City of Fayetteville, Georgia

Annual Comprehensive Financial Report



ACFR 2021

For the Year Ended July 31, 2021

CITY OF FAYETTEVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JULY 31, 2021

Prepared By:
Mike Bush
Director of Finance

Submitted By:
Ray Gibson
City Manager

INTRODUCTORY SECTION

CITY OF FAYETTEVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JULY 31, 2021

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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 31, 2022

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

Ladies and Gentlemen:

The annual comprehensive annual financial report of the City of Fayetteville, Georgia (the "City") for the fiscal year ended July 31, 2021 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.

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As a recipient of federal and state financial assistance, the City 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.

GAAP requires 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 the MD&A and should be read in conjunction with it. The City'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 stormwater 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.

Across the street lays the City's historic cemetery circa 1823 where 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. Adjacent to the Cemetery is the new City Center consisting of a 7.7-acre City Park, and a new 34,000 square feet City Hall.

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 the former City Hall site, 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 formally Brightmoor Healthcare Amphitheater (formally Southern Ground 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 Brightmoor Healthcare Amphitheater plays host to a wide array of concerts, films, and dramatic events. In 2020, the Georgia Radio Alliance negotiated a new title sponsorship for the Amphitheater with Brightmoor Healthcare, Inc. For the term of the agreement, the amphitheater will be listed in all advertising and mentions as the Brightmoor Healthcare 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 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 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 18,253. The median housing value in Fayetteville is $224,100. Renters make up about 24.66% of the City's population; while 75.34% own homes. 4.74% of the homes and apartments are vacant in the City. The City remains affordable to residents as the per capita income is $35,376.

The total number of building permit inspections for fiscal year 2021 was 4,161 compared to last fiscal year, was 8907. The total number of development plan applications was 22 compared to last fiscal year, was 27, and the total number of erosion control inspections was 1,081 compared to last fiscal year, was 1804.

The unemployment rate for Fayetteville was 3.7%, a slight increase over 2020's 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's financial planning and control. The City 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 continues to improve from the recent recession. We have seen three 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.

Major Initiatives. For fiscal year 2021, the fire department put into service a fast response vehicle as well as new radios and turnout gear.

The Water and Sewer Department continued construction of a new Waste Water Treatment Plant and is currently on schedule to be brought online in fiscal year 2022.

The new City Center Project consisting of a 7.7-acre park and a new City Hall is currently under construction and will be completed in fiscal year 2022.

The Police department has plans to purchase 6 new police cars and all the equipment necessary to put the cars in service by April 2022.

Strategic Financial Planning. The City 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 Annual Comprehensive Annual Financial Report ("ACFR") for the fiscal year ended July 31, 2020. This was the 25th 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 GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive 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 2020. This was the 15th 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 Annual Comprehensive Financial Report ("ACFR") 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 & 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

July 31, 2020

Christopher P. Morrill

Executive Director/CEO

CITY OF FAYETTEVILLE, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JULY 31, 2021

