global Impact Academy STEM School. This project also included the installation of new driveway aprons, new ADA handicap ramps, and decorative hot synthetic patterned textured paving crosswalks to accommodate pedestrian movements. Although paid for with local funds, this is a "Safe Routes to School Project" designed to make walking to school a safer and more appealing transportation alternative, thereby encouraging a healthy and active lifestyle. The implementation of this project also allowed the City to address some immediate pedestrian safety concerns in the vicinity of the Global Impact Academy.

Completed the Fairview Drive Pedestrian Improvements Project
This project involved the installation of pedestrian improvements on the north side of Fairview Drive, from Shaw Drive to the existing sidewalk just east of Elder Street along the frontage of Campbell Elementary School. This project also included the installation of new driveway aprons, new ADA handicap ramps, and decorative hot synthetic patterned textured paving crosswalks to accommodate pedestrian movements. Although paid for with local funds, this is a "Safe Routes to School Project" designed to make walking to school a safer and more appealing transportation alternative, thereby encouraging a healthy and active lifestyle. The implementation of this project allowed the City to address some immediate pedestrian safety concerns in the vicinity of the Global Impact Academy. It also provided connectivity between the various schools within the City of Fairburn's Educational Cluster.

Completed the 2025 LMIG/TSPLOST City-Wide Resurfacing Project
(Roadway Improvements on Various City Roads Project)
With the completion of this project, the City of Fairburn resurfaced approximately 6.7 miles of local roadway, which included but was not limited to three (3) residential subdivisions; The Magnolias, The Pines, and The Fairways at Durham Lakes.

It is also important to note that the City of Fairburn's 2025 Local Maintenance Improvement Grant (LMIG) Award of $224,198.83 along with the City's 2025 Local Road Assistance Administration (LRA) Grant Award of $275,054.39 (collectively $499,253.22) was combined with Fulton County Transportation Special Purpose Local Option Sales Tax (TSPLOST) funds to help deliver this project.

Awards and Acknowledgements

The City of Fairburn received the Certificate of Achievement for Excellence in Financial Reporting to the Government Finance Officers Association of the United States and Canada (GFOA) for the fiscal year ended September 30, 2024. This was the sixth consecutive year; the City has achieved this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Respectfully Submitted,
Tony M. Phillips
Tony M. Phillips, City Administrator

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fairburn
Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

MAYOR AND COUNCIL















DEPARTMENT LEADERSHIP


TONY M PHILLIPS
CITY ADMINISTRATOR


JAMILA CRISS
DEPUTY CITY ADMINISTRATOR


DANA SMITH
BUILDING OPERATIONS DIR.


DEANNIA RAY
CITY CLERK


JACQUELINE HOWELL
COMMUNICATIONS DIRECTOR


LISA BROWNLEE-MACK
COURT ADMINISTRATOR


SYLVIA ABERNATHY
ECONOMIC DEVELOPMENT DIR.


CORNELIUS ROBINSON
FIRE CHIEF


GALE HIGGS
GENERAL SERVICES DIRECTOR


TALISHA CHAMPAGNE
HUMAN RESOURCES DIRECTOR


CHAPIN SCOTT
PARKS & RECRATION DIR.


DENISE BROOKINS
PLANNING & ZONING DIRECTOR


ANTHONY BAZYDLO
POLICE CHIEF


LESTER THOMPSON
PUBLIC WORKS DIRECTOR


DEREK HAMPTON
UTILITIES DIRECTOR

CITY OF FAIRBURN, GEORGIA
CITY OFFICIALS
SEPTEMBER 30, 2025

CITY CLERK
Deannia Ray

HUMAN RESOURCES
TaLisha Champagne

FINANCE DIRECTOR
Vacant

CHIEF OF POLICE
Anthony Bazydlo

FIRE CHIEF
Cornelius Robinson

COMMUNITY DEVELOPMENT DIRECTOR
Lester Thompson

PLANNING AND ZONING DIRECTOR
Denise Brookins

ECONOMIC DEVELOPMENT DIRECTOR
Sylvia Abernathy

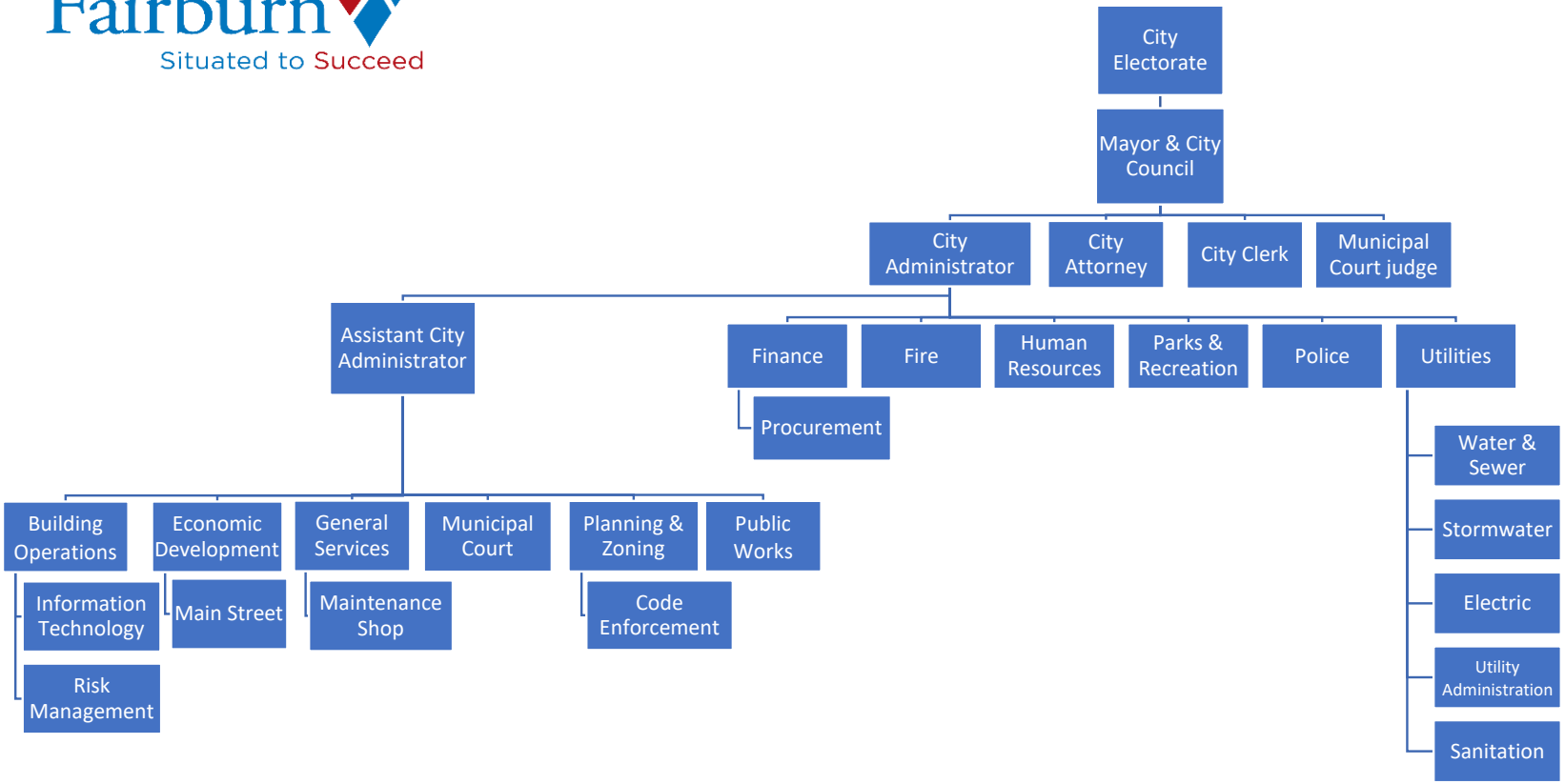
UTILITY DIRECTOR
Derek Hampton

BUILDING OPERATIONS DIRECTOR
Dana Smith

STREETS AND GARAGE DIRECTOR
Gale Higgs

PARKS AND RECREATION DIRECTOR
Chapin Scott

CITY ATTORNEYS
Hilliard Starkey Law



September 30, 2025

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Fairburn, Georgia** (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Fairburn, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 20 to the financial statements, the City implemented Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, as of October 1, 2024. This standard significantly changed the reporting of the City's compensated absence liabilities. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions, as presented in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 18, 2026

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, 2025. 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 2025 are as follows:

- The assets and deferred outflows of resources for the City of Fairburn exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $128,492,083 (net position). Of this amount, $82,878,129 is net investment in capital assets, net of related debt; $8,601,514 is restricted; and $37,012,440 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by $667,891 as compared to an increase of $8,611,721 in the prior fiscal year.
- At the end of the current fiscal year, total fund balance for the General Fund was $13,601,587 a decrease of $9,883,549 over the prior fiscal year, due to $7,868,714 in transfers to other funds primarily for capital projects and $2,091,397 in excess expenditures over revenues anticipated in budget planning for fiscal year 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

Reporting the City's Most Significant Funds

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

Governmental Funds

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

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

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

The City presents in separate columns funds that are most significant to the City (major funds) and all other governmental funds are aggregated and reported in a single column (nonmajor funds). The City's governmental fund financial statements are presented on pages 19 and 20.

Proprietary Funds

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

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

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

The City's proprietary fund financial statements are presented on pages 23 - 25.

Overview of the City's Financial Position and Operations

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

City of Fairburn Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
Assets:	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Current and other assets	$ 53,329,358	$ 39,463,717	$ 51,288,627	$ 32,823,755	$ 104,617,985	$ 72,287,472
Capital assets, net	70,046,629	61,636,427	35,972,682	34,413,811	106,019,311	96,050,238
Total assets	123,375,987	101,100,144	87,261,309	67,237,566	210,637,296	168,337,710
Deferred outflows of resources	2,089,458	2,187,067	670,736	811,157	2,760,194	2,998,224
Liabilities:						
Other liabilities	8,820,811	5,004,344	5,775,652	3,938,781	14,596,463	8,943,125
Long-term liabilities	32,101,269	12,124,475	31,444,571	14,808,097	63,545,840	26,932,572
Total liabilities	40,922,080	17,128,819	37,220,223	18,746,878	78,142,303	35,875,697
Deferred inflows of resources	1,433,411	196,167	5,329,693	5,391,887	6,763,104	5,588,054
Net position:						
Net investment in capital assets	59,920,416	55,885,331	22,957,713	21,297,621	82,878,129	77,182,952
Restricted	8,290,104	6,706,149	311,410	1,724,022	8,601,514	8,430,171
Unrestricted	14,899,434	23,370,745	22,113,006	20,888,315	37,012,440	44,259,060
Total net position	$ 83,109,954	$ 85,962,225	$ 45,382,129	$ 43,909,958	$ 128,492,083	$ 129,872,183

Financial Position

The total net position of the City decreased $667,891 or .51%, from $129,159,974 to $128,492,083 as noted in the following table.

City of Fairburn Summary of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues						
Charges for services	$ 3,636,152	$ 2,684,920	$ 24,895,715	$ 23,179,520	$ 28,531,867	$ 25,864,440
Operating grants and contributions	-	30,012	-	-	-	30,012
Capital grants and contributions	6,469,074	9,483,146	1,524,888	651,750	7,993,962	10,134,896
General revenues:						
Property taxes	12,923,038	12,987,376	-	-	12,923,038	12,987,376
Sales taxes	5,535,730	5,534,758	-	-	5,535,730	5,534,758
Franchise taxes	1,515,038	1,305,043	-	-	1,515,038	1,305,043
Insurance premium taxes	1,574,062	1,462,342	-	-	1,574,062	1,462,342
Motor vehicle taxes	882,592	810,659	-	-	882,592	810,659
Beer, wine, and liquor taxes	285,248	287,604	-	-	285,248	287,604
Hotel/motel taxes	300,676	310,287	-	-	300,676	310,287
Other taxes	204,391	292,986	-	-	204,391	292,986
Miscellaneous	527,439	1,247,730	-	-	527,439	1,247,730
Gain on sale of capital assets	-	17,413	-	-	-	17,413
Unrestricted investment earnings	580,447	1,088,795	369,765	621,587	950,212	1,710,382
Total revenues	34,433,887	37,543,071	26,790,368	24,452,857	61,224,255	61,995,928
Expenses:						
General government	7,234,640	6,095,836	-	-	7,234,640	6,095,836
Judicial	629,378	647,512	-	-	629,378	647,512
Public safety	14,373,437	11,431,188	-	-	14,373,437	11,431,188
Public works	6,726,671	7,703,570	-	-	6,726,671	7,703,570
Culture and recreation	2,087,160	1,896,713	-	-	2,087,160	1,896,713
Planning and development	2,243,404	2,051,436	-	-	2,243,404	2,051,436
Interest on long-term debt	1,944,333	518,057	-	-	1,944,333	518,057
Electric	-	-	13,366,456	11,575,793	13,366,456	11,575,793
Water and sewer	-	-	9,900,226	8,336,715	9,900,226	8,336,715
Education complex	-	-	1,024,304	1,116,044	1,024,304	1,116,044
Stormwater	-	-	506,912	417,990	506,912	417,990
Sanitation	-	-	1,855,225	1,593,353	1,855,225	1,593,353
Total expenses	35,239,023	30,344,312	26,653,123	23,039,895	61,892,146	53,384,207
Increase in net position before transfers	(805,136)	7,198,759	137,245	1,412,962	(667,891)	8,611,721
Transfers	(1,378,112)	(457,000)	1,378,112	457,000	-	-
Changes in net position	(2,183,248)	6,741,759	1,515,357	1,869,962	(667,891)	8,611,721
Net position, beginning of fiscal year	85,962,225	79,220,466	43,909,958	42,039,996	129,872,183	121,260,462
Restatement - change in accounting principle	(669,023)	-	(43,186)	-	(712,209)	-
Net position, end of fiscal year	$ 83,109,954	$ 85,962,225	$ 45,382,129	$ 43,909,958	$ 128,492,083	$ 129,872,183

Governmental Activities

Net position for governmental activities decreased $2,183,248 or 2.54%. Total governmental revenues decreased $3,109,184 or 8.28%. Charges for services increased $951,232 or 35.43% primarily from increases in building permits and related revenues from significant new residential and commercial development in the City. Capital grants and contributions decreased $3,014,072 or 31.78%, as the prior year included significant revenues from the remaining American Recovery Plan funds. Property tax revenues and sales tax revenues were consistent with the prior year. Franchise taxes increased $209,995 or 16.09% primarily from increases in electric franchise fees. Insurance premium taxes have increased $111,720 or 7.64% as insurance premiums in Georgia continue to rise. Miscellaneous revenue decreased $720,291 or 57.73%, as the prior year benefitted from insurance claim recoveries of $864,638. Unrestricted investment earnings have decreased $508,348 or 46.69% as interest rates on surplus cash balances have declined.

Overall expenses for governmental activities increased $4,894,711 or 16.13%. General government expenses increased $1,138,804 or 18.68% because of general increases in operating expenses. Public safety expenses increased $2,942,249 or 25.74% as a result of increases in wages and benefits to improve employee retention as well as overall increases in general operating costs; and increases in depreciation as the department replaces older vehicles and equipment. Public works expenses decreased $976,899 or 12.68% as the prior year included additional expenditure of grant reimbursed costs and increased allocation of pension costs. Culture and Recreation expenses increased $190,447 or 10.04% as services have increased and the City continues to invest more in recreational activities for its residents. Planning and Development expenses have increased $191,968 or 9.36% as the City continues to experience significant residential and commercial development.

Business-Type Activities

Net position for business type activities increased $1,515,357 or 3.45% from the prior fiscal year. The activities of each enterprise fund are discussed below.

Electric Fund.

Electric revenues increased $730,206 or 6.53% primarily from increases in rates effective January 1, 2024. Overall operating expenses increased $1,768,650 or 15.28%. Cost of sales and services increased $1,403,548 or 16.29% because the prior year benefitted from credits and discounts received from our wholesale supplier; as well as increases in electricity costs experienced across the state and nationally. General operating expenses increased $328,441 or 12.74% because of increases in salaries and benefits and significant increases in allocations of property and liability insurance. Interest income decreased $216,934 as interest rates and surplus cash balances decreased. The City had capital contributions of $250,648 in the prior year as a result of infrastructure purchases paid for by a local developer to benefit a subdivision being built in the City.

Electric Fund, Summary of Changes in Net Position

	2025	2024	$ Change	% Change
OPERATING REVENUES				
Charges for sales and services	$ 11,904,334	$ 11,174,128	$ 730,206	6.53 %
Miscellaneous Income	284,901	120,450	164,451	136.53
	12,189,235	11,294,578	894,657	7.92
OPERATING EXPENSES				
Cost of sales and services	10,018,148	8,614,600	1,403,548	16.29
General operating expenses	2,906,524	2,578,083	328,441	12.74
Depreciation and amortization	416,061	379,400	36,661	9.66
Total operating expenses	13,340,733	11,572,083	1,768,650	15.28
Operating income	(1,151,498)	(277,505)	(873,993)	314.95
NON OPERATING REVENUES				
Interest income	251,965	468,899	(216,934)	(46.26)
Interest expense	(25,723)	(3,710)	(22,013)	593.34
Income (loss) before contributions and transfers	(925,256)	187,684	(238,947)	(127.31)
Capital Contributions	-	250,648	(250,648)	-
Change in net position	$ (925,256)	$ 438,332	$ (1,363,588)	(311.09) %

Water and Sewer Fund. Operating income for the Water and Sewer Fund was $2,151,948 for fiscal year 2025 compared to $2,076,539 in the prior fiscal year, a modest increase of $75,409 or 3.63%. Revenues increased by $561,060 or 6.48% primarily due to rate increases effective January 1, 2024. Cost of sales were consistent with the prior year increasing less than 1%. General operating expenses increased $410,063 or 18.44% as a result of increases in salaries and benefits along with general increases in operating costs. Interest expense and bond issuance expenses increased $362,039 and $685,821, respectively form the issuance of Series 2024 Revenue Bonds for $16,565,000.

