

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CAFR 2020

FOR FISCAL YEAR ENDED JULY 31, 2020

CITY OF FAYETTEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JULY 31, 2020

Prepared By:
Mike Bush
Director of Finance

Submitted By:
Ray Gibson
City Manager

INTRODUCTORY SECTION

CITY OF FAYETTEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JULY 31, 2020

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MAYOR
Edward J. Johnson Jr.

CITY MANAGER
Ray Gibson

CITY CLERK
Anne Barksdale

FAYETTEVILLE
NO LIMITS ON IMAGINATION

COUNCIL
Darryl Langford,
Mayor Pro Tem
T. Joe Clark
Richard J. Hoffman
Scott Stacy
Paul C. Oddo, Jr.

January 26, 2021

Honorable Edward Johnson Jr., Mayor
Members of the City Council
And Citizens of Fayetteville, Georgia

Ladies and Gentlemen:

The comprehensive annual financial report of the City of Fayetteville, Georgia (the "City") for the fiscal year ended July 31, 2020 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the government. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable a reader to gain an understanding of the City's financial activities have been included.

The City's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance that all financial information has been recorded accurately.

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. These statements are to be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

The accounting firm of Maudlin & Jenkins, LLC, is the City's auditing firm. The independent auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

As a recipient of federal and state financial assistance, the City of Fayetteville is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject

to periodic evaluation by the management of the City. For fiscal year 2020, the City was required to undergo a Single Audit.

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). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Fayetteville's MD&A can be found immediately following the report of the independent auditors.

Reporting Entity. This report includes all funds of the primary government. The government provides a full range of services. These services include police protection, fire protection, court system, the construction and maintenance of highways, street and drainage improvements, planning and zoning, engineering, building and code enforcement, economic development, water, sewer, and storm water services, and Main Street activities and events. Residential sanitation services are provided through a contractual agreement with a private carrier.

Government Structure. A Mayor and five (5) City Council members serve the City of Fayetteville. The Mayor and City Council are elected at large and serve four (4) year staggered terms. The Mayor and City Council serves as the legislative body responsible for enacting City ordinances, resolutions, appropriating funds, and providing policy direction to City staff. The City Council appoints a City Manager, City Attorney, Municipal Court Judge and various Boards, Commissions and Authorities. The City Council annually adopts a balanced budget and establishes a tax rate for the support of the City programs. The City Manager and Department Directors have the responsibility of administering these programs in accordance with policies and the annual budget adopted by the City Council.

An organizational chart depicting the current structure associated with the management of the City of Fayetteville is included in this introductory section.

General Information. The City of Fayetteville is named for General Marquis de Lafayette of France, who aided the American colonists during the Revolutionary War. Fayetteville was named as the county seat in 1823 and the present-day courthouse in the town square was built in 1825. Listed on the National Register, it remains the oldest courthouse in Georgia and boasts the longest court bench in the world.

There was more or less a city/county government until the 1880's. The first mayor elected in Fayetteville was W. P. Redwine in 1889.

Downtown Fayetteville is rich in history with the preservation of many notable places of interest. Most of the store buildings that exist today around the courthouse square were built in the late 1890s and early 1900s.

In 1900, the first gas lamps and telephones were installed. The Fayette County Daily Newspaper that began in 1886 is still in operation. Electricity lit up Fayetteville in the 1920s. In 1926, the first public water system was installed with a 60,000-gallon tank above the city well. In 1953, the water system was upgraded with the construction of a new water plant just northwest of the City. A sewer

system was installed in the early 1960s. In 1996, the City built a four MGD water treatment plant. And, then, in 2008 the final upgrade to the City's wastewater treatment plant provides the City with a capacity of 5 MGD.

The history of Fayetteville remains in the downtown area, the historic district, through a program that initially was created in 1994 to bring businesses and activities into the historic district. Development standards have been developed just for the historic district. Fayetteville was designated Georgia's 37th Main Street City by the Georgia Department of Community Affairs in 1996.

West of the square, one of Fayetteville's finest historical attractions, The Holliday-Dorsey-Fife house was built in 1855, an antebellum structure with large white columns considered by many to be one of the most refined of the Greek revival houses in Fayette County. The house derives its name from the three main owners that dwelled there: Dr. John Stiles Holliday, whom built the house, and was the uncle of the "Doc" Holliday of Western fame; Solomon Dawson Dorsey, a Colonel of the State Militia during the war between the States who helped enlist volunteers for the confederacy; and Robert E. Lee Fife, a former Fayetteville city council member related to the last family to occupy the house as a residence. The house has ties with well-known personalities such as Margaret Mitchell of *Gone with the Wind* fame, former Georgia Governor Hugh M. Dorsey, and abounds in confederate history. Today, the City of Fayetteville Downtown Development Authority owns the Holliday-Dorsey-Fife house and is operating it as a museum.

Across, the street lays the city's historic cemetery circa 1823. The Fitzgerald's, great grandparents of Margaret Mitchell, as well as the Holliday's, Dorsey's and Fife's are laid to rest. Recent enhancements to the cemetery have been completed to the entranceway, refurbishing and repairing headstones and designing a self-guided, walking tour brochure for preserving Fayetteville's history.

East of the square is the historic Train Depot available for private rentals and used year around as a special events facility. The Train Depot was originally built in 1902 along the railroad that ran from Atlanta to Fort Valley via Fayetteville. The railroad ceased to run through Fayetteville and the tracks were lifted in 1939.

South of the square, The Fayetteville Academy or Seminary was built in 1857, which later became a public school, Glynn Street School, and later in 1994 was renovated and is where the Fayetteville City Hall resides.

In May 2006, a Georgia Historical Marker was unveiled at City Hall honoring former Georgia Governor Hugh M. Dorsey. He was born in Fayetteville and served as governor for two terms from 1917 to 1921.

In 2007, First Lady Laura Bush awarded the City of Fayetteville the Preserve America Designation in recognition of the continuing commitment to preserving and using its cultural and natural resources for the benefit and enjoyment of the public.

Fayetteville has a strong historical preservation ethic that is evident throughout the downtown district. At present, there is an effort underway by the Main Street program to revitalize the downtown area. The city limits have been extended far beyond the courthouse and the city business district now runs from a couple of miles south of the courthouse to almost three miles north for a total of about 5 miles of business area. There are now seven schools in Fayetteville, an outdoor shopping center (the Pavilion), the Southern Ground Amphitheater (formerly Villages Amphitheater), two hotels, specialty shops of all descriptions, and a developing west side, that includes the Fayette Piedmont Hospital and medical complexes, all which make Fayetteville an attractive community. Numerous festivals and events are held on the square during the calendar year, which brings thousands of people to downtown to participate in fellowship and community. Additionally the Southern Ground Amphitheater plays host to a wide array of concerts, films, and dramatic events. In 2012, the Downtown Development Authority negotiated a multi-year, title sponsorship for the Villages Amphitheater with Southern Ground Artists, Inc. For the term of the agreement, the amphitheater will be listed in all advertising and mentions as the Southern Ground Amphitheater. In 2014, Pinewood Atlanta Studios, the largest film and television production studio in the United States outside the state of California located on the west side of Fayetteville, opened.

Economic Condition and Outlook. Located approximately 21 miles south of Atlanta, the City of Fayetteville continues to benefit economically by being an integral part of Metropolitan Atlanta. The City of Fayetteville is well positioned geographically to Atlanta and to the Hartsfield-Jackson Atlanta International Airport, which makes it convenient for the residents to travel for business and/or pleasure. The City of Fayetteville has a wealth of natural, cultural, historical, and commercial resources that provides an amenity for residents, a destination for tourists, and an attractive location for commercial businesses.

The population of Fayetteville is 17,472. The median housing value in Fayetteville is $234,817. Renters make up about 24.7% of the City's population; while 68.8% own homes. 6.5% of the homes and apartments are vacant in the City. The City remains affordable to residents as the per capita income is $38,922.

The total number of building permit inspection for fiscal year 2020 was 8,907 compared to last fiscal year, was 4,862. The total number of development plan applications was 27 compared to last fiscal year, was 13, and the total number of erosion control inspections was 1,804 compared to last fiscal year, was 833.

The unemployment rate for Fayetteville unchanged from 3.4%. Sales and office type jobs are the most prominent jobs in Fayetteville, followed by management, business, and financial operation.

Financial Planning. The annual budget(s) serves as the current foundation for the City of Fayetteville's financial planning and control. The City of Fayetteville budget(s) are adopted by City Council on or before July 31 at a regular Council meeting that is open to the public. The level of legal budgetary control is the departmental level. A budget is legally adopted for all Governmental Fund types and Proprietary Fund types. Formal budgetary integration is employed as a management control device during the year. The budget is based on the same method of accounting as the fund it represents. Transfers of appropriations within a department budget or within a non-departmental expenditures category require the approval of the finance director.

Increase or decrease (change) in appropriations within a departmental budget or in a non-departmental expense category requires approval of the governing body in the form of amendments to the budget ordinance.

The Mayor and City Council have set the goals that our financial planning adheres to by providing the necessary and available resources. The overall goals are: (1) achieve all goals while striving for the lowest total cost for public services; (2) maintain a managed growth policy that requires quality development in concert with our economic development strategy; (3) provide for the public safety and welfare by committing appropriate resources to police, fire, streets, recreation, water and sewer, and support services; (4) continue cooperative efforts with other governments and government agencies; and (5) preserve our historic and cultural heritage and encourage revitalization of downtown through support of Main Street initiatives.

The financial position of the City of Fayetteville continues to improve from the recent recession. We have seen two years of positive growth in the tax digest. Most revenue sources seem to be stabilizing with even some slight increases in other revenue sources. Our city has been optimizing the use of limited resources to preserve core services. During the last several years, the cost to support existing city services outpaced growth in revenues. We continue to work on capital expenditures for mostly public safety needs, however, again, we were able to add to our fleet for public works. The City continues to try and hold cost down through fuel conservation policy and debt restructuring.

The City has continued to maintain adequate fund balances consistent with our reserve fund policy. With continued monitoring of our revenues and expenditures, the City can meet goals and objectives in the public service area; police and fire protection, street and drainage improvements, and infrastructure.

During 2020, the City was able to add 18 new employees. Four were in General Government position, seven in the Police Department, two in the Fire Department, two in the Community Development, and three more in the Public Services Department. The City had an increase in personal services however, the benefits remained the same. This was mainly due to savings in the cost of health insurance.

Major Initiatives. For fiscal year 2020, the Fire Department put into service 3 new Fire Pumper vehicles, as well as adding more turnout gear and thermal cameras.

The Water and Sewer Division started construction of a new Waste Water Treatment Plant and is still on schedule to be brought online during Fiscal Year 2021.

The new City Center Project consisting of a 7.7 acre park and a new City Hall is currently under construction and should be finished in April of 2021.

The Police department purchased 6 new police cars and all the camera systems and communication devices and put each of them into service in fiscal year 2020.

Strategic Financial Planning. The City of Fayetteville has initiated processes that have it looking to the future and planning for services, programs and facilities to meet the needs of the residents and businesses of the community. The most current budget process addressed both revenues and expenditures for its operating programs for the current year. The five-year financial forecast is developed to begin the process of looking at future needs and financial trends in order to better plan for the long-term needs of the City; which included personnel, operations and maintenance. The capital improvement program establishes a continuing five-year look at facility and equipment needs. The City also has a capital improvement program for transportation and infrastructure.

Financial Analysis and Planning is essentially a process, which assesses the future to the extent possible and determines what the picture of the community, from many different perspectives, should look like in the future years. The Mayor and City Council have recognized the need for this type of planning effort, which will in turn provide the roadmap for future budgeting and capital planning efforts. Such a plan provides guidance to the legislative and administrative arms of city government, but also provides a guideline for residents and businesses of the community to act upon in the development of private programs and services.

Relevant Financial Policies. Financial policies and procedures have also been implemented to ensure balance, control, and stability to maintain and oversee the finances within and throughout the City. These policies and procedures address fund balances, reserve fund policy, purchasing, contract administration, debt administration, accounting, auditing, financial reporting, budget, capital outlay, investment, revenue administration, fixed assets, strategic planning, and grant administration.

Awards. The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fayetteville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended July 31, 2019. This was the twentieth-fourth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City also received the GFOA Award for Distinguished Budget Presentation for the annual budget for fiscal year 2019. This was the fourteenth consecutive year that the government has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged proficient as a policy document, a financial plan, an operations guide, and a communication device.

A Distinguished Budget Presentation Award is valid for a period of one year only. We believe our current budget continues to conform to the Distinguished Budget Presentation Award Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

Acknowledgments. The preparation of the Comprehensive Annual Financial Report (CAFR) on a timely basis was made possible by the dedicated service of the City staff and department directors and the auditors of our accounting firm, Mauldin and Jenkins, LLC. In closing, without the leadership and support of the Mayor and City Council, the preparation of this report would not have been possible. My sincere appreciation is extended to each individual for the contributions made in the preparations of this report.

Respectfully submitted,

Ray Gibson

Ray Gibson
City Manager

Mike Bush

Mike Bush
Director of Finance and Administrative Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fayetteville
Georgia

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

July 31, 2019

Christopher P. Morrill

Executive Director/CEO

CITY OF FAYETTEVILLE, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JULY 31, 2020

MAYOR
Edward Johnson

CITY COUNCIL MEMBERS
Scott Stacy Mayor Pro Tem
Rich Hoffman
Paul Oddo
Joe Clark
Darryl Langford

CITY MANAGER
Ray Gibson

CITY CLERK
Anne Barksdale

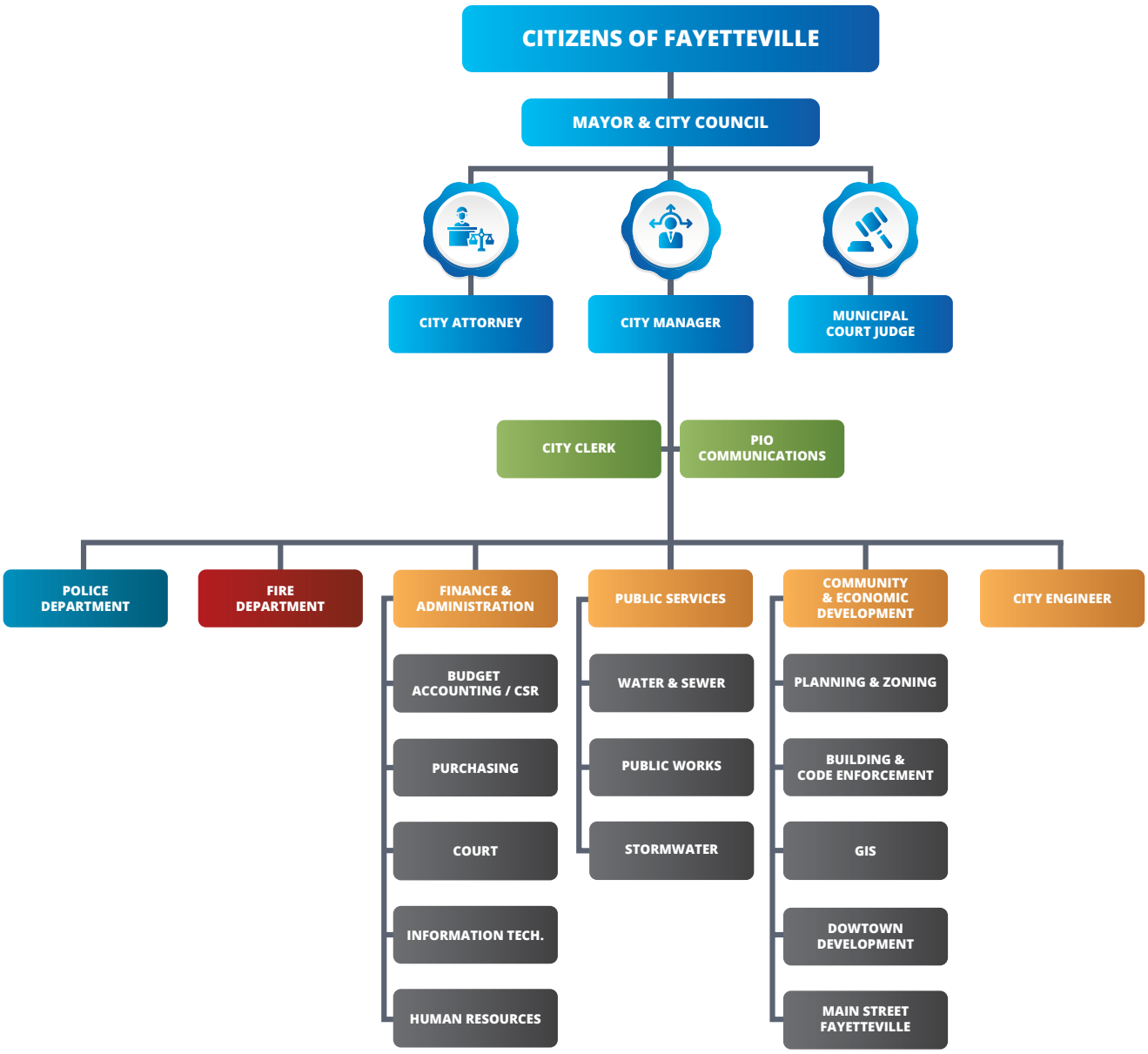
DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES
Mike Bush

CITY ATTORNEY
David Winkle

CITY AUDITORS
Mauldin & Jenkins, LLC

CITY OF FAYETTEVILLE, GEORGIA

ORGANIZATIONAL CHART
JULY 31, 2020



FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Fayetteville, Georgia** (the "City") as of and for the year ended July 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to 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 as of July 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 – 12), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 61), and the Schedule of City Contributions (on page 62) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") § 48-8-121, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2021, 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 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 of Fayetteville, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
January 26, 2021

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CITY OF FAYETTEVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JULY 31, 2020

The Management's Discussion and Analysis ("MD&A") of the City of Fayetteville, Georgia's (the "City") financial performance provides an overall review of the City's financial activities for the fiscal year ended July 31, 2020. It is designed to give the reader an objective and easily readable analysis of the City's financial performance. The primary intent of this MD&A is to look at the City's financial performance as a whole; readers should also review the letter of transmittal, notes to the basic financial statements, and the financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for FY 2020 are as follows:

In total, combined net position increased by $4,550,416 which represents a 4.50% increase over FY 2019. This increase can primarily be attributed to investments in capital assets.

- Combined tax revenues accounted for $15,952,426, or 58.73%, of all revenues from governmental activities. Service specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $10,065,786, or 27.90%, of total revenues of $26,018,212 from governmental activities.

- The City had $22,413,377 in expenses related to governmental activities; $10,065,786 of these expenses were offset by charges for services, grants, and contributions. General revenues (primarily taxes) of $15,952,426 provided for these services as well as increasing the City's net position by $4,054,837.

- Total Water and Sewer Fund revenues for FY 2020 were $7,509,612. Total expenses for FY 2020 were $6,112,392. Capital contributions were recorded in the amount of $284,281, including but not limited to donated property and sewer proportionate share. The change in net position after depreciation and non-operating revenues/expenses was $465,741 for the FY 2020.

- Revenues from the General Fund were $18,107,901 FY 2020, an increase of approximately 34.46% over the prior fiscal year, due to an increase in taxes, licenses and permits, fines and forfeitures, and charges for services. General Fund expenditures totaled $16,395,227 for the fiscal year ended July 31, 2020, an increase of 8.2% over last fiscal year due mostly to decrease spending in general government.

Overview of the Financial Statements

This Comprehensive Annual Financial Report ("CAFR") consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City as a financial whole, or as an entire operating entity.