MAYOR
Edward Johnson

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

CITY MANAGER
Ray Gibson

CITY CLERK
Anne Barksdale

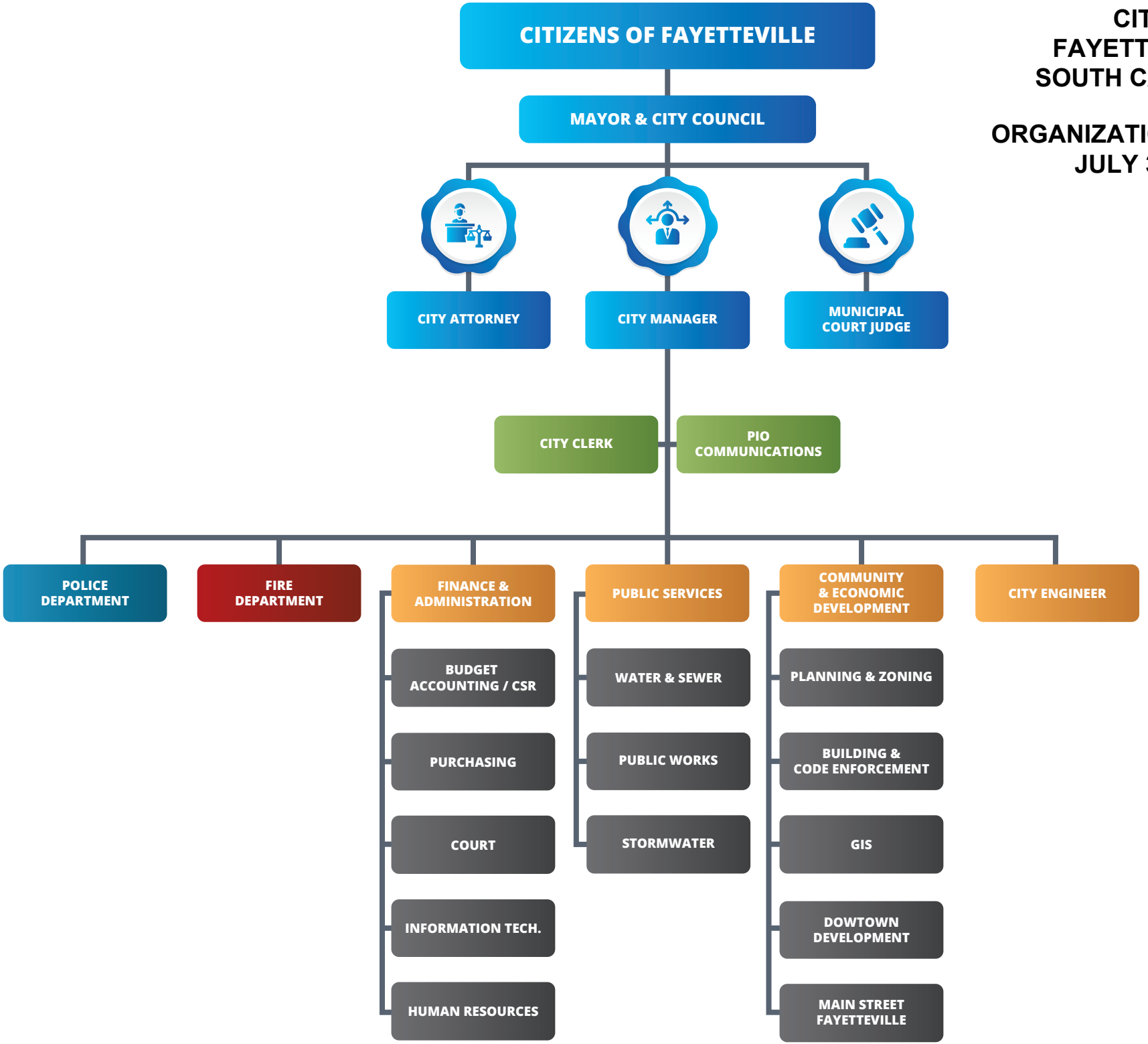
DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES
Mike Bush

CITY ATTORNEY
Jarrard & Davis, LLP

CITY AUDITORS
Mauldin & Jenkins, LLC

CITY OF FAYETTEVILLE, SOUTH CAROLINA

ORGANIZATIONAL CHART
JULY 30, 2021



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, 2021, 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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of July 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison 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 31, 2022, 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 31, 2022

CITY OF FAYETTEVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JULY 31, 2021

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, 2021. 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 2021 are as follows:

In total, combined net position increased by $3,921,293 which represents a 3.71% increase over FY 2020. This increase can primarily be attributed to investments in capital assets.

- Combined tax revenues accounted for $17,301,222, or 65.14%, 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 $9,186,656, or 34.72%, of total revenues of $26,456,221 from governmental activities.

- The City had $27,585,514 in expenses related to governmental activities; $9,186,656 of these expenses were offset by charges for services, grants, and contributions. General revenues (primarily taxes) of $17,270,565 provided for these services as well. The net result was a decrease in the City's net position by $679,293.