Water and Sewer, Summary of Changes in Net Position

	2025	2024	$ Change	% Change
OPERATING REVENUES				
Charges for sales and services	$ 9,709,318	$ 9,118,258	$ 591,060	6.48 %
OPERATING EXPENSES				
Cost of sales and services	4,046,790	4,018,593	28,197	0.70
General operating expenses	2,633,969	2,223,906	410,063	18.44
Depreciation and amortization	876,611	799,220	77,391	9.68
Total operating expenses	7,557,370	7,041,719	515,651	7.32
Operating income	2,151,948	2,076,539	75,409	3.63
NON OPERATING REVENUES (EXPENSE)				
Interest income	41,182	71,763	(30,581)	(42.61)
Bond issuance costs	(685,821)	-	(685,821)	-
Interest expense	(1,657,035)	(1,294,996)	(362,039)	27.96
Total non-operating revenue (expenses)	(2,301,674)	(1,223,233)	(1,078,441)	88.16
Capital contributions - tap fees	1,435,260	390,024	1,045,236	267.99
Change in net position	$ 1,285,534	$ 1,243,330	$ 42,204	3.39 %

Educational Complex Fund. This fund had operating losses of $206,153 and $362,312 for fiscal years 2025 and 2024, respectively. Revenues were consistent with the prior year. General operating expenses decreased $24,530 or 14.80% as the prior year included significant purchases of non-capitalizable furniture and equipment. Interest expense increased $146,874 or 38.02% as a result of certain debt refinancing. Transfers from the General Fund were necessary to meet ongoing obligations in the amount of $1,378,112 and $457,000 in 2025 and 2024, respectively.

Educational Complex Fund, Summary of Changes in Net Position

	2025	2024	$ Change	% Change
OPERATING REVENUES				
Charges for sales and services	$ 284,937	$ 284,936	$ 1	0.00 %
OPERATING EXPENSES				
General operating expenses	141,257	165,787	(24,530)	(14.80)
Depreciation and amortization	349,833	481,461	(131,628)	(27.34)
Total operating expenses	491,090	647,248	(156,158)	(24.13)
Operating income (loss)	(206,153)	(362,312)	156,159	(43.10)
NON OPERATING REVENUES (EXPENSE)				
Bond issuance costs	-	(82,456)	82,456	-
Interest income	76,618	80,925	(4,307)	(5.32)
Interest expense	(533,214)	(386,340)	(146,874)	38.02
Total non-operating revenue (expenses)	(456,596)	(387,871)	(68,725)	17.72
Transfers in (out)	1,378,112	457,000	921,112	201.56
Change in net position	$ 715,363	$ (293,183)	$ 1,008,546	(344.00) %

Stormwater Fund. This Fund was created during fiscal year 2010 to properly segregate infrastructure utility charges in accordance with state statutes. Revenues decreased slightly by $27,258 or 2.94%. General operating expenses increased $93,519 or 48% as there were significant increases in repair and maintenance costs.

Stormwater Fund, Summary of Changes in Net Position

	2025	2024	$ Change	% Change
OPERATING REVENUES				
Charges for sales and services	$ 955,599	$ 928,341	$ 27,258	2.94 %
OPERATING EXPENSES				
Cost of sales and services	-	-	-	-
General operating expenses	288,300	194,781	93,519	48.01
Depreciation and amortization	218,612	223,209	(4,597)	(2)
Total operating expenses	506,912	417,990	88,922	21.27
Operating income (loss)	448,687	510,351	(61,664)	(12.08)
NON OPERATING REVENUES (EXPENSE)				
Capital contributions	89,628	11,078	78,550	-
Change in net position	$ 538,315	$ 521,429	$ 16,886	3.24 %

Sanitation Fund. Charges for sales and services increased $154,200 or 9.93% primarily from significant rate increases effective January 1, 2024. General operating expenses increased $261,872 or 16.44% percent primarily from increases in charges from our prime collection contractor.

Sanitation Fund, Summary of Changes in Net Position

	2025	2024	$ Change	% Change	
OPERATING REVENUES					
Charges for sales and services	$ 1,707,607	$ 1,553,407	$ 154,200	9.93	%
Miscellaneous income	49,019	-	49,019	-	
	1,756,626	1,553,407	203,219	13.08	
OPERATING EXPENSES					
General operating expenses	1,855,225	1,593,353	261,872	16.44	
Operating income	(98,599)	(39,946)	(212,853)	532.85	
Change in net position	$ (98,599)	$ (39,946)	$ (212,853)	532.85	%

Financial Analysis of the City's Funds

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

Governmental Fund Balance

The City's combined fund balances as of the end of the current fiscal year for governmental funds, presented on page 19, were $49,845,089 compared to $36,000,817 in the prior fiscal year, an increase of $13,844,272 or 38.46% primarily from the issuance of Series 2024 Certificates of Participation of $23,045,000 offset by significant increases in capital expenditures for infrastructure projects and equipment purchases.

City of Fairburn Summary of Governmental Fund Balances

	2025	2024	$ Change
General Fund	$ 13,601,587	$ 23,485,136	$ (9,883,549)
General Obligation Bond Capital Projects Fund	26,125,767	4,007,673	22,118,094
TSPLOST Fund	4,629,022	3,677,498	951,524
Capital Improvement Fund	4,204,172	3,590,050	614,122
Other Governmental Funds	1,284,541	1,240,460	44,081
Total Governmental Fund Balances	$ 49,845,089	$ 36,000,817	$ 13,844,272

City of Fairburn Summary Changes in Governmental Fund Balance

	2025	2024	$ Change	% Change
Revenues				
Property taxes	$ 13,060,149	$ 12,970,566	$ 89,583	0.69 %
Sales taxes	5,535,730	5,534,758	972	0.02
Franchise taxes	1,515,038	1,305,043	209,995	16.09
Insurance premium taxes	1,574,062	1,462,342	111,720	7.64
Motor vehicle taxes	882,592	810,659	71,933	8.87
Beer, wine, and liquor taxes	285,248	287,604	(2,356)	(0.82)
Hotel/motel taxes	300,676	310,287	(9,611)	(3.10)
Other taxes	204,391	292,986	(88,595)	(30.24)
Licenses and permits	2,298,267	1,422,246	876,021	61.59
Intergovernmental	6,213,425	9,273,822	(3,060,397)	(33.00)
Fines and forfeitures	897,583	694,677	202,906	29.21
Charges for services	303,112	330,645	(27,533)	(8.33)
Interest revenue	612,199	1,129,364	(517,165)	(45.79)
Other revenues	693,364	1,375,082	(681,718)	(49.58)
Total revenues	$ 34,375,836	$ 37,200,081	$ (2,824,245)	(7.59)
Expenditures				
Current:				
General government	$ 7,016,325	$ 6,545,983	$ 470,342	7.19
Judicial	623,613	626,513	(2,900)	(0.46)
Public safety	12,849,823	10,745,738	2,104,085	19.58
Public works	3,847,747	6,642,388	(2,794,641)	(42.07)
Culture and recreation	1,703,449	1,469,499	233,950	15.92
Planning and development	2,133,868	1,882,818	251,050	13.33
Capital outlays	12,795,245	7,551,735	5,243,510	69.43
Debt service:				
Principal	1,609,045	1,401,265	207,780	14.83
Interest	949,549	420,428	529,121	125.85
Issuance costs	646,283	-	646,283	-
Total expenditures	44,174,947	37,286,367	6,888,580	18.47
Excess (deficiency) of revenues over (under) expenditures	(9,799,111)	(86,286)	(9,712,825)	11,256.55
Other Financing Sources (Uses)				
Issuance of financed purchases	392,229	-	392,229	-
Issuance of bonds	23,045,000	-	-	-
Bond premium	1,083,301	-	-	-
Proceeds from sale of capital assets	4,892	32,243	(27,351)	(84.83)
Loss from termination of leases	(3,330)	-	(3,330)	-
Issuance of leases	499,403	923,722	(424,319)	(45.94)
Transfers in	6,565,602	2,435,940	4,129,662	169.53
Transfers out	(7,943,714)	(2,892,940)	(5,050,774)	174.59
Total other financing sources (uses)	23,643,383	498,965	(983,883)	(197.18)
Net change in fund balances	$ 13,844,272	$ 412,679	$ (10,696,708)	(2,592.02) %

Net change in fund balances for fiscal year 2025 was $13,844,272 as compared to a deficiency of $412,379 in the prior fiscal year. The General Fund had a deficiency of ($9,883,549) due to transfers out to other funds; the General Obligation Bond Capital Projects Fund had an excess of $22,118,094 due to the issuance of the 2024 Certificates of Participation; the TSPLOST Fund had an excess of $951,524 as revenues exceeded capital expenditures; The Capital Improvement Fund had an excess of $614,122; and non-major governmental funds had an excess of $44,081.

Total governmental revenues decreased $2,824,245 or 7.59%. Franchise taxes increased $209,995 or 16.09% primarily from increases in electric franchise fees. Insurance premium taxes increased $111,720 or 7.64% as insurance premiums in Georgia continue to increase. Intergovernmental revenues decreased $3,060,397 or 33% as the City recognized the remaining revenues from the American Recovery Plan Fund in the prior fiscal year. Fines and forfeitures increased $202,906 or 29.21% because of increases in citations as well as incentive programs to collect delinquent fines. Interest revenues decreased $517,165 or 45.79% as a result of decreases in interest rates on surplus funds. Other revenues decreased $681,718 or 49.58% as the prior year benefitted from insurance claim recoveries of $864,638.

Total governmental expenditures increased $6,888,580 or 18.47%. General government expenditures increased $470,342 or 7.19% primarily from increases in salaries and benefits and general increases in operating expenditures. Public safety expenses increased $2,104,085 or 19.58% as a result of increases in wages and benefits and general increases in operating expenses. Public works expenses decreased $2,794,641 or 42.07% as the prior year benefitted from several grant funded infrastructure projects. Culture and Recreation expenses increased $233,950 or 15.92% as services have increased as the City invests more in cultural activities such as the Fairburn Festival. Planning and Development expenses have increased $251,050 or 13.33% as salaries and benefits have increased and the City invests more in development projects. Capital outlays have increased $5,243,510 as the City allocates general fund surpluses to capital improvement projects. Principal, interest costs and issuance costs have increased $207,780 (14.83%), 529,121 (125.85%) and $646,283, respectively, as the City issued Series 2024 Certificates of Participation for $23,045,000.

Analysis of Major Funds

General Fund

General Fund revenues increased slightly by $224,337 or less than 1%. Property taxes and sales tax revenues were consistent with the prior year, increasing $846 and $972, respectively, or less than 1%. Franchise taxes increased $209,995 or 16.09% primarily from increases in electric franchise fees. Insurance premium taxes increased $111,720 or 7.64% as insurance premiums in Georgia continue to increase. Fines and forfeitures increased $202,906 or 29.21% because of increases in citations as well as incentive programs to collect delinquent fines. Interest revenues decreased $486,647 or 46.47% as a result of decreases in interest rates on surplus funds. Other revenues decreased $614,691 or 54.64% as the prior year benefitted from insurance claim recoveries of $864,638.

General fund expenditures increased $3,668,848 or 15.32%. General government expenditures increased $590,791 or 9.48% primarily from increases in salaries and benefits and general increases in operating expenditures. Public safety expenses increased $2,438,313 or 23.51% as a result of increases in wages and benefits and increases in general operating expenses. Public works expenses were consistent with the prior year and increased $37,258 or 1.38%. Culture and recreation expenses increased $233,950 or 15.92% as services have increased and the City invests more in cultural activities such as the Fairburn Festival. Planning and development expenses have increased $251,050 or 13.33% as salaries and benefits have increased and the City invests more in development projects. Principal and interest costs have increased $120,386 as the City leased additional vehicles.

Capital Improvement Fund

The Capital Improvement Fund accounts for capital expenditures made by the City on long-term projects and equipment purchases. In fiscal year 2025, the City transferred $6,490,602 of General Fund surpluses to fund various capital projects. The City expended $6,381,457 for capital purchases in fiscal year 2025, including purchase and delivery of three fire trucks totaling $3,007,000; public safety building design and construction totaling $1,048,744; and various other infrastructure and equipment purchases totaling $2,325,713.

General Obligation Capital Projects Fund

The General Obligation Bond Capital Projects Fund accounts for the City's general obligation bond proceeds to be used for the acquisition and construction of major capital facilities. These bonds are repaid by a separate millage applied to property taxes. Property taxes for this fund were $2,058,824 and $1,970,087 for fiscal year 2025 and 2024, respectively. Property taxes increased $88,737 or 4.50%, as assessed values continue to increase in Fulton County. This fund had capital outlays of $2,123,802 and $1,251,893 for fiscal year 2025 and 2024, respectively, for design and construction of a new fire station. In fiscal year 2025, the City issued Series 2024 Certificates of Participation of $23,045,000 including premiums of $1,083,301. Debt service expenditures were $1,346,445 and $795,113 for fiscal year 2025 and 2024, respectively. The City incurred $646,283 in issuance costs and a result of the issuance of these certificates.

TSPLOST Fund

This fund accounts for the proceeds of the transportation special purpose local option sales tax for the various improvement projects approved by voter referendum. Intergovernmental revenues for this fund were $5,094,508 and $3,671,831 for fiscal year 2025 and 2024, respectively. Capital outlays for this fund increased $1,970,123 or 89.36%, from $2,204,613 in fiscal year 2024 to $4,174,736 in fiscal year 2025, primarily for streetscape and roadway improvements.

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 $585,936 better than budgeted.

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

- General Fund revenues in total were $537,963 less than budgeted. Budgeted revenues are generally based on prior years' activity and trends. Property taxes were $473,993 less than budgeted as assessed values did not increase as originally projected. Revenues from licenses and permits were $401,316 better than budgeted as the City continues to experience robust commercial and residential development. Fines and forfeitures were $157,995 better than budgeted because of increases in citations as well as incentive programs to collect delinquent fines. Interest income was $364,402 less than budgeted as interest rate declines were not anticipated in the budget.
- The actual expenditures of $27,620,156 were $3,395,984 less than budgeted as management continues control measures implemented in prior years as well as very conservative budget estimates.

Capital Asset and Debt Administration

Capital Assets

The City has invested $106,019,311 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	
	2025	2024	2025	2024	2025	2024
Land	$ 5,987,227	$ 5,987,227	$ 3,924,899	$ 3,924,899	$ 9,912,126	$ 9,912,126
Construction in progress	8,485,043	14,776,208	1,111,435	15,299	9,596,478	14,791,507
Buildings, grounds and improvements	12,185,309	7,088,790	13,437,326	14,063,351	25,622,635	21,152,141
Machinery and equipment	2,176,358	456,350	1,126,224	358,527	3,302,582	814,877
Infrastructure	35,312,659	29,749,691	13,589,006	13,753,726	48,901,665	43,503,417
Vehicles	4,096,426	1,539,121	2,320,509	1,793,379	6,416,935	3,332,500
Right-to-use assets	1,803,607	2,039,040	463,283	504,630	2,266,890	2,543,670
	$ 70,046,629	$ 61,636,427	$ 35,972,682	$ 34,413,811	$ 106,019,311	$ 96,050,238

Net capital assets for governmental activities increased $8,410,202 and is primarily related to infrastructure projects funded by TSPLOST funds as well as significant replacement of city-wide vehicles and a new fire station. Net capital assets for business-type activities increased $1,558,871. The detailed capital assets schedule is reported in Note 7 of the footnotes to the financial statements.

Long-Term Debt

At the end of the current fiscal year, the City had long-term debt related to business-type activities of $31,528,540 and $32,612,752 for governmental activities. In fiscal year 2025, the City issued Series 2024 Certificates of Participation with principal of $23,045,000 related to governmental activities and Series 2024 Revenue Bonds related to electric and water and sewer activities. Bonds, notes, and financed purchases outstanding as of the fiscal year ended September 30, 2025 are fully secured by the full faith and credit of the City. Business-type activities debt is secured by electric, water and sewer, and educational complex revenues while governmental debt is secured by general revenues.

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

	2025	2024
Governmental Activities		
2017 Refunding Bonds	$ 4,820,000	$ 5,475,000
2024 Certificates of Participation	23,045,000	-
Financed Purchases	2,850,248	2,765,857
Lease Liabilities	1,897,504	2,117,921
	$ 32,612,752	$ 10,358,778
Business-Type Activities		
Series 2013 Revenue Refunding Bonds	$ -	$ 1,110,000
Series 2014 Utility Bonds	2,695,000	2,910,000
Series 2024 Revenue Bonds	16,565,000	-
Series 2017 Educational Revenue Refunding Bonds	7,270,000	7,270,000
Seried 2023 Educational Revenue Refunding Bonds	3,915,000	3,915,000
Financed Purchases	615,976	-
Lease Liabilites	467,564	503,098
	$ 31,528,540	$ 15,708,098

Economic Factors and Next Fiscal Year's Budgets and Rates

The City continues to enjoy the benefits of its location along I-85 and its proximity to the Atlanta Airport. Commercial and industrial development is also rebounding, especially large regional distribution centers along Oakley Industrial Boulevard and national retailers along the Highway 74 corridor to Tyrone and Peachtree City south of the Interstate 85 interchange.

Service levels continue to improve, and revenue estimates are conservatively made. Property taxes for general operations remained at 8.1 mills and debt service millage remained at 1.46 for the October 2025 billing.

Utility rates had not increased since 2013. The City increased rates in January 2024 for electric by 8% and water and sewage by 5%. Rate increases will continue for 3 years. The rate increase will help continue to improve services for the citizens of Fairburn.

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 Administration Building, 314 NW Broad Street, Fairburn, Georgia 30213-1341.