Statements of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. For proprietary funds, the statements offer short- and long-term financial information about activities the City operates like businesses, such as water and sewer. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

These two statements report the City's net position and changes in net position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial and some non-financial, including the City's property tax base, facility conditions, and other factors.

In the Statement of Net Position and the Statement of Activities, the City has both governmental and business-type activities:

- Governmental activities: Most of the City's programs and services are reported here including general government, judicial, public safety, public works, culture and recreation, and housing and development. Sales taxes, property taxes, occupation taxes, and fines and forfeitures finance most of these activities.
- Business-Type activities: The City charges fees to cover the services it provides. These activities include water and sewer services, stormwater services, sanitation services and recycling services.

Reporting the City's Most Significant Funds

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds.

Governmental Funds

Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and basic services it provides. Governmental fund information helps the reader determine whether there are more financial resources that can be spent in the near future to finance governmental services. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements. See Note 2 to the Financial Statements.

The Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction, or renovation of major capital assets. The City has four Capital Projects Funds: 1) Building Fund, 2) Impact Fee Fund, 3) Capital Projects 2 Fund, and 4) 2017 Special Purpose Local Option Sales Tax ("SPLOST") Fund.

The special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The City has seven Special Revenue Funds: 1) Confiscated Assets Fund, 2) Hotel/Motel Tax Fund, 3) Vehicle Excise Tax Fund, 4) Cemetery Fund, 5) Veterans Memorial, 6) Downtown Development Authority Fund, and 7) Main Street Tourism Association Fund.

Proprietary Funds

Proprietary funds are activities that a City operates similar to a business in that it attempts to recover costs through charges to the user. The City's only proprietary funds are enterprise funds. Enterprise funds may be used to account for any activity or service that charges a fee to external users to cover the cost of operations, including cost of depreciation and debt service. The City operates its water and sewer fund and solid waste fund as enterprise funds. Proprietary fund statements use the accrual basis of accounting similar to the City-wide statements.

Financial Analysis

The net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Fayetteville, Georgia, assets and deferred outflows of resources exceeds liabilities and deferred inflows of resources by $105,576,354, at the close of the most recent fiscal year.

The City's overall net position increased $4,550,415 from the prior fiscal year. Net position for governmental activities increased $4,054,837 from the prior fiscal year. The reason for this overall change in net position for governmental activities is mainly the result of increase in property taxes during the current fiscal year. Net position for business-type activities increased $495,579 from the prior fiscal year. The reason for this overall change in net position for business-type activities is mainly the result of a decrease in operating expenses during the current fiscal year.

TABLE 1 – NET POSITION

	Governmental Activities		Business-type Activities		Total Activities	
	2020	2019	**2020**	2019	**2020**	2019
Current and other assets	**$ 39,255,240**	$ 16,669,736	**$ 9,557,483**	$ 8,015,701	**$ 48,812,723**	$ 24,685,437
Capital assets	**91,679,887**	84,009,592	**32,338,496**	24,794,355	**124,018,383**	108,803,947
Total assets	**$ 130,935,127**	$ 100,679,328	**$ 41,895,979**	$ 32,810,056	**$ 172,831,106**	$ 133,489,384
Deferred outflows of resources	**$ 1,566,286**	$ 1,204,515	**$ 919,163**	$ 284,181	**$ 2,485,449**	$ 1,488,696
Long-term liabilites	**$ 36,955,479**	$ 13,156,213	**$ 24,583,575**	$ 17,513,815	**$ 61,539,054**	$ 30,670,028
Other liabilities	**5,044,777**	1,627,412	**3,005,383**	696,434	**8,050,160**	2,323,846
Total liabilities	**$ 42,000,256**	$ 14,783,625	**$ 27,588,958**	$ 18,210,249	**$ 69,589,214**	$ 32,993,874
Deferred inflows of resources	**$ 122,299**	$ 776,197	**$ 28,688**	$ 182,071	**$ 150,987**	$ 958,268
Net position:						
Net investment in capital assets	**$ 60,482,704**	$ 75,562,324	**$ 9,460,359**	$ 8,248,140	**$ 69,943,063**	$ 83,810,464
Restricted	**4,035,510**	2,910,161	**883,873**	3,144,898	**4,919,383**	6,055,059
Unrestricted	**25,860,644**	7,851,536	**4,853,264**	3,308,879	**30,713,908**	11,160,415
Total net position	**$ 90,378,858**	$ 86,324,021	**$ 15,197,496**	$ 14,701,917	**$ 105,576,354**	$ 101,025,938

TABLE 2 – CHANGE IN NET POSITION

	Governmental Activities		Business-type Activities		Total Activities	
	2020	2019	**2020**	2019	**2020**	2019
Revenues						
Program revenues:						
Charges for services	**$ 3,383,874**	$ 2,963,721	**$ 8,236,730**	$ 7,541,067	**$ 11,620,604**	$ 10,504,788
Operating grants and contributions	**2,156,961**	300,440	**-**	-	**2,156,961**	300,440
Capital grants and contributions	**4,524,951**	5,102,896	**284,281**	170,710	**4,809,232**	5,273,606
Total program revenues	**10,065,786**	8,367,057	**8,521,011**	7,711,777	**18,586,797**	16,078,834
General revenues:						
Property taxes	**4,715,445**	6,052,590	**-**	-	**4,715,445**	6,052,590
Other taxes	**10,564,364**	8,905,749	**-**	-	**10,564,364**	8,905,749
Unrestricted investment earnings	**404,896**	193,818	**36,854**	86,744	**441,750**	280,562
Gain on sale of capital assets	**267,723**	-	**-**	-	**267,723**	-
Total general revenues	**15,952,428**	15,152,157	**36,854**	86,744	**15,989,282**	15,238,901
Total revenues	**26,018,214**	23,519,214	**8,557,865**	7,798,521	**34,576,079**	31,317,735
Expenses						
General government	**2,751,667**	2,322,589	**-**	-	**2,751,667**	2,322,589
Judicial	**530,392**	632,417	**-**	-	**530,392**	632,417
Public safety	**11,092,290**	10,147,469	**-**	-	**11,092,290**	10,147,469
Public works	**5,239,662**	3,663,837	**-**	-	**5,239,662**	3,663,837
Culture and recreation	**301,541**	55	**-**	-	**301,541**	55
Housing and development	**1,671,733**	1,959,415	**-**	-	**1,671,733**	1,959,415
Interest on long-term debt	**826,092**	262,626	**-**	-	**826,092**	262,626
Water and sewer	**-**	-	**6,491,953**	5,673,074	**6,491,953**	5,673,074
Stormwater	**-**	-	**421,360**	439,347	**421,360**	439,347
Solid waste	**-**	-	**698,973**	676,036	**698,973**	676,036
Total expenses	**22,413,377**	18,988,408	**7,612,286**	6,788,457	**30,025,663**	25,776,865
Increase in net assets before transfers	**3,604,837**	4,530,806	**945,579**	1,010,064	**4,550,416**	5,540,870
Transfers	**450,000**	300,000	**(450,000)**	(300,000)	**-**	-
Change in net position	**4,054,837**	4,830,806	**495,579**	710,064	**4,550,416**	5,540,870
Net position, beginning of year	**86,324,021**	81,493,215	**14,701,917**	13,991,853	**101,025,938**	95,485,068
Net position, end of year	**$ 90,378,858**	$ 86,324,021	**$ 15,197,496**	$ 14,701,917	**$ 105,576,354**	$ 101,025,938

Governmental Activities

Governmental activities total revenues were $26,018,214 at July 31, 2020, an increase of $4,054,837 over the prior year. Key elements of changes from the prior year were mainly attributable to the following program revenues and general revenues: 1) Operating grants and contributions increase from the previous fiscal year due to increased grant activity during the current year; and 2) Other taxes increase from the previous fiscal year mainly from the increased sales taxes and property taxes.

Governmental activities total expenses were $22,413,377 at July 31, 2020, an increase of $3,424,969 over the prior year. Key elements of changes from the prior year were mainly attributable to the following functional areas: 1) Public safety expenses increased by $944,821 due to increased salaries and pandemic related expenditures; and 2) Public works expenses increased by $1,575,825 due to increased projects and capital outlay during the current year.

In addition, the most significant functional expense for governmental activity was for public safety of $11,092,290, which represents 49.90% of the total governmental expenses. The next most significant program expense is public works, which totals $5,239,662, or 23.38%, of the total.

Business-Type Activities

The most significant business-type activity of the City is the Water and Sewer Department. The City's Water and Sewer Department experienced a significant increase in revenues and expenses during the current year from the increased user fees charged for product and service and from the increased customer usage.

Cost of Program Services

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental and business-type activities, the combined total cost of services and the combined net cost of services; that is, it identifies the cost of these services supported by tax revenue.

This information was taken from the *Statement of Activities* on pages 14 and 15.

TABLE 3 – Governmental and Business Type Activities

	Total Cost of Services		Net Cost of Services	
	2020	2019	**2020**	2019
General government	**$ 2,751,667**	$ 2,322,589	**$ 132,296**	$ (1,581,371)
Judicial	**530,392**	632,417	**225,386**	598,465
Public safety	**11,092,290**	10,147,469	**(6,900,696)**	(10,051,883)
Public works	**5,239,662**	3,663,837	**(4,680,061)**	1,555,345
Culture and recreation	**301,541**	55	**(182,003)**	(55)
Housing and development	**1,671,733**	1,959,415	**(116,421)**	(879,226)
Interest on long-term debt	**826,092**	262,626	**(826,092)**	(262,626)
Total governmental activities	**22,413,377**	18,988,408	**(12,347,591)**	(10,621,351)
Business-type activities	**7,612,286**	6,788,457	**908,725**	923,320
Total expenses	**$ 30,025,663**	$ 25,776,865	**$ (11,438,866)**	$ (9,698,031)

Governmental Fund Balance

At the end of the FY 2020, the combined ending fund balances for the City's Governmental Funds were $34,220,035. Of the total fund balance, $33,778,828 is available as working capital for current spending in accordance with the purposes of the specific funds. The remainder of the fund balance, $441,207, is not available for new spending because it is considered nonspendable (pre-paid items and inventory).

The General Fund's fund balance for the fiscal year ended 2020 was $7,967,010, which indicates an increase in fund balance over the previous year by $2,217,669. The increase in the General Fund's fund balance is due to an increase in tax collections during the current year. This generated approximately $2,076,416. Total revenues increased by $2,412,674. Total expenses increased by $1,524,831. The majority of the increase was in interest expense which increased by $480,162 with general government, public safety, and culture and recreation increasing by $406,774, 467,316, and $301,511, respectively, resulting in a total increase in expenses for the General Fund. The SPLOST 2017 fund collected $295,824 more in revenues than we spent in expenditures in 2019. The Capital Projects 2 Fund's fund balance increased by $16,358,664 for the FY 2020, which was mainly due to the issuance of revenue bond for the purpose of new construction projects in the City. The Building Fund's fund balance decreased by $130,801 for the FY 2020, which was mainly due to increased capital outlay on construction projects. Information provided in Table 4 is from the *Governmental Funds Balance Sheet* on pages 16 and 17.

TABLE 4 – Governmental Fund Balance

	2020	2019
General Fund	**$ 7,967,010**	$ 5,749,341
SPLOST 2017 Fund	**6,314,881**	6,019,057
Capital Projects 2 Fund	**15,350,544**	(1,008,120)
Building Fund	**503,499**	634,300
Other Governmental Funds	**4,084,101**	2,943,926
	$ 34,220,035	$ 14,338,504

Proprietary Net Position

At the end of the FY 2020, the combined net position of the City's Proprietary Funds were $15,197,496. The most significant events that took place were an increase in expenses of nearly $823,829 and an increase of revenues of $759,334 resulting in an increase in net position of $495,579.

General Fund Budgeting Highlights

- The City's budget is prepared according to Georgia law. The most significant budget fund is the General Fund.
- For the General Fund, the actual revenues of $18,107,901 were less than the final budgeted amount of $18,166,535 by $58,634.
- The actual expenditures of $16,395,227 were less than the final budgeted amount of $17,819,741 by $1,159,825. This difference was primarily due to less principal payments than expected during the current year.
- The original budget had to be increased by $856,421 due to the change in revenues. Sales taxes were originally budgeted as $3,900,000 with actual revenues of $4,107,376 for a total increase of $207,376; intergovernmental revenues were originally budgeted as $546,588 with actual revenues of $2,080,454 for an increase of $1,533,866; and fines and forfeitures were originally budgeted as $1,115,000 with actual revenues of $728,601 for a decrease of $386,399.

Capital Assets and Debt Administration

At the end of FY 2020, the City had $124,018,383 invested in capital assets, which is an increase over fiscal year 2019 of $15,214,436. Table 5 shows fiscal years 2020 and 2019 balances of the *Capital Assets, Net of Accumulated Depreciation* as presented in Note 7.

TABLE 5 – Capital Assets, Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total Activities	
	2020	2019	**2020**	2019	**2020**	2019
Land	**$ 11,484,691**	$ 11,830,959	**$ 1,630,139**	$ 1,630,139	**$ 13,114,830**	$ 13,461,098
Historical treasures	**91,279**	91,279	**-**	-	**91,279**	91,279
Construction in progress	**11,804,099**	2,408,777	**9,873,837**	2,597,230	**21,677,936**	5,006,007
Buildings	**5,408,567**	5,685,255	**-**	-	**5,408,567**	5,685,255
Land improvements	**999,566**	1,034,323	**-**	-	**999,566**	1,034,323
Equipment	**4,139,914**	4,290,999	**385,951**	360,470	**4,525,865**	4,651,469
Infrastructure	**57,751,771**	58,668,000	**20,448,569**	20,206,516	**78,200,340**	78,874,516
Total	**$ 91,679,887**	$ 84,009,592	**$ 32,338,496**	$ 24,794,355	**$ 124,018,383**	$ 108,803,947

Debt

The City reported outstanding debt of $24,583,575 as of July 31, 2020. Debt for the business-type activities relates to the Water and Sewerage Revenue Bonds that were issued in FY 2019 to refinance the cost of the 2013 Water and Sewerage Revenue Bonds, the Water and Sewer Fund's allocated portion of the net pension liability, and Water and Sewerage issuance of GEFA note payable in FY 2017 and FY 2019 to make improvements to the City's storm water infrastructure. The amount of outstanding debt in Governmental Activities includes Certificates of Participation ("COPS") with Georgia Municipal Association ("GMA"), revenue bonds, compensated absences, capital leases, net pension liability, and notes payable totaling $36,955,479. This amount increased from the prior year due to the issuance of Revenue Bonds and capital leases for FY 2019. Table 6 – *Outstanding Long-Term Liabilities* reflects information provided in Note 8.

TABLE 6 – Outstanding Long-Term Liabilities

	Governmental Activities		Business-type Activities	
	2020	2019	**2020**	2019
Notes payable	**$ 2,662,293**	$ 3,093,234	**$ 9,609,472**	$ 806,652
Compensated absences	**657,753**	590,907	**-**	-
Net pension liability	**4,799,563**	4,081,827	**1,125,824**	957,466
Capital leases	**2,694,908**	2,715,245	**-**	-
Certificates of participation	**1,730,000**	1,955,000	**-**	-
Bonds payable:				
Revenue bonds	**22,180,000**	720,000	**13,285,000**	15,715,000
Deferred amounts:				
Premium	**2,230,962**	-	**563,279**	34,697
Total bonds payable	**24,410,962**	720,000	**13,848,279**	15,749,697
Total long-term liabilities	**$ 36,955,479**	$ 13,156,213	**$ 24,583,575**	$ 17,513,815

Current Issues

Economic Factors and Next Year's Budget and Rates

The population of the City continues to increase despite the turmoil created by the Pandemic. Our revenues continued to be steady in most areas. We did see a decline in revenues from the Court System, but they were closed for several month during FY 2020, but we have seen a steady increase in the case loads and revenues related to the cases since July. Another area that was affected by the COVID-19 Virus was hotel motel revenues, again this was due to very little travel during March, April, and May, and the slower recovery in June and July. A new hotel opened in Fayetteville during the early fall and we are now receiving funds that are equal to or greater than the budget for FY 2021.

The City has generated an increase in revenues by raising the City's millage rate from 3.874 to 5.646 to help see the City through the next ten years. During this increase in the millage, the City has brought on additional fire fighters and additional police officers to bring their respective numbers more in line with other jurisdictions. Our operating expenses have also continued to increase but not at the rate of the revenues coming in during the year. We will continue to see our debt service expenses increase over the coming years due to the construction of a new City Center Project which includes an approximately ten acre park and a new City Hall, and continued required pension liabilities being added to our financial statements.

Staff has developed a ten-year plan that includes workload indicators and trend analysis to assist the City in long-range financial planning and forecasting. This plan is developed with input from each department and is updated annually to reflect any changing needs. This plan is a very conservative forecast of the City's financial resources and departmental needs to maintain our existing service levels to the community. The Mayor and Council and staff will need to continue to closely evaluate the service and staffing levels on an ongoing basis to ensure that adequate personnel resources and financial resources are available to achieve the desired service levels.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Mike Bush, Director of Finance and Administrative Services, City of Fayetteville, 240 Glynn Street South, Fayetteville, Georgia 30214, 770-461-6029, or mbush@fayetteville-ga.gov.