- Total Water and Sewer Fund revenues for FY 2021 were $7,792,215. Total expenses for FY 2021 were $7,361,986. Capital contributions were recorded in the amount of $5,131,031, including but not limited to donated property and sewer proportionate share. The change in net position after depreciation and non-operating revenues/expenses was $4,576,397 for the FY 2021.

- Revenues from the General Fund were $17,737,333 FY 2021, a decrease of approximately 2.05% over the prior fiscal year, due to a decrease in intergovernmental and interest income. General Fund expenditures totaled $16,580,404 for the fiscal year ended July 31, 2021, an increase of 1.1% over last fiscal year due mostly to an increase in interest expense for debt service for 2021.

Overview of the Financial Statements

This Annual Comprehensive Financial Report ("ACFR") 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 long-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-term 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 five Capital Projects Funds: 1) Building Fund, 2) Impact Fee Fund, 3) Capital Projects 2 Fund, 4) 2017 Special Purpose Local Option Sales Tax ("SPLOST") Fund, and 5) the Tax Allocation Districts ("TAD") Fund.

The special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The City has eight 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, 7) Main Street Tourism Association Fund, and 8) American Recovery Plan Act ("ARPA") 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 $109,497,645, at the close of the most recent fiscal year.

The City's overall net position increased $3,921,291 from the prior fiscal year. Net position for governmental activities decreased $679,291 from the prior fiscal year. The reason for this overall change in net position for governmental activities is mainly the result of increased capital outlay during the current fiscal year. Net position for business-type activities increased $4,600,584 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	
	2021	2020	**2021**	2020	**2021**	2020
Current and other assets	**$ 29,159,203**	$ 39,255,240	**$ 9,329,948**	$ 9,557,483	**$ 38,489,151**	$ 48,812,723
Capital assets	**105,094,098**	91,679,887	**39,916,388**	32,338,496	**145,010,486**	124,018,383
Total assets	**$ 134,253,301**	$ 130,935,127	**$ 49,246,336**	$ 41,895,979	**$ 183,499,637**	$ 172,831,106
Deferred outflows of resources	**$ 2,200,654**	$ 1,566,286	**$ 1,030,279**	$ 919,163	**$ 3,230,933**	$ 2,485,449
Long-term liabilites	**$ 38,089,253**	$ 36,955,479	**$ 28,845,792**	$ 24,583,575	**$ 66,935,045**	$ 61,539,054
Other liabilities	**8,453,249**	5,044,777	**1,583,041**	3,005,383	**10,036,290**	8,050,160
Total liabilities	**$ 46,542,502**	$ 42,000,256	**$ 30,428,833**	$ 27,588,958	**$ 76,971,335**	$ 69,589,214
Deferred inflows of resources	**$ 211,888**	$ 122,299	**$ 49,702**	$ 28,688	**$ 261,590**	$ 150,987
Net position:						
Net investment in capital assets	**$ 74,588,706**	$ 60,482,704	**$ 13,329,265**	$ 9,460,359	**$ 87,917,971**	$ 69,943,063
Restricted	**10,482,246**	4,035,510	**751,511**	883,873	**11,233,757**	4,919,383
Unrestricted	**4,628,613**	25,860,644	**5,717,304**	4,853,264	**10,345,917**	30,713,908
Total net position	**$ 89,699,565**	$ 90,378,858	**$ 19,798,080**	$ 15,197,496	**$ 109,497,645**	$ 105,576,354