CITY OF FAIRBURN, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 26,639,857	$ 17,017,182	$ 43,657,039
Restricted cash and cash equivalents	24,348,774	19,131,203	43,479,977
Investments	107,626	6,259,983	6,367,609
Investments with fiscal agent (restricted assets)	-	70,526	70,526
Accounts receivable, net of allowances	-	3,405,487	3,405,487
Taxes receivable, net of allowances	789,952	-	789,952
Lease receivable, current	-	233,754	233,754
Lease receivable, noncurrent	-	5,097,851	5,097,851
Intergovernmental receivables	591,920	-	591,920
Internal balances	325,609	(325,609)	-
Inventory	33,609	-	33,609
Other receivables	236,901	398,000	634,901
Prepaid items	255,110	250	255,360
Capital assets:			
Non-depreciable	14,472,270	5,036,334	19,508,604
Depreciable, net of accumulated depreciation/amortization	55,574,359	30,936,348	86,510,707
Total assets	123,375,987	87,261,309	210,637,296
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding of debt	261,729	388,190	649,919
Pension related items	1,827,729	282,546	2,110,275
Total deferred outflows of resources	2,089,458	670,736	2,760,194
LIABILITIES			
Accounts payable	1,910,390	3,114,505	5,024,895
Funds held in escrow (due to others)	1,006,367	-	1,006,367
Accrued liabilities	288,709	53,730	342,439
Accrued interest payable	345,162	492,767	837,929
Customer deposits payable	7,324	845,499	852,823
Compensated absences due within one fiscal year	1,261,245	97,240	1,358,485
Compensated absences due in more than one fiscal year	497,963	22,918	520,881
Lease liabilities due within one fiscal year	735,867	189,338	925,205
Lease liabilities due in more than one fiscal year	1,161,637	278,226	1,439,863
Financed purchases due within one fiscal year	344,550	97,487	442,037
Financed purchases due in more than one fiscal year	2,505,698	518,489	3,024,187
Certificates of participation, due within one fiscal year	315,000	-	315,000
Certificates of participation, due in more than one fiscal year	23,780,971	-	23,780,971
Bonds payable due within one fiscal year	665,000	585,000	1,250,000
Bonds payable due in more than one fiscal year	4,155,000	30,624,938	34,779,938
Net pension liability	1,941,197	300,086	2,241,283
Total liabilities	40,922,080	37,220,223	78,142,303
DEFERRED INFLOWS OF RESOURCES			
Deferred lease revenue	-	5,108,104	5,108,104
Pension related items	1,433,411	221,589	1,655,000
Total deferred inflows of resources	1,433,411	5,329,693	6,763,104
NET POSITION			
Net investment in capital assets	59,920,416	22,957,713	82,878,129
Restricted for debt service	12,572	240,884	253,456
Restricted for capital construction	2,077,095	-	2,077,095
Restricted for transportation projects	5,287,719	-	5,287,719
Restricted for law enforcement activities	81,797	-	81,797
Restricted for planning and development	391,189	-	391,189
Restricted for cemetery operating capital	78,154	-	78,154
Restricted by third party as letter of credit	-	70,526	70,526
Restricted for tourism	361,578	-	361,578
Unrestricted	14,899,434	22,113,006	37,012,440
Total net position	$ 83,109,954	$ 45,382,129	$ 128,492,083

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, 2025

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	$ 7,234,640	$ 2,238,918	$ -	$ 273,992	$ (4,721,730)	$ -	$ (4,721,730)
Judicial	629,378	857,995	-	-	228,617	-	228,617
Public safety	14,373,437	39,588	-	39,025	(14,294,824)	-	(14,294,824)
Public works	6,726,671	362,461	-	6,156,057	(208,153)	-	(208,153)
Culture and recreation	2,087,160	137,190	-	-	(1,949,970)	-	(1,949,970)
Planning and development	2,243,404	-	-	-	(2,243,404)	-	(2,243,404)
Interest and fiscal charges	1,944,333	-	-	-	(1,944,333)	-	(1,944,333)
Total governmental activities	35,239,023	3,636,152	-	6,469,074	(25,133,797)	-	(25,133,797)
Business-type activities:							
Electric	13,366,456	12,189,235	-	-	-	(1,177,221)	(1,177,221)
Water and sewer	9,900,226	9,709,318	-	1,435,260	-	1,244,352	1,244,352
Educational complex	1,024,304	284,937	-	-	-	(739,367)	(739,367)
Stormwater	506,912	955,599	-	89,628	-	538,315	538,315
Sanitation	1,855,225	1,756,626	-	-	-	(98,599)	(98,599)
Total business-type activities	26,653,123	24,895,715	-	1,524,888	-	(232,520)	(232,520)
Total primary government	$ 61,892,146	$ 28,531,867	$ -	$ 7,993,962	$ (25,133,797)	$ (232,520)	$ (25,366,317)
General revenues:							
Property taxes					$ 12,923,038	$ -	$ 12,923,038
Franchise taxes					1,515,038	-	1,515,038
Insurance premium taxes					1,574,062	-	1,574,062
Sales and use taxes					5,535,730	-	5,535,730
Motor vehicle taxes					882,592	-	882,592
Beer, wine, and liquor taxes					285,248	-	285,248
Hotel/Motel taxes					300,676	-	300,676
Other taxes					204,391	-	204,391
Unrestricted investment earnings					580,447	369,765	950,212
Miscellaneous					527,439	-	527,439
Transfers					(1,378,112)	1,378,112	-
Total general revenues and transfers					22,950,549	1,747,877	24,698,426
Change in net position					(2,183,248)	1,515,357	(667,891)
Net position, beginning of fiscal year					85,962,225	43,909,958	129,872,183
Restatement - change in accounting principle					(669,023)	(43,186)	(712,209)
Net position, beginning of fiscal year, as restated					85,293,202	43,866,772	129,159,974
Net position, end of fiscal year					$ 83,109,954	$ 45,382,129	$ 128,492,083

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

CITY OF FAIRBURN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

ASSETS	General Fund	Capital Improvement Fund	General Obligation Bond Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 14,643,359	$ 4,237,548	$ 1,820,798	$ 4,983,465	$ 954,687	$ 26,639,857
Restricted cash and cash equivalents	-	-	24,348,774	-	-	24,348,774
Investments	21,639	-	-	-	85,987	107,626
Taxes receivable, net of allowances	739,863	-	24,195	-	25,894	789,952
Other receivables	236,901	-	-	-	-	236,901
Intergovernmental receivables	-	-	-	304,254	287,666	591,920
Due from other funds	325,609	-	-	-	-	325,609
Prepaid items	225,110	-	-	-	30,000	255,110
Inventory	33,609	-	-	-	-	33,609
Total assets	$ 16,226,090	$ 4,237,548	$ 26,193,767	$ 5,287,719	$ 1,384,234	$ 53,329,358
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 1,072,555	$ 33,376	$ 46,069	$ 658,697	$ 99,693	$ 1,910,390
Funds held in escrow	1,006,367	-	-	-	-	1,006,367
Accrued liabilities	268,233	-	-	-	-	268,233
Customer deposits	7,324	-	-	-	-	7,324
Other liabilities	20,476	-	-	-	-	20,476
Total liabilities	2,374,955	33,376	46,069	658,697	99,693	3,212,790
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	249,548	-	21,931	-	-	271,479
Total deferred inflows of resources	249,548	-	21,931	-	-	271,479
FUND BALANCES						
Fund balances:						
Nonspendable for:						
Prepaid items	225,110	-	-	-	30,000	255,110
Inventory	33,609	-	-	-	-	33,609
Corpus of perpetual care cemetery funds	-	-	-	-	10,000	10,000
Restricted for:						
Capital construction	-	-	26,113,195	-	-	26,113,195
Planning and development	-	-	-	-	351,189	351,189
Debt service	-	-	12,572	-	-	12,572
Law enforcement activities	-	-	-	-	81,797	81,797
Cemetery operating capital	-	-	-	-	78,154	78,154
Transportation projects	-	-	-	4,629,022	-	4,629,022
Tourism	-	-	-	-	361,578	361,578
Committed for:						
Tree bank	453,940	-	-	-	-	453,940
Assigned for:						
Capital construction	833,000	4,204,172	-	-	-	5,037,172
Planning and development	-	-	-	-	371,823	371,823
Unassigned	12,055,928	-	-	-	-	12,055,928
Total fund balances	13,601,587	4,204,172	26,125,767	4,629,022	1,284,541	49,845,089
Total liabilities, deferred inflows of resources, and fund balances	$ 16,226,090	$ 4,237,548	$ 26,193,767	$ 5,287,719	$ 1,384,234	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	70,046,629
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds.	271,479
The net pension liability, deferred outflows of resources related to pensions, and deferred inflows related to pensions are not current financial resources and, therefore, are not reported in the governmental funds.	(1,546,879)
Long-term liabilities, including bonds payable and related items, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(35,506,364)
Net position of governmental activities	$ 83,109,954

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, 2025

	General Fund	*(Previously Nonmajor)* Capital Improvement Fund	General Obligation Bond Capital Projects Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 20,998,386	$ -	$ 2,058,824	$ -	$ 300,676	$ 23,357,886
Licenses and permits	2,298,267	-	-	-	-	2,298,267
Intergovernmental	-	-	-	5,094,508	1,118,917	6,213,425
Fines and forfeitures	857,995	-	-	-	39,588	897,583
Charges for services	303,112	-	-	-	-	303,112
Interest income	560,608	-	18,764	31,752	1,075	612,199
Miscellaneous revenue	510,391	38,456	28,735	-	115,782	693,364
Total revenues	25,528,759	38,456	2,106,323	5,126,260	1,576,038	34,375,836
Expenditures						
Current:						
General government	6,824,628	-	-	-	191,697	7,016,325
Judicial	623,613	-	-	-	-	623,613
Public safety	12,810,528	-	-	-	39,295	12,849,823
Public works	2,737,032	-	-	-	1,110,715	3,847,747
Culture and recreation	1,703,449	-	-	-	-	1,703,449
Planning and development	2,133,868	-	-	-	-	2,133,868
Capital outlay	-	6,381,457	2,123,802	4,174,736	115,250	12,795,245
Debt service:						
Principal retirements	646,207	307,838	655,000	-	-	1,609,045
Interest and fiscal charges	140,831	117,273	691,445	-	-	949,549
Debt issuance costs	-	-	646,283	-	-	646,283
Total expenditures	27,620,156	6,806,568	4,116,530	4,174,736	1,456,957	44,174,947
Excess (deficiency) of revenues over (under) expenditures	(2,091,397)	(6,768,112)	(2,010,207)	951,524	119,081	(9,799,111)
Other financing sources (uses):						
Proceeds from disposal of capital assets	4,892	-	-	-	-	4,892
Loss from termination of leases	(3,330)	-	-	-	-	(3,330)
Issuance of leases	-	499,403	-	-	-	499,403
Issuance of financed purchases	-	392,229	-	-	-	392,229
Issuance of bonds	-	-	23,045,000	-	-	23,045,000
Bond premium	-	-	1,083,301	-	-	1,083,301
Transfers in	75,000	6,490,602	-	-	-	6,565,602
Transfers out	(7,868,714)	-	-	-	(75,000)	(7,943,714)
Total other financing sources (uses)	(7,792,152)	7,382,234	24,128,301	-	(75,000)	23,643,383
Net change in fund balances	(9,883,549)	614,122	22,118,094	951,524	44,081	13,844,272
Fund balances, beginning of fiscal year	23,485,136	-	4,007,673	3,677,498	4,830,510	36,000,817
Adjustment - change within reporting entity	-	3,590,050	-	-	(3,590,050)	-
Fund balances, beginning of fiscal year, as adjusted	23,485,136	3,590,050	4,007,673	3,677,498	1,240,460	36,000,817
Fund balances, end of fiscal year	$ 13,601,587	$ 4,204,172	$ 26,125,767	$ 4,629,022	$ 1,284,541	$ 49,845,089

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, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 13,844,272
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 and amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization expense in the current period.		8,189,935
The effect of capital assets donations is to increase net position.		273,992
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(215,941)
The disposals of capital assets are not reflected on the governmental funds but the net effect of the disposal is reflected on the statement of activities.		(53,725)
Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond insurance costs, premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items is as follows:		
Principal payment on bonds payable	$ 655,000	
Principal payment on lease liabilities	646,207	
Partial termination of lease liability	73,613	
Principal payment on financed purchases	307,838	
Issuance of bonds payable	(23,045,000)	
Premium on bond issuance	(1,083,301)	
Issuance of lease liabilities	(499,403)	
Issuance of financed purchases	(392,229)	
Amortization of deferred charges, bond premium, prepaid bond insurance costs	(48,964)	(23,386,239)
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		(299,537)
Change in deferred inflows and outflows - pension related items and net pension liability		(286,857)
Change in compensated absences		(249,148)
Change in net position - governmental activities		$ (2,183,248)

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 11,475,318	$ 11,475,318	$ 11,001,325	$ (473,993)
Sales taxes	5,475,000	5,475,000	5,535,730	60,730
Franchise taxes	1,650,000	1,650,000	1,515,038	(134,962)
Insurance premium taxes	1,450,000	1,450,000	1,574,062	124,062
Beer, liquor, and wine taxes	290,000	290,000	285,248	(4,752)
Motor vehicle taxes	800,000	800,000	882,592	82,592
Other taxes	250,000	250,000	204,391	(45,609)
Licenses and permits	1,881,950	1,896,951	2,298,267	401,316
Fines and forfeitures	700,000	700,000	857,995	157,995
Interest income	925,010	925,010	560,608	(364,402)
Charges for services	360,336	360,336	303,112	(57,224)
Miscellaneous	809,107	794,107	510,391	(283,716)
Total revenues	26,066,721	26,066,722	25,528,759	(537,963)
Expenditures				
Current:				
General government:				
Mayor and council	422,026	422,027	371,729	50,298
Administration	1,454,583	1,499,581	1,302,195	197,386
City Administrator	2,852,476	2,092,477	1,798,408	294,069
Finance	1,256,216	1,256,218	1,108,650	147,568
Technology	1,016,918	1,051,918	845,847	206,071
Property management	1,759,576	1,819,576	1,397,799	421,777
Total general government	8,761,795	8,141,797	6,824,628	1,317,169
Judicial:				
Municipal court	674,719	674,719	623,613	51,106
Total judicial	674,719	674,719	623,613	51,106
Public safety:				
Police	6,895,549	7,017,626	6,817,481	200,145
Fire	6,469,558	6,584,248	5,835,107	749,141
Public relations	239,075	239,075	157,940	81,135
Total public safety	13,604,182	13,840,949	12,810,528	1,030,421
Public works:				
Public works administration	692,980	692,981	661,914	31,067
Highways and streets	2,008,674	2,008,673	1,825,642	183,031
Maintenance and shop	317,400	317,400	249,476	67,924
Total public works	3,019,054	3,019,054	2,737,032	282,022
Culture and recreation:				
Recreation	2,020,776	2,041,674	1,703,449	338,225
Total culture and recreation	2,020,776	2,041,674	1,703,449	338,225
Planning and development:				
Protective inspection and enforcement	900,040	900,040	786,174	113,866
Planning and zoning	1,466,407	1,597,907	1,347,694	250,213
Total planning and development	2,366,447	2,497,947	2,133,868	364,079
Debt service:				
Principal retirements	-	650,000	646,207	3,793
Interest and fiscal charges	-	150,000	140,831	9,169
Total debt service	-	800,000	787,038	12,962
Total expenditures	30,446,973	31,016,140	27,620,156	3,395,984
Deficiency of revenues over expenditures	(4,380,252)	(4,949,418)	(2,091,397)	2,858,021
Other financing sources (uses)				
Proceeds from sale of capital assets	15,000	15,000	4,892	(10,108)
Loss on termination of leases	-	-	(3,330)	(3,330)
Transfers in	1,124,705	1,124,705	75,000	(1,049,705)
Transfers out	(6,706,122)	(6,659,772)	(7,868,714)	(1,208,942)
Total other financing sources (uses)	(5,566,417)	(5,520,067)	(7,792,152)	(2,272,085)
Net change in fund balances	(9,946,669)	(10,469,485)	(9,883,549)	585,936
Fund balance, beginning of fiscal year	23,485,136	23,485,136	23,485,136	-
Fund balance, end of fiscal year	$ 13,538,467	$ 13,015,651	$ 13,601,587	$ 585,936

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

CITY OF FAIRBURN, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

ASSETS	Business-Type Activities - Enterprise Funds: Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Fund	Total
CURRENT ASSETS						
Cash and cash equivalents	$ -	$ 7,488,093	$ 3,016,483	$ 5,755,402	$ 757,204	$ 17,017,182
Restricted cash and cash equivalents	-	18,796,036	335,167	-	-	19,131,203
Investments	6,259,983	-	-	-	-	6,259,983
Investments with fiscal agent (restricted assets)	70,526	-	-	-	-	70,526
Accounts receivable, net of allowances	1,256,007	1,730,662	-	132,334	286,484	3,405,487
Lease receivable	-	-	233,754	-	-	233,754
Other receivable	398,000	-	-	-	-	398,000
Prepaid items	250	-	-	-	-	250
Total current assets	7,984,766	28,014,791	3,585,404	5,887,736	1,043,688	46,516,385
NONCURRENT ASSETS						
Capital assets:						
Non-depreciable	923,561	2,473,744	1,639,029	-	-	5,036,334
Depreciable, net of accumulated depreciation and amortization	5,094,366	12,758,611	8,630,038	4,453,333	-	30,936,348
Lease receivable	-	-	5,097,851	-	-	5,097,851
Total noncurrent assets	6,017,927	15,232,355	15,366,918	4,453,333	-	41,070,533
Total assets	14,002,693	43,247,146	18,952,322	10,341,069	1,043,688	87,586,918
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	189,824	92,722	-	-	-	282,546
Deferred loss on refunding of debt	-	-	388,190	-	-	388,190
Total deferred outflows of resources	189,824	92,722	388,190	-	-	670,736
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	1,349,082	1,374,720	38,714	45,084	306,905	3,114,505
Accrued liabilities	34,082	12,148	-	7,500	-	53,730
Accrued interest payable	-	444,422	48,345	-	-	492,767
Due to other funds	325,609	-	-	-	-	325,609
Customer deposits	583,286	250,180	-	-	12,033	845,499
Compensated absences payable	77,355	19,885	-	-	-	97,240
Lease liabilities payable	57,475	131,863	-	-	-	189,338
Financed purchases payable	97,487	-	-	-	-	97,487
Revenue bonds payable	-	585,000	-	-	-	585,000
Total current liabilities	2,524,376	2,818,218	87,059	52,584	318,938	5,801,175
NONCURRENT LIABILITIES						
Compensated absences payable	18,334	4,584	-	-	-	22,918
Lease liabilities payable	70,938	207,288	-	-	-	278,226
Financed purchases payable	518,489	-	-	-	-	518,489
Net pension liability	201,608	98,478	-	-	-	300,086
Revenue bonds payable	-	19,439,938	11,185,000	-	-	30,624,938
Total noncurrent liabilities	809,369	19,750,288	11,185,000	-	-	31,744,657
Total liabilities	3,333,745	22,568,506	11,272,059	52,584	318,938	37,545,832
DEFERRED INFLOWS OF RESOURCES						
Deferred lease revenue	-	-	5,108,104	-	-	5,108,104
Pension related items	148,871	72,718	-	-	-	221,589
Total deferred inflows of resources	148,871	72,718	5,108,104	-	-	5,329,693
NET POSITION						
Net investment in capital assets	5,273,538	13,643,566	(412,724)	4,453,333	-	22,957,713
Restricted for debt service	-	20,736	220,148	-	-	240,884
Restricted by third party as letter of credit	70,526	-	-	-	-	70,526
Unrestricted	5,365,837	7,034,342	3,152,925	5,835,152	724,750	22,113,006
Total net position	$ 10,709,901	$ 20,698,644	$ 2,960,349	$ 10,288,485	$ 724,750	$ 45,382,129