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BASIC FINANCIAL STATEMENTS

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF NET POSITION
JULY 31, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 13,875,539	$ 3,380,983	$ 17,256,522
Investments	21,570,641	-	21,570,641
Taxes receivable	869,168	-	869,168
Accounts receivable, net of allowances	181,599	936,291	1,117,890
Due from other governments	1,819,502	1,852,007	3,671,509
Internal balances	160,012	(160,012)	-
Inventories	32,565	156,283	188,848
Prepaid expenses	408,642	277	408,919
Restricted assets, cash and cash equivalents	337,572	3,391,654	3,729,226
Capital assets, nondepreciable	23,380,069	11,503,976	34,884,045
Capital assets, depreciable, net of accumulated depreciation	68,299,818	20,834,520	89,134,338
Total assets	130,935,127	41,895,979	172,831,106
DEFERRED OUTFLOWS OF RESOURCES			
Pension	1,545,370	362,494	1,907,864
Deferred charge on refunding	20,916	556,669	577,585
Total deferred outflows of resources	1,566,286	919,163	2,485,449
LIABILITIES			
Accounts payable	3,681,238	2,782,967	6,464,205
Accrued liabilities	811,867	222,416	1,034,283
Unearned revenues	551,672	-	551,672
Capital leases due within one year	905,930	-	905,930
Capital leases due in more than one year	1,788,978	-	1,788,978
Compensated absences due within one year	328,863	-	328,863
Compensated absences due in more than one year	328,890	-	328,890
Certificates of participation due within one year	230,000	-	230,000
Certificates of participation due in more than one year	1,500,000	-	1,500,000
Notes payable due within one year	445,665	22,945	468,610
Notes payable due in more than one year	2,216,628	9,586,527	11,803,155
Bonds payable due within one year	240,000	600,000	840,000
Bonds payable due in more than one year	24,170,962	13,248,279	37,419,241
Net pension liability due in more than one year	4,799,563	1,125,824	5,925,387
Total liabilities	42,000,256	27,588,958	69,589,214
DEFERRED INFLOWS OF RESOURCES			
Pension	122,299	28,688	150,987
Total deferred inflows of resources	122,299	28,688	150,987
NET POSITION			
Net investment in capital assets	60,482,704	9,460,359	69,943,063
Restricted for:			
Debt service	-	883,873	883,873
Law enforcement	212,948	-	212,948
Cemetery improvements	13,729	-	13,729
Veterans memorial	716	-	716
Downtown development	671,910	-	671,910
Tourism	225,879	-	225,879
Other capital projects	2,910,328	-	2,910,328
Unrestricted	25,860,644	4,853,264	30,713,908
Total net position	$ 90,378,858	$ 15,197,496	$ 105,576,354

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

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JULY 31, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 2,751,667	$ 934,750	$ 1,949,089	$ 124
Judicial	530,392	755,778	-	-
Public safety	11,092,290	194,646	9,438	3,987,510
Public works	5,239,662	-	22,284	537,317
Culture and recreation	301,541	-	119,538	-
Housing and development	1,671,733	1,498,700	56,612	-
Interest on long-term debt	826,092	-	-	-
Total governmental activities	22,413,377	3,383,874	2,156,961	4,524,951
Business-type activities:				
Water and sewer	6,491,953	6,724,648	-	284,281
Stormwater	421,360	784,964	-	-
Solid waste	698,973	727,118	-	-
Total business-type activities	7,612,286	8,236,730	-	284,281
Total primary government	$ 30,025,663	$ 11,620,604	$ 2,156,961	$ 4,809,232
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Alcoholic beverage excise taxes				
Business and occupation taxes				
Insurance premium taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Transfers				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ 132,296	$ -	$ 132,296
225,386	-	225,386
(6,900,696)	-	(6,900,696)
(4,680,061)	-	(4,680,061)
(182,003)	-	(182,003)
(116,421)	-	(116,421)
(826,092)	-	(826,092)
(12,347,591)	-	(12,347,591)
-	516,976	516,976
-	363,604	363,604
-	28,145	28,145
-	908,725	908,725
(12,347,591)	908,725	(11,438,866)
4,715,445	-	4,715,445
5,260,580	-	5,260,580
1,549,296	-	1,549,296
392,154	-	392,154
1,267,045	-	1,267,045
1,230,642	-	1,230,642
864,647	-	864,647
404,896	36,854	441,750
267,723	-	267,723
450,000	(450,000)	-
16,402,428	(413,146)	15,989,282
4,054,837	495,579	4,550,416
86,324,021	14,701,917	101,025,938
$ 90,378,858	$ 15,197,496	$ 105,576,354

CITY OF FAYETTEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2020

	General Fund	SPLOST 2017 Fund	Capital Projects 2 Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 2,919,043	$ 5,938,480	$ 357,806	$ 829,803	$ 3,830,407	$ 13,875,539
Investments	4,361,919	-	17,208,722	-	-	21,570,641
Taxes receivable	821,692	-	-	-	47,476	869,168
Accounts receivable, net	131,689	-	-	-	49,910	181,599
Due from other governments	821,794	743,921	253,787	-	-	1,819,502
Due from other funds	362,978	-	-	2,545,312	270,646	3,178,936
Inventories	9,825	-	-	-	22,740	32,565
Prepaid expenditures	382,791	-	-	-	25,851	408,642
Restricted assets	-	-	-	280,065	57,507	337,572
Total assets	$ 9,811,731	$ 6,682,401	$ 17,820,315	$ 3,655,180	$ 4,304,537	$ 42,274,164
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 304,009	$ 293,865	$ 89,014	$ 2,976,681	$ 17,669	$ 3,681,238
Accrued liabilities	572,172	-	-	-	4,485	576,657
Due to other funds	337,764	-	2,380,757	175,000	125,403	3,018,924
Unearned revenue	489,231	-	-	-	62,441	551,672
Total liabilities	1,703,176	293,865	2,469,771	3,151,681	209,998	7,828,491
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	141,545	-	-	-	-	141,545
Unavailable revenue - intergovernmental	-	73,655	-	-	10,438	84,093
Total deferred inflows of resources	141,545	73,655	-	-	10,438	225,638

(Continued)

CITY OF FAYETTEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2020

	General Fund	SPLOST 2017 Fund	Capital Projects 2 Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES						
Fund balances:						
Nonspendable	$ 392,616	$ -	$ -	$ -	$ 48,591	$ 441,207
Restricted	-	6,314,881	-	503,499	4,035,510	10,853,890
Assigned	4,200,000	-	-	-	-	4,200,000
Unassigned	3,374,394	-	15,350,544	-	-	18,724,938
Total fund balances	7,967,010	6,314,881	15,350,544	503,499	4,084,101	34,220,035
Total liabilities, deferred inflows of resources and fund balances	$ 9,811,731	$ 6,682,401	$ 17,820,315	$ 3,655,180	$ 4,304,537	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						91,679,887
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						225,638
The net pension liability and related deferred outflows and inflows of resources are not financial resources and, therefore, are not reported in the governmental funds.						(3,376,492)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						(32,370,210)
Net position of governmental activities						$ 90,378,858

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

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2020

	General Fund	SPLOST 2017 Fund	Capital Projects 2 Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 14,237,370	$ -	$ -	$ 1,153,204	$ 382,036	$ 15,772,610
Licenses and permits	671,653	-	-	-	-	671,653
Intergovernmental	2,080,454	3,987,510	319,705	217,612	-	6,605,281
Fines and forfeitures	728,601	-	-	-	194,646	923,247
Charges for services	166,400	-	-	-	161,107	327,507
Impact fees	-	-	-	-	1,337,593	1,337,593
Contributions	9,438	-	-	-	35,095	44,533
Interest income	90,111	74,050	190,789	7,836	42,110	404,896
Rental income	-	-	-	-	23,239	23,239
Other revenues	123,874	-	-	-	8,859	132,733
Total revenues	18,107,901	4,061,560	510,494	1,378,652	2,184,685	26,243,292
Expenditures						
Current:						
General government	2,627,501	-	-	-	-	2,627,501
Judicial	542,432	-	-	-	-	542,432
Public safety	10,352,140	-	-	-	65,303	10,417,443
Public works	1,063,677	-	-	-	-	1,063,677
Culture and recreation	301,511	-	-	-	30	301,541
Housing and development	1,027,804	-	-	-	796,360	1,824,164
Capital outlay:						
General government	-	-	-	8,321,955	-	8,321,955
Public safety	-	268,158	-	576,731	-	844,889
Public works	-	2,760,464	552,454	178,391	-	3,491,309
Housing and development	-	-		69,051	-	69,051
Debt service:						
Principal	-	627,099	-	948,238	275,941	1,851,278
Interest	480,162	110,015	-	99,191	22,849	712,217
Total expenditures	16,395,227	3,765,736	552,454	10,193,557	1,160,483	32,067,457
Excess (deficiency) of revenues over (under) expenditures	1,712,674	295,824	(41,960)	(8,814,905)	1,024,202	(5,824,165)

(Continued)

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2020

	General Fund	SPLOST 2017 Fund	Capital Projects 2 Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)						
Capital leases	$ -	$ -	$ -	$ 940,000	$ -	$ 940,000
Issuance of revenue bonds	-	-	21,695,000	-	-	21,695,000
Premium on issuance of revenue bonds	-	-	2,352,973	-	-	2,352,973
Proceeds from sale of assets	267,723	-	-	-	-	267,723
Transfers in	487,627	-	-	7,977,645	865,899	9,331,171
Transfers out	(250,355)	-	(7,647,349)	(233,541)	(749,926)	(8,881,171)
Total other financing sources (uses)	504,995	-	16,400,624	8,684,104	115,973	25,705,696
Net change in fund balances	2,217,669	295,824	16,358,664	(130,801)	1,140,175	19,881,531
Fund balances (deficit), beginning of year	5,749,341	6,019,057	(1,008,120)	634,300	2,943,926	14,338,504
Fund balances, end of year	$ 7,967,010	$ 6,314,881	$ 15,350,544	$ 503,499	$ 4,084,101	$ 34,220,035

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

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CITY OF FAYETTEVILLE, 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 JULY 31, 2020

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

Net change in fund balances - total governmental funds	$	19,881,531
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		7,715,156
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(44,861)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(492,801)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(23,014,684)
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.		10,496
Change in net position - governmental activities	$	4,054,837

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

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 5,076,532	$ 4,827,532	$ 4,826,210	$ (1,322)
Sales taxes	3,900,000	4,108,000	4,107,376	(624)
Other taxes	5,192,294	5,309,294	5,303,784	(5,510)
Licenses and permits	838,630	678,630	671,653	(6,977)
Intergovernmental	546,588	2,081,688	2,080,454	(1,234)
Fines and forfeitures	1,115,000	729,359	728,601	(758)
Charges for services	201,377	172,127	166,400	(5,727)
Contributions	8,505	15,005	9,438	(5,567)
Interest income	100,000	100,000	90,111	(9,889)
Other revenues	137,700	144,900	123,874	(21,026)
Total revenues	17,116,626	18,166,535	18,107,901	(58,634)
Expenditures				
Current:				
General government:				
Mayor and council	253,999	253,999	204,358	49,641
Clerk of council	114,662	116,667	115,556	1,111
City manager	162,786	165,586	164,171	1,415
Elections	16,100	16,100	15,849	251
Financial administration	597,185	613,185	609,632	3,553
Public information	201,329	227,329	223,088	4,241
Law	150,000	170,000	169,864	136
Data processing	288,461	291,836	288,572	3,264
Human resources	183,619	227,819	225,288	2,531
Building and plant	586,732	616,732	611,123	5,609
Total general government	2,554,873	2,699,253	2,627,501	71,752
Judicial:				
Municipal court	645,178	557,537	542,432	15,105
Public safety:				
Police administration	575,122	521,622	503,151	18,471
Investigations	1,227,837	1,234,249	1,211,368	22,881
Patrol	2,873,316	2,946,316	2,929,007	17,309
Police stations and buildings	102,821	277,821	267,355	10,466
Support services	714,218	718,806	676,648	42,158
Fire administration	381,162	402,027	393,532	8,495
Fire fighting	3,806,412	3,794,422	3,747,552	46,870
Fire prevention	392,589	391,464	381,817	9,647
Fire station 91 and headquarters	56,434	70,734	64,679	6,055
Fire station 92	36,281	30,481	23,590	6,891
Fire station 93	25,282	160,782	153,441	7,341
Total public safety	10,191,474	10,548,724	10,352,140	196,584

(Continued)

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued)				
Current (Continued):				
Public works:				
Public works administration	$ 131,031	$ 116,031	$ 101,332	$ 14,699
Highways and streets	1,404,730	1,172,035	962,345	209,690
Total public works	1,535,761	1,288,066	1,063,677	224,389
Culture and recreation:				
Recreation	200,000	566,200	301,511	264,689
Total culture and recreation	200,000	566,200	301,511	264,689
Housing and development:				
Inspection	505,673	506,473	428,211	78,262
Planning and zoning	630,268	606,409	573,942	32,467
Engineering and development	75,000	16,000	15,409	591
Economic development	25,093	24,323	10,242	14,081
Total housing and development	1,236,034	1,153,205	1,027,804	125,401
Debt service:				
Interest	600,000	1,006,756	480,162	526,594
Total debt service	600,000	1,006,756	480,162	526,594
Total expenditures	16,963,320	17,819,741	16,395,227	1,424,514
Excess of revenues over expenditures	153,306	346,794	1,712,674	1,365,880
Other financing sources (uses)				
Proceeds from sale of assets	12,500	268,500	267,723	(777)
Transfers in	457,500	487,670	487,627	(43)
Transfers out	(623,306)	(1,102,964)	(250,355)	852,609
Total other financing sources (uses)	(153,306)	(346,794)	504,995	851,789
Net change in fund balances	-	-	2,217,669	2,217,669
Fund balances, beginning of year	5,749,342	5,749,342	5,749,342	-
Fund balances, end of year	$ 5,749,342	$ 5,749,342	$ 7,967,011	$ 2,217,669

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

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JULY 31, 2020

ASSETS	Major Enterprise Fund Water and Sewer Fund	Nonmajor Enterprise Fund Solid Waste Fund	Totals
CURRENT ASSETS			
Cash and cash equivalents	$ 3,227,144	$ 153,839	$ 3,380,983
Accounts receivable, net of allowances	936,291	-	936,291
Due from other governments	1,852,007	-	1,852,007
Inventories	156,283	-	156,283
Prepaid expenses	277	-	277
Restricted assets, cash, and cash equivalents	3,391,654	-	3,391,654
Total current assets	9,563,656	153,839	9,717,495
NONCURRENT ASSETS			
Capital assets:			
Capital assets, nondepreciable	11,503,976	-	11,503,976
Capital assets, depreciable, net of accumulated depreciation	20,834,520	-	20,834,520
Total capital assets	32,338,496	-	32,338,496
Total non-current assets	32,338,496	-	32,338,496
Total assets	41,902,152	153,839	42,055,991
DEFERRED OUTFLOWS OF RESOURCES			
Pension	362,494	-	362,494
Deferred charge on refunding	556,669	-	556,669
Total deferred outflows of resources	919,163	-	919,163
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	2,724,770	58,197	2,782,967
Accrued liabilities	118,707	-	118,707
Due to other funds	160,012	-	160,012
Current portion of revenue bonds payable from restricted assets	600,000	-	600,000
Current portion of notes payable from restricted assets	22,945	-	22,945
Accrued interest	103,709	-	103,709
Total current liabilities	3,730,143	58,197	3,788,340
NON-CURRENT LIABILITIES			
Net pension liability due in more than one year	1,125,824	-	1,125,824
Revenue bonds payable, net of current portion	13,248,279	-	13,248,279
Notes payable, net of current portion	9,586,527	-	9,586,527
Total non-current liabilities	23,960,630	-	23,960,630
Total liabilities	27,690,773	58,197	27,748,970

(Continued)

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JULY 31, 2020

	Major Enterprise Fund Water and Sewer Fund	Nonmajor Enterprise Fund Solid Waste Fund	Totals
DEFERRED INFLOWS OF RESOURCES			
Pension	$ 28,688	$ -	$ 28,688
Total deferred inflows of resources	28,688	-	28,688
NET POSITION			
Net investment in capital assets	9,460,359	-	9,460,359
Restricted for debt service	883,873	-	883,873
Unrestricted	4,757,622	95,642	4,853,264
Total net position	$ 15,101,854	$ 95,642	$ 15,197,496

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

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CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Major Enterprise Fund Water and Sewer Fund	Nonmajor Enterprise Fund Solid Waste Fund	Totals
OPERATING REVENUES			
Charges for services:			
Water sales pledged as security for revenue bonds	$ 2,962,265	$ -	$ 2,962,265
Sewer sales pledged as security for revenue bonds	3,442,112	-	3,442,112
Stormwater sales pledged as security for revenue bonds	784,964	-	784,964
Sanitation charges	-	727,118	727,118
Other fees and charges	320,271	-	320,271
Total operating revenues	7,509,612	727,118	8,236,730
OPERATING EXPENSES			
Personnel services and employee benefits	1,908,183	-	1,908,183
Contracted services	1,565,893	698,973	2,264,866
Supplies	1,489,994	-	1,489,994
Depreciation	1,148,322	-	1,148,322
Total operating expenses	6,112,392	698,973	6,811,365
Operating income	1,397,220	28,145	1,425,365
NON-OPERATING INCOME (EXPENSES)			
Interest income	35,161	1,693	36,854
Interest expense	(800,921)	-	(800,921)
Total non-operating income (expenses)	(765,760)	1,693	(764,067)
Income before transfers and capital contributions	631,460	29,838	661,298
TRANSFERS			
Transfers out	(450,000)	-	(450,000)
Total transfers	(450,000)	-	(450,000)
CAPITAL CONTRIBUTIONS	284,281	-	284,281
Change in net position	465,741	29,838	495,579
NET POSITION, beginning of year	14,636,113	65,804	14,701,917
NET POSITION, end of year	$ 15,101,854	$ 95,642	$ 15,197,496

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

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Major Enterprise Fund Water and Sewer Fund	Nonmajor Enterprise Fund Solid Waste Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 7,513,772	$ 727,118	$ 8,240,890
Payments to suppliers and service providers	(656,030)	(696,756)	(1,352,786)
Payments to employees	(2,005,822)	-	(2,005,822)
Net cash provided by operating activities	4,851,920	30,362	4,882,282
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(450,000)	-	(450,000)
Net cash used in noncapital financing activities	(450,000)	-	(450,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of property and equipment	(8,692,463)	-	(8,692,463)
Proceeds from bonds	22,097,837	-	22,097,837
Principal paid on bonds	(15,725,017)	-	(15,725,017)
Interest paid	(864,448)	-	(864,448)
Intergovernmental revenue	(1,852,007)	-	(1,852,007)
Capital contributions	284,281	-	284,281
Net cash used in capital and related financing activities	(4,751,817)	-	(4,751,817)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	35,161	1,693	36,854
Net cash provided by investing activities	35,161	1,693	36,854
Increase (decrease) in cash and cash equivalents	(314,736)	32,055	(282,681)
Cash and cash equivalents:			
Beginning of year	6,933,534	121,784	7,055,318
End of year	$ 6,618,798	$ 153,839	$ 6,772,637
Classified as:			
Cash and cash equivalents	$ 3,227,144	$ 153,839	$ 3,380,983
Restricted assets, cash and cash equivalents	3,391,654	-	3,391,654
	$ 6,618,798	$ 153,839	$ 6,772,637

(Continued)

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Major Enterprise Fund Water and Sewer Fund	Nonmajor Enterprise Fund Solid Waste Fund	Totals
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 1,397,220	$ 28,145	$ 1,425,365
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,148,322	-	1,148,322
Decrease in accounts receivable	4,160	-	4,160
Increase in inventories	(3,787)	-	(3,787)
Decrease in deferred outflows of resources - pension	(88,447)	-	(88,447)
Increase in prepaid expenses	32,596	-	32,596
Increase in accrued liabilities	(18,742)	-	(18,742)
Decrease in accounts payable	2,371,048	2,217	2,373,265
Increase in deferred inflows of resources - pension	(153,383)	-	(153,383)
Decrease in net pension liability due in more than one year	168,358	-	168,358
Decrease in due to other funds	(5,425)	-	(5,425)
Net cash provided by operating activities	$ 4,851,920	$ 30,362	$ 4,882,282

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

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Fayetteville, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governments. 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 operates under a Council/Manager form of government. 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 of Fayetteville, Georgia (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. In conformity with accounting principles generally accepted in the United States of America, as set forth in GASB Statement No. 14, and as amended by Statements No. 34 and 61, the financial statements of the component units are blended in the government-wide financial statements.

The City of Fayetteville Downtown Development Authority (the "Downtown Development Authority") was organized to develop and promote commerce, industry and general welfare within the City. The City appoints the Downtown Development Authority's board members and provides the majority of funding for the Downtown Development Authority's operating budget. The Downtown Development Authority's debt outstanding is expected to be repaid almost entirely from the resources of the City. The Downtown Development Authority is reviewed and audited along with the primary government financial statements in accordance with the GASB statements noted above, however, separate financial statements are not prepared.

The Fayetteville Main Street Tourism Association, Inc. (the "Main Street Tourism Association") was organized to serve the needs and interests of tourism within the City, and in particular, tourism within the Main Street District of the City. The City's governing body is substantively the same as the Main Street Tourism Association's governing body and has operational responsibility for the Main Street Tourism Association in that the City manages the activities of the component unit in essentially the same manner in which it manages its own programs, departments, or agencies. The Main Street Tourism Association is reviewed and audited along with the primary government financial statements in accordance with the GASB statements noted above, however, separate financial statements 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 government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are 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 those 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 properly included among 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 the related cash flows. Property taxes are recognized as revenues in the 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. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, intergovernmental grants and investment income 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The **G*eneral 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 ***Special Purpose Local Option Sales Tax ("SPLOST") 2017 Fund*** is the fund that accounts for expenditures relating to the renovation of existing stormwater projects, recreation projects, public safety uses, construction of roads, and all such projects under the SPLOST 2017 referendum.