TABLE 2 – CHANGE IN NET POSITION

	Governmental Activities		Business-type Activities		Total Activities	
	2021	2020	**2021**	2020	**2021**	2020
Revenues						
Program revenues:						
Charges for services	**$ 3,254,776**	$ 3,383,874	**$ 8,637,497**	$ 8,236,730	**$ 11,892,273**	$ 11,620,604
Operating grants and contributions	**505,931**	2,156,961	**-**	-	**505,931**	2,156,961
Capital grants and contributions	**5,424,949**	4,524,951	**5,131,031**	284,281	**10,555,980**	4,809,232
Total program revenues	**9,185,656**	10,065,786	**13,768,528**	8,521,011	**22,954,184**	18,586,797
General revenues:						
Property taxes	**6,521,939**	4,715,445	**-**	-	**6,521,939**	4,715,445
Other taxes	**10,710,377**	10,564,364	**-**	-	**10,710,377**	10,564,364
Unrestricted investment earnings	**15,489**	404,896	**15,689**	36,854	**31,178**	441,750
Gain on sale of capital assets	**22,760**	267,723	**-**	-	**22,760**	267,723
Total general revenues	**17,270,565**	15,952,428	**15,689**	36,854	**17,286,254**	15,989,282
Total revenues	**26,456,221**	26,018,214	**13,784,217**	8,557,865	**40,240,438**	34,576,079
Expenses						
General government	**3,541,617**	2,751,667	**-**	-	**3,541,617**	2,751,667
Judicial	**651,377**	530,392	**-**	-	**651,377**	530,392
Public safety	**12,590,057**	11,092,290	**-**	-	**12,590,057**	11,092,290
Public works	**7,531,915**	5,239,662	**-**	-	**7,531,915**	5,239,662
Culture and recreation	**2,559**	301,541	**-**	-	**2,559**	301,541
Housing and development	**2,357,813**	1,671,733	**-**	-	**2,357,813**	1,671,733
Interest on long-term debt	**910,176**	826,092	**-**	-	**910,176**	826,092
Water and sewer	**-**	-	**7,316,901**	6,491,953	**7,316,901**	6,491,953
Stormwater	**-**	-	**595,196**	421,360	**595,196**	421,360
Solid waste	**-**	-	**821,536**	698,973	**821,536**	698,973
Total expenses	**27,585,514**	22,413,377	**8,733,633**	7,612,286	**36,319,147**	30,025,663
Increase in net assets before transfers	**(1,129,293)**	3,604,837	**5,050,584**	945,579	**3,921,291**	4,550,416
Transfers	**450,000**	450,000	**(450,000)**	(450,000)	**-**	-
Change in net position	**(679,293)**	4,054,837	**4,600,584**	495,579	**3,921,291**	4,550,416
Net position, beginning of year	**90,378,858**	86,324,021	**15,197,496**	14,701,917	**105,576,354**	101,025,938
Net position, end of year	**$ 89,699,565**	$ 90,378,858	**$ 19,798,080**	$ 15,197,496	**$ 109,497,645**	$ 105,576,354

Governmental Activities

Governmental activities total revenues were $26,456,221 at July 31, 2021, an increase of $438,007 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 decrease from the previous fiscal year due to a decrease in grant activity during the current year; 2) Unrestricted investment earnings decreased due to the construction of the City Center Project causing a reduction of cash to earn interest income along with the overall reduction of interest rates in all funds, and 3) Property taxes increased from the previous fiscal year mainly due to the increase in the digest.

Governmental activities total expenses were $27,585,514 at July 31, 2021, an increase of $5,172,137 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 $1,497,767 due to increased salaries and pandemic related expenditures, 2) Public works expenses increased by $2,292,253 due to increased projects and capital outlay during the current year, and 3) Housing and Development expenses increased by $686,080, due mainly to adding personnel in the planning and zoning department and privatizing the building department during the fiscal year.

In addition, the most significant functional expense for governmental activity was for public safety of $12,590,057, which represents 45.64% of the total governmental expenses. The next most significant program expense is public works, which totals $7,531,915, or 27.30%, 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 along with the Capital upgrades to the sewer treatment plant.