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, 2025

	Business-Type Activities - Enterprise Funds					
	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Fund	Total
OPERATING REVENUES						
Charges for sales and services	$ 11,904,334	$ 9,709,318	$ 284,937	$ 955,599	$ 1,707,607	$ 24,561,795
Miscellaneous income	284,901	-	-	-	49,019	333,920
Total operating revenues	12,189,235	9,709,318	284,937	955,599	1,756,626	24,895,715
OPERATING EXPENSES						
Cost of sales and services	10,018,148	4,046,790	-	-	-	14,064,938
General operating expenses	2,906,524	2,633,969	141,257	288,300	1,855,225	7,825,275
Depreciation and amortization	416,061	876,611	349,833	218,612	-	1,861,117
Total operating expenses	13,340,733	7,557,370	491,090	506,912	1,855,225	23,751,330
Operating income (loss)	(1,151,498)	2,151,948	(206,153)	448,687	(98,599)	1,144,385
NON-OPERATING REVENUES (EXPENSES)						
Investment income	251,965	41,182	76,618	-	-	369,765
Bond issuance costs	-	(685,821)	-	-	-	(685,821)
Interest expense	(25,723)	(1,657,035)	(533,214)	-	-	(2,215,972)
Total non-operating revenues (expenses)	226,242	(2,301,674)	(456,596)	-	-	(2,532,028)
Income (loss) before contributions and transfers	(925,256)	(149,726)	(662,749)	448,687	(98,599)	(1,387,643)
Capital contributions	-	1,435,260	-	89,628	-	1,524,888
Transfers in	-	-	1,378,112	-	-	1,378,112
	-	1,435,260	1,378,112	89,628	-	2,903,000
Change in net position	(925,256)	1,285,534	715,363	538,315	(98,599)	1,515,357
Net position, beginning of fiscal year, as previously reported	11,666,961	19,424,492	2,244,986	9,750,170	823,349	43,909,958
Restatement - change in accounting principle	(31,804)	(11,382)	-	-	-	(43,186)
Net position, beginning of fiscal year, as restated	11,635,157	19,413,110	2,244,986	9,750,170	823,349	43,866,772
Net position, end of fiscal year	$ 10,709,901	$ 20,698,644	$ 2,960,349	$ 10,288,485	$ 724,750	$ 45,382,129

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, 2025

	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 12,679,051	$ 9,943,908	$ 284,937	$ 972,359	$ 1,861,468	$ 25,741,723
Payments to suppliers	(10,220,316)	(5,687,114)	(158,424)	(271,321)	(1,697,196)	(18,034,371)
Payments to employees	(1,756,738)	(211,288)	-	-	-	(1,968,026)
Net cash provided by operating activities	701,997	4,045,506	126,513	701,038	164,272	5,739,326
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers in from other funds	-	-	1,378,112	-	-	1,378,112
Net cash provided by non-capital financing activities	-	-	1,378,112	-	-	1,378,112
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(1,486,564)	(869,236)	-	-	-	(2,355,800)
Capital contributions - tap fees	-	1,258,980	-	-	-	1,258,980
Proceeds from bond issuance	-	17,320,798	-	-	-	17,320,798
Principal payment on financed purchases	(46,601)	-	-	-	-	(46,601)
Payment of bond issuance cost	-	(685,821)	-	-	-	(685,821)
Principal payment on lease liabilities	(54,937)	(116,300)	-	-	-	(171,237)
Principal payment on bonds	-	(1,325,000)	-	-	-	(1,325,000)
Interest payments	(25,724)	(1,265,233)	(416,395)	-	-	(1,707,352)
Net cash provided by (used in) capital and related financing activities	(1,613,826)	14,318,188	(416,395)	-	-	12,287,967
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	251,965	41,183	76,618	-	-	369,766
Redemption of investments	(85,299)	-	-	-	-	(85,299)
Net cash provided by investing activities	166,666	41,183	76,618	-	-	284,467
Net increase (decrease) in cash and cash equivalents	(745,163)	18,404,877	1,164,848	701,038	164,272	19,689,872
Cash and cash equivalents, beginning of fiscal year	745,163	7,879,252	2,186,802	5,054,364	592,932	16,458,513
Cash and cash equivalents, end of fiscal year	$ -	$ 26,284,129	$ 3,351,650	$ 5,755,402	$ 757,204	$ 36,148,385
Classified as:						
Cash and cash equivalents	$ -	$ 7,488,093	$ 3,016,483	$ 5,755,402	$ 757,204	$ 17,017,182
Restricted cash and cash equivalents	-	18,796,036	335,167	-	-	19,131,203
	$ -	$ 26,284,129	$ 3,351,650	$ 5,755,402	$ 757,204	$ 36,148,385
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income (loss)	$ (1,151,498)	$ 2,151,948	$ (206,153)	$ 448,687	$ (98,599)	$ 1,144,385
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	416,061	876,611	349,833	218,612	-	1,861,117
Change in assets and liabilities and deferred inflows/outflows of resources:						
(Increase) decrease in:						
Accounts receivable	394,638	238,376	-	16,760	104,227	754,001
Deferred outflows for pension items	30,727	(7,126)	-	-	-	23,601
Increase (decrease) in:						
Accounts payable	594,303	762,604	35,927	16,979	158,029	1,567,842
Due to other funds	325,609	-	-	-	-	325,609
Accrued liabilities and retainage payables	10,989	2,087	-	-	-	13,076
Deferred inflows for pension items	148,871	72,718	-	-	-	221,589
Deferred inflows for rent	-	-	(53,094)	-	-	(53,094)
Net pension asset	(169,645)	(45,605)	-	-	-	(215,250)
Customer deposits	95,178	(3,786)	-	-	615	92,007
Compensated absences payable	6,764	(2,321)	-	-	-	4,443
Net cash provided by operating activities	$ 701,997	$ 4,045,506	$ 126,513	$ 701,038	$ 164,272	$ 5,739,326
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets through leases and financed purchases	$ 700,629	$ 97,651	$ -	$ -	$ -	$ 798,280
Contributions of capital assets	-	176,280	-	89,628	-	265,908
Total Non-Cash Capital and Related Financing Activities	$ 700,629	$ 273,931	$ -	$ 89,628	$ -	$ 1,064,188

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

Based upon criteria set forth by Governmental Accounting Standards Board (GASB) Statement No. 61 “The Financial Reporting Entity: Omnibus an Amendment of GASB Statement Nos. 14 and 34,” the accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The Development Authority (or Downtown Development Authority) of the City was created for the purpose of revitalizing and redeveloping the central business district of the City, developing and promoting for the public good and general welfare, trade, commerce, industry, and employment opportunities, and to promote the general welfare within the City. The Development Authority is composed of seven (7) members created and appointed by the City Council and Mayor. The Development Authority is reported in the City’s financial statements as a blended component unit special revenue fund as it provides services exclusively to the City as a financing instrument. The blended component unit has a September 30th fiscal year end. Financial information with regard to the Development Authority can be obtained directly from the City, City Hall, 314 NW Broad Street, Fairburn, Georgia 30213. Separate financial statements for the Development Authority are not prepared.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The City reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following nonmajor proprietary fund:

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

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

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

D. Budgets and Budgetary Accounting

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

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

F. Deposits and Investments

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

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

G. Property Taxes Receivable

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Interfund Receivables and Payables

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

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

I. Inventory and Prepaid Items

Inventory is valued at cost, using the first-in, first-out method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased. Prepaid items are accounted for using the consumption method. Payments made to vendors for services that will benefit periods beyond September 30, 2025, are recorded as prepaid items in both government-wide and fund financial statements.

J. Restricted Assets

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

K. Grants from Other Governments

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets

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

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

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

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

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. Eligible employees accrue time based on their employment classification. Vacation time is allowed to be carried over from the current calendar year up to a maximum of between 104 and 960 hours, based on employment classification, without special approval from the City Administrator. All vacation is accrued when incurred in the government-wide and proprietary fund financial statements. Sick pay is accrued in the government-wide and proprietary fund financial statements to the extent that management estimates such leave is more likely than not to be used for time off. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

N. Unearned Revenue

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Long-Term Obligations

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

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

P. Fund Equity and Net Position

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

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

Fund balances are classified as follows:

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity and Net Position (Continued)

Fund Balance (Continued)

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Management Estimates

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

R. Interfund Transactions

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

S. Deferred Outflows/Inflows of Resources

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Deferred Outflows/Inflows of Resources (Continued)

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

T. Pensions

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

U. Leases

Lessor

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Leases (Continued)

Lessor (Continued)

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

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

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

Lessee

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Leases (Continued)

Lessee (Continued)

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

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $35,506,364 difference are as follows:

Bonds payable	$ (4,820,000)
Certificates of participation (COPS) payable	(23,045,000)
Leases liabilities payable	(1,897,504)
Financed purchases payable	(2,850,248)
Compensated absences	(1,759,208)
Accrued interest payable	(345,162)
Unamortized premium on COPS	(1,050,971)
Deferred loss on refunding	261,729
Net adjustment to reduce *fund balance - total governmental funds to arrive at net position governmental activities*	$ (35,506,364)

Another element of that reconciliation explains that "The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions are not current financial resources and therefore, are not reported in the fund." The details of this $1,546,879 difference are as follows:

Net pension liability	$ (1,941,197)
Deferred outflows of resources	1,827,729
Deferred inflows of resources	(1,433,411)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position governmental activities	$ (1,546,879)

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization in the current period." The details of this $8,189,935 difference are as follows:

Capital outlay	$	11,661,221
Depreciation and amortization expense		(3,471,286)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	8,189,935

NOTE 3. LEGAL COMPLIANCE - BUDGETS

A. Budgets and Budgetary Accounting

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

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

B. Excess Expenditures Over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level (e.g. administration). For the fiscal year ended September 30, 2025, no departments in any funds had excesses of actual expenditures over appropriations.

NOTE 4. DEPOSITS AND INVESTMENTS

As of September 30, 2025, the City had the following investments:

Investment	Maturities/Weighted-Average Maturity	Fair Value
Certificates of deposit	March 9, 2026 - June 17, 2027	$ 178,152
Municipal Competitive Trust - intermediate	3.45	853,492
Municipal Competitive Trust - intermediate extended maturity	4.06	5,245,378
Municipal Competitive Trust - short-term portfolio	0.62	161,113
Georgia Fund 1	45 days	12,550
Total		$ 6,450,685

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	$ 43,657,039
Restricted cash and cash equivalents	43,479,977
Investments	6,367,609
Investments with fiscal agent (restricted assets)	70,526
	$ 93,575,151
Cash deposited with financial institutions	$ 87,124,466
Certificates of deposit	178,152
Cash deposited with Georgia Fund 1	12,550
Municipal Competitive Trust - intermediate	853,492
Municipal Competitive Trust - intermediate extended maturity	5,245,378
Municipal Competitive Trust - short-term portfolio	161,113
	$ 93,575,151

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

Credit Risk. State statutes authorize the City to invest in obligations of the State of Georgia or other States; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of September 30, 2025, the City's investments in the Municipal Competitive Trust were rated between AA+ and - AAA.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statues, and City policy, require all deposits and investments (other than Federal or State government instruments) to be collateralized at 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of September 30, 2025, the City had no bank balances that were exposed to custodial credit risk.

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

The City has the following recurring fair value measurements as of September 30, 2025:

Investment	Level 1	Level 2	Level 3	Fair Value
Municipal Competitive Trust - intermediate extended maturity	$ -	$ 5,245,378	$ -	$ 5,245,378
Municipal Competitive Trust - intermediate	-	853,492	-	853,492
Municipal Competitive Trust - short-term portfolio	-	161,113	-	161,113
Total investments measured at fair value	$ -	$ 6,259,983	$ -	6,259,983
Investments recorded at cost:				
Certificates of Deposit				178,152
Total investments				$ 6,438,135

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

NOTE 5. RECEIVABLES

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

Receivables at September 30, 2025, 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	TSPLOST Fund	Nonmajor Governmental Funds
Receivables:				
Taxes	$ 1,122,570	$ 117,653	$ -	$ 25,894
Other	236,901	-	-	-
Intergovernmental	-	-	304,254	287,666
Less allowance for uncollectible receivables	(382,707)	(93,458)	-	-
Net total receivable	$ 976,764	$ 24,195	$ 304,254	$ 313,560

	Electric Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Enterprise Funds
Receivables:				
Accounts	$ 1,479,661	$ 1,951,329	$ 139,584	$ 305,091
Other	398,000	-	-	-
Less allowance for uncollectible receivables	(223,654)	(220,667)	(7,250)	(18,607)
Net total receivable	$ 1,654,007	$ 1,730,662	$ 132,334	$ 286,484

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NOTE 6. LEASE RECEIVABLE

The City has leased the educational facility and downtown buildings to third parties. The City receives variable monthly payments ranging from $1,578 to $29,958, which include the principal and interest components of the payments. As the leases do not contain a specific interest rate, the City has used its incremental borrowing rate of 1.32% for the educational facility and a downtown building and 1.05% for the second downtown lease as the discount rate for the leases. In 2025, the leases for the downtown buildings were terminated and no revenue or interest was recognized. For the current year, the City recognized $284,936 in lease revenue and $72,046 in interest revenue related to the educational facility lease. Also, the City has a deferred inflow of resources associated with the lease that will be recognized over the lease term which ends on September 30, 2043. The deferred inflow of resources has a balance of $5,108,104 as of September 30, 2025. As of September 30, 2025, the City's receivable for lease payments was $5,331,605.

	Beginning Balance	Reductions	Ending Balance	Due Within One Year
Governmental activities:				
Lease receivable	$ 199,497	$ (199,497)	$ -	$ -
Business-type activities:				
Lease receivable	5,562,294	(230,689)	5,331,605	233,754
Total	$ 5,761,791	$ (430,186)	$ 5,331,605	$ 233,754

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NOTE 7. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended September 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 5,987,227	$ -	$ -	$ -	$ 5,987,227
Construction in process	14,776,208	7,124,698	-	(13,415,863)	8,485,043
Total	20,763,435	7,124,698	-	(13,415,863)	14,472,270
Capital assets, being depreciated/amortized:					
Buildings and improvements	13,398,381	75,400	-	5,651,614	19,125,395
Infrastructure	47,531,541	273,992	-	6,602,342	54,407,875
Machinery and equipment	2,582,670	894,720	-	1,161,907	4,639,297
Vehicles	5,272,700	3,067,000	(67,549)	-	8,272,151
Right-to-use assets - vehicles	2,853,125	499,403	(92,066)	-	3,260,462
Total	71,638,417	4,810,515	(159,615)	13,415,863	89,705,180
Less accumulated depreciation/amortization for:					
Buildings and improvements	(6,309,591)	(630,495)	-	-	(6,940,086)
Infrastructure	(17,781,850)	(1,313,366)	-	-	(19,095,216)
Machinery and equipment	(2,126,320)	(336,619)	-	-	(2,462,939)
Vehicles	(3,733,579)	(509,695)	67,549	-	(4,175,725)
Right-to-use assets - vehicles	(814,085)	(681,111)	38,341	-	(1,456,855)
Total	(30,765,425)	(3,471,286)	105,890	-	(34,130,821)
Total capital assets, being depreciated/amortized, net	40,872,992	1,339,229	(53,725)	13,415,863	55,574,359
Governmental activities capital assets, net	$ 61,636,427	$ 8,463,927	$ (53,725)	$ -	$ 70,046,629

NOTE 7. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 3,924,899	$ -	$ -	$ -	$ 3,924,899
Construction in process	15,299	1,096,136	-	-	1,111,435
Total	3,940,198	1,096,136	-	-	5,036,334
Capital assets, being depreciated:					
Distribution system	20,889,471	562,153	-	-	21,451,624
Infrastructure	13,629,046	89,628	-	-	13,718,674
Building and improvements	25,626,576	-	-	-	25,626,576
Machinery and equipment	1,608,135	873,792	-	-	2,481,927
Vehicles	4,004,627	662,577	-	-	4,667,204
Right-to-use assets - vehicles	710,182	135,702	-	-	845,884
Total	66,468,037	2,323,852	-	-	68,791,889
Less accumulated depreciation for:					
Distribution system	(11,718,610)	(597,889)	-	-	(12,316,499)
Infrastructure	(9,046,181)	(218,612)	-	-	(9,264,793)
Building and improvements	(11,563,225)	(626,025)	-	-	(12,189,250)
Machinery and equipment	(1,249,608)	(106,095)	-	-	(1,355,703)
Vehicles	(2,211,248)	(135,447)	-	-	(2,346,695)
Right-to-use assets - vehicles	(205,552)	(177,049)	-	-	(382,601)
Total	(35,994,424)	(1,861,117)	-	-	(37,855,541)
Total capital assets, being depreciated, net	30,473,613	462,735	-	-	30,936,348
Business-type activities capital assets, net	$ 34,413,811	$ 1,558,871	$ -	$ -	$ 35,972,682

NOTE 7. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:		
General government	$	200,829
Public safety		1,302,779
Public works		1,517,575
Culture and recreation		365,709
Planning and development		84,394
Total depreciation/amortization expense - governmental activities	$	3,471,286
Business-type activities:		
Water and sewer	$	876,611
Electric		416,061
Education complex		349,833
Stormwater		218,612
Total depreciation expense - business-type activities	$	1,861,117

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NOTE 8. LONG-TERM DEBT

Primary Government

Long-term liability and obligation activity for the fiscal year ended September 30, 2025 was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Governmental activities:					
General obligation refunding bonds	$ 5,475,000	$ -	$ (655,000)	$ 4,820,000	$ 665,000
Series 2024 Certificates of Participation	-	23,045,000	-	23,045,000	315,000
Plus unamortized bond premium	-	1,083,301	(32,330)	1,050,971	-
Financed purchases from direct borrowings	2,765,857	392,229	(307,838)	2,850,248	344,550
Lease liabilities	2,117,921	499,403	(719,820)	1,897,504	735,867
Net pension liability	3,104,066	2,939,488	(4,102,357)	1,941,197	-
Compensated absences	(1) 1,510,060	1,132,582	(883,434)	1,759,208	1,261,245
Governmental activities Long-term liabilities and obligations	$ 14,972,904	$ 29,092,003	$ (6,700,779)	$ 37,364,128	$ 3,321,662

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Business-type activities:					
Series 2024 Revenue Bonds	$ -	$ 16,565,000	$ -	$ 16,565,000	$ 360,000
Plus unamortized bond premium	-	755,798	(42,025)	713,773	-
Series 2014 Revenue Bonds	2,910,000	-	(215,000)	2,695,000	225,000
Series 2013 Revenue Refunding Bonds	1,110,000	-	(1,110,000)	-	-
Plus unamortized bond premium Series 2014	61,760	-	(10,595)	51,165	-
Series 2017 Educational Complex Revenue Refunding Bonds	7,270,000	-	-	7,270,000	-
Series 2023 Educational Complex Revenue Refunding Bonds	3,915,000	-	-	3,915,000	-
	15,266,760	17,320,798	(1,377,620)	31,209,938	585,000
Lease liabilities	503,098	135,703	(171,237)	467,564	189,338
Financed purchases	-	662,577	(46,601)	615,976	97,487
Net pension liability	515,336	454,409	(669,659)	300,086	-
Compensated absences	(1) 115,715	131,717	(127,274)	120,158	97,240
Business-type activities Long-term liabilities and obligations	$ 16,400,909	$ 18,705,204	$ (2,392,391)	$ 32,713,722	$ 969,065

(1) Effective October 1, 2024, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. This change in accounting principle resulted in a restatement of the compensated absence balance as of the beginning of the fiscal year (Note 20).