The ***Building Fund*** is used to account for the accumulation and expenditures of resources for various public improvements which are funded by a percentage of property taxes.

The ***Capital Projects 2 Fund*** is used to account for the accumulation and expenditures of resources for various capital projects which are funded by a percentage of property taxes.

The City reports the following major proprietary fund:

The ***Water and Sewer Fund*** accounts for the operation of the water and sewerage system including all revenues from sources applicable to these operations and all expenses of the operation.

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Deposits

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and the Georgia Fund 1. Georgia Fund 1, created by the Official Code of Georgia Annotated ("O.C.G.A.") § 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAAf rated money market funds. The investment in the Georgia Fund 1 represents the City's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, bankers' acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The pool also adjusts the value of its investments to fair value as of year-end and the City's investment in the Georgia Fund 1 is valued at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as 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".

F. Inventories

Inventories are valued at cost, which approximates market, using the first in, first out ("FIFO") method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

G. Prepaid Expenditures/Expenses

Prepaid items are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure/expense is made for goods or services that were purchased for consumption, but not consumed as of July 31.

H. Restricted Assets

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, 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 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The City has retroactively reported major general infrastructure assets. In this case, the City chose to include all items regardless of their acquisition date. The City was able to estimate the historical cost for the initial reporting of these assets through back trending. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following useful lives:

Asset	Years
Land improvements	3 – 50
Buildings	3 – 40
Public domain infrastructure	3 – 100
System infrastructure	3 – 40
Equipment	3 – 30

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amount when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

K. 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 are deferred and amortized over the life of the bond using the straight-line method, which approximates the effective interest method. The gain/loss on defeasance of bonds is presented as an increase/decrease to the face amount of bonds payable and is being amortized over the life of the bonds through interest expense. Bond issuance costs are expensed in the period incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. Bond issuance costs, whether or not withheld from proceeds, are reported as expenditures when incurred.

L. Deferred Outflows/Inflows of Resources

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City had four items that qualified for reporting in this category. The first relates to the deferred charge on refunding reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The other three items relate to the City's defined benefit pension plan. The pension experience differences, pension assumption changes, and the contributions made subsequent to the measurement date are deferred and recognized as pension expense in future years.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City had three items which qualified for reporting in this category. The first item, unavailable revenue, arises only under the modified accrual basis of accounting, and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other two items relates to the City's defined benefit pension plan. First, the pension investment earnings gain represents future acquisitions of net position and, accordingly, are reported as deferred inflows of resources. Second, experience gains and losses result from periodic studies by the City's actuaries which adjust the net pension liability for actual experiences for certain trend information that was previously assumed, for example, the assumed dates of retirement of plan members. These experience gains and losses are recorded as deferred inflows of resources and are amortized over the expected remaining service lives of plan members.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity

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 and liabilities under the current financial resources measurement 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 purposes 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 the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or 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 formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

- ***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. Through resolution, the City Council has authorized the City Manager or the City's Finance Director to assign fund balances.

- ***Unassigned*** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all 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:

- Committed
- Assigned
- Unassigned

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. 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 are available.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Pension

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 Fayetteville 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.

P. Tax Abatement Agreements

During the year ended July 31, 2017, the City implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the City to disclose information for any tax abatement agreements either entered into by the City, or agreements entered into by other governments that reduce the City’s tax revenues.

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 difference are as follows:

Accrued interest payable	$	(235,210)
Compensated absences payable		(657,753)
Notes payable		(2,662,293)
Capital leases		(2,694,908)
Revenue bonds		(22,180,000)
Premium on revenue bond		(2,230,962)
Certificates of participation		(1,730,000)
Deferred charge on refunding		20,916
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(32,370,210)

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

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

Capital outlay	$	9,816,925
Depreciation expense		(2,101,769)
Net adjustment to increase *net changes in fund balance - total governmental funds* to arrive at *changes in net position of governmental activities*	$	7,715,156

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 (Continued)

Another element of the reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) 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 premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

Debt issued:		
Capital leases	$	(940,000)
Revenue bonds		(21,695,000)
Premium on revenue bonds		(2,352,973)
Principal repayments:		
Certificates of participation		225,000
Revenue bonds		235,000
Premium on revenue bond		122,011
Note payable		430,941
Capital leases		960,337
Net adjustment to reduce *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(23,014,684)

Another element of that reconciliation states that "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." The details of this difference are as follows:

Compensated absences	$	(66,846)
Accrued interest		(220,591)
Net pension liability and related deferred outflows and inflows of resources		313,228
Amortization of deferred refunding loss		(15,295)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	10,496

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data. Budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, special revenue funds and capital projects funds. Enterprise fund budgets are prepared and utilized as a management tool to assess the operations of the enterprise funds. All annual appropriations lapse at fiscal year-end. Prior to July 31, the Director of Finance with the City Manager receives budget requests from the various departments and their department chairmen. A budget is then formulated which the City Manager and Mayor present to full Council sixty (60) days prior to the beginning of each fiscal year. After review by full Council, the budget is published for public hearing. A public hearing is held and the budget is legally adopted by the City Council on the second Council meeting in July before the new year begins on August 1. The legal level of budgetary control is the department level.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations within a department budget or within a non-departmental expenditure category can be authorized by the Director of Finance, except expenditures for additional personnel. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, as well as increases in appropriations for employing additional personnel, require approval of the governing body in the form of amendments to the budget resolution. The Council made several immaterial supplemental budgetary appropriations throughout the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assignments or commitments of fund balances, as appropriate, and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. At July 31, 2020, there were no outstanding encumbrances.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit Risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The City has no formal credit risk policy other than to only invest in obligations authorized by the State of Georgia. As of July 31, 2020, the City's investment in Georgia Fund 1 was rated AAAf by Standard & Poor's and is valued at fair market value.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

At July 31, 2020, the City had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	40 day weighted average	$ 4,361,919
Georgia Fund 1	40 day weighted average	17,208,722
		$ 21,570,641

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of July 31, 2020, all of the deposits for the City were fully collateralized in accordance with the state statutes.

NOTE 5. RECEIVABLES

Receivables at July 31, 2020 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	SPLOST 2017	Capital Projects 2
Receivables:			
Taxes	$ 821,692	$ -	$ -
Accounts	162,453	-	-
Due from of other governments	821,794	743,921	253,787
Gross receivables	1,805,939	743,921	253,787
Less allowance for uncollectibles	30,764	-	-
Net total receivables	$ 1,775,175	$ 743,921	$ 253,787

	Water and Sewer	Nonmajor Governmental Funds	Total
Receivables:			
Taxes	$ -	$ 47,476	$ 869,168
Accounts	1,058,683	49,910	1,271,046
Due from of other governments	1,852,007	-	3,671,509
Gross receivables	2,910,690	97,386	5,811,723
Less allowance for uncollectibles	122,392	-	153,156
Net total receivables	$ 2,788,298	$ 97,386	$ 5,658,567

NOTE 6. PROPERTY TAXES

The City receives its property tax revenue from Fayette County, which assesses, levies, and collects the taxes, including real and personal property, mobile homes, and motor vehicles. Tax bills were levied to taxpayers on September 15, 2019, and were due and payable on November 15, 2019. All unpaid taxes became delinquent as of November 16, 2019. Property taxes attached as an enforceable lien on property as of January 15, 2020. Receivables are recorded when taxes are levied.

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended July 31, 2020, is as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 11,830,959	$ 3,732	$ -	$ (350,000)	$ 11,484,691
Historical treasures	91,279	-	-	-	91,279
Construction in progress	2,408,777	9,064,651	(19,329)	350,000	11,804,099
Total	14,331,015	9,068,383	(19,329)	-	23,380,069
Capital assets, being depreciated:					
Buildings	10,227,645	-	(222,363)	-	10,005,282
Land improvements	1,477,065	-	-	-	1,477,065
Infrastructure	73,463,974	-	-	-	73,463,974
Equipment	10,092,882	748,542	(725,812)	-	10,115,612
Total	95,261,566	748,542	(948,175)	-	95,061,933
Less accumulated depreciation for:					
Buildings	4,542,390	251,155	(196,830)	-	4,596,715
Land improvements	442,742	34,757	-	-	477,499
Infrastructure	14,795,974	916,229	-	-	15,712,203
Equipment	5,801,883	899,628	(725,813)	-	5,975,698
Total	25,582,989	2,101,769	(922,643)	-	26,762,115
Total assets, being depreciated, net	69,678,577	(1,353,227)	(25,532)	-	68,299,818
Governmental activities capital assets, net	$ 84,009,592	$ 7,715,156	$ (44,861)	$ -	$ 91,679,887

NOTE 7. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 1,630,139	$ -	$ -	$ -	$ 1,630,139
Construction in progress	2,597,230	8,601,179	-	(1,324,572)	9,873,837
Total	4,227,369	8,601,179	-	(1,324,572)	11,503,976
Capital assets, being depreciated:					
Water and plant distribution system	11,897,738	-	-	771,883	12,669,621
Sewer plant and extensions	34,794,598	-	-	392,674	35,187,272
Stormwater system	4,060,378	-	-	160,015	4,220,393
Equipment	1,434,331	91,284	-	-	1,525,615
Total	52,187,045	91,284	-	1,324,572	53,602,901
Less accumulated depreciation for:					
Water and plant distribution system	11,107,832	103,663	-	-	11,211,495
Sewer plant and extensions	18,439,263	852,638	-	-	19,291,901
Stormwater system	999,103	126,218	-	-	1,125,321
Equipment	1,073,861	65,803	-	-	1,139,664
Total	31,620,059	1,148,322	-	-	32,768,381
Total assets, being depreciated, net	20,566,986	(1,057,038)	-	1,324,572	20,834,520
Business-type activities capital assets, net	$ 24,794,355	$ 7,544,141	$ -	$ -	$ 32,338,496

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

Governmental activities:	
General government	$ 122,476
Public safety	924,293
Public works	945,762
Housing and development	109,238
Total depreciation expense - governmental activities	$ 2,101,769
Business-type activities:	
Water and sewer	$ 1,148,322
Total depreciation expense - business-type activities	$ 1,148,322

NOTE 8. LONG-TERM DEBT

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable:					
Revenue bonds	$ 720,000	$ 21,695,000	$ (235,000)	$ 22,180,000	$ 240,000
Deferred amount:					
Premium	-	2,352,973	(122,011)	2,230,962	-
Total bonds payable	720,000	24,047,973	(357,011)	24,410,962	240,000
Certificates of participation	1,955,000	-	(225,000)	1,730,000	230,000
Notes payable	3,093,234	-	(430,941)	2,662,293	445,665
Capital leases	2,715,245	940,000	(960,337)	2,694,908	905,930
Net pension liability	4,081,827	2,606,174	(1,888,438)	4,799,563	-
Compensated absences	590,907	574,259	(507,413)	657,753	328,863
Governmental activities					
long-term liabilities	$ 13,156,213	$ 28,168,406	$ (4,369,140)	$ 36,955,479	$ 2,150,458
Business-type activities					
Bonds payable:					
Revenue bonds	$ 15,715,000	$ 13,285,000	$ (15,715,000)	$ 13,285,000	$ 600,000
Deferred amount:					
Premium	34,697	608,754	(80,172)	563,279	-
Total bonds payable	15,749,697	13,893,754	(15,795,172)	13,848,279	600,000
Notes payable	806,652	8,812,837	(10,017)	9,609,472	22,945
Net pension liability	957,466	611,325	(442,967)	1,125,824	-
Business-type activites					
long-term liabilities	$ 17,513,815	$ 23,317,916	$ (16,248,156)	$ 24,583,575	$ 622,945

Governmental activities

Revenue bonds. During the year ended July 31, 2020, the City of Fayetteville Public Facilities Authority issued the following Series 2019 Bonds: (i) $21,695,000 City Hall and Park Projects Revenue Bonds, Series 2019 (the “Series 2019 New Money Bonds”), (ii) $5,395,000 Water and Sewage Refunding Project Revenue Bonds, Series 2019 (the “Series 2019 Refunding Bonds”), and (iii) $7,890,000 Water and Sewer Refunding Project Taxable Revenue Bonds, Series 2019 (the “Taxable Series 2019 Refunding Bonds”).

NOTE 8. LONG-TERM DEBT (CONTINUED)

Governmental activities (Continued)

Revenue bonds (Continued). The Series 2019 New Money Bonds in the amount of $21,695,000 were used to finance the cost of the acquisition, construction, upgrading, and equipping of various public facilities including City Hall, acquisition, construction, renovation, upgrading, and equipping of recreational facilities, and property acquisition/demolition, and infrastructure improvements located within the City.

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Series 2019 New Money Bonds	3.00 - 5.00%	30 years	2049	$ 21,695,000	$ 21,695,000
	Plus unamortized premium			-	2,230,962
				-	23,925,962
	Total Series 19			$ 21,695,000	$ 23,925,962

The Downtown Development Authority issued revenue bonds during the year ended July 31, 2012 in the amount of $1,885,000. The purpose of the bonds is to advance refund the remaining series 2001 bonds issued during the year ended July 31, 2002. The principal and interest on the bonds is payable from and secured by certain payments made to the Downtown Development Authority by the City pursuant to a contract between the Downtown Development Authority and the City until maturity or the bonds are redeemed. To fulfill its obligations under the contract, the City has agreed that it will, to the extent necessary, levy an annual tax on all taxable property located within the boundaries of the City, at such rate or rates, limited to 3 mills, as may be necessary to make the payments to the Downtown Development Authority for its services as called for by the contract. For the fiscal year ended July 31, 2020, the levied tax by the City totaled $4,282,657 and the total debt service related to the revenue bonds totaled $250,002. Amounts pledged equal total debt service for each applicable year. Revenue bonds outstanding at July 31, 2020, are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Downtown Development Authority	2.49%	10 years	2021	$ 1,885,000	$ 485,000

NOTE 8. LONG-TERM DEBT (CONTINUED)

Governmental activities (Continued)

Revenue bonds (Continued). Revenue bond debt service requirements to maturity are as follows:

Year Ending July 31,	Principal	Interest
2021	$ 240,000	$ 840,139
2022	245,000	834,100
2023	-	831,050
2024	-	831,050
2025	475,000	821,550
2026 – 2030	2,700,000	3,775,050
2031 – 2035	3,385,000	3,080,750
2036 – 2040	4,125,000	2,328,050
2041 – 2045	5,025,000	1,416,250
2046 – 2050	5,985,000	459,375
Total	$ 22,180,000	$ 15,217,364

Notes payable. The Downtown Development Authority has incurred debt to a financial institution to be used on specifically identified Main Street projects. In connection with this debt, a contract has been entered into between the Downtown Development Authority and the City whereby the City is to levy an annual tax on all taxable property located within the boundaries of the City in order to produce revenues sufficient to pay the debt service on the Downtown Development Authority debt. In the event that payments of this tax by the City to the Downtown Development Authority each year are not sufficient to pay the debt service payment on the debt, the City will be liable for any difference. For the fiscal year ended July 31, 2020, the levied tax by the City totaled $4,282,657 and the total debt service related to the revenue bonds totaled $48,787. Amounts pledged equal total debt service for each applicable year. The note is as follows at July 31, 2020:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
4.17%	15 years	2024	$ 540,000	$ 157,293

During the fiscal year ended July 31, 2018, the City entered into an Installment Sales Agreement debt in the amount of $2,895,000. The proceeds from the debt agreement were used to purchase land for capital outlay projects. The note is as follows at July 31, 2020:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
3.34%	12 years	2029	$ 2,895,000	$ 2,505,000

NOTE 8. LONG-TERM DEBT (CONTINUED)

Governmental activities (Continued)

Notes payable (Continued). The annual requirements to pay the notes outstanding are as follows:

Year Ending July 31,	Principal	Interest
2021	$ 445,665	$ 83,059
2022	460,463	67,584
2023	476,337	51,582
2024	469,224	35,017
2025	124,000	25,017
2026 – 2030	686,604	58,935
Total	$ 2,662,293	$ 321,194

Certificates of participation. During the year ended July 31, 2005, the City entered into lease-purchase agreements with the Georgia Municipal Association for the construction of a new law enforcement center issuing certificates of participation in the amount of $4,575,000. The City refinanced the previously issued certificates of participation during the year ended July 31, 2013. Certificates of participation outstanding at July 31, 2020, are as follows:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
2.27%	13 years	2027	$ 3,115,000	$ 1,730,000

Annual debt service requirements on the certificates of participation are as follows:

Year Ending July 31,	Principal	Interest
2021	$ 230,000	$ 36,580
2022	235,000	31,314
2023	240,000	25,934
2024	245,000	20,442
2025	255,000	14,779
2026 – 2027	525,000	11,948
Total	$ 1,730,000	$ 140,996

NOTE 8. LONG-TERM DEBT (CONTINUED)

Governmental activities (Continued)

Capital leases. During the year ended July 31, 2016, the City entered into a lease-purchase agreement with the Georgia Municipal Association for the purchase of a vehicle in the amount of $768,055 for the public safety department. The lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and have been recorded at the present value of the future minimum lease payments as of the date of their inception. The vehicle leases are being serviced by Building Fund payments with annual interest rates of 2.54%. During the year ended July 31, 2017, the City entered into a lease-purchase agreement with the Georgia Municipal Association for the purchase of a vehicle in the amount of $580,700 for the public safety department. The lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and have been recorded at the present value of the future minimum lease payments as of the date of their inception. The vehicle leases are being serviced by Building Fund payments with annual interest rates of 2.06%. During the year ended July 31, 2018, the City entered into three lease-purchase agreements with SunTrust for the purchase of vehicles, equipment and land in the amount of $650,000, $1,200,000, and $515,000. The lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and have been recorded at the present value of the future minimum lease payments as of the date of their inception. These leases are being serviced by Building Fund and SPLOST 2017 Fund payments with annual interest rates of 2.42%, 2.12%, and 1.94%, respectively. During the year ended July 31, 2019, the City entered into one lease-purchase agreement with SunTrust for the purchase of vehicles and equipment in the amount of $500,000. The lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and has been recorded at the present value of the future minimum lease payments as of the date of inception. This lease is being serviced by the SPLOST 2017 Fund payments with an annual interest rate 3.10%. During the year ended July 31, 2020, the City entered into a lease-purchase agreement with BCI for the purchase of equipment in the amount of $940,000. The lease agreement qualifies as capital leases for accounting purposes (title transfers at the end of the lease term) and has been recorded at the present value of the future minimum lease payments as of the date of their inception. The lease is being serviced by the Building Fund and SPLOST 2017 Fund payments with an annual interest rate of 2.14%.

The City reported accumulated depreciation and depreciation expense in the respective amounts of $1,467,259 and $512,107 on the above leased assets as of July 31, 2020.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Governmental activities (Continued)

Capital leases (Continued). The following is a schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments at July 31, 2020:

Year Ending July 31,	
2021	$ 964,777
2022	875,232
2023	453,218
2024	162,583
2025	162,583
2026 – 2028	221,023
Total minimum lease payments	2,839,415
Less amount representing interest	(144,507)
Present value of future minimum lease payments	2,694,908
Less current maturities	(905,930)
	$ 1,788,978

Business-type activities

Revenue bonds. The “Series 2019 Refunding Bonds” in the amount of $5,395,000 were used to: (a) refund a portion of the Water and Sewage Revenue Bonds, Series 2010 Bonds, (b) refund a portion of the Water and Sewer Revenue Bonds, Series 2013A, and (c) pay the issuance cost of the Series 2019 Refunding Bonds. The **“**Taxable Series 2019 Refunding Bonds” in the amount of $7,890,000 were used to: (a) refund a portion of the Water and Sewer Refunding Bonds, Series 2010, and (b) pay the issuance costs of the Taxable Series 2019 Refunding Bonds.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Business-type activities (Continued)

Revenue bonds (Continued). The issuance of the Series 2019 Refunding Bonds and the Taxable Series 2019 Refunding Bonds were used to refund the Series 2010 and Series 2013A Bonds. The difference between the cash flows required to service the old debt and the cash flow to service the new debt and complete the refunding totaled $3,435,629. The economic gain resulting from the refunding was $1,204,390.

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
PFA Revenue Bonds Series 2019 W&S Refunding Taxable	2.125 - 2.850%	13	2032	$ 7,890,000	$ 7,890,000
PFA Revenue Bonds Series 2019 W&S Refunding	3.00 - 4.00% Plus unamortized premium	15 years	2034	$ 5,395,000	$ 5,395,000 563,279 5,958,279
	Total Series 19			$ 5,395,000	$ 5,958,279

Debt service requirements to maturity on the revenue bonds are as follows:

Year Ending July 31,	Principal	Interest
2021	$ 600,000	$ 405,989
2022	650,000	384,592
2023	675,000	359,038
2024	710,000	332,373
2025	740,000	304,497
2026 – 2030	5,305,000	1,132,236
2031 – 2033	4,605,000	337,275
Total	$ 13,285,000	$ 3,256,000

NOTE 8. LONG-TERM DEBT (CONTINUED)

Business-type activities (Continued)

Notes payable. The City has also incurred debt to the Georgia Environmental Facilities Authority for construction of various water and sewer system projects. This note is a construction line of credit agreement with a rate of 2.03% for $961,221.

The City has also incurred debt to the Georgia Environmental Facilities Authority for construction of various water and sewer system projects. This note is a construction line of credit agreement with a rate of 2.62% for $19,474,000, of which $8,648,251 had been drawn as of July 31, 2020. A debt service requirements to maturity schedule is not presented for the construction line of credit as this note payable is in the draw down phase as of July 31, 2020, and repayment will be determined when the construction is complete and all draws have been made.

Notes payable outstanding July 31, 2020, are as follows:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
2.03%	20	2040	$ 961,221	$ 954,715

Notes Payable. The annual requirements to pay the notes outstanding are as follows:

Year Ending July 31,	Principal	Interest
2021	$ 22,945	$ 11,189
2022	39,972	18,544
2023	40,791	17,725
2024	41,626	16,890
2025	42,479	16,037
2026 – 2030	225,815	66,765
2031 – 2035	249,917	42,663
2036 – 2040	276,592	15,988
2041	14,578	49
Total	$ 954,715	$ 205,850

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of July 31, 2020, is as follows:

	Payable Fund					
Receivable Fund	General Fund	Water and Sewer Fund	Capital Projects 2 Fund	Nonmajor Governmental Funds	Building Fund	Total
General Fund	$ -	$ 160,012	$ -	$ 27,966	$ 175,000	$ 362,978
Building Fund	164,555	-	2,380,757	-	-	2,545,312
Nonmajor Governmental Funds	173,209	-	-	97,437	-	270,646
Total	$ 337,764	$ 160,012	$ 2,380,757	$ 125,403	$ 175,000	$ 3,178,936

These balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund transfers:

	Transfers out					
Transfers In	General Fund	Water and Sewer Fund	Building Fund	Capital Projects 2 Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 450,000	$ -	$ -	$ 37,627	$ 487,627
Building Fund	65,281	-	-	7,647,349	265,015	7,977,645
Nonmajor Governmental Funds	185,074	-	233,541	-	447,284	865,899
Total	$ 250,355	$ 450,000	$ 233,541	$ 7,647,349	$ 749,926	$ 9,331,171

Transfers are used to: 1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 10. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten county Atlanta area, is a member of the Atlanta Regional Commission ("RC") and is required to pay annual dues thereto. During its fiscal year ended July 31, 2020, the City's membership dues were paid by Fayette County, Georgia. The City did not pay any annual dues. Membership in an RC is required by the O.C.G.A. § 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. § 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Atlanta Regional Commission
3715 Northside Parkway
200 Northcreek Suite 300
Atlanta, Georgia 30327

NOTE 11. DEFINED BENEFIT PENSION PLAN

Plan Description

The City's Pension Plan (the "Plan") is administered through the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive 2% multiplied by the average of the last three years of regular earnings multiplied by the total credited years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. 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 at www.gmanet.com or 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.

Plan Membership

As of January 1, 2020, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	70
Inactive plan members entitled to but not receiving benefits	83
Active plan members	175
	328

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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. For the year ended July 31, 2020, the City's contribution rate was 12.47% of annual payroll. City contributions to the Plan were $1,092,536 for the fiscal year ended July 31, 2020.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020, with updated procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2019.

Actuarial Assumptions. The total pension liability in the January 1, 2020 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%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table (set forward two years in age for males and one year for females) to the gender-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – June 30, 2014.

Cost of living adjustments were assumed to be 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%.

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.41 %
International equity	20	6.96
Real estate	10	4.76
Global fixed income	5	3.06
Domestic fixed income	20	1.96
Total	100 %	

Discount Rate

The discount rate used to measure the total pension liability 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.

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability of the City

The changes in the components of the net pension liability of the City for the fiscal year ended July 31, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at July 31, 2019	$ 21,526,919	$ 16,487,626	$ 5,039,293
Changes for the year:			
Service cost	468,473	-	468,473
Interest	1,616,611	-	1,616,611
Differences between expected and actual experience	70,892	-	70,892
Assumption changes	1,019,980	-	1,019,980
Contributions - employer	-	1,704,804	(1,704,804)
Contributions - employee	-	90,800	(90,800)
Net investment income	-	535,801	(535,801)
Benefit payments, including refunds of employee contributions	(881,165)	(881,165)	-
Administrative expense	-	(41,543)	41,543
Other	-	-	-
Net changes	2,294,791	1,408,697	886,094
Balances at July 31, 2020	$ 23,821,710	$ 17,896,323	$ 5,925,387

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 9,374,872	$ 5,925,387	$ 3,078,800

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

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, 2019, 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 year ended July 31, 2020, the City recognized pension expense of $1,145,734. At July 31, 2020, 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	$ 89,105	$ (56,420)
Changes in assumptions	898,593	-
Net difference between projected and actual earnings on pension plan investments	-	(94,567)
City contributions subsequent to the measurement date	920,166	-
Total	$ 1,907,864	$ (150,987)

City contributions subsequent to the measurement date of $920,166 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending July 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending July 31,	
2021	$ 106,990
2022	73,212
2023	291,634
2024	364,875
Total	$ 836,711

NOTE 12. DEFINED CONTRIBUTION PENSION PLAN

The City participates in the Georgia Municipal Association 401(a) Defined Contribution Plan (the "Plan") which is administered by the Georgia Municipal Association through their service manager, New Port. The Plan provides retirement benefits to plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the City. Employees are not required to contribute to the Plan. The City contributes an amount equal to 50% of the amount contributed by participants to the City's deferred compensation plan, except that the City shall not match in excess of 2% of the participant's annual compensation. The City's contribution for each employee is 100% vested after five years of continuous service. For the fiscal year ended July 31, 2020, the City's contribution to the Plan was $81,460. The amount contributed by employees was $253,381.

NOTE 13. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has contracted with Apex Insurance Agency, Inc. and coverage has been placed with Travelers Insurance Company. The City is fully insured on workers' compensation, automobile insurance, general liability, employment practices liability, property coverage, cybersecurity. These plans have various deductibles the City is responsible of meeting.

Settled claims in the past three years have not exceeded the coverages.

NOTE 14. FUND EQUITY

Fund Balances

- ***Nonspendable*** – The following fund balance is nonspendable because it is allocated to:

General Fund		
Prepaid items	$	382,791
Inventories		9,825
Downtown Development Authority Fund		
Prepaid items		3
Main Street Tourism Association Fund		
Prepaid items		25,848
Inventories		22,740

- ***Restricted –*** The following fund balances are restricted for:

Confiscated Assets Fund - used to account for public safety-related expenditures funded by drug confiscations.	$	212,948
Veterans Memorial Park Fund - used for the design and construction of a Veterans Memorial.		716
Cemetery Fund - accounts for the revenues earned from a trust set up for cemetery improvements.		13,729
Downtown Development Authority Fund - used for housing and development within the City.		671,910
Main Street Tourism Association Fund - used for the promotion of tourism in the City.		225,879
Impact Fee Fund - accounts for capital projects activity funded by development impact fees.		2,910,328
Building Fund - accounts for capital projects activity funded by state road maintenance fees.		503,499
SPLOST 2017 Fund - used to account for capital projects financed with intergovernmental revenues.		6,314,881

NOTE 14. FUND EQUITY (CONTINUED)

Fund Balances (Continued)

- ***Assigned*** **–** The following fund balances are assigned for:

General Fund	
Three-month operating reserve, as provided for in adopted City policy	$ 4,200,000

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in several pending lawsuits. 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.

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.

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet at July 31, 2020, the City has contractual commitments on uncompleted construction contracts of $17,128,390.

NOTE 16. HOTEL/MOTEL LODGING TAX

The City has levied a 5% lodging tax. The O.C.G.A. § 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. For the fiscal year ended July 31, 2020, the City collected $212,375 of hotel/motel taxes, and transferred 100% of the lodging tax received during the year ended July 31, 2020 to the Downtown Development Authority Fund, where it was used for the promotion of tourism.

NOTE 17. EXCISE TAXES ON RENTAL MOTOR VEHICLES

Under the provisions of the O.C.G.A. § 48-13-93, the City has imposed and collected an excise tax on rental motor vehicles. The Code section requires the City to expend taxes collected for the purpose of promoting tourism, conventions, trade shows, etc., and promoting the City and business therein. During the year ended July 31, 2020, the City transferred all motor vehicle excise taxes to the Downtown Development Authority Fund, where it was used for the promotion of tourism. The following schedule represents the revenues and expenditures pertaining to the tax for the fiscal year ended July 31, 2020:

Revenues	$169,661
Expenditures	$169,661

NOTE 18. TAX ABATEMENT AGREEMENTS

Pursuant to GASB Statement No. 77, *Tax Abatement Disclosures,* the City is required to disclose certain information about tax abatements as defined in the Statement. For the purposes of GASB No. 77, a tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which: a) one or more governments promise to forgo tax revenues to which they are otherwise entitled, and b) the individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the City or the citizens of the City. The City has entered into such agreements. The following is a description of the City's abatement program where the City has promised to forgo taxes.

The Fayette County Board of Commissioners authorizes industries which promote the development of trade, commerce, industry and employment opportunities in the City to participate in the Economic Development Program. Abatements of real and personal property taxes are provided to companies based on a criteria calculation which includes targeted industry, capital investment and employment. The abatement may reduce the amount of property taxes paid over ten or twenty years. The agreements may contain claw back provisions which would result in the re-payment of the annual tax abatement for each year the Company fails to meet its jobs/investment commitment. For the fiscal year ended July 31, 2020, the City abated property taxes totaling $171,023.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FAYETTEVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Fiscal Year					
	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	**$ 468,473**	$ 387,624	$ 329,802	$ 263,826	$ 208,146	$ 157,698
Interest on total pension liability	**1,616,611**	1,540,247	1,457,157	1,361,621	1,251,294	1,215,070
Differences between expected and actual experience	**70,892**	(112,839)	129,571	479,242	893,993	463,700
Changes of assumptions	**1,019,980**	-	-	-	-	(425,920)
Changes in benefit terms	**-**	-	330,437	52,900	-	-
Benefit payments, including refunds of employee contributions	**(881,165)**	(874,244)	(925,729)	(923,996)	(935,731)	(950,553)
Net change in total pension liability	**2,294,791**	940,788	1,321,238	1,233,593	1,417,702	459,995
Total pension liability - beginning	**20,586,131**	20,586,131	19,264,893	18,031,300	16,613,598	16,153,603
Total pension liability - ending (a)	**22,880,922**	21,526,919	20,586,131	19,264,893	18,031,300	16,613,598
Plan fiduciary net position						
Contributions - employer	**1,704,804**	852,118	1,063,454	784,036	770,628	735,096
Contributions - employee	**90,800**	73,423	51,362	37,550	29,259	10,870
Net investment income	**535,801**	1,490,641	1,955,471	1,308,314	140,161	1,221,044
Benefit payments, including refunds of employee contributions	**(881,165)**	(874,244)	(925,729)	(923,996)	(935,731)	(950,553)
Administrative expenses	**(41,543)**	(42,264)	(44,411)	(21,005)	(21,533)	(17,333)
Net change in plan fiduciary net position	**1,408,697**	1,499,674	2,100,147	1,184,899	(17,216)	999,124
Plan fiduciary net position - beginning	**14,987,952**	14,987,952	12,887,805	11,702,906	11,720,122	10,720,998
Plan fiduciary net position - ending (b)	**16,396,649**	16,487,626	14,987,952	12,887,805	11,702,906	11,720,122
City's net pension liability (a) - (b)	**$ 6,484,273**	$ 5,039,293	$ 5,598,179	$ 6,377,088	$ 6,328,394	$ 4,893,476
Plan fiduciary net position as a percentage of the total pension liability	**71.7%**	76.6%	72.8%	66.9%	64.9%	70.5%
Covered payroll	**$ 8,075,098**	$ 7,142,875	$ 6,150,907	$ 5,753,146	$ 4,388,256	$ 4,101,931
City's net pension liability as a percentage of covered payroll	**80.3%**	70.5%	91.0%	110.8%	144.2%	119.3%

Notes to the Schedule:

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

CITY OF FAYETTEVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Fiscal Year					
	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	**$ 1,104,199**	$ 1,092,536	$ 1,022,541	$ 910,444	$ 761,413	$ 772,471
Contributions in relation to the actuarially determined contribution	**1,104,199**	1,092,536	1,022,541	910,444	761,413	772,471
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -
Covered payroll	**$ 8,721,491**	$ 9,039,400	$ 8,445,561	$ 7,540,108	$ 7,042,464	$ 6,205,807
Contributions as a percentage of covered payroll	**12.7%**	12.1%	12.1%	12.1%	10.8%	12.4%

Notes to the Schedule:

Valuation date	January 1, 2020
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 adjustments	0.00%
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Vehicle Excise Tax Fund – This fund is used to account for revenues from an excise tax on rental motor vehicles, which must be used for the promotion of recreation, tourism and commerce and for the construction or repair of related facilities.

Confiscated Assets Fund – This fund is used to account for cash received either as a result of a cash confiscation or from the sale of capital assets acquired from a drug raid.

Hotel/Motel Tax Fund – This fund is used to account for hotel/motel taxes collected.

Veterans Memorial Park Fund – This fund is used to account for funds donated to the City for the design and construction of a Veterans Memorial, representing those persons from Fayette County, Georgia who have died in service of our country.

Cemetery Fund – This fund is used to account for revenues earned from a trust set up for cemetery improvements.

Downtown Development Authority Fund – This fund is used to account for downtown revitalization and preservation of the historic district.

Main Street Tourism Association Fund – This fund is used to account for revenues and expenditures associated with the promotion of tourism in the City.

Capital Project Fund

Impact Fee Fund – This fund is used to account for capital projects activity funded by development impact fees.

CITY OF FAYETTEVILLE, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JULY 31, 2020

	Special Revenue Funds				
ASSETS	**Vehicle Excise Tax Fund**	**Confiscated Assets Fund**	**Hotel/Motel Tax Fund**	**Veterans Memorial Park Fund**	**Cemetery Fund**
Cash and cash equivalents	$ 8,093	$ 211,975	$ 37	$ 716	$ 13,729
Taxes receivable	17,968	-	29,508	-	-
Accounts receivable	-	972	-	-	-
Due from other funds	-	1,690	-	-	-
Prepaid expenditures	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted assets	-	-	-	-	-
Total assets	$ 26,061	$ 214,637	$ 29,545	$ 716	$ 13,729
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ 1,689	$ -	$ -	$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	26,061	-	29,545	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	26,061	1,689	29,545	-	-
DEFERRED INFLOWS OF RESOURCES	-				
Unavailable revenues - intergovernmental	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	212,948	-	716	13,729
Total fund balances	-	212,948	-	716	13,729
Total liabilities and fund balances	$ 26,061	$ 214,637	$ 29,545	$ 716	$ 13,729

Downtown Development Authority Fund	Main Street Tourism Association Fund	Capital Projects Fund Impact Fee Fund	Total Nonmajor Governmental Funds
$ 652,219	$ 33,310	$ 2,910,328	$ 3,830,407
-	-	-	47,476
-	48,938	-	49,910
32,508	236,448	-	270,646
3	25,848	-	25,851
-	22,740	-	22,740
57,507	-	-	57,507
$ 742,237	$ 367,284	$ 2,910,328	$ 4,304,537
$ 6,146	$ 9,834	$ -	$ 17,669
2,086	2,399	-	4,485
62,092	7,705	-	125,403
-	62,441	-	62,441
70,324	82,379	-	209,998
-	10,438	-	10,438
-	10,438	-	10,438
3	48,588	-	48,591
671,910	225,879	2,910,328	4,035,510
671,913	274,467	2,910,328	4,084,101
$ 742,237	$ 367,284	$ 2,910,328	$ 4,304,537

CITY OF FAYETTEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Special Revenue Funds				
	Vehicle Excise Tax Fund	Confiscated Assets Fund	Hotel/Motel Tax Fund	Veterans Memorial Park Fund	Cemetery Fund
Revenues					
Other taxes	$ 169,661	$ -	$ 212,375	$ -	$ -
Fines and forfeitures	-	194,646	-	-	-
Charges for services	-	-	-	-	-
Impact fees	-	-	-	-	-
Contributions	-	-	-	-	10,457
Interest income	-	1,581	-	-	182
Rental income	-	-	-	-	-
Other revenues	-	-	-	124	-
Total revenues	169,661	196,227	212,375	124	10,639
Expenditures					
Current:					
Public safety	-	65,303	-	-	-
Culture and recreation	-	-	-	30	-
Housing and development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	65,303	-	30	-
Excess (deficiency) of revenues over (under) expenditures	169,661	130,924	212,375	94	10,639
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	(169,661)	-	(212,375)	-	(10,457)
Total other financing sources (uses)	(169,661)	-	(212,375)	-	(10,457)
Net change in fund balances	-	130,924	-	94	182
Fund balances, beginning of year	-	82,024	-	622	13,547
Fund balances, end of year	$ -	$ 212,948	$ -	$ 716	$ 13,729

Downtown Development Authority Fund	Main Street Tourism Association Fund	Capital Projects Fund Impact Fee Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 382,036
-	-	-	194,646
-	161,107	-	161,107
-	-	1,337,593	1,337,593
23,888	750	-	35,095
9,596	50	30,701	42,110
-	23,239	-	23,239
1,107	7,628	-	8,859
34,591	192,774	1,368,294	2,184,685
-	-	-	65,303
-	-	-	30
377,532	418,828	-	796,360
275,941	-	-	275,941
22,849	-	-	22,849
676,322	418,828	-	1,160,483
(641,731)	(226,054)	1,368,294	1,024,202
468,452	397,447	-	865,899
(19,670)	-	(337,763)	(749,926)
448,782	397,447	(337,763)	115,973
(192,949)	171,393	1,030,531	1,140,175
864,862	103,074	1,879,797	2,943,926
$ 671,913	$ 274,467	$ 2,910,328	$ 4,084,101

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Vehicle Excise Tax Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Other taxes	$ 170,000	$ 169,661	$ (339)
Fines and forfeitures	-	-	-
Interest income	-	-	-
Total revenues	170,000	169,661	(339)
ExpenditureS			
Current:			
Public safety	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	170,000	169,661	(339)
Other financing sources (uses)			
Transfers out	(170,000)	(169,661)	339
Total other financing sources (uses)	(170,000)	(169,661)	339
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ -	$ -