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

NOTE 8. LONG-TERM DEBT (CONTINUED)

The City has outstanding financed purchases from direct borrowings related to government activities totaling $2,850,248, lease liabilities totaling $1,897,504, outstanding refunding bonds related to government activities of $4,820,000, and outstanding certificates of participation related to government activities of $23,045,000 with unamortized premium of $1,050,971. With respect to business-type activities, the City has outstanding lease liabilities of $467,564, outstanding financed purchases of $615,976, and direct placement revenue bonds of $31,209,938. The City has pledged equipment as collateral for the financed purchases from direct borrowings related to government activities and business-type activities. There is no pledged collateral on any of the bonds for governmental activities or business-type activities. The full faith and credit of the City and net revenues from business-type activities are pledged as security on the bonds. All financed purchases from direct borrowings contain an event of default that allows the lender to demand full payment in the case of a missed payment.

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

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

On December 9, 2024, the City issued $23,045,000 of Series 2024 Certificates of Participation for the purpose of acquiring, constructing, equipping, and installing a public safety complex for police and fire services. The certificates were issued at an interest rate of 4.5% with annual maturities through fiscal year 2055. The net proceeds from the Series 2024 Certificates of Participation were deposited into the City’s bank account to provide all future debt service payments on the certificates. The certificates were issued at a premium of $1,083,301, which will be amortized over the life of the certificates.

NOTE 8. LONG-TERM DEBT (CONTINUED)

The Series 2017 General Obligation Refunding Bonds currently outstanding mature as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2026	$ 665,000	$ 112,188	$ 777,188
2027	670,000	95,500	765,500
2028	680,000	78,625	758,625
2029	690,000	61,500	751,500
2030	695,000	44,188	739,188
2031--2032	1,420,000	35,625	1,455,625
Total	$ 4,820,000	$ 427,626	$ 5,247,626

The Series 2024 Certificates of Participation currently outstanding mature as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2026	$ 315,000	$ 1,031,075	$ 1,346,075
2027	375,000	1,013,825	1,388,825
2028	390,000	994,700	1,384,700
2029	410,000	974,700	1,384,700
2030	430,000	953,700	1,383,700
2031--2035	2,505,000	4,413,625	6,918,625
2036--2040	3,205,000	3,703,375	6,908,375
2041--2045	4,085,000	2,796,625	6,881,625
2046-2050	5,110,000	1,771,000	6,881,000
2051-2055	6,220,000	641,400	6,861,400
Total	$ 23,045,000	$ 18,294,025	$ 41,339,025

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NOTE 8. LONG-TERM DEBT (CONTINUED)

Financed Purchases from Direct Borrowings – Governmental Activities. The City has entered into financed purchase arrangements for the acquisition of two fire engines. The agreements qualify as financed purchases from direct borrowings for accounting purposes and, therefore, have been recorded at the present values of the future minimum payments as of the date of their inceptions. During the fiscal year ended September 30, 2025, the City entered into financed purchase arrangements for the acquisition of Motorola radios for the police department. The agreements qualify as financed purchases from direct borrowings for accounting purposes and, therefore, have been recorded at the present values of the future minimum payments as of the date of their inceptions.

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

	Principal	Interest	Total
Fiscal Year Ending September 30,			
2026	$ 344,550	$ 121,762	$ 466,312
2027	360,178	106,135	466,313
2028	353,509	89,944	443,453
2029	345,076	74,227	419,303
2030	774,189	60,820	835,009
2031--2033	672,746	68,274	741,020
Total	$ 2,850,248	$ 521,162	$ 3,371,410

The City has entered into agreements with a third party to lease vehicles for various departmental use, terminating at various dates through November of 2029. As the leases do not reflect stated interest rates, the City utilized its incremental borrowing rate as calculated at the inception of each lease agreement, ranging from 2.00% to 12.88%. Monthly payments range from $490 to $1,238 for each vehicle, over the various terms of the individual leases. The outstanding balance of the City's lease liabilities for vehicles as of September 30, 2025 was $1,897,504.

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

	Principal	Interest	Total
Fiscal Year Ending September 30,			
2026	$ 735,867	$ 103,746	$ 839,613
2027	721,174	53,372	774,546
2028	273,028	16,491	289,519
2029	110,203	6,074	116,277
2030	57,232	1,195	58,427
Total	$ 1,897,504	$ 180,878	$ 2,078,382

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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

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

On October 6, 2017, the City issued $13,125,000 of Series 2017 Educational Complex Refunding Bonds to refund all but $2,100,000 of the Series 2011 Education Complex Bonds outstanding. The bonds were issued at an interest rate of 2.66% with annual maturities through fiscal year 2033. The net proceeds from the Series 2017 Educational Complex Refunding Bonds were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of $780,305 and a present value savings, or economic gain, of $643,630. The refunded bonds are considered defeased. During the fiscal year ended September 30, 2021, all of the Series 2011 Defeased Bonds were called and retired. The Series 2017 Educational Complex Revenue Bonds were partially refunded with the Series 2023 Education Bonds discussed below.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Direct Placement Revenue Refunding Bonds – Business-Type Activities (Continued). On December 21, 2023, the City issued $3,915,000 of Series 2023 Educational Complex Refunding Bonds to refund $3,785,000 of the Series 2017 Educational Complex Bonds outstanding. The bonds were issued at an interest rate of 5.70% with annual maturities through fiscal year 2037. The net proceeds from the Series 2023 Educational Complex Bonds were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments. The result of the transaction was a present value loss, or economic loss, of $300,161. The refunded bonds are considered defeased and thus the assets in the trust along with $1,940,000 in outstanding refunding bonds at September 30, 2025 are not reported in the City's financial statements.

On October 1, 2024, the City issued $16,565,000 of Series 2024 Water and Sewer Revenue Bonds for the purposes of: (1) acquiring, constructing, equipping, and improving certain improvements or extensions to the water and sewer elements of the System and to acquire wastewater treatment rights, (2) paying the premium for a financial guaranty insurance policy and the premium for a debt service reserve surety, and (3) paying the costs of issuing the Series 2024 Bonds. The bonds were issued at an interest rate of 5.0% with annual maturities through fiscal year 2044. The bonds were issued at a premium of $755,798, which will be amortized over the life of the bonds.

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

Revenue bonds (Series 2014, 2017, 2023, and 2024) currently outstanding mature as follows:

	Principal	Interest	Total
Fiscal Year Ending September 30,			
2026	$ 585,000	$ 1,287,381	$ 1,872,381
2027	630,000	1,259,106	1,889,106
2028	1,720,000	1,229,131	2,949,131
2029	1,825,000	1,169,435	2,994,435
2030	1,905,000	1,106,344	3,011,344
2031--2035	9,880,000	4,465,476	14,345,476
2036--2040	7,295,000	2,272,594	9,567,594
2041--2044	6,605,000	708,916	7,313,916
Total	30,445,000	$ 13,498,383	$ 43,943,383
Plus unamortized bond premium	764,938		
	$ 31,209,938		

NOTE 8. LONG-TERM DEBT (CONTINUED)

Lease Liabilities – Business-Type Activities. The City has entered into agreements with a third party to lease vehicles for the Electric Fund and the Water and Sewer Fund, terminating at various dates through April of 2029. As the leases do not reflect stated interest rates, the City utilized its incremental borrowing rate as calculated at the inception of each lease agreement, ranging from 1.80% to 9.20%. Monthly payments range from $503 to $1,907 for each vehicle, over the various terms of the individual leases. The outstanding balance of the City's lease liabilities for vehicles as of September 30, 2025 was $467,564.

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

	Principal	Interest	Total
Fiscal Year Ending September 30,			
2026	$ 189,338	$ 16,416	$ 205,754
2027	153,787	9,789	163,576
2028	98,162	4,098	102,260
2029	26,277	444	26,721
Total	$ 467,564	$ 30,747	$ 498,311

Financed Purchases – Business-Type Activities. The City has entered into agreements with a third party to lease equipment for the Electric Fund, terminating in March of 2031.The interest rate for these agreements is 5.0%. Monthly payments are $4,692 and $6,286 for each piece of equipment. The outstanding balance of the City's financed purchases for equipment as of September 30, 2025 was $615,976. The agreements qualify as financed purchases from direct borrowings for accounting purposes and, therefore, have been recorded at the present values of the future minimum payments as of the date of their inceptions.

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

	Principal	Interest	Total
Fiscal Year Ending September 30,			
2026	$ 97,487	$ 34,249	$ 131,736
2027	103,489	28,247	131,736
2028	109,861	21,875	131,736
2029	116,625	15,111	131,736
2030	123,806	7,930	131,736
2031	64,708	1,135	65,843
Total	$ 615,976	$ 108,547	$ 724,523

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of transfers as of September 30, 2025 is as follows:

Interfund receivables and payables:

Receivable Fund	Payable Fund	Amount
General Fund	Electric Fund	$ 325,609

Receivables and payables are used to move negative pooled cash balances from the Electric Fund to the General Fund.

Interfund transfers:

Transfer from	Transfer to	Amount
General Fund	Educational Complex Fund	$ 1,378,112
General Fund	Capital Improvement Fund	6,490,602
Nonmajor Governmental Funds	General Fund	75,000
	Total	$ 7,943,714

Transfers are used to move unrestricted revenues collected in the General Fund to support the Educational Complex Fund and for the purchase of capital assets in the Capital Improvement Fund. Transfers are used to move unrestricted revenues collected in the Hotel/Motel Fund to the General Fund in accordance with budgetary authorizations.

NOTE 10. PENSION PLAN

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

NOTE 10. PENSION PLAN (CONTINUED)

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

Plan Membership. At January 1, 2025, the date of the most recent actuarial valuation, there were 372 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	84
Terminated vested participants not yet receiving benefits	158
Active employees - vested	83
Active employees - nonvested	84
Total	409

***Contributions*.** The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of Plan members, as determined by the City Council. At this time, Plan members are not required to make contributions to the Plan. For the fiscal year ended September 30, 2025, the City's contribution rate was 5.37% of annual payroll. City contributions to the Plan were $790,402 for the fiscal year ended September 30, 2025.

Net Pension Liability of the City. The City's net pension liability (asset) was measured as of September 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2024 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2024.

NOTE 10. PENSION PLAN (CONTINUED)

***Actuarial Assumptions*.** The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates for the January 1, 2024 valuation were based on the Sex-Distinct Pri-2012 Head-Count Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. The assumptions and methods used to value the Plan were approved in December 2019 by the Board based on an experience study for the period January 1, 2015 through June 30, 2019 conducted in November and December of 2019. Cost-of-living adjustments were assumed to be 2.25% although the Plan allowance for annual cost-of-living adjustment is variable, as established by the City Council, in an amount not to exceed 4%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	45%	6.60%
International equity	20%	7.03
Domestic fixed income	20%	2.70
Real estate	10%	3.40
Global fixed income	5%	3.70
Cash	—%	
Total	100%	

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

NOTE 10. PENSION PLAN (CONTINUED)

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

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 9/30/24	$ 21,838,443	$ 18,219,041	$ 3,619,402
Changes for the year:			
Service cost	559,914	-	559,914
Interest	1,612,906	-	1,612,906
Differences between expected and actual experience	1,188,280	-	1,188,280
Contributions—employer	-	473,966	(473,966)
Net investment income	-	4,298,050	(4,298,050)
Benefit payments, including refunds of employee contributions	(1,056,880)	(1,056,880)	-
Administrative expense	-	(32,797)	32,797
Net changes	2,304,220	3,682,339	(1,378,119)
Balances at 9/30/25	$ 24,142,663	$ 21,901,380	$ 2,241,283

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

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

	1% Decrease (6.375%)	Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability (asset)	$ 5,866,110	$ 2,241,283	$ (691,732)

NOTE 10. PENSION PLAN (CONTINUED)

***Changes in the Net Pension Liability of the City*.** Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2024 and the current sharing pattern of costs between employer and employee.

***Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions*.** For the fiscal year ended September 30, 2025, the City recognized pension expense of $1,107,199. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,319,873	$ -
Net difference between projected and actual earnings on pension plan investments	-	1,655,000
City contributions subsequent to the measurement date	790,402	-
Total	$ 2,110,275	$ 1,655,000

City contributions subsequent to the measurement date of $790,402 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	
2026	$ 319,124
2027	443,899
2028	(502,730)
2029	(595,420)
Total	$ (335,127)

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, 2025, there were 51 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, 2025 were $143,439.

NOTE 12. JOINT VENTURE

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

NOTE 13. RELATED ORGANIZATIONS

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

NOTE 14. RISK MANAGEMENT

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

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

NOTE 14. RISK MANAGEMENT (CONTINUED)

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

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

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

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

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

Contractual Commitments

For the fiscal year ended September 30, 2025, the City had active construction contracts related to various construction projects. At fiscal year end, the City’s commitments with contractors totaled approximately $2,319,574.

Grant Contingencies

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

Agreements with the Municipal Electric Authority of Georgia

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

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Electric Authority of Georgia (Continued)

The City of Fairburn is a participant in the Municipal Electric Authority of Georgia (MEAG Power) and has a contractual agreement to purchase a portion of its power requirements from Southeastern Power Administration (SEPA). All power requirements that are in excess of that provided by SEPA are purchased from MEAG Power at prices intended to cover the operating costs of the system and to retire any debt service incurred by MEAG on the City's behalf. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to $9,195,098 during fiscal year ended September 30, 2025.

At September 30, 2025, the outstanding debt of MEAG was approximately $8.10 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $82.0 million at September 30, 2025.

During fiscal year 2009, MEAG and MEAG's bond holders authorized the usage of Municipal Competitive Trust ("MCT") funds. The original intended use of the MCT funds were to reduce MEAG's costs and thus charge individual participants, such as the City of Fairburn, less in power on a monthly basis. The MCT funds were only to be used in response to remedy potential deregulation in the State of Georgia. Since deregulation has not occurred in the State of Georgia, MEAG and MEAG's bond holders authorized the usage of the MCT funds as if deregulation had actually occurred. As a result, the City will receive a credit reduction in its monthly purchased power invoice; effectively reducing the City's cost. The projected benefits of this reduction over the next year as of September 30, 2025 is $-.

NOTE 16. HOTEL/MOTEL LODGING TAX

The City established a 3% tax under O.C.G.A. 48-13-51(a)(1) on gross hotel occupancy revenues for the purpose of promoting tourism, conventions, and trade shows. Local governments imposing a tax under this code section are required to expend in each fiscal year at least the same percentage of hotel/motel tax revenues they expended in the previous fiscal year for the promotion of tourism, conventions, and trade shows. The City established a precedent in fiscal year 2022 restricting 15% of the City's hotel/motel tax funds. For the fiscal year ended September 30, 2025, the City collected $300,676 in hotel/motel revenues. For the fiscal year ended September 30, 2025, the City expended $191,697, for the promotion of tourism.

NOTE 17. JOINTLY GOVERNED ORGANIZATION

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

The City does not provide financial support to the Authority, but has contractually obligated itself to use its full taxing power to guarantee the repayment of approximately 34.72% of the principal and interest on the Authority's Series 2007 Variable Rate Revenue Bonds if the Authority's resources cannot cover the debt service. During the fiscal year ended September 30, 2025, the City agreed to pay the Authority $1,050,708 (reported as interest expense) for the City's proportionate share of the principal and interest on the Authority's bonds from revenues of the City's Water and Sewer Fund.

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

As of December 31, 2024 (from the most recent available financial statements) the Middle Chattahoochee Regional Water and Sewer Authority's debt service requirements on the Series 2014 Revenue Bonds were as follows using the current interest rate of 3.670%:

	Principal	Interest	Total
Fiscal Year Ending December 31,			
2025	$ 1,900,000	$ 892,475	$ 2,792,475
2026	2,025,000	814,600	2,839,600
2027	2,115,000	731,348	2,846,348
2028	2,250,000	622,225	2,872,225
2029	2,390,000	527,137	2,917,137
2030-2033	10,920,000	956,450	11,876,450
Total	$ 21,600,000	$ 4,544,235	$ 26,144,235

NOTE 17. JOINTLY GOVERNED ORGANIZATION (CONTINUED)

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

NOTE 18. TAX ABATEMENTS

For the year ended September 30, 2025, City property tax revenues were reduced by $353,078 under agreements entered into by Fulton County. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

NOTE 19. CONDUIT DEBT

To further economic development in the City, the Development Authority has issued Series 2019 and 2021 Bonds that meet the definition of a conduit debt obligation. Those bonds have provided private-sector entities (Landmark Christian School) with access to capital for the acquisition and construction of industrial and commercial facilities. The bonds are secured by the property they finance and are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory note. The Development Authority has not extended any additional commitments for the debt service payments of the bonds beyond the collateral and the payments from the private-sector entities on the underlying mortgage or promissory note and maintenance of the tax-exempt status of the conduit debt obligation. At September 30, 2025, the bonds have an aggregate outstanding principal amount payable of $4,080,236, none of which was recognized as a liability by the City Development Authority.

NOTE 20. ACCOUNTING CHANGES

Change in Major Funds

In the current year, the City's American Rescue Plan Fund no longer meets the definition of a major fund. There was no effect of this change to or within the financial reporting entity. However, the City's Capital Improvement Fund meets the definition of a major fund, whereas in the prior year it did not meet this definition. The effect of this change to or within the reporting entity is shown in Column B of the table on the next page.

Change in Accounting Principle

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, the City is required to reevaluate the accounting treatment of compensated absences. In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the City is restating the beginning net position for governmental, business-type activities, and proprietary funds noted on the table on the next page. The effect of this change in accounting principle is shown in Column A.