(Continued)

Confiscated Assets Fund		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
195,500	194,646	(854)
1,600	1,581	(19)
197,100	196,227	(873)
197,100	65,303	131,797
197,100	65,303	131,797
-	130,924	130,924
-	-	-
-	-	-
-	130,924	130,924
82,024	82,024	-
$ 82,024	$ 212,948	$ 130,924

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Hotel/Motel Tax Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Other taxes	$ 214,000	$ 212,375	$ (1,625)
Other revenues	-	-	-
Total revenues	214,000	212,375	(1,625)
Expenditures			
Current:			
Culture and recreation	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	214,000	212,375	(1,625)
Other financing sources (uses)			
Transfers out	(214,000)	(212,375)	1,625
Total other financing sources (uses)	(214,000)	(212,375)	1,625
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ -	$ -

(Continued)

Veterans Memorial Park Fund		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
305	124	(181)
305	124	(181)
305	30	275
305	30	275
-	94	94
-	-	-
-	-	-
-	94	94
622	622	-
$ 622	$ 716	$ 94

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Cemetery Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Contributions	$ 11,800	$ 10,457	$ (1,343)
Interest income	383	182	(201)
Other revenues	-	-	-
Total revenues	12,183	10,639	(1,544)
Expenditures			
Current:			
Housing and development	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	12,183	10,639	(1,544)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(12,183)	(10,457)	1,726
Total other financing sources (uses)	(12,183)	(10,457)	1,726
Net change in fund balances	-	182	182
Fund balances, beginning of year	13,547	13,547	-
Fund balances, end of year	$ 13,547	$ 13,729	$ 182

(Continued)

Downtown Development Authority Fund		
Final Budget	Actual	Variance With Final Budget
$ 30,730	$ 23,888	$ (6,842)
9,641	9,596	(45)
1,980	1,107	(873)
42,351	34,591	(7,760)
391,670	377,532	14,138
275,941	275,941	-
24,352	22,849	1,503
691,963	676,322	15,641
(649,612)	(641,731)	7,881
669,282	468,452	(200,830)
(19,670)	(19,670)	-
649,612	448,782	(200,830)
-	(192,949)	(192,949)
864,862	864,862	-
$ 864,862	$ 671,913	$ (192,949)

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Main Street Tourism Association Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Charges for services	$ 184,682	$ 161,107	$ (23,575)
Contributions	61,928	750	(61,178)
Interest income	55	50	(5)
Rental income	33,000	23,239	(9,761)
Other revenues	37,674	7,628	(30,046)
Total revenues	317,339	192,774	(124,565)
ExpenditureS			
Current:			
Housing and development	737,746	418,828	318,918
Total expenditures	737,746	418,828	318,918
Excess (deficiency) of revenues over (under) expenditures	(420,407)	(226,054)	194,353
Other financing sources (uses)			
Transfers in	420,407	397,447	(22,960)
Total other financing sources (uses)	420,407	397,447	(22,960)
Net change in fund balances	-	171,393	171,393
Fund balances, beginning of year	103,074	103,074	-
Fund balances, end of year	$ 103,074	$ 274,467	$ 171,393

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL CAPITAL PROJECTS FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Building Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Property taxes	$ 1,153,204	$ 1,153,204	$ -
Intergovernmental	217,650	217,612	(38)
Impact fees	-	-	-
Interest income	7,850	7,836	(14)
Total revenues	1,378,704	1,378,652	(52)
Expenditures			
Capital outlay:			
General government	25,125,948	8,321,955	16,803,993
Public safety	665,001	576,731	88,270
Public works	405,000	178,391	226,609
Housing and development	69,051	69,051	-
Debt service:			
Principal	1,096,526	948,238	148,288
Interest	108,907	99,191	9,716
Total expenditures	27,470,433	10,193,557	17,276,876
Excess (deficiency) of revenues over (under) expenditures	(26,091,729)	(8,814,905)	17,276,824
Other financing sources (uses)			
Capital leases	940,000	940,000	-
Transfers in	25,406,306	7,977,645	(17,428,661)
Transfers out	(254,577)	(233,541)	21,036
Total other financing sources (uses)	26,091,729	8,684,104	(17,407,625)
Net change in fund balances	-	(130,801)	(130,801)
Fund balances, beginning of year	634,300	634,300	-
Fund balances, end of year	$ 634,300	$ 503,499	$ (130,801)

(Continued)

Impact Fee Fund		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
-	-	-
1,340,580	1,337,593	(2,987)
31,000	30,701	(299)
1,371,580	1,368,294	(3,286)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,371,580	1,368,294	(3,286)
-	-	-
-	-	-
(1,371,580)	(337,763)	1,033,817
(1,371,580)	(337,763)	1,033,817
-	1,030,531	1,030,531
1,879,797	1,879,797	-
$ 1,879,797	$ 2,910,328	$ 1,030,531

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL CAPITAL PROJECTS FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2020

	Capital Projects 2 Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Property taxes	$ -	$ -	$ -
Intergovernmental	354,200	319,705	(34,495)
Interest income	191,000	190,787	(213)
Total revenues	545,200	510,492	(34,708)
Expenditures			
Capital outlay:			
Public safety	-	-	-
Public works	689,200	552,454	136,746
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	689,200	552,454	136,746
Excess (deficiency) of revenues over (under) expenditures	(144,000)	(41,962)	102,038
Other financing sources (uses)			
Premium on issuance of revenue bonds	-	2,352,973	2,352,973
Issuance of revenue bonds	25,000,000	21,695,000	(3,305,000)
Transfers in	319,000	-	(319,000)
Transfers out	(25,175,000)	(7,647,347)	17,527,653
Total other financing sources (uses)	144,000	16,400,626	16,256,626
Net change in fund balances	-	16,358,664	16,358,664
Fund balances, beginning of year	(1,008,120)	(1,008,120)	-
Fund balances, end of year	$ (1,008,120)	$ 15,350,544	$ 16,358,664

Special Purpose Local Option Sales Tax 2017 Fund		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
25,009,872	3,987,510	(21,022,362)
-	74,050	74,050
25,009,872	4,061,560	(20,948,312)
4,109,000	268,158	3,840,842
20,159,872	2,760,464	17,399,408
630,000	627,099	2,901
111,000	110,015	985
25,009,872	3,765,736	21,244,136
-	295,824	295,824
-	-	-
-	-	-
-	-	-
-	-	-
-	295,824	295,824
6,019,057	6,019,057	-
$ 6,019,057	$ 6,314,881	$ 295,824

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JULY 31, 2020

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Fire Safety Equipment/Vehicles	$ 3,000,000	$ 3,000,000	$ 1,454,575	$ 168,797	$ 1,623,372
Police Safety Equipment/Vehicles	1,109,000	1,109,000	574,863	99,361	674,224
Fire Building and Land: Station 93	1,000,000	1,000,000	78,641	-	78,641
Road, Street, and Bridge Projects	7,000,872	7,000,872	939,096	943,424	1,882,520
Water, Sewer, Stormwater Projects	9,500,000	9,500,000	-	1,804,724	1,804,724
Recreational and Park Projects	3,400,000	3,400,000	2,891,401	12,317	2,903,718
Totals	$ 25,009,872	$ 25,009,872	$ 5,938,576	$ 3,028,623	$ 8,967,199

Reconciliation to the Combining Statement of Revenues, Expenditures and Changes in Fund Balances:

Debt service principal payments	627,099
Debt service interest payments	110,014
Total SPLOST 2017 Fund expenditures for the current year	$ 3,765,736

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's 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.

Contents **Page**

Financial Trends ..... **79 – 92**

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 ..... **93 – 102**

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

Debt Capacity ..... **103 – 108**

These schedules contain 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 ..... **109 and 110**

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 ..... **111 – 114**

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

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

CITY OF FAYETTEVILLE, GEORGIA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities				
Net investment in capital assets	$ 64,398,879	$ 64,305,483	$ 66,251,170	$ 67,435,901
Restricted	2,714,174	1,837,952	1,952,554	2,098,212
Unrestricted	2,763,931	2,763,931	5,147,215	6,067,942
Total governmental activities net position	$ 69,876,984	$ 68,907,366	$ 73,350,939	$ 75,602,055
Business-Type Activities				
Net investment in capital assets	$ 10,733,529	$ 10,733,529	$ 8,699,625	$ 8,502,525
Restricted	1,507,269	1,507,269	2,286,019	2,723,599
Unrestricted	2,844,349	2,844,349	2,902,804	2,436,768
Total business-type activities net position	$ 15,085,147	$ 15,085,147	$ 13,888,448	$ 13,662,892
Primary Government				
Net investment in capital assets	$ 75,132,408	$ 75,039,012	$ 74,950,795	$ 75,938,426
Restricted	4,221,443	3,345,221	4,238,573	4,821,811
Unrestricted	5,608,280	5,608,280	8,050,019	8,504,710
Total primary government net position	$ 84,962,131	$ 83,992,513	$ 87,239,387	$ 89,264,947

Fiscal Year						
2015	2016	2017	2018	2019	2020
$ 68,600,004	$ 70,522,573	$ 72,963,871	$ 73,396,508	$ 75,562,324	$ 60,482,704
2,902,027	3,825,714	3,866,029	3,116,993	2,910,161	4,035,510
2,804,841	2,261,422	2,404,766	4,979,714	7,851,536	25,860,644
$ 74,306,872	$ 76,609,709	$ 79,234,666	$ 81,493,215	$ 86,324,021	$ 90,378,858
$ 7,962,881	$ 7,916,518	$ 7,233,909	$ 7,627,778	$ 8,248,140	$ 9,460,359
2,987,802	2,998,621	3,004,607	3,031,959	3,144,898	883,873
1,986,662	2,610,938	3,416,347	3,332,116	3,308,879	4,853,264
$ 12,937,345	$ 13,526,077	$ 13,654,863	$ 13,991,853	$ 14,701,917	$ 15,197,496
$ 76,562,885	$ 78,439,091	$ 80,197,780	$ 81,024,286	$ 83,810,464	$ 69,943,063
5,889,829	6,824,335	6,870,636	6,148,952	6,055,059	4,919,383
4,791,503	4,872,360	5,821,113	8,311,830	11,160,415	30,713,908
$ 87,244,217	$ 90,135,786	$ 92,889,529	$ 95,485,068	$ 101,025,938	$ 105,576,354

CITY OF FAYETTEVILLE, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	$ 1,020,074	$ 1,023,395	$ 918,357	$ 938,311
Judicial	719,103	584,782	491,867	562,483
Public safety	6,589,191	6,505,689	6,579,434	6,556,219
Public works	1,629,730	1,707,680	1,618,047	2,095,224
Culture and recreation	1,321	10 (13)	19,672	19,877
Housing and development	820,882	774,059	919,084	1,042,536
Interest on long-term debt	165,407	154,685	270,964	158,192
Total governmental activities expenses	10,945,708	10,750,300	10,817,425	11,372,842
Business-type activities:				
Water and sewer	5,736,799	5,838,861	5,602,921	5,867,412
Stormwater	423,132 (7)	354,558	270,252	302,784
Solid waste	628,225	668,891	657,636	655,272
Total business-type activities	6,788,156	6,862,310	6,530,809	6,825,468
Total primary government	$ 17,733,864	$ 17,612,610	$ 17,348,234	$ 18,198,310
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 261,382	$ 278,237	$ 428,003	$ 381,491
Judicial	1,192,244	1,090,808	815,119	1,076,456
Public safety	73,026	85,134	71,393	99,443
Public works	(208) (3)	109,514 (3)	109,514	-
Culture and recreation	-	-	-	-
Housing and development	35,500 (4)	59,916 (4)	388,878	731,387
Operating grants and contributions	283,528 (10)	156,016 (10)	528,838	560,303
Capital grants and contributions	1,107,764	2,756,869	251,021	2,003,847
Total governmental activities program revenues	2,953,236	4,536,494	2,592,766	4,852,927
Business-type activities:				
Charges for services:				
Water and sewer	4,956,688	5,058,146	4,951,031	5,164,682
Stormwater	494,238	482,941	497,904	509,426
Solid waste	631,930	630,019	606,376	623,294
Capital grants and contributions	88,690 (5)	37,644	232,047	297,696
Total business-type activities program revenues	6,171,546	6,208,750	6,287,358	6,595,098
Total primary government program revenues	$ 9,124,782	$ 10,745,244	$ 8,880,124	$ 11,448,025

(Continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
$ 1,090,268	$ 1,499,529	$ 1,897,428	$ 3,580,927	$ 2,322,589	$ 2,751,667
591,966	649,968	588,769	605,967	632,417	530,392
7,218,353	8,307,210	8,804,976	7,904,689	10,147,469	11,092,290
1,305,120	1,784,682	1,782,748	3,082,460	3,663,837	5,239,662
4,024	1,756	30	30	55	301,541
1,205,233	1,445,102	1,807,358	2,085,329	1,959,415	1,671,733
143,584	151,836	157,269	158,004	262,626	826,092
11,558,548	13,840,083	15,038,578	17,417,406	18,988,408	22,413,377
5,616,165	5,652,208	6,088,714	5,992,402	5,673,074	6,491,953
407,049	413,917	365,125	383,749	439,347	421,360
662,473	631,887	656,959	665,625	676,036	698,973
6,685,687	6,698,012	7,110,798	7,041,776	6,788,457	7,612,286
$ 18,244,235	$ 20,538,095	$ 22,149,376	$ 24,459,182	$ 25,776,865	$ 30,025,663
$ 491,211	$ 738,418	$ 668,408	$ 612,132	$ 740,870	$ 934,750
941,816	1,149,394	907,630	944,822	1,230,882	755,778
78,677	56,856	69,557	56,850	83,768	194,646
-	-	-	-	-	-
-	-	-	-	-	-
511,033	1,009,230	676,936	699,253	908,201	1,498,700
712,268	609,313	574,307	647,997	300,440	2,156,961
1,327,532	1,804,969	3,007,935	4,069,051	5,102,896	4,524,951
4,062,537	5,368,180	5,904,773	7,030,105	8,367,057	10,065,786
5,175,387	5,523,564	5,709,452	5,748,538	6,053,739	6,724,648
741,777	763,764	759,289	773,664	777,486	784,964
658,728	674,937	637,610	698,881	709,842	727,118
300,975	309,040	124,147	184,970	170,710	284,281
6,876,867	7,271,305	7,230,498	7,406,053	7,711,777	8,521,011
$ 10,939,404	$ 12,639,485	$ 13,135,271	$ 14,436,158	$ 16,078,834	$ 18,586,797

CITY OF FAYETTEVILLE, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2011	2012	2013	2014
Net (expense)/revenue				
Governmental activities	$ (6,213,806)	$ (8,224,659)	$ (6,519,915)	$ (6,519,915)
Business-type activities	(653,560)	(243,451)	(230,370)	(230,370)
Total primary government net expense	$ (6,867,366)	$ (8,468,110)	$ (6,750,285)	$ (6,750,285)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 2,651,885	$ 2,664,133	$ 2,879,031	$ 3,094,181
Sales taxes	2,215,415	2,374,473	2,369,274	2,561,460
Other taxes	3,409,190	3,662,347	3,690,062	3,787,465
Unrestricted investment earnings	11,940 (6)	9,253 (6)	6,374	5,893
Gain on sale of capital assets	33,333	-	-	-
Transfers	-	-	-	-
Total governmental activities	8,321,763	8,710,206	8,944,741	9,448,999
Business-type activities:				
Unrestricted investment earnings	2,443 (6)	2,035	108	52
Gain on sale of capital assets	10,192	5,039	1,554	4,762
Transfers	-	-	-	-
Total business-type activities	12,635	7,074	1,662	4,814
Total primary government	$ 8,334,398	$ 8,717,280	$ 8,946,403	$ 9,453,813
Change in Net Position				
Governmental activities	$ 2,107,957	$ 485,547	$ 2,424,826	$ 2,929,084
Business-type activities	(640,925)	(236,377)	(228,708)	(225,556)
Total primary government	$ 1,467,032	$ 249,170	$ 2,196,118	$ 2,703,528

(3) Reclassification of impact fees (program revenues) from public works to housing and development.

(4) Multiple transportation and sidewalk construction projects.

(5) State of Georgia Local Assistance Road Program ("LARP") for street maintenance.

(6) Decrease in residential and commercial building; therefore, decrease in impact fees collected.

(8) Drastic decrease in interest rates due to the current economic recession.

(12) Public Safety SAFER grant received by the City.

(13) Renewed contractual services through RFP and bid process, resulting in lower cost.

Fiscal Year					
2015	2016	2017	2018	2019	2020
$ (7,496,011)	$ (8,471,903)	$ (9,133,805)	$ (10,387,301)	$ (10,621,351)	$ (12,347,591)
191,180	573,293	119,700	364,277	923,320	908,725
$ (7,304,831)	$ (7,898,610)	$ (9,014,105)	$ (10,023,024)	$ (9,698,031)	$ (11,438,866)
$ 3,134,679	$ 3,224,290	$ 3,377,638	$ 4,238,436	$ 6,052,590	$ 4,715,445
2,799,116	3,049,230	3,627,566	3,799,392	3,953,389	5,260,580
4,150,689	4,467,235	4,721,419	4,528,300	4,952,360	5,303,784
8,217	16,929	32,139	44,761	193,818	404,896
17,582	-	-	-	-	267,723
-	-	-	34,961	300,000	450,000
10,110,283	10,757,684	11,758,762	12,645,850	15,452,157	16,402,428
306	931	852	5,848	86,744	36,854
-	31,564	8,234	1,826	-	-
-	-	-	(34,961)	(300,000)	(450,000)
306	32,495	9,086	(27,287)	(213,256)	(413,146)
$ 10,110,589	$ 10,790,179	$ 11,767,848	$ 12,618,563	$ 15,238,901	$ 15,989,282
$ 2,614,272	$ 2,285,781	$ 2,624,957	$ 2,258,549	$ 4,830,806	$ 4,054,837
191,486	605,788	128,786	336,990	710,064	495,579
$ 2,805,758	$ 2,891,569	$ 2,753,743	$ 2,595,539	$ 5,540,870	$ 4,550,416

CITY OF FAYETTEVILLE, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Insurance Premium Tax
2011	$ 2,651,885	$ 2,215,415	$ 1,324,949	$ 318,257	$ 600,117
2012	2,664,133	2,374,473	1,374,943	332,731	747,887
2013	2,879,031	2,369,274	1,329,806	339,813	794,382
2014	3,094,181	2,561,460	1,321,912	349,688	822,506
2015	3,163,272	2,799,116	1,398,004	406,527	868,188
2016	3,224,290	3,049,230	1,404,682	339,911	927,516
2017	3,377,638	3,627,566	1,418,440	366,163	1,006,241
2018	4,238,436	3,799,392	1,426,555	369,553	1,072,946
2019	6,052,590	3,953,389	1,502,179	358,614	1,158,554
2020	4,715,445	5,260,580	1,549,296	392,154	1,230,642

Business and Occupation Tax	Other Taxes	Total
$ 814,309	$ 351,558	$ 8,276,490
825,213	381,573	8,700,953
846,563	379,498	8,938,367
872,431	420,928	9,443,106
925,729	552,241	10,113,077
997,986	797,140	10,740,755
1,132,578	797,997	11,726,623
1,154,115	505,131	12,566,128
1,248,235	684,778	14,958,339
1,267,045	864,647	15,279,809

CITY OF FAYETTEVILLE, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Reserved	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-
Nonspendable	145,621	252,215 (2)	136,186	134,854
Assigned	2,358,940	2,381,335 (2)	2,352,026	2,061,010
Unassigned	545,370	1,044,598 (2)	2,362,619	4,337,610
Total General Fund	$ -	$ 3,678,148	$ 4,850,831	$ 6,533,474
All Other Governmental Funds				
Reserved	$ - (1)	$ -	$ -	$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Nonspendable, reported in:				
Special revenue funds	-	-	31,630	37,843
Capital project funds	-	-	-	-
Restricted, reported in:				
Special revenue funds	319,171	126,229 (2)	526,916	554,604
Capital project funds	2,395,003	1,711,723 (2)	1,797,568	1,543,608
Assigned, reported in:				
Capital project funds	25,417	286,085 (2)	69,677	-
Unassigned, reported in:				
Capital project funds	-	-	-	(183,013)
Total all other governmental funds	$ 2,739,591	$ 2,124,037	$ 2,425,791	$ 1,953,042

(1) Prepaid expenditures.