NOTE 20. ACCOUNTING CHANGES (CONTINUED)

	September 30, 2024 As Previously Reported	Change in Accounting Principle (A)	Change in Major Funds (B)	September 30, 2024 As Restated
Government-Wide				
Governmental Activities	$ 85,962,225	$ (669,023)	$ -	$ 85,293,202
Business-Type Activities	43,909,958	(43,186)	-	43,866,772
Total Primary Government	$ 129,872,183	$ (712,209)	$ -	$ 129,159,974
Governmental Funds				
Major Funds:				
Capital Improvement Fund	$ -	$ -	$ 3,590,050	$ 3,590,050
Nonmajor Funds	4,830,510	-	(3,590,050)	1,240,460
Total Governmental Funds	$ 4,830,510	$ -	$ -	$ 4,830,510
Proprietary Funds				
Major Funds:				
Electric Fund	$ 11,666,961	$ (31,804)	$ -	$ 11,635,157
Water and Sewer Fund	19,424,492	(11,382)	-	19,413,110
Total Proprietary Funds	$ 31,091,453	$ (43,186)	$ -	$ 31,048,267

NOTE 21. SUBSEQUENT EVENT

On February 18, 2026, the City issued $7,500,000 in Development Authority Taxable Revenue Bonds, Series 2025 with an interest rate of 6.350%. The purpose of these bonds is to purchase and acquire properties at 25 West Broad Street and 426 NW Broad Street. Interest on the bonds is payable annually on July 1 of each fiscal year, commencing on July 1, 2026. These bonds are set to mature July 1, 2038.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	$ 559,914	$ 430,391	$ 462,407	$ 522,418	$ 413,025
Interest on total pension liability	1,612,906	1,440,901	1,373,087	1,312,348	1,193,945
Other changes	-	77,795	-	-	-
Differences between expected and actual experience	1,188,280	1,285,989	49,159	(150,120)	588,833
Benefit payments, including refunds of employee contributions	(1,056,880)	(1,007,759)	(858,493)	(743,625)	(655,825)
Net change in total pension liability	2,304,220	2,227,317	1,026,160	941,021	1,539,978
Total pension liability - beginning	21,838,443	19,611,126	18,584,966	17,643,945	16,103,967
Total pension liability - ending (a)	$ 24,142,663	$ 21,838,443	$ 19,611,126	$ 18,584,966	$ 17,643,945
Plan fiduciary net position					
Contributions - employer	$ 473,966	$ 483,403	$ 614,625	$ 443,530	$ 492,118
Net investment income	4,298,050	2,222,314	(3,261,309)	3,968,972	1,459,490
Benefit payments, including refunds of employee contributions	(1,056,880)	(1,007,759)	(858,493)	(743,625)	(655,825)
Administrative expenses	(32,797)	(35,747)	(34,025)	(36,530)	(31,570)
Net change in plan fiduciary net position	3,682,339	1,662,211	(3,539,202)	3,632,347	1,264,213
Plan fiduciary net position - beginning	18,219,041	16,556,830	20,096,032	16,463,685	15,199,472
Plan fiduciary net position - ending (b)	$ 21,901,380	$ 18,219,041	$ 16,556,830	$ 20,096,032	$ 16,463,685
City's net pension liability (asset) - ending (a) - (b)	$ 2,241,283	$ 3,619,402	$ 3,054,296	$ (1,511,066)	$ 1,180,260
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.7%	83.4%	84.4%	108.1%	93.3%
Covered payroll	12,502,225	11,905,109	$ 7,629,343	$ 6,599,782	$ 5,568,852
City's net pension liability (asset) as a percentage of covered payroll	17.9%	30.4%	40.0%	-22.9%	21.2%

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$ 423,119	$ 436,627	$ 459,081	$ 430,351	$ 358,809
Interest on total pension liability	1,102,502	1,065,229	1,005,868	961,894	894,973
Other changes	-	-	(286,177)	-	174,676
Differences between expected and actual experience	190,735	(379,192)	158,946	(316,723)	(95,851)
Changes of assumptions	436,807	-	-	-	-
Benefit payments, including refunds of employee contributions	(652,205)	(572,166)	(528,299)	(487,933)	(450,275)
Net change in total pension liability	1,500,958	550,498	809,419	587,589	882,332
Total pension liability - beginning	14,603,009	14,052,511	13,243,092	12,655,503	11,773,171
Total pension liability - ending (a)	$ 16,103,967	$ 14,603,009	$ 14,052,511	$ 13,243,092	$ 12,655,503
Plan fiduciary net position					
Contributions - employer	$ 518,325	$ 504,950	$ 501,693	$ 455,271	$ 504,853
Net investment income	443,205	1,353,412	1,795,324	1,201,570	117,480
Benefit payments, including refunds of employee contributions	(652,205)	(572,166)	(528,299)	(487,933)	(450,275)
Administrative expenses	(30,123)	(31,216)	(32,353)	(17,223)	(20,547)
Net change in plan fiduciary net position	279,202	1,254,980	1,736,365	1,151,685	151,511
Plan fiduciary net position - beginning	14,920,270	13,665,290	11,928,925	10,777,240	10,625,729
Plan fiduciary net position - ending (b)	$ 15,199,472	$ 14,920,270	$ 13,665,290	$ 11,928,925	$ 10,777,240
City's net pension liability (asset) - ending (a) - (b)	$ 904,495	$ (317,261)	$ 387,221	$ 1,314,167	$ 1,878,263
Plan fiduciary net position as a percentage of the total pension liability (asset)	94.4%	102.2%	97.2%	90.1%	85.2%
Covered payroll	$ 5,459,369	$ 5,421,039	$ 5,794,145	$ 5,434,761	$ 5,264,479
City's net pension liability (asset) as a percentage of covered payroll	16.6%	-5.9%	6.7%	24.2%	35.7%

CITY OF FAIRBURN GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION - RETIREMENT PLAN

SCHEDULE OF CITY CONTRIBUTIONS

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 790,402	$ 469,237	$ 525,986	$ 574,304	$ 492,118
Contributions in relation to the actuarially determined contribution	790,402	430,134	573,845	614,625	492,118
Contribution deficiency (excess)	$ -	$ 39,103	$ (47,859)	$ (40,321)	$ -
Covered payroll	$ 14,718,336	$ 12,502,225	$ 11,905,109	$ 7,629,343	$ 6,599,782
Contributions as a percentage of Covered payroll	5.37%	3.44%	4.82%	8.06%	7.46%

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 492,118	$ 518,325	$ 504,950	$ 501,693	$ 455,271
Contributions in relation to the actuarially determined contribution	492,118	518,325	504,950	501,693	455,271
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 5,568,852	$ 5,459,369	$ 5,421,039	$ 5,794,145	$ 5,434,761
Contributions as a percentage of Covered payroll	8.84%	9.49%	9.31%	8.66%	8.38%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2025
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost-of-Living Adjustment	2.25%
Amortization Method	Closed level dollar for remaining unfunded liability.
Remaining Amortization Period	N/A

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF FAIRBURN, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

American Rescue Plan Fund – To account for the amounts awarded to the City under the Coronavirus State and Local Fiscal Recovery Funds program, provided for under the American Rescue Plan Act of 2021.

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, 2025

	Special Revenue Funds					Permanent Fund	Total
ASSETS	Confiscated Assets Fund	Grants Fund	Hotel/Motel Tax Fund	Development Authority Fund	American Rescue Plan Fund	Cemetery Fund	Nonmajor Governmental Funds
Cash and cash equivalents	$ 81,797	$ 174,334	$ 345,200	$ 350,202	$ -	$ 3,154	$ 954,687
Investments	-	-	-	987	-	85,000	85,987
Taxes receivable	-	-	25,894	-	-	-	25,894
Intergovernmental receivables	-	287,666	-	-	-	-	287,666
Prepaid items	-	-	-	30,000	-	-	30,000
Total assets	$ 81,797	$ 462,000	$ 371,094	$ 381,189	$ -	$ 88,154	$ 1,384,234
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ 90,177	$ 9,516	$ -	$ -	$ -	$ 99,693
Total liabilities	-	90,177	9,516	-	-	-	99,693
FUND BALANCES							
Nonspendable for:							
Corpus of perpetual care cemetery funds	-	-	-	-	-	10,000	10,000
Prepaid	-	-	-	30,000	-	-	30,000
Restricted for:							
Law enforcement activities	81,797	-	-	-	-	-	81,797
Cemetery operating capital	-	-	-	-	-	78,154	78,154
Tourism	-	-	361,578	-	-	-	361,578
Planning and development	-	-	-	351,189	-	-	351,189
Assigned for:							
Federal and state programs	-	371,823	-	-	-	-	371,823
Total fund balances	81,797	371,823	361,578	381,189	-	88,154	1,284,541
Total liabilities and fund balances	$ 81,797	$ 462,000	$ 371,094	$ 381,189	$ -	$ 88,154	$ 1,384,234

CITY OF FAIRBURN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds					Capital Projects Fund	Permanent Fund	Total
	Confiscated Assets Fund	Grants Fund	Hotel/Motel Tax Fund	Development Authority Fund	*(Previously Major)* American Rescue Plan Fund	*(Previously Nonmajor)* Capital Improvement Fund	Cemetery Fund	Nonmajor Governmental Funds
REVENUES								
Taxes	$ -	$ -	$ 300,676	$ -	$ -	$ -	$ -	$ 300,676
Intergovernmental	-	1,003,667	-	-	115,250	-	-	1,118,917
Fines and forfeitures	39,588	-	-	-	-	-	-	39,588
Interest	192	-	-	93	-	-	790	1,075
Miscellaneous	-	-	-	115,782	-	-	-	115,782
Total revenues	39,780	1,003,667	300,676	115,875	115,250	-	790	1,576,038
EXPENDITURES								
Current								
Tourism	-	-	191,697	-	-	-	-	191,697
Public safety	-	39,295	-	-	-	-	-	39,295
Public works	-	1,110,715	-	-	-	-	-	1,110,715
Capital Outlay	-	-	-	-	115,250	-	-	115,250
Total expenditures	-	1,150,010	191,697	-	115,250	-	-	1,456,957
Excess (deficiency) of revenues over (under) expenditures	39,780	(146,343)	108,979	115,875	-	-	790	119,081
Other financing uses:								
Transfers out	-	-	(75,000)	-	-	-	-	(75,000)
Total other financing uses	-	-	(75,000)	-	-	-	-	(75,000)
Net change in fund balances	39,780	(146,343)	33,979	115,875	-	-	790	44,081
FUND BALANCES, beginning of fiscal year	42,017	518,166	327,599	265,314	-	3,590,050	87,364	4,830,510
Adjustment - change within reporting entity	-	-	-	-	-	(3,590,050)	-	(3,590,050)
FUND BALANCES, beginning of fiscal year, as adjusted	42,017	518,166	327,599	265,314	-	-	87,364	1,240,460
FUND BALANCES, end of fiscal year	$ 81,797	$ 371,823	$ 361,578	$ 381,189	$ -	$ -	$ 88,154	$ 1,284,541

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ 49,800	$ 49,800	$ 39,588	$ (10,212)
Interest	200	200	192	(8)
Total revenues	50,000	50,000	39,780	(10,220)
EXPENDITURES				
Public safety	50,000	50,000	-	50,000
Net change in fund balances	-	-	39,780	39,780
FUND BALANCES, beginning of fiscal year	42,017	42,017	42,017	-
FUND BALANCES, end of fiscal year	$ 42,017	$ 42,017	$ 81,797	$ 39,780

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 1,824,612	$ 1,832,865	$ 1,003,667	$ (829,198)
Total revenues	1,824,612	1,832,865	1,003,667	(829,198)
EXPENDITURES				
Public safety	-	40,000	39,295	705
Public works	1,824,612	1,792,865	1,110,715	682,150
Total expenditures	1,824,612	1,832,865	1,150,010	682,855
Net change in fund balances	-	-	(146,343)	(146,343)
FUND BALANCES, beginning of fiscal year	518,166	518,166	518,166	-
FUND BALANCES, end of fiscal year	$ 518,166	$ 518,166	$ 371,823	$ (146,343)

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 275,000	$ 275,000	$ 300,676	$ 25,676
Total revenues	275,000	275,000	300,676	25,676
EXPENDITURES				
Tourism	200,000	200,000	191,697	8,303
Total expenditures	200,000	200,000	191,697	8,303
Excess of revenues over expenditures	75,000	75,000	108,979	33,979
Other financing uses:				
Transfers out	(75,000)	(75,000)	(75,000)	-
Total other financing uses:	(75,000)	(75,000)	(75,000)	-
Net change in fund balances	-	-	33,979	33,979
FUND BALANCES, beginning of fiscal year	327,599	327,599	327,599	-
FUND BALANCES, end of fiscal year	$ 327,599	$ 327,599	$ 361,578	$ 33,979

CITY OF FAIRBURN, GEORGIA
DEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Miscellaneous	$ 20,483	$ 20,483	$ 115,782	$ 95,299
Interest	-	-	93	93
Total revenues	20,483	20,483	115,875	95,392
EXPENDITURES				
Public Safety	20,483	20,483	-	20,483
Total expenditures	20,483	20,483	-	20,483
Net change in fund balances	-	-	115,875	115,875
FUND BALANCES, beginning of fiscal year	265,314	265,314	265,314	-
FUND BALANCES, end of fiscal year	$ 265,314	$ 265,314	$ 381,189	$ 115,875

CITY OF FAIRBURN, GEORGIA
AMERICAN RESCUE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 261,000	$ 261,000	$ 115,250	$ 145,750
Total revenues	261,000	261,000	115,250	(145,750)
EXPENDITURES				
Capital outlay	$ 261,000	$ 261,000	$ 115,250	$ 145,750
Total expenditures	261,000	261,000	115,250	145,750
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	$ -	$ -	$ -	$ -

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Tax revenue	$ 3,675,000	$ 3,820,000	$ 2,058,824	$ (1,761,176)
Interest	-	-	18,764	18,764
Miscellaneous revenue	-	-	28,735	28,735
Total revenues	3,675,000	3,820,000	2,106,323	(1,713,677)
EXPENDITURES				
Capital outlays	-	2,215,000	2,123,802	91,198
Debt service - principal payments	3,020,000	895,000	655,000	240,000
Debt service - interest and fiscal charges	655,000	800,000	691,445	108,555
Debt service - issuance costs	-	646,283	646,283	-
Total expenditures	3,675,000	4,556,283	4,116,530	439,753
Excess (deficiency) of revenues over (under) expenditures	-	(736,283)	(2,010,207)	(1,273,924)
OTHER FINANCING SOURCES:				
Bond proceeds	-	23,045,000	23,045,000	-
Bond premium	-	1,083,301	1,083,301	-
Total other financing sources	-	24,128,301	24,128,301	-
Net change in fund balances	-	23,392,018	22,118,094	(1,273,924)
FUND BALANCE, beginning of fiscal year	4,007,673	4,007,673	4,007,673	-
FUND BALANCE, end of fiscal year	$ 4,007,673	$ 27,399,691	$ 26,125,767	$ (1,273,924)

CITY OF FAIRBURN, GEORGIA
TSPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 3,600,000	$ 4,908,577	$ 5,094,508	$ 185,931
Interest	20,000	20,000	31,752	11,752
Total revenues	3,620,000	4,928,577	5,126,260	197,683
EXPENDITURES				
Capital outlay	5,720,000	7,028,577	4,174,736	2,853,841
Total expenditures	5,720,000	7,028,577	4,174,736	2,853,841
Net change in fund balances	(2,100,000)	(2,100,000)	951,524	3,051,524
FUND BALANCES, beginning of fiscal year	3,677,498	3,677,498	3,677,498	-
FUND BALANCES, end of fiscal year	$ 1,577,498	$ 1,577,498	$ 4,629,022	$ 3,051,524

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Miscellaneous	$ -	$ -	$ 38,456	$ (38,456)
Total revenues	-	-	38,456	38,456
EXPENDITURES				
Capital outlay	$ 4,968,010	$ 6,490,602	$ 6,381,457	$ 109,145
Debt service - principal	-	308,000	307,838	162
Debt service - interest	360,000	118,000	117,273	727
Total expenditures	5,328,010	6,916,602	6,806,568	110,034
Deficiency of revenues under expenditures	(5,328,010)	(6,916,602)	(6,768,112)	148,490
OTHER FINANCING SOURCES:				
Issuance of leases	-	426,000	499,403	73,403
Issuance of financed purchases	-	-	392,229	392,229
Transfers in	5,328,010	6,490,602	6,490,602	-
Total other financing sources	5,328,010	6,916,602	7,382,234	465,632
Net change in fund balances	-	-	614,122	614,122
FUND BALANCES, beginning of fiscal year	3,590,050	3,590,050	3,590,050	-
FUND BALANCES, end of fiscal year	$ 3,590,050	$ 3,590,050	$ 4,204,172	$ 614,122

CITY OF FAIRBURN, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS SERIES 2022
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Project Description	Priority	Project #	Original and Current Estimated Cost	Expenditures			Estimated Percentage of Completion
				Prior Fiscal Years	Current Fiscal Year	Total	
SERIES 2022							
Maintenance and Safety Enhancements - City-Wide Road Resurfacing	Tier 1	1	$ 4,083,332	$ 2,912,034	$ -	$ 2,912,034	71.32%
Pedestrian/Bicycle Improvements Phase I	Tier 1	2	1,900,000	1,370,350	-	1,370,350	72.12%
Roadway Projects	Tier 1	3	6,100,000	1,056,072	2,866,160	3,922,232	64.30%
Quick Response Projects	Tier 1	4	300,000	2,220	-	2,220	0.74%
Project Management	Tier 1	5	602,500	233,721	-	233,721	38.79%
Operation and Safety Improvements - Quiet Zone R/R Crossings	Tier 2	6	750,000	-	-	-	0.00%
Pedestrian/Bicycle Improvements Phase II	Tier 2	7	1,136,617	-	-	-	0.00%
Roadway Projects - Oakley Industrial Boulevard Extension Design	Tier 2	8	350,000	-	-	-	0.00%
Project Management	Tier 2	9	55,000	1,200	-	1,200	2.18%
Congestion Relief	Tier 3	10	500,000	44,390	-	44,390	8.88%
Operation and Safety Improvements	Tier 3	11	600,000	-	-	-	0.00%
Pedestrian/Bicycle Improvements Phase III	Tier 3	12	300,000	-	-	-	0.00%
Road Projects (Dodd Street Roundabout)	Tier 3	13	802,717	-	-	-	0.00%
Quick Response Projects	Tier 3	14	38,900	-	-	-	0.00%
Project Management	Tier 3	15	50,000	-	-	-	0.00%
Total SERIES 2022 Project Expenditures			17,569,066	5,619,987	2,866,160	8,486,147	48.30%
				Plus Local Expenditures:			
				Roadway Projects	1,308,576		
Totals			$ 17,569,066	$ 5,619,987	$ 4,174,736	$ 8,486,147	

STATISTICAL SECTION (Unaudited)