(2) The City adopted and implemented GASB 54 during fiscal year 2011.

Fiscal Year						
2015	2016	2017	2018	2019	2020
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
130,449	210,087	256,694	450,832	313,842	392,616
2,885,387	3,092,983	3,385,000	3,500,000	3,500,000	4,200,000
3,556,522	2,400,709	3,064,984	847,789	1,935,499	3,374,394
$ 6,572,358	$ 5,703,779	$ 6,706,678	$ 4,798,621	$ 5,749,341	$ 7,967,010
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
43,887	21,469	39,779	49,645	33,765	48,591
-	-	-	-	22,268	-
753,080	935,860	1,185,684	1,123,166	1,030,364	1,125,182
2,148,947	2,889,854	2,680,345	2,381,621	2,491,829	3,413,827
-	-	-	-	-	-
267,046	-	-	-	(1,008,120)	15,350,544
$ 3,212,960	$ 3,847,183	$ 3,905,808	$ 3,554,432	$ 2,570,106	$ 19,938,144

CITY OF FAYETTEVILLE, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Taxes	$ 8,319,973	$ 8,704,436	$ 8,946,907	$ 9,439,385
Licenses and permits	217,496 (5)	229,816	369,157	321,693
Intergovernmental	745,573 (14)	393,202 (14)	2,171,246	1,537,932
Fines and forfeitures	1,236,945	1,143,693	854,263	1,072,854
Charges for services	34,528	148,823	352,612	312,492
Main Street	-	-	29,288	31,710
Impact fees	35,229 (5)	57,836	196,424	526,850
Contributions	21,472	12,806	281,436	307,452
Interest income	14,311 (8)	10,282	6,419	5,893
Other revenues	37,746	43,441	91,121	63,976
Total revenues	10,663,273	10,744,335	13,298,873	13,620,237
Expenditures				
General government	959,036	929,487	871,018	900,303
Judicial	718,830	580,976	492,832	563,783
Public safety	6,167,299	6,354,094	5,863,779	5,802,578
Public works	912,264	928,008	906,708	914,808
Culture and recreation	1,321	10 (16)	19,672	19,877
Housing and development	640,226	625,145	1,095,329	1,130,669
Capital outlay	2,543,618 (15)	739,582 (15)	2,765,825	2,859,150
Debt service:				
Principal	338,899	429,955	259,615	232,102
Interest	154,232	144,508	198,312	144,888
Issuance costs	-	-	76,048	-
Total expenditures	12,435,725	10,731,765	12,549,138	12,568,158
Excess of revenues over (under) expenditures	(1,772,452)	12,570	749,735	1,052,079
Other financing sources (uses)				
Capital leases	-	-	-	-
Issuance of debt	-	-	3,115,000	143,200
Premium on debt	-	-	-	-
Discount on certificates of participation	-	-	-	-
Proceeds from sale of assets	34,728	93	7,676	14,615
Payment to escrow agent	-	-	(3,055,278)	-
Transfers in	912,284	489,601	459,829	807,129
Transfers out	(912,284)	(489,601)	(459,829)	(807,129)
Total other financing sources (uses)	34,728	93	67,398	157,815
Net change in fund balances	$ (1,737,724)	$ 12,663	$ 817,133	$ 1,209,894
Debt service as a percentage of noncapital expenditures	4.1%	6.1%	4.5%	3.2%

(5) The decrease in impact fees and permits is due to the continual decline in new construction during fiscal years 2009 and 2010.
(6) The City received a federal grant for Downtown Pedestrian Improvements.
(8) Drastic decrease in interest rates due to the current economic recession.
(9) Costs associated with the Downtown Pedestrian Improvements project and other transportation and sidewalk projects.
(10) Beginning in 2009, Special Purpose Local Option Sales Taxes received from the County were reclassified as Intergovernmental revenues.

Fiscal Year					
2015	2016	2017	2018	2019	2020
$ 10,113,077	$ 10,748,014	$ 11,734,645	$ 12,550,082	$ 14,910,005	$ 15,772,610
391,641	605,257	530,484	493,649	570,191	671,653
1,676,503	2,219,017	3,407,632	4,447,552	4,613,854	6,605,281
917,448	1,103,205	874,142	901,655	1,169,649	923,247
401,364	427,977	430,616	462,155	424,627	327,507
35,071	35,414	36,275	37,803	44,308	23,239
262,447	767,735	403,916	368,585	633,908	1,337,593
322,768	155,057	109,985	214,657	114,505	44,533
8,217	16,929	32,139	44,761	203,259	404,896
55,295	54,518	111,723	104,049	186,521	132,733
14,183,831	16,133,123	17,671,557	19,624,948	22,870,827	26,243,292
1,038,603	1,396,104	1,892,285	3,322,770	2,220,727	2,627,501
597,843	654,217	581,762	610,101	636,626	542,432
6,778,141	7,454,179	7,824,112	8,959,295	9,948,082	10,417,443
870,572	921,742	1,011,184	1,217,720	1,109,739	1,063,677
4,024	1,756	30	30	55	301,541
1,089,323	1,328,880	2,239,375	2,495,415	1,951,171	1,824,164
2,230,877	3,859,669	3,962,113	5,664,017	4,256,034	12,727,204
561,212	638,119	943,811	1,002,389	1,409,037	1,851,278
141,391	138,362	134,793	145,414	250,139	712,217
-	-	-	-	-	-
13,311,986	16,393,028	18,589,465	23,417,151	21,781,610	32,067,457
871,845	(259,905)	(917,908)	(3,792,203)	1,089,217	(5,824,165)
388,760	768,055	580,700	2,365,000	500,000	940,000
-	-	-	-	-	-
-	-	-	-	-	2,352,973
-	-	-	-	-	-
32,197	16,529	932,137	24,547	-	267,723
-	-	-	2,895,000	-	21,695,000
1,835,032	2,722,254	1,509,690	2,384,350	3,411,412	9,331,171
(1,835,032)	(2,705,198)	(1,509,690)	(2,349,389)	(3,111,412)	(8,881,171)
420,957	801,640	1,512,837	5,319,508	800,000	25,705,696
$ 1,292,802	$ 541,735	$ 594,929	$ 1,527,305	$ 1,889,217	$ 19,881,531
6.6%	5.5%	6.7%	6.1%	6.8%	11.5%

(11) Increase in fine fees and confiscated assets.
(12) Collection adjustment of tower rental.
(13) No major cost associated with transportation or sidewalk projects.
(14) The City has received several grants for transportation and sidewalk projects.
(15) Cost associated with transportation and sidewalk projects.
(16) Veterans Memorial Park Fund opened.

CITY OF FAYETTEVILLE, GEORGIA

GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Insurance Premium Tax
2011	$ 2,695,368	$ 2,215,415	$ 1,324,949	$ 350,585	$ 600,117
2012	2,667,616	2,374,473	1,374,943	373,104	747,888
2013	2,887,571	2,369,274	1,329,806	384,026	794,382
2014	3,090,460	2,561,460	1,321,912	401,981	822,506
2015	3,163,272	2,799,116	1,398,004	406,527	868,188
2016	3,231,549	3,049,230	1,404,682	410,703	927,516
2017	3,385,660	3,627,566	1,418,440	430,024	1,006,241
2018	3,765,756	3,799,392	1,426,555	441,758	1,072,946
2019	4,520,615	3,953,389	1,502,179	431,144	1,158,554
2020	4,826,210	4,107,376	1,549,296	455,780	1,230,642

Business and Occupation Tax	Other Taxes	Total
$ 814,309	$ 319,230	$ 8,319,973
825,213	341,199	8,704,436
846,563	335,285	8,946,907
872,431	368,635	9,439,385
925,729	552,241	10,113,077
997,986	726,348	10,748,014
1,132,578	734,136	11,734,645
1,154,115	889,560	12,550,082
1,248,235	2,095,889	14,910,005
1,267,045	2,336,261	15,772,610

CITY OF FAYETTEVILLE, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value					
	Residential	Commercial	Industrial	Agricultural	Utility	Motor Vehicle
2011	$ 415,908,249	$ 367,331,508	$ 10,757,511	$ 111,440	$ 8,184,468	$ 42,264,380
2012	393,340,653	341,459,925	10,903,338	161,400	8,054,235	41,599,160
2013	326,191,083	315,754,591	9,024,407	128,960	10,413,957	43,882,340
2014	325,260,341	307,662,197	8,913,676	127,160	10,459,265	46,781,650
2015	354,864,079	286,136,874	9,096,352	1,270,564	10,678,994	39,708,310
2016	395,758,690	308,710,848	11,173,566	1,321,672	10,399,688	29,407,350
2017	430,419,970	316,416,754	13,705,564	4,014,688	10,246,597	21,564,490
2018	487,377,962	355,953,893	17,768,348	5,027,388	10,785,661	16,073,620
2019	519,435,067	392,040,861	22,514,630	3,977,656	11,202,352	12,250,750
2020	604,745,028	382,424,776	32,806,550	4,996,832	12,568,127	8,633,950

Source:
City of Fayetteville, Georgia and Fayette County, Georgia tax records.

(1) Includes heavy duty equipment, timber, and conservation use.
(2) State of Georgia requires 40% assessment of actual value.

Other (1)	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (2)
$ 351,732	$ 1,479,328	$ 843,429,960	$ 2.988	$ 2,108,574,900	40%
1,042,744	2,541,634	794,019,821	3.240	1,985,049,553	40%
616,446	2,227,595	703,784,189	3.441	1,759,460,473	40%
553,943	2,190,189	697,568,043	3.882	1,743,920,108	40%
1,394,317	5,464,068	697,685,422	3.870	1,744,213,555	40%
936,012	6,112,866	751,594,960	3.874	1,878,987,400	40%
1,047,602	7,712,300	789,703,365	3.874	1,974,258,413	40%
916,306	8,383,268	885,519,910	3.874	2,213,799,775	40%
561,215	10,027,024	951,955,507	5.646	2,381,460,268	40%
1,342,338	12,568,837	1,034,948,764	5.646	2,587,371,910	40%

CITY OF FAYETTEVILLE, GEORGIA

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER $1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Fiscal Year	State	County	County School District	City of Fayetteville General Fund	City of Fayetteville Capital Projects Fund	City of Fayetteville Total City	Total
2011	0.25	5.95	21.65	2.37	0.87	3.24	31.09
2012	0.25	6.30	21.65	2.69	0.75	3.44	31.64
2013	0.20	6.30	21.45	3.08	0.80	3.88	31.83
2014	0.15	6.38	21.45	2.68	1.19	3.87	31.85
2015	0.10	6.27	21.45	2.76	1.11	3.87	31.69
2016	0.05	5.84	21.35	3.02	0.86	3.87	31.11
2017	0.00	5.59	21.10	3.07	0.81	3.87	30.56
2018	0.00	5.18	20.85	2.91	0.69	3.87	29.90
2019	0.00	5.06	20.85	4.41	1.24	5.65	31.56
2020	0.00	4.94	20.33	4.49	1.16	5.65	30.92

Source:
City of Fayetteville, Georgia and Fayette County, Georgia tax records.

CITY OF FAYETTEVILLE, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Fiscal Year 2020 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Fiscal Year 2011 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
DDRTC Fayette Pavilion I & II	$ 19,395,794	2	4.85%	$ 71,970,511	1	7.77%
DDRTC Fayette Pavilion III & IV	8,515,966	3	2.13%	43,446,800	2	4.69%
Piedmont Fayette Medical & Office Bldg	6,456,764	7	1.61%	14,689,885	4	1.59%
Piedmont Hospital, Inc.	6,302,332	8	1.58%	17,856,570	3	1.93%
Pinewood Atlanta, LLC	21,168,700	1	5.29%	-		-
Banks Crossing Associates, LLC & BC Plaza	6,800,000	6	1.70%	14,121,000	6	1.52%
Heartis Fayetteville Partners	7,510,000	5	1.88%	-		-
Norbelle, LLC & Lasalle Investment	-		-	13,059,840	8	1.41%
Lafayette Square Investors	8,320,400	4	2.08%	-		-
Cobblestone Apartments, LLC	5,888,000	9	1.47%	-		-
CP Summit Retail, LLC	-		-	14,143,690	5	1.53%
Fayetteville Towne Center	-		-	13,541,360	7	1.46%
CA New Plan Acquisition Fund & LLC	-		-	12,607,000	9	1.36%
General Electric Credit Equities, Inc.	-		-	11,660,600	10	1.26%
100 Knight Way, LLC	5,575,200	10	1.39%	-		-
Total	$ 95,933,156		23.98%	$ 227,097,256		24.52%

Source:

City of Fayetteville, Georgia and Fayette County, Georgia tax records.

CITY OF FAYETTEVILLE, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	$ 2,614,719	$ 2,471,256	95.0 %	$ 119,790	$ 2,591,046	99.1 %
2012	2,595,776	2,431,436	93.7	89,897	2,521,333	97.1
2013	2,732,222	2,449,988	89.7	56,276	2,506,264	91.7
2014	2,732,090	2,650,781	97.0	45,045	2,695,826	98.7
2015	2,799,996	2,701,065	96.5	-	2,701,065	96.5
2016	2,827,868	2,822,251	99.8	-	2,822,251	99.8
2017	3,030,113	3,026,471	99.9	-	3,026,471	99.9
2018	3,299,117	3,280,003	99.4	-	3,280,003	99.4
2019	5,262,887	5,030,676	95.6	44,455	5,075,131	96.4
2020	5,448,306	5,413,030	99.4	-	5,413,030	99.4

Source:
City of Fayetteville, Georgia and Fayette County, Georgia tax records.

CITY OF FAYETTEVILLE, GEORGIA

WATER SOLD BY CUSTOMER TYPE
LAST TEN FISCAL YEARS
(MILLIONS OF GALLONS)

Type of Customer	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential (1)	289.10	308.97	271.12	273.35	274.86	282.87	267.72	268.27	289.23	285.55
Commercial (1)	95.51	93.85	98.84	85.05	85.49	88.56	86.37	81.25	90.12	90.96
Senior (1)	69.20	58.26	67.76	71.34	68.74	70.65	65.17	67.04	68.76	65.80
Other (1)	16.50	14.26	11.72	9.45	9.18	13.85	4.35	2.73	9.81	4.55
Total usage	470.31	475.34	449.44	439.19	438.27	455.93	423.61	419.29	457.92	446.86
Total direct rate per 1,000 gallons (2)	$ 2.90	$ 2.90	$ 2.90	$ 2.97	$ 3.04	$ 3.11	$ 3.18	$ 3.26	$ 3.35	$ 3.52

(1) City of Fayetteville billing registers.
(2) City of Fayetteville ordinances.

CITY OF FAYETTEVILLE, GEORGIA

WATER AND SEWER USER RATES
LAST TEN FISCAL YEARS

Fiscal Year	Water (Residential)		Water (Commercial)		Water (Senior)	
	Monthly Base Rate	Rate per 1000 Gallons	Monthly Base Rate	Rate per 1000 Gallons	Monthly Base Rate	Rate per 1000 Gallons
2011	$ 14.50	$ 2.90	$ 26.60	$ 2.90	$ 12.33	$ 2.90
2012	14.50	2.90	26.60	2.90	12.33	2.90
2013	14.50	2.90	26.60	2.90	12.33	2.90
2014	14.83	2.97	27.21	2.97	12.61	2.97
2015	15.19	3.04	27.86	3.04	12.92	3.04
2016	15.55	3.11	28.53	3.11	13.23	3.11
2017	15.92	3.18	29.21	3.18	13.55	3.18
2018	16.30	3.26	29.91	3.26	13.88	3.26
2019	16.69	3.34	30.36	3.34	14.21	3.34
2020	17.52	3.51	32.16	3.51	14.92	3.51

Source:
City of Fayetteville, Georgia ordinances.

Sewer (Residential)		Sewer (Commercial)		Sewer (Senior)	
Monthly Base Rate	Rate per 1000 Gallons	Monthly Base Rate	Rate per 1000 Gallons	Monthly Base Rate	Rate per 1000 Gallons
$ 15.95	$ 2.85	$ 27.95	$ 2.85	$ 13.56	$ 2.85
15.95	2.85	27.95	2.85	13.56	2.85
16.28	2.91	28.54	2.81	13.84	2.91
16.65	2.98	29.20	2.98	14.14	2.98
17.05	3.05	29.90	3.05	14.48	3.05
17.46	3.12	30.62	3.12	14.83	3.12
17.88	3.19	31.35	3.19	15.19	3.19
18.31	3.27	32.10	3.27	15.55	3.27
18.75	3.35	32.87	3.35	15.92	3.35
19.69	3.52	34.51	3.52	16.72	3.52

CITY OF FAYETTEVILLE, GEORGIA

TEN LARGEST WATER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2020			Fiscal Year 2011		
Taxpayer	Total Water Revenue	Rank	Percentage of Total Water Revenue	Total Water Revenue	Rank	Percentage of Total Water Revenue
Banks Station	$ -		-	$ 32,544	1	1.36%
HCCC, Inc.	-		-	22,173	3	0.93%
Meridian @ Lafayette Apts	29,676	2	1.11%	-		-
Fayette County Jail Complex	-		-	21,345	4	0.89%
Swanbrook	22,023	4	0.82%	16,008	6	0.67%
Bay Branch Condo	32,924	1	1.23%	18,309	5	0.76%
Board of Commissioners	17,283	7	0.65%	14,040	8	0.59%
Cobblestone of Fayette	16,660	8	0.62%	14,451	7	0.60%
Summit Retail	-		-	14,010	9	0.58%
3 Minute Express Car Wash	16,569	9	0.62%	-		-
Fayetteville Towne Center	-		-	5,229	10	0.22%
Hearthside Lafayette	20,073	5	0.75%	-		-
Tidal Wave Auto Spa	16,360	10	0.61%	-		-
Meridian @ Lafayette Apts	18,578	6	0.70%	-		-
CA New Plan Acquisition	24,047	3	0.90%	-		-
Fayette County Board of Ed	-		-	29,791	2	1.24%
Subtotal (10 Largest)	214,193		8.02%	187,900		7.84%
Balance from Other Customers	2,458,143		91.98%	2,208,885		92.16%
Total	$ 2,672,336		100.00%	$ 2,396,785		100.00%

Source:
City of Fayetteville, Georgia Water/Sewer Department records.