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

Page

Financial Trends **78**

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 **83**

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

Debt Capacity **88**

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 **93**

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 **95**

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

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

CITY OF FAIRBURN, GEORGIA

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

	2025	2024 Restated	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	**$ 59,920,416**	$ 55,885,331	$ 46,964,676	$ 44,553,676	$ 39,187,800	$ 31,192,270	$ 27,918,745	$ 25,016,287	$ 22,594,407	$ 22,115,350
Restricted	**8,290,104**	6,706,149	6,983,439	4,860,232	3,905,013	4,102,009	3,673,598	2,367,845	2,495,233	1,718,140
Unrestricted (deficit)	**14,899,434**	22,701,722	25,272,351	21,982,961	19,748,798	15,215,161	11,148,331	6,475,679	4,102,801	3,403,719
Total governmental activities net position	**$ 83,109,954**	$ 85,293,202	$ 79,220,466	$ 71,396,869	$ 62,841,611	$ 50,509,440	$ 42,740,674	$ 33,859,811	$ 29,192,441	$ 27,237,209
Business-type activities										
Net investment in capital assets	**$ 22,957,713**	$ 21,297,621	$ 20,600,756	$ 19,912,632	$ 19,449,454	$ 18,711,776	$ 17,983,218	$ 17,683,581	$ 17,963,925	$ 18,084,503
Restricted	**311,410**	1,724,022	1,411,629	1,639,060	2,145,601	1,189,571	1,154,510	1,119,371	69,371	514,098
Unrestricted	**22,113,006**	20,845,129	20,027,611	20,494,140	20,545,077	20,173,669	17,768,299	14,896,831	13,102,664	10,642,505
Total business-type activities net position	**$ 45,382,129**	$ 43,866,772	$ 42,039,996	$ 42,045,832	$ 42,140,132	$ 40,075,016	$ 36,906,027	$ 33,699,783	$ 31,135,960	$ 29,241,106
Primary government										
Net investment in capital assets	**$ 82,878,129**	$ 77,182,952	$ 67,565,432	$ 64,466,308	$ 58,637,254	$ 49,904,046	$ 45,901,963	$ 42,699,868	$ 40,558,332	$ 40,199,853
Restricted	**8,601,514**	8,430,171	8,395,068	6,499,292	6,050,614	5,291,580	4,828,108	3,487,216	2,564,604	2,232,238
Unrestricted	**37,012,440**	43,546,851	45,299,962	42,477,101	40,293,875	35,388,830	28,916,630	21,372,510	17,205,465	14,046,224
Total primary government net position	**$ 128,492,083**	$ 129,159,974	$ 121,260,462	$ 113,442,701	$ 104,981,743	$ 90,584,456	$ 79,646,701	$ 67,559,594	$ 60,328,401	$ 56,478,315

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

CITY OF FAIRBURN, GEORGIA

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities:										
General government	**$ 7,234,640**	$ 6,095,836	$ 6,078,224	$ 3,788,018	$ 2,873,534	$ 2,455,156	$ 3,483,825	$ 3,354,065	$ 3,419,943	$ 2,930,921
Judicial	**629,378**	647,512	650,750	602,511	647,656	483,820	528,341	432,718	374,430	343,417
Public safety	**14,373,437**	11,431,188	10,339,379	8,869,155	7,775,503	8,233,961	7,084,748	6,637,237	6,304,295	6,600,498
Public works	**6,726,671**	7,703,570	6,443,124	4,470,541	2,943,118	3,874,327	1,874,254	2,007,720	3,042,932	2,981,768
Planning and development	**2,243,404**	1,896,713	1,482,456	1,101,660	1,116,042	688,040	727,888	609,865	556,660	565,895
Culture and recreation	**2,087,160**	2,051,436	1,337,982	682,881	439,241	744,769	811,373	874,273	848,402	488,046
Interest on long-term debt	**1,944,333**	518,057	420,295	308,280	310,153	339,498	363,333	478,766	442,138	470,423
Total governmental activities expenses	**35,239,023**	30,344,312	26,752,210	19,823,046	16,105,247	16,819,571	14,873,762	14,394,644	14,988,800	14,380,968
Business-type activities:										
Electric	**13,366,456**	11,575,793	12,358,686	12,366,384 (4)	9,643,206	8,479,982	8,032,839	7,683,352	7,731,021	7,320,222
Water and sewer	**9,900,226**	8,336,715	8,253,701	7,811,365	6,870,050	6,600,957	6,311,072	5,954,189	5,725,971	5,720,744
Educational complex	**1,024,304**	1,116,044	960,652	890,506	938,836	979,161	966,323	1,179,563	1,089,108	1,093,164
Stormwater	**506,912**	417,990	427,169	355,805	332,443	309,145	274,249	712,463	724,917	723,063
Sanitation	**1,855,225**	1,593,353 (5)	879,433	811,475	733,743	741,752	663,210	733,866	648,129	617,473
Total business-type activities expenses	**26,653,123**	23,039,895	22,879,641	22,235,535	18,518,278	17,110,997	16,247,693	16,263,433	15,919,146	15,474,666
Total primary government expenses	**$ 61,892,146**	$ 53,384,207	$ 49,631,851	$ 42,058,581	$ 34,623,525	$ 33,930,568	$ 31,121,455	$ 30,658,077	$ 30,907,946	$ 29,855,634
Program Revenues										
Governmental activities:										
Charges for services	**$ 3,636,152**	$ 2,684,920	$ 2,858,208	$ 2,998,243	$ 2,653,975	$ 3,545,194	$ 4,207,409	$ 2,936,355	$ 2,967,781	$ 3,066,529
Operating grants and contributions	**-**	30,012	59,984	8,500	90,737	699,575 (2)	-	-	-	-
Capital grants and contributions	**6,469,074**	9,483,146	6,657,283	5,869,145	9,044,549 (3)	5,081,194	4,254,341	3,208,554 (1)	1,793,672	1,621,498
Total governmental activities program revenues	**10,105,226**	12,198,078	9,575,475	8,875,888	11,789,261	9,325,963	8,461,750	6,144,909	4,761,453	4,688,027
Business-type activities:										
Charges for services	**24,895,715**	23,179,520 (6)	21,087,840	21,298,071	18,657,053	19,257,249	19,039,757	18,412,160	17,451,224	17,794,173
Capital grants and contributions	**1,524,888**	651,750	996,888	671,483	1,219,090	895,390	1,090,640	1,162,300	1,085,970	1,553,000
Total business-type activities program revenues	**26,420,603**	23,831,270	22,084,728	21,969,554	19,876,143	20,152,639	20,130,397	19,574,460	18,537,194	19,347,173
Total primary government program revenues	**$ 36,525,829**	$ 36,029,348	$ 31,660,203	$ 30,845,442	$ 31,665,404	$ 29,478,602	$ 28,592,147	$ 25,719,369	$ 23,298,647	$ 24,035,200

CITY OF FAIRBURN, GEORGIA

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (Expense)/Revenue										
Governmental activities	**$ (25,133,797)**	$ (18,146,234)	$ (17,176,735)	$ (10,947,158)	$ (4,315,986)	$ (7,493,608)	$ (6,412,012)	$ (8,249,735)	$ (10,227,347)	$ (9,692,941)
Business-type activities	**(232,520)**	791,375	(794,913)	(265,981)	1,357,865	3,041,642	3,882,704	3,311,027	2,618,048	3,872,507
Total primary government net (expense) revenue	**$ (25,366,317)**	$ (17,354,859)	$ (17,971,648)	$ (11,213,139)	$ (2,958,121)	$ (4,451,966)	$ (2,529,308)	$ (4,938,708)	$ (7,609,299)	$ (5,820,434)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	**$ 12,923,038**	$ 12,987,376	$ 12,215,558	$ 9,906,626	$ 8,680,841	$ 7,571,527	$ 6,554,283	$ 5,179,553	$ 4,564,177	$ 4,746,634
Sales and use taxes	**5,535,730**	5,534,758	5,439,696	5,365,772	4,550,878	3,976,456	4,343,841	4,063,620	3,862,730	3,819,892
Other taxes	**4,762,007**	4,468,921	4,712,052	4,177,270	3,938,263	3,508,510	3,209,463	2,825,596	2,787,403	2,686,024
Miscellaneous revenue	**527,439**	1,247,730	1,993,812	103,995	108,417	13,732	101,787	59,186	167,441	402,696
Unrestricted investment earnings	**580,447**	1,088,795	1,081,987	80,133	69,634	273,681	324,509	27,150	23,298	51,911
Gain on disposal of capital assets	**-**	17,413	48,621	5,927	124	15,101	-	-	15,530	22,424
Transfers	**(1,378,112)**	(457,000)	(491,394)	(137,307)	(700,000)	(96,633)	758,992	762,000	762,000	762,000
Total governmental activities	**22,950,549**	24,887,993	25,000,332	19,502,416	16,648,157	15,262,374	15,292,875	12,917,105	12,182,579	12,491,581
Business-type activities:										
Unrestricted investment earnings	**369,765**	621,587	297,683	34,374	7,251	30,714	51,258	14,796	25,536	26,768
Gain on sale of assets	**-**	-	-	-	-	-	31,274	-	13,270	-
Transfers	**1,378,112**	457,000	491,394	137,307	700,000	96,633	(758,992)	(762,000)	(762,000)	(762,000)
Total business-type activities	**1,747,877**	1,078,587	789,077	171,681	707,251	127,347	(676,460)	(747,204)	(723,194)	(735,232)
Total primary government	**$ 24,698,426**	$ 25,966,580	$ 25,789,409	$ 19,674,097	$ 17,355,408	$ 15,389,721	$ 14,616,415	$ 12,169,901	$ 11,459,385	$ 11,756,349
Change in Net Position										
Governmental activities	**$ (2,183,248)**	$ 6,741,759	$ 7,823,597	$ 8,555,258	$ 12,332,171	$ 7,768,766	$ 8,880,863	$ 4,667,370	$ 1,955,232	$ 2,798,640
Business-type activities	**1,515,357**	1,869,962	(5,836)	(94,300)	2,065,116	3,168,989	3,206,244	2,563,823	1,894,854	3,137,275
Total primary government	**$ (667,891)**	$ 8,611,721	$ 7,817,761	$ 8,460,958	$ 14,397,287	$ 10,937,755	$ 12,087,107	$ 7,231,193	$ 3,850,086	$ 5,935,915

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

Notes:

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

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

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

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

(5) Contract increase from sanitation vendor.

(6) City passed rate increases effective January 1, 2024.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	**$ 258,719**	$ 203,887	$ 151,939	$ 276,489	$ 205,192	$ 123,589	$ 116,944	$ 122,541	$ 99,203	$ 186,813
Committed	**453,940**	489,136	776,490	8,000	8,000	417,115	417,115	385,533	382,976	280,994
Restricted	**-**	-	-	-	-	-	141,126	141,126	141,566	146,315
Assigned	**833,000**	833,000	-	-	-	135,834	-	-	-	-
Unassigned	**12,055,928**	21,959,113	24,064,291	20,978,203	18,568,666	14,827,802	11,058,246	6,970,469	5,179,060	4,035,786
Total General Fund	**$ 13,601,587**	$ 23,485,136	$ 24,992,720	$ 21,262,692	$ 18,781,858	$ 15,504,340	$ 11,733,431	$ 7,619,669	$ 5,802,805	$ 4,649,908
All other governmental funds										
Nonspendable	$ **40,000**	$ 3,017,000	$ 3,017,000	$ 1,587,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Restricted	**31,627,507**	8,132,151	6,670,708	5,692,584	4,814,800	4,946,380	4,491,661	3,218,369	3,348,161	1,994,448
Assigned	**4,575,995**	1,366,530	907,710	380,946	648,475	174,800	246,161	970	970	409,860
Unassigned (deficit)	**-**	-	-	-	-	-	-	-	-	(18,564)
Total all other governmental funds	**$ 36,243,502**	$ 12,515,681	$ 10,595,418	$ 7,660,530	$ 5,473,275	$ 5,131,180	$ 4,747,822	$ 3,229,339	$ 3,359,131	$ 2,395,744

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Taxes	**$ 23,357,886**	$ 22,974,245	$ 22,582,138 (2)	$ 19,379,890	$ 17,215,701	$ 15,038,820	$ 14,045,390 (2)	$ 12,051,338	$ 11,364,385	$ 11,245,655
Licenses and permits	**2,298,267**	1,422,246	1,489,613	1,511,366	1,668,523	1,607,386	2,125,009	1,261,777	1,638,444	1,737,024
Intergovernmental	**6,213,425**	9,273,822	6,647,268	5,598,047	9,047,628 (3)	5,714,255	4,195,701	3,206,502 (1)	1,793,672	1,406,484
Fines and forfeitures	**897,583**	694,677	876,907	910,597	303,095	908,996	997,103	701,117	515,187	501,886
Charges for services	**303,112**	330,645	377,623	449,274	617,588	913,497	859,513	837,886	677,868	721,191
Interest income	**612,199**	1,129,364	1,130,816 (4)	84,787	78,462	312,195	352,619	29,202	23,298	51,911
Miscellaneous	**693,364**	1,375,082	2,107,877 (5)	231,001	173,186	129,047	330,101	194,761	303,723	584,279
Total revenues	**34,375,836**	37,200,081	35,212,242	28,164,962	29,104,183	24,624,196	22,905,436	18,282,583	16,316,577	16,248,430
Expenditures										
General government	**7,016,325**	6,545,983	5,887,469	3,977,320	2,999,655	2,992,573	3,539,095	3,406,195	3,416,997	2,878,496
Judicial	**623,613**	626,513	638,087	610,290	648,158	485,978	534,186	437,400	376,353	342,331
Public safety	**12,849,823**	10,745,738	9,314,911	8,988,679	8,288,811	7,988,409	7,125,945	6,538,231	6,207,250	6,181,773
Public works	**10,229,204**	6,642,388	5,819,692	5,993,285	5,944,896	3,352,766	2,867,417	1,989,357	2,814,324	2,782,641
Planning and development	**2,133,868**	1,882,818	965,756	763,646	763,503	398,005	713,382	552,164	523,412	527,173
Culture and recreation	**1,703,449**	1,469,499	1,409,102	682,527	398,482	659,665	501,501	619,309	531,522	586,329
Capital outlay	**6,413,788**	7,551,735	5,779,854	3,494,190	4,911,771	3,613,471	1,983,051	2,944,718	19,472	4,490,740
Debt service										
Principal	**1,606,039**	1,401,265	870,684	657,120	619,498	660,945	615,099	821,473	653,535	715,814
Interest	**952,555**	420,428	358,128	186,648	209,920	236,585	253,441	214,044	451,808	472,155
Bond issuance costs	**646,283**	-	-	-	-	-	-	134,684	-	-
Total expenditures	**44,174,947**	37,286,367	31,043,683	25,353,705	24,784,694	20,388,397	18,133,117	17,657,575	14,994,673	18,977,452
Excess (deficiency) of revenues over (under) expenditures	**(9,799,111)**	(86,286)	4,168,559	2,811,257	4,319,489	4,235,799	4,772,319	625,008	1,321,904	(2,729,022)
Other financing sources (uses)										
Bonds issued	**23,045,000**	-	-	-	-	-	-	7,365,000	-	-
Bond premium	**1,083,301**	-	-	-	-	-	-	-	-	-
Payments to refund debt escrow agent	**-**	-	-	-	-	-	-	(7,230,316)	-	-
Issuance of lease liabilities	**891,632**	923,722	1,509,130	-	-	-	-	-	-	-
Loss from termination of leases	**(3,330)**	-	-	-	-	-	-	-	-	-
Financed purchases	**-**	-	1,430,000	1,987,232	-	-	100,934	165,380	-	-
Proceeds from sale of capital assets	**4,892**	32,243	48,621	6,907	124	15,101	-	-	32,380	44,526
Transfers in	**6,565,602**	2,435,940	2,734,397	2,310,156	909,840	850,000	1,579,203	1,687,817	1,690,339	1,929,410
Transfers out	**(7,943,714)**	(2,892,940)	(3,225,791)	(2,447,463)	(1,609,840)	(946,633)	(820,211)	(925,817)	(928,339)	(1,167,410)
Total other financing sources (uses)	**23,643,383**	498,965	2,496,357	1,856,832	(699,876)	(81,532)	859,926	1,062,064	794,380	806,526
Net change in fund balances	**$ 13,844,272**	$ 412,679	$ 6,664,916	$ 4,668,089	$ 3,619,613	$ 4,154,267	$ 5,632,245	$ 1,687,072	$ 2,116,284	$ (1,922,496)
Debt service as a percentage of noncapital expenditures	**9.86%**	6.63%	5.03%	4.70%	5.89%	5.65%	6.10%	7.39%	7.76%	8.68%

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

Notes:

(1) Intergovernmental revenues increased as a result of the TSPLOST program starting in April 2017.

(2) Property taxes increase as the economy improved and assessed values increased.

(3) Intergovernmental revenues increase due to increased South Fulton CID activity as well as increased construction activity under large federal transportation projects.

(4) Increase in interest rates in FY 2023.

(5) Increase due to receipt of tree bank revenue.

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

Fiscal Year	Property Tax	Sales Tax	Motor Vehicle Tax	Franchise Tax	Insurance Premium Tax	Beer, Wine, and Liquor Tax	Hotel/Motel Tax	Other Taxes	Total
2016	$ 4,766,434	$ 3,819,892	$ 307,241	$ 1,047,515	$ 750,679	$ 244,803	$ 241,576	$ 94,210	$ 11,272,350
2017	4,564,177	3,862,730	326,482	1,021,148	813,131	249,041	220,251	157,350	11,214,310
2018	5,179,553	4,063,620	331,566	951,504	867,515	264,586	285,075	125,350	12,068,769
2019	6,554,283	4,343,841	402,236	1,215,781	935,573	250,078	257,125	148,670	14,107,587
2020	7,571,527	3,976,456	579,231	1,269,600	997,441	265,113	190,904	206,221	15,056,493
2021	8,680,841	4,550,878	862,927	1,262,038	1,052,080	295,599	220,709	244,910	17,169,982
2022	9,906,626	5,365,772	852,503	1,234,016	1,089,132	290,605	299,763	411,251	19,449,668
2023	12,215,558 (1)	5,439,696	834,477	1,701,789	1,361,504	292,888	300,770	220,624	22,367,306
2024	12,987,376	5,534,758	810,659	1,305,043	1,462,342	287,604	310,287	292,986	22,991,055
2025	**12,923,038**	**5,535,730**	**882,592**	**1,515,038**	**1,574,062**	**285,248**	**300,676**	**204,391**	**23,220,775**

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

Note:

(1) Increase in assessed values

CITY OF FAIRBURN, GEORGIA

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

	Real Property		Personal Property		Public Utility		Total Property					
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	
2015	$ 367,717,060	$ 919,292,650	$ 339,414,250	$ 848,535,625	$ 14,501,454	$ 36,253,635	$ 721,632,764	$ 1,804,081,910	9.73	40%	12.25%	
2016	399,791,020	999,477,550	324,570,010	811,425,025	14,734,532	36,836,330	739,095,562	1,847,738,905	9.56	40%	5.63%	
2017	458,002,930	1,145,007,325	425,312,310	1,063,280,775	14,679,795	36,699,488	897,995,035	2,244,987,588	9.56	40%	2.42%	
2018	512,748,060	1,281,870,150	746,741,225	1,866,853,063	13,580,161	33,950,403	1,273,069,446	3,182,673,615	9.56	40%	41.77%	
2019	584,119,660	1,460,299,150	1,054,826,631	2,637,066,578	16,756,639	41,891,598	1,655,702,930	4,139,257,325	9.56	40%	30.06%	
2020	632,592,280	1,581,480,700	951,615,080	2,379,037,700	17,764,075	44,410,188	1,601,971,435	4,004,928,588	9.56	40%	-3.25%	(2)
2021	781,175,080	1,952,937,700	1,283,204,540	3,208,011,350	17,722,991	44,307,478	2,082,102,611	5,205,256,528	9.56	40%	29.97%	(2)
2022	858,886,650	2,147,216,625	1,493,887,860	3,734,719,650	24,799,074	61,997,685	2,377,573,584	5,943,933,960	9.56	40%	14.19%	
2023	1,009,132,550	2,522,831,375	2,106,868,966	5,267,172,415	34,984,969	87,462,423	3,150,986,485	7,877,466,213	9.56	40%	32.53%	(3)
2024	**1,114,295,250**	**2,785,738,125**	**1,885,970,330**	**4,714,925,825**	**35,795,920**	**89,489,800**	**3,036,061,500**	**7,590,153,750**	**9.56**	**40%**	**-3.65%**	(3)

Source: City of Fairburn Finance Department

Notes:

(1) Includes Property taxes for general operations at 8.1 mills and additional property tax to cover the debt payments related to the 2011 General Obligation Bonds at 1.60 mills.