CITY OF FAYETTEVILLE, GEORGIA

TEN LARGEST SEWER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2020			Fiscal Year 2011		
Taxpayer	Total Sewer Revenue	Rank	Percentage of Total Sewer Revenue	Total Sewer Revenue	Rank	Percentage of Total Sewer Revenue
Piedmont Healthcare	$ 153,847	1	5.76%	$ 132,304	1	5.52%
Inland Group	-		-	47,431	2	1.98%
Banks Station	-		-	32,933	3	1.37%
Fayette County Jail Complex	-		0.00%	21,019	7	0.88%
Marksman Landscaping	-		0.00%	23,237	4	0.97%
Bay Branch Condo	33,728	4	1.26%	22,432	5	0.94%
Fayette County Board of Ed	-		0.00%	21,834	6	0.91%
Swanbrook	24,644	6	0.92%	17,604	8	0.73%
Board of Commissioners	18,516	9	0.69%	14,760	10	0.62%
Cobblestone Fayette	-		0.00%	15,507	9	0.65%
Pinewood Atlanta Studios	73,327	2	-	-		-
Condor Health Lafayette	19,795	8	0.74%	-		-
CA New Plan Acquisition	25,219	5	0.94%	-		-
Meridian @ Lafayette Apt	53,975	3	2.02%	-		-
Hearthside Lafayette	21,119	7	0.79%	-		-
ORF One Togwatee Village, LLC	17,148	10	0.64%	-		-
Subtotal (10 Largest)	441,317		17.32%	349,061		13.66%
Balance from Other Customers	2,106,879		82.68%	2,206,637		86.34%
Total	$ 2,548,196		100.00%	$ 2,555,698		100.00%

Source:
City of Fayetteville, Georgia Water/Sewer Department records.

CITY OF FAYETTEVILLE, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				
	Certificates of Participation	Revenue Bonds	Capital Leases	Notes Payable	Total
2011	$ 3,420,000	$ -	$ 219,955	$ -	$ 3,639,955
2012	3,210,000	-	-	-	3,210,000
2013	3,115,000	1,885,000 (2)	-	629,434 (2)	5,629,434
2014	3,010,000	1,805,000	-	725,532	5,540,532
2015	2,805,000	1,600,000	292,919	670,161	5,368,080
2016	2,600,000	1,385,000	898,659	614,357	5,498,016
2017	2,390,000	1,170,000	1,184,980	389,925	5,134,905
2018	2,175,000	950,000	5,928,034	345,250	9,398,284
2019	1,955,000	720,000	2,715,245	3,093,234	8,483,479
2020	1,730,000	24,410,962	2,694,908	2,662,293	31,498,163

Notes:
Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.
(2) Due to the implementation of GASB 61, the Downtown Development Authority was changed from a discretely presented component unit to a blended component unit and the related debt became part of the primary government in fiscal year 2013.

Business-type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
Revenue Bonds	Notes Payable	Total			
$ 19,498,405	$ -	$ 19,498,405	$ 23,138,360	5.17 %	$ 1,435
18,926,442	-	18,926,442	22,136,442	4.59	1,378
18,339,482	-	18,339,482	23,968,916	4.97	1,479
19,352,528	-	19,352,528	24,893,060	4.96	1,488
18,687,366	-	18,687,366	24,055,446	4.49	1,416
17,970,996	-	17,970,996	23,469,012	4.29	1,405
17,243,618	801,206	18,044,824	23,179,729	3.86	1,359
16,460,000	-	16,460,000	25,858,284	4.30	1,481
15,749,697	806,652	16,556,349	25,039,828	4.17	1,434
13,848,279	9,586,527	23,434,806	54,932,969	9.14	3,144

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CITY OF FAYETTEVILLE, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JULY 31, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Fayette County School District	$ 56,684,972	15.41%	$ 8,735,154
Fayette County Public Facilities Authority	29,120,000	15.41%	4,487,392
Total overlapping debt			13,222,546
City of Fayetteville direct debt			31,498,163
Total direct and overlapping debt			$ 44,720,709

Source:
Fayette County School District and Fayette County Public Facilities Authority.

Notes:
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 Fayetteville. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by 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 FAYETTEVILLE, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2011	2012	2013	2014
Debt limit	$ 84,490,929	$ 79,656,146	$ 70,601,178	$ 69,975,823
Total net debt applicable to limit	-	-	-	-
Legal debt margin	$ 84,490,929	$ 79,656,146	$ 70,601,178	$ 69,975,823
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Notes:
Under Georgia law, the City of Fayetteville's outstanding general obligation debt should not exceed 10% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying the general obligation bonds.

Fiscal Year						
2015	2016	2017	2018	2019	2020
$ 70,314,949	$ 75,770,783	$ 79,741,567	$ 89,390,318	$ 96,198,253	$ 104,751,760
-	-	-	-	-	-
$ 70,314,949	$ 75,770,783	$ 79,741,567	$ 89,390,318	$ 96,198,253	$ 104,751,760
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	$ 1,034,948,764
Add back: exempt real property	12,568,837
Total assessed value	1,047,517,601
Debt limit (10% of assessed value)	104,751,760
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of General obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	$ 104,751,760

CITY OF FAYETTEVILLE, GEORGIA

PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2011	$ 5,450,926	$ 3,716,167	$ 1,734,759	$ 550,000	$ 840,828	1.25
2012	5,541,087	3,782,904	1,758,183	565,000	818,038	1.27
2013	5,448,935	3,582,188	1,866,747	580,000	799,210	1.35
2014	5,674,108	3,760,485	1,913,623	600,000	778,923	1.39
2015	5,917,164	3,802,058	2,115,106	645,000	673,645	1.60
2016	6,287,328	3,986,165	2,301,163	700,000	658,719	1.69
2017	6,468,741	4,378,653	2,090,088	715,000	644,869	1.54
2018	6,522,202	4,175,132	2,347,070	735,000	629,769	1.72
2019	6,831,225	4,359,414	2,471,811	745,000	612,476	1.82
2020	7,509,612	4,964,070	2,545,542	15,725,017	388,966	0.16

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Utility service charges include tap fees, but exclude interest.

Operating expenses do not include interest, depreciation, or amortization expense.

CITY OF FAYETTEVILLE, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (thousands) (2)	Per Capita Personal Income (2)	Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
2011	15,945	$ 423,356	$ 26,551	36.1	20,607	8.3
2012	16,124	447,248	27,738	41.3	20,506	8.1
2013	16,060	482,330	30,033	41.6	20,317	7.7
2014	16,206	482,663	29,783	39.9	20,756	5.8
2015	16,725	502,302	30,033	40.2	20,054	4.9
2016	16,990	536,119	31,555	41.3	20,078	4.4
2017	16,705	547,289	32,762	41.7	20,238	5.2
2018	17,056	600,320	35,197	41.8	20,104	5.2
2019	17,459	601,166	34,433	41.8	20,520	3.4
2020	17,472	680,045	38,922	41.8	20,613	3.4

Sources:

(1) City of Fayetteville records.
(2) Bureau of Economic Analysis, U.S. Department of Commerce.
(3) Fayette County Board of Education.
(4) Bureau of Labor Statistics, U.S. Department of Labor.

CITY OF FAYETTEVILLE, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2020			Fiscal Year 2011		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Fayette County Board of Education	2,778	1	21.20%	3,394	1	33.34%
Fayette Hospital (Piedmont)	1,589	2	12.12%	1,388	2	13.63%
Brent Scarborough & Company, Inc.	250	7	1.91%	136	9	1.34%
Wal-mart Stores, Inc	332	5	2.53%	341	5	3.35%
Kroger	490	4	3.74%	401	4	3.94%
Publix	277	6	2.11%	212	6	2.08%
Lafayette Nursing Home	-		-	190	7	1.87%
Fayette County Board of Commissioners	765	3	5.84%	703	3	6.90%
Target	-		-	180	8	1.77%
Long Horn Steakhouse	164	10	1.25%	-		-
City of Fayetteville	189	9	1.44%	136	10	1.34%
Oliven Garden	243	8	1.85%	-		-
Total	7,077		54.00%	7,081		69.55%

Source:
City of Fayetteville, Georgia records.

CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
General government	14	13	13	13	15	18	21	23	24	30
Judicial	2	2	2	2	3	3	3	2	3	3
Public safety										
Police	45	44	46	42	45	48	55	54	59	60
Fire	36	35	35	37	31	33	39	51	51	48
Public works	12	11	11	10	11	9	12	13	12	8
Housing and development	5	6	6	3	6	8	7	10	11	9
Main Street Tourism	2	2	2	2	2	1	3	4	3.5	4
Water and Sewer										
Water	10	10	7	10	10	10	11	14	17	14
Wastewater	10	7	6	2	3	3	3	3	2.5	4
Total	136	130	128	121	126	133	154	174	183	180

Source:
City of Fayetteville, Georgia records

CITY OF FAYETTEVILLE, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN CALENDAR YEARS

	Fiscal Year				
	2011	2012	2013	2014	2015
Function					
Mayor And Council					
Citizen contacts	5,000	4,600	4,600	4,600	4,598
Council meetings	26	25	25	24	27
Correspondence generated	100	80	65	70	75
Finance and Administration					
A/P checks processed	4,200	3,739	3,943	4,013	4,678
Business licenses processed	2,100	2,217	2,183	2,409	2,500
Utility bills generated	101,051	99,936	101,105	103,446	103,049
Information Technology					
Number of work orders received	600	600	600	665	600
Hits on City website per year	150,000	150,000	150,000	152,436	400,990
Municipal Court					
Citations processed	8,000	6,518	5,585	6,693	5,727
Cases adjudicated	9,000	5,301	4,845	5,096	5,909
Average inmates per month	12	9	5	5	3
Police					
Number of arrests	1,431	1,382	1,145	940	1,330
Number of traffic accidents	1,351	1,317	1,388	1,326	1,149
Citations/warnings issued	10,398	10,161	8,449	6,450	7,262
Fire					
Emergency calls	2,800	3,110	2,850	2,518	2,689
Hydrants maintained	1,315	1,261	1,280	642	1,287
Inspections completed	1,400	1,381	1,450	1,908	1,364
Public Works					
Miles resurfaced	1.5	1.3	1.5	0.0	0.0
Miles of cracks sealed	1.0	1.0	1.0	0.0	0.0
Miles of right of way mowed	465	352	390	386	410
Housing And Development					
Building permit inspections	2,300	2,300	2,398	3,286	2,303
Development plan applications	8	7	11	4	10
Erosion control inspections	460	427	460	409	193
Water And Sewer					
Water - gallons processed (X 1,000)	322,906	300,269	224,093	224,013	215,760
Wastewater - gallons processed (X 1,000)	637,203	543,576	548,332	713,125	743,425
New meter installations	15	14	139	71	51

Source:
City of Fayetteville, Georgia records.

Fiscal Year				
2016	2017	2018	2019	2020
4,600	4,780	4,659	4,679	4,800
25	24	24	24	27
76	70	74	N/A	N/A
3,515	3,513	6,243	4,212	4,576
2,459	2,379	2,718	2,935	2,675
103,405	98,404	98,451	104,632	101,896
600	1,700	2,011	2,710	2,196
430,850	577,917	500,108	533,384	419,429
7,954	5,209	5,372	9,088	4,286
7,610	253	7,371	7,701	2,797
2	3	3	3	1
1,430	1,102	1,183	1,174	1,049
1,556	1,634	1,567	1,449	1,362
7,901	6,990	7,637	9,032	9,947
2,889	3,237	3,203	3,379	3,416
1,287	1,304	1,336	1,347	1,379
1,280	1,969	2,045	2,057	2,341
0.0	0.0	3.0	5.0	4.0
1.0	1.0	1.0	1.0	1.0
470	490	495	498	500
2,727	3,613	4,524	4,862	8,907
12	0	15	13	27
237	383	356	833	1,804
210,840	265,000	212,304	308,395	280,253
905,662	825,538	846,761	898,152	832,300
62	37	45	67	21

CITY OF FAYETTEVILLE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program										
General Government										
Phone system	1	1	1	1	1	1	1	1	1	1
Computer system	1	1	1	1	1	1	1	1	1	1
Buildings	2	2	2	2	2	2	2	2	2	2
Police										
Station	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	2	2	2	2	2	2	2	2	2	3
Fire trucks	3	4	4	4	4	5	6	8	8	8
Public Works										
Parks	5	5	5	5	5	5	5	5	5	5
Highways/streets	63.30	63.30	63.30	63.30	63.30	66.30	66.30	64.30	64.30	64.30
Building	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.05	0.05
Bridge	1	1	1	1	1	1	1	1	1	1
Traffic signals	3	3	3	3	3	3	3	3	3	3
Cemetery	1	1	1	1	1	1	1	1	1	1
Lake	3	3	3	3	3	3	3	3	3	3
Component Units										
Buildings	4	4	4	4	4	4	4	6	7	7
Museum Collection	1	1	1	1	1	1	1	1	1	1
Water And Sewer										
Buildings	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Lift stations	24	24	24	24	24	26	26	26	26	26
Miles of sewer lines	126	126	126	126	126	129	130	131	131	132
Miles of water lines	108	108	108	108	108	108	109	109	109	109
Manholes	2,798	2,798	2,798	2,798	2,798	2,848	2,863	2,870	2,880	2,890
Stormwater detention	1	1	1	1	1	1	1	1	1	1
Lake	1	1	1	1	1	1	1	1	1	1
Wells	3	3	3	3	3	3	3	3	3	3

Source:

City of Fayetteville, Georgia records.

CONTINUING DISCLOSURE SECTION

CITY OF FAYETTEVILLE, GEORGIA

WATER SUPPLY BY SOURCE
LAST TEN CALENDAR YEARS
(IN THOUSAND GALLONS)

Calendar Year	Fayette County		System Well/Water Plant		Total Usage	Percent Change
	Volume	Percent	Volume	Percent		
2011	149,076	31.6 %	322,906	68.4 %	471,982	(8.1) %
2012	196,070	39.5	300,269	60.5	496,339	5.2
2013	248,780	52.8	222,129	47.2	470,909	(5.1)
2014	265,770	54.3	224,013	45.7	489,783	4.0
2015	263,918	55.0	215,760	45.0	479,678	(2.1)
2016	287,590	57.7	210,840	42.3	498,430	1.8
2017	301,247	58.7	212,304	41.3	513,551	3.0
2018	251,776	50.3	248,446	49.7	500,222	(2.6)
2019	234,363	43.2	308,395	56.8	542,758	8.5
2020	247,868	46.9	280,253	53.1	528,121	(2.7)

Source: City of Fayetteville, Georgia records.

CITY OF FAYETTEVILLE, GEORGIA

WASTEWATER TREATMENT PLANT AVERAGE FLOW
LAST TEN CALENDAR YEARS
(IN MILLION GALLONS PER DAY)

Calendar Year	Average Daily Flow MGD	Average Weekly Peak Flow MGD
2011	1.63	1.88
2012	1.46	1.65
2013	1.61	2.40
2014	1.85	1.80
2015	2.04	N/A
2016	2.34	N/A
2017	2.28	N/A
2018	2.34	N/A
2019	2.46	N/A
2020	2.29	N/A

Note:

The City's sewerage system consists of a modern secondary wastewater treatment facility, 24 pumping stations and approximately 122 miles of collector and transmission lines. The Whitewater Creek wastewater treatment plant was expanded and upgraded in 1992 to 3.75 MGC and in 2008 to 5.0 MGC through 2003 Water and Sewer Bonds and a GEFA Loan.

Source:

City of Fayetteville, Georgia records.

CITY OF FAYETTEVILLE, GEORGIA

WATER AND SEWER CUSTOMERS
LAST TEN CALENDAR YEARS

Calendar Year	Number of Water Customers	% Increase Water Customers	Number of Sewer Customers	% Sewer to Water Customers
2011	6,607	(0.1) %	8,027	121.5 %
2012	6,628	0.3	8,083	122.0
2013	6,720	1.4	8,196	122.0
2014	6,769	0.7	8,202	121.2
2015	6,856	1.3	7,122	103.9
2016	6,891	0.5	7,170	104.0
2017	6,820	(1.0)	7,212	105.7
2018	7,023	3.0	7,472	106.4
2019	7,017	(0.1)	7,559	107.7
2020	7,094	1.1	8,160	115.0

Source:
City of Fayetteville, Georgia records.

CITY OF FAYETTEVILLE, GEORGIA

WATER AND SEWER USER FEES AND CHARGES

In accordance with the requirements of Rule 15c-2-12 promulgated by the Securities and Exchange Commission ("SEC"), the City has covenanted to disclose the following annual financial information.

User fees are set by the Mayor and Council to recover independently the cost of providing water and sewerage service, to pay principal and interest on debt obligations of the System and to general reserves for emergencies and expansion of the System. The Mayor and Council last adopted a schedule for rates, tolls, assessments and fees charged by the System in August 2009. The City has covenanted in the Ordinance to revise and adjust such schedules of rates, fees and charges for water sewerage services and facilities to the extent necessary to produce funds at least equal to the amount necessary to: 1) operate and maintain the System on a sound businesslike basis but before provision for depreciation or amortization; 2) produce an amount equal to 115% of the Debt Service Requirement for the then current Sinking Fund Year; 3) create and maintain in the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Requirement; and 4) make the payments then required to be made into the Renewal and Extension Fund.

The minimum water and sewer bill is based on the first 2,000 gallons of water usage. In addition to the charges for water and sewerage usage, the City charges a connection fee for new water and sewer services based upon the size of water meter as indicated in the following table:

Meter Size	Meter Charge	Installed	Tap	Sewer	Total for Water and Sewer
5/8 - 3/4"	$ 900	Y	$ 400	$ 1,479	$ 2,779
1"	1,200	Y	400	2,464	4,064
1.5"	1,500	Y	400	4,928	6,828
2"	2,000	Y	400	7,885	10,285
3"	2,500	N	-	14,785	17,285
4"	7,800	N	-	24,642	32,442
6"	10,540	N	-	49,283	59,823
8"	14,000	N	-	78,854	92,854

Based on the current rate structure and average residential water of usage of 6,500 gallons per month, the average water bill for a residential customer is approximately $30.97 per month. The average residential sewer bill is approximately $33.03 per month.

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fayetteville, Georgia (the "City") for the year ended July 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
January 26, 2021

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance For Each Major Federal Program

We have audited City of Fayetteville, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended July 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
January 26, 2021

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JULY 31, 2020

Grant Program	CFDA #	Grant I.D.	Expenditures	Passed Through to Subrecipients
U.S. Environmental Protection Agency				
Passed through Georgia Environmental Finance Authority				
Capitalization of Grants for Clean Water State Revolving Loan Funds	66.458	CWSRF 14-019	$ 131,728	$ -
Revolving Loan Funds	66.458	CWSRF 2019-014	8,654,757	-
Total U.S. Environmental Protection Agency			8,786,485	-
U.S. Department of Homeland Security				
Staffing for Adequate Fire and Emergency Response Grant	97.083	EMW-2016-FH00474	398,194	-
Total U.S. Department of Homeland Security			398,194	-
U.S. Department of Transportation				
Passed through Georgia Department of Transportation				
Highway Planning and Construction	20.205	PI 0012878	183,518	-
Highway Planning and Construction	20.205	PI 0010613	136,187	-
Total U.S. Department of Transportation			319,705	-
U.S. Department of Treasury				
Coronavirus Relief	21.019	10368-CRF	941,787	-
Total U.S. Department of Treasury			941,787	-
Total Expenditures of Federal Awards			$ 10,446,171	$ -

CITY OF FAYETTEVILLE, GEORGIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JULY 31, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Fayetteville, Georgia (the "City"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the 10% de minimis indirect cost rate for the fiscal year ended July 31, 2020.

NOTE 3. NON-CASH AWARDS

The City did not receive non-cash federal awards during the fiscal year ended July 31, 2020.

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JULY 31, 2020

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	____ Yes __X__ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
	Emergency Protection Agency
66.458	Capitalization Grants for Drinking Water State Revolving Grant
21.019	**US Department of Treasury** Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ Yes __X__ No

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JULY 31, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

CITY OF FAYETTEVILLE, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JULY 31, 2020

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.