(2) Decline due to Google, large tax payer on personal property with inventory decline due to COVID-19 pandemic. Recovered in subsequent year.

(3) Real property assessed values have increased 17.5% due to continuing reassessments by Fulton County. Personal property assessed values have increased 41% primarily due to expansion by Google, Inc.

CITY OF FAIRBURN, GEORGIA

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

	Direct Rates			Overlapping Rates			Total
	City of Fairburn						Direct and
Tax Digest Year	Operating Millage	Debt Service	Total	State of Georgia	Fulton County	County School System	Overlapping Millage Rate
2015	8.100	1.630	9.730	0.050	10.750	18.500	39.030
2016	8.100	1.460	9.560	0.000	10.700	18.480	38.740
2017	8.100	1.460	9.560	0.000	10.630	18.546	38.736
2018	8.100	1.460	9.560	0.000	10.430	17.796	37.786
2019	8.100	1.460	9.560	0.000	10.119	17.796	37.475
2020	8.100	1.460	9.560	0.000	9.996	17.796	37.352
2021	8.100	1.460	9.560	0.000	9.540	17.590	36.690
2022	8.100	1.460	9.560	0.000	9.070	17.240	35.870
2023	8.100	1.460	9.560	0.000	9.050	17.140	35.750
2024	**8.100**	**1.460**	**9.560**	**0.000**	**8.870**	**17.130**	**35.560**

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

PRINCIPAL PROPERTY TAX PAYERS
CURRENT AND NINE FISCAL YEARS AGO

	2024			2015		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Development Authority of Fulton County	$ 117,171,760	1	3.86%	$ 17,755,440	2	3.66%
Nestle Purina Petcare Company	47,198,560	2	1.55%	30,782,460	1	6.35%
M D Hodges Enterprises, Inc.	37,782,560	3	1.24%			
Google, LLC	22,474,880	4	0.74%			
Strack, Inc.	22,216,360	5	0.73%			
Owens Corning Insulating Systems, Inc	22,030,000	6	0.73%	16,308,470	3	3.36%
Mascot, LLC	21,260,960	7	0.70%			
Duracell Manufacturing, Inc.	20,772,800	8	0.68%			
US Foods, Inc	19,838,160	9	0.65%			
DCT Southcreek Eagles Landing	16,660,640	10	0.55%	9,439,880	4	1.95%
USF Propco II, LPC				8,244,080	5	1.70%
Patrician CF, LLC				7,489,384	6	1.54%
CFI Harbor Lakes, LLC				6,401,520	7	1.32%
Electrolux Home Products				4,202,920	8	0.91%
EXEL Logistics				4,252,890	9	0.88%
MOBIS Parts America, LLC				3,939,210	10	0.81%
All Others	2,688,654,820		88.56%	375,840,996		77.52%
Totals	$ 3,036,061,500		100.00%	$ 484,657,250		100.00%

Source: City of Fairburn Finance Department

Note: The 2024 tax digest was billed during fiscal year ended September 30, 2025. The 2015 column related taxes are based on the 2014 tax digest that were billed during fiscal year ended September 30, 2015.

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
2015	$ 4,579,384	$ 4,554,466	99.46%	$ 11,599	$ 4,566,065	$ 13,319	0.29%	9.73	$ 3,819,892
2016	4,668,151	4,650,813	99.63%	6,957	4,657,770	10,381	0.22%	9.56	3,862,730
2017	5,133,569	5,056,723	98.50%	67,045	5,123,768	9,801	0.19%	9.56	4,063,620
2018	6,561,997	6,439,602	98.13%	108,715	6,548,317	13,680	0.21%	9.56	4,343,841
2019	7,652,281	7,262,911	94.91%	211,435	7,474,346	177,935	2.33%	9.56	3,976,456
2020	8,809,358	8,682,747	98.56%	82,055	8,764,802	44,556	0.51%	9.56	4,550,878
2021	9,914,155	9,713,704	97.98%	164,005	9,877,709	36,446	0.37%	9.56	5,365,772
2022	12,403,929	12,136,797	97.85%	199,697	12,336,494	67,435	0.54%	9.56	5,439,696
2023	12,857,421	12,584,469	97.88%	148,397	12,732,866	124,555	0.97%	9.56	5,534,758
2024	**12,979,744**	**12,755,840**	**98.27%**	**-**	**12,755,840**	**223,904**	**1.73%**	**9.56**	**5,535,730**

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities						Business-Type Activities					
							Revenue Bonds					
Fiscal Year	General Obligation Bonds	Certificates of Participation	Lease Liabilities	Financed Purchases	Net Bonded Debt to Actual Value of Taxable Property	Per Capita	Water and Sewer	Educational Complex	Lease Liabilities	Financed Purchases	Net Total Primary Government	Percent of Personal Income	Per Capita
2016	$ 8,827,858	$ -	$ -	$ 472,000	0.49%	$ 666	$ 13,106,714	$ 13,937,775	$ -	$ -	$ 36,344,347	13.00%	$ 2,602
2017	8,405,496	-	-	238,465	0.45%	556	12,091,993	13,526,653	-	109,705	34,372,312	10.80%	2,211
2018	9,124,188	-	-	112,372	0.41%	582	11,058,695	14,678,770	-	83,774	35,057,799	11.01%	2,209
2019	8,563,141	-	-	158,207	0.27%	520	9,993,714	14,042,513	-	57,705	32,815,280	10.08%	1,957
2020	7,982,094	-	-	77,262	0.19%	456	8,895,268	13,366,256	-	28,958	30,349,838	8.56%	1,718
2021	7,386,047	-	-	52,764	0.18%	425	7,762,053	12,645,000	-	-	27,845,864	7.77%	1,591
2022	6,765,000	-	-	2,002,876	0.13%	512	6,584,336	11,870,000	-	98,316	27,320,528	6.58%	1,594
2023	6,125,000	-	1,704,321	3,007,000	0.10%	639	5,357,988	11,055,000	385,960	-	25,544,988	6.22%	1,507
2024	5,475,000	-	2,117,921	2,765,857	0.07%	622	4,081,760	11,185,000	503,098	-	26,128,636	4.53%	1,568
2025	**4,820,000**	**24,095,971**	**1,897,504**	**2,850,248**	**0.06%**	**1,930**	**20,024,938**	**11,185,000**	**467,564**	**615,976**	**41,861,230**	**6.46%**	**2,400**

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2025

Governmental Unit	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Fairburn (1)	Amount Applicable to City of Fairburn
Fulton County Board of Commissioners, Georgia			
Library General Obligation Bonds	$ 209,489,693	2.606%	$ 5,459,488
Fulton County Board of Education			
	209,489,693		5,459,488
City of Fairburn, Georgia			
2017 General Obligation Bonds	4,820,000	100.00%	4,820,000
2024 Certificates of Participation	24,095,971	100.00%	24,095,971
Financed Purchases	2,850,248	100.00%	2,850,248
Lease Liabilities	1,897,504	100.00%	1,897,504
Total Direct Debt	33,663,723		33,663,723
Total direct and overlapping debt	$ 243,153,416		$ 39,123,211

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

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

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

CITY OF FAIRBURN, GEORGIA

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value	Percent	Debt Limit	Amount Applicable	Restricted to Debt Service	Legal Debt Margin
2016	$ 721,632,764	10%	$ 72,163,276	$ 9,240,289	$ 718,136	$ 62,204,851
2017	739,095,562	10%	73,909,556	8,405,496	215,777	65,288,283
2018	897,995,035	10%	89,799,504	9,124,188	12,361	80,662,955
2019	1,273,069,446	10%	127,306,945	8,563,141	12,373	118,731,431
2020	1,655,702,930	10%	165,570,293	7,982,094	12,382	157,575,817
2021	1,601,971,435	10%	160,197,144	7,386,047	12,389	152,798,708
2022	2,082,102,611	10%	208,210,261	6,765,000	12,369	201,432,892
2023	2,377,573,584	10%	237,757,358	6,125,000	12,476	231,619,882
2024	3,150,986,485	10%	315,098,649	5,475,000	12,533	309,611,116
2025	**3,036,061,500**	**10%**	**303,606,150**	**4,820,000**	**12,572**	**298,773,578**

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

PLEDGED REVENUE BOND COVERAGE - WATER AND SEWER FUND AND ELECTRIC FUND
COMBINED UTILITY REVENUE BONDS (Series 2000; Series 2006; Series 2013; Series 2014; and Series 2024)
LAST TEN FISCAL YEARS

Fiscal Year	Operating Revenue (3)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest (1)	Total	Coverage
2016	$ 15,453,582	$ 10,333,956	$ 5,119,626	$ 980,000	$ 473,808	$ 1,453,808	3.52
2017	15,351,316	10,694,171	4,657,145	1,000,000	454,575	1,454,575	3.20
2018	16,375,792	10,981,640	5,394,152	1,050,000	416,109	1,466,109	3.68
2019	16,945,442	11,605,021	5,340,421	1,050,000	397,856	1,447,856	3.69
2020	17,088,887	12,469,988	4,618,899	1,085,000	361,120	1,446,120	3.19
2021	16,418,610	13,910,121	2,508,489	1,120,000	320,806	1,440,806	1.74
2022	17,594,017	17,579,591	14,426	1,165,000	274,665	1,439,665	0.01
2023	18,832,988	18,048,132	784,856	1,215,000	223,529	1,438,529	0.55
2024	20,412,836	17,435,182	2,977,654	1,265,000	168,129	1,433,129	2.08
2025	**23,333,813**	**19,605,431**	**3,728,382**	**1,325,000**	**645,852**	**1,970,852**	**1.89**

Source: City of Fairburn Finance Department

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

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

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

(3) Beginning in 2025, the City passed a bond ordinance to include capital contributions as bonded revenue.

CITY OF FAIRBURN, GEORGIA
PLEDGED REVENUE BOND COVERAGE - EDUCATIONAL COMPLEX FUND
EDUCATIONAL COMPLEX REVENUE BONDS - SERIES 2008, 2011, 2017, and 2023
LAST TEN FISCAL YEARS

Fiscal Year	Operating Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2016	$ 537,010	$ 90,732	$ 446,278	$ 400,000	$ 623,125	$ 1,023,125	0.44
2017	498,543	96,326	402,217	430,000	603,475	1,033,475	0.39
2018	446,154	37,010	409,144	520,000	487,625	1,007,625	0.41
2019	488,148	40,575	447,573	645,000	403,640	1,048,640	0.43
2020	487,888	77,075	410,813	685,000	377,718	1,062,718	0.39
2021	505,118	62,699	442,419	730,000	354,605	1,084,605	0.41
2022	426,454	54,493	371,961	775,000	331,177	1,106,177	0.34
2023	338,479	154,235	184,244	815,000	315,742	1,130,742	0.16
2024	284,936	165,787	119,149	- (2)	310,318	310,318	0.38
2025	**284,937**	**141,257**	**143,680**	**-** (2)	**416,395**	**416,395**	**0.35**

Source: City of Fairburn Finance Department

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

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

(2) As a result of debt refinancing, no principal was due in fiscal 2024 or 2025

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)
2016	13,967	$ 279,549,505	$ 20,015	32.0	12	5,270	5.50
2017	15,543	318,382,812	20,484	32.0	12	5,390	4.20
2018	15,872	318,535,168	20,069	32.0	12	5,354	3.20
2019	16,768	325,550,720	19,415	32.3	12	5,293	3.90
2020	17,664	354,498,816	20,069	28.8	12	5,293	3.90
2021	17,500	358,470,000	20,484	28.8	12	5,664	5.20
2022	17,136	415,102,464	24,224	32.3	12	5,190	4.90
2023	16,956	410,742,144	24,224	29.9	12	5,208	4.90
2024	16,661	576,570,566	34,606	30.9	12	5,135	4.90
2025	**17,443**	**647,745,805**	**37,135**	**35.1**	**12**	**5,580**	**3.60**

Notes:

(1) Source: U.S. Census.

(2) Source: Georgia Department of Labor.

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

CITY OF FAIRBURN, GEORGIA

PRINCIPAL EMPLOYERS

CURRENT FISCAL YEAR AND NINE FISCAL YEARS PRIOR

	2025		2016	
Employer	Number of Employees	Rank	Number of Employees	Rank
Strack, Inc.	673	1	115	10
U.S. Food Service, Inc.	665	2	664	1
Nestle Purina PetCare Co.	449	3	338	4
Porex Corporation	310	4	349	3
Owens Corning	240	5	268	5
New Breed Logistics	233	6		
Landmark Christian School	159	7		
Adesa Atlanta, LLC	144	8	144	8
LTI Flexible Products. Inc.	135	9	137	9
DSC Logistics	119	10	235	7
Exel Logistics			383	2
XPO Logistics			240	6
	3,127		2,633	

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

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

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administrative	30	30	29	28	28	31	66	67	75	73
Police	39	39	39	45	50	43	40	48	55	53
Fire	42	40	40	40	40	35	42	40	48	52
Streets, Parks, and Recreation	18	18	18	19	18	12	14	24	30	27
Electric	9	9	9	9	9	5	5	6	7	7
Water and Sewer	8	9	9	9	9	8	8	8	11	8
	146	145	144	150	154	134	175	193	226	220

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Physical Arrests	549	729	775	803	169	335	544	669	633	616
Traffic Violations	3,252	5,638	5,681	7,138	8,594	6,685	6,199	3,693	4,086	6,863
Fire										
Number of Calls Answered	2,879	2,955	3,031	3,281	2,880	3,211	3,718	3,652	4,002	4,114
Inspections	886	518	401	456	210	169	574	489	589	891
Highways and Streets										
Streets Resurfaced (miles)	-	1.81	13.00	10.34	10.34	8.54	16.00	9.93	8.71	6.68
Potholes Repaired	120	115	25	122	122	177	87	60	63	62
Sanitation										
Refuse Collected (tons/day)	4,015	3,916	3,770	3,580	3,977	4,906	4,768	3,510	3,632	3,225
Recyclables Collected (tons/day)	730	667	661	520	578	451	532	1,495	1,556	1,193
Water										
Water Mains (miles)	71.1	71.1	71.1	71.1	71.1	74.3	86.0	86.0	86.0	86.0
Fire Hydrants	824	824	824	947	947	971	902	902	902	902
Water Main Breaks	8	6	6	4	4	7	8	6	9	15
Average Daily Consumption (thousands of gallons)	886	212	1,061	691	768	755	1,431	1,412	1,290	918
Wastewater and Sewer										
Stormwater System (miles)	36.76	36.76	36.76	36.76	36.76	37.04	37.04	37.44	37.44	37.44
Sanitary System (miles)	61.62	61.62	61.62	61.62	61.62	64.89	72.02	77.96	80.61	80.61
Public Safety										
Fire Stations	2	2	2	2	2	2	2	2	3	4
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	47	49	49	49	49	54	59	62	63	63
Highways and Streets										
Miles Paved	96.8	96.8	96.8	96.8	96.8	96.0	96.4	96.4	97.3	99.2
Miles Unpaved	3.0	3.0	3.0	3.0	3.0	3.0	2.6	3.0	3.0	3.0
Street Lights	712	712	712	760	760	760	760	760	874	954
Caution Lights	2	2	2	1	1	1	1	1	1	1
Electric										
Lines (miles)	81	81	81	81	81	79	81	85	87	87
Plant Capacity (KVA)	12,400	12,470	12,470	12,470	12,470	20,207	20,207	20,207	20,207	20,207

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

CAPITAL ASSETS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water										
Water mains (miles)	71.1	71.1	71.1	71.1	71.1	74.27	86	86	86	86
Fire hydrants	824	824	824	947	947	971	902	902	902	902
Water main breaks	8	6	6	4	4	7	8	6	9	9
Wastewater and Sewer										
Stormwater system (miles)	36.76	36.76	36.76	36.76	36.76	37.04	37.04	37.44	37.44	37.44
Sanitary system (miles)	61.62	61.62	61.62	61.62	61.62	64.89	64.89	77.95	80.61	80.61
Public Safety										
Fire stations	2	2	2	2	2	2	2	2	3	4
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol units	47	49	49	49	49	54	59	62	63	63
Highways and Streets										
Miles paved	96.8	96.8	96.8	96.8	96.8	96.04	96.43	96.43	97.3	97.3
Miles unpaved	3	3	3	3	3	3	3	3	3	3
Street lights	712	712	712	760	760	761	761	761	874	954
Caution lights	2	2	2	1	1	1	1	1	1	1
Electric										
Lines (miles)	81	81	81	81	81	81	81	81	87	87
Number of substations	2	2	2	2	2	2	2	2	2	2
Number of service connections	3,187	3,470	3,470	3,574	3,574	4,061	3,463	4,234	4,563	5,236
Culture and recreation										
Parks acreage	144	146	146	146	146	146	146	146	146	146
Parks	2	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1

Source: City of Fairburn Finance Department

* Previous reports included City of Atlanta and private lines

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