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	
	2021	2020	**2021**	2020
General government	**$ 3,541,617**	$ 2,751,667	**$ (2,160,076)**	$ 132,296
Judicial	**651,377**	530,392	**283,289**	225,386
Public safety	**12,590,057**	11,092,290	**(12,254,644)**	(6,900,696)
Public works	**7,531,915**	5,239,662	**(2,096,054)**	(4,680,061)
Culture and recreation	**2,559**	301,541	**(2,559)**	(182,003)
Housing and development	**2,357,813**	1,671,733	**(1,259,638)**	(116,421)
Interest on long-term debt	**910,176**	826,092	**(910,176)**	(826,092)
Total governmental activities	**27,585,514**	22,413,377	**(18,399,858)**	(12,347,591)
Business-type activities	**8,733,633**	7,612,286	**5,034,895**	908,725
Total expenses	**$ 36,319,147**	$ 30,025,663	**$ (13,364,963)**	$ (11,438,866)

Governmental Fund Balance

At the end of the FY 2021, the combined ending fund balances for the City's Governmental Funds were $20,873,169. Of the total fund balance, $20,499,511 is available as working capital for current spending in accordance with the purposes of the specific funds. The remainder of the fund balance, $378,658, is not available for new spending because it is considered non-spendable (pre-paid items and inventory).

The General Fund's fund balance for the fiscal year ended 2021 was $8,275,592, which indicates an increase in fund balance over the previous year by $308,582. Total revenues decreased by $370,568. Total expenses increased by $185,177. The increase consisted of a reduction of roughly $138,000 in general government expenses, and a reduction of $541,000 in public safety and an increase of $489,000 in housing and development, and an increase of $350,000 in debt service payments. The Special Purpose Local Option Sales Tax ("SPLOST") 2017 fund spent $1,240,096 more in expenses than we collected in revenues in 2021, due mainly to purchasing equipment for the wastewater plant upgrade. The Capital Projects 2 Fund's fund balance decreased by $15,350,544 for the FY 2021, which was mainly due to the spending revenue bond proceeds collected in FY 2020 on the new City Hall and City Park project. The Building Fund's fund balance decreased by $503.499 for the FY 2021, 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

	2021	2020
General Fund	**$ 8,275,592**	$ 7,967,010
SPLOST 2017 Fund	**5,074,785**	6,314,881
Capital Projects 2 Fund	**-**	15,350,544
Building Fund	**-**	503,499
Other Governmental Funds	**7,522,792**	4,084,101
	$ 20,873,169	$ 34,220,035

Proprietary Net Position

At the end of the FY 2021, the combined net position of the City's Proprietary Funds was $19,798,080. The most significant events that took place were an increase in expenses of nearly $5,226,352 and an increase of revenues of $5,247,517 resulting in an increase in net position of $4,600,584.

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 $17,737,333 were less than the final budgeted amount of $18,399,920 by $662,587.
- The actual expenditures of $16,580,404 were less than the final budgeted amount of $17,514,319 by $993,915. This difference was primarily due to original budgets not being reduced to match actual expenditures in general government, public safety, culture and recreation, and housing and development.
- The original budget had to be increased by $856,421 due mainly to collection of more revenues over budgeted projections. Sales taxes were originally budgeted as $3,793,566 with actual revenues of $4,585,851 for a total increase of $792,285; property tax revenues were originally budgeted as $4,938,935 with actual revenues of $5,595,148 for an increase of $656,213; and licenses and permits were originally budgeted as $1,866,975 with actual revenues of $1,045,341 for an increase of $179,266.

Capital Assets and Debt Administration

At the end of FY 2021, the City had $145,010,486 invested in capital assets, which is an increase over fiscal year 2020 of $20,992,103. Table 5 shows fiscal years 2021 and 2020 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	
	2021	2020	**2021**	2020	**2021**	2020
Land	**$ 11,484,691**	$ 11,484,691	**$ 1,630,139**	$ 1,630,139	**$ 13,114,830**	$ 13,114,830
Historical treasures	**91,279**	91,279	**-**	-	**91,279**	91,279
Construction in progress	**26,372,757**	11,804,099	**18,576,135**	9,873,837	**44,948,892**	21,677,936
Buildings	**5,157,412**	5,408,567	**-**	-	**5,157,412**	5,408,567
Land improvements	**964,809**	999,566	**-**	-	**964,809**	999,566
Equipment	**3,839,915**	4,139,914	**313,815**	385,951	**4,153,730**	4,525,865
Infrastructure	**57,183,235**	57,751,771	**19,396,299**	20,448,569	**76,579,534**	78,200,340
Total	**$ 105,094,098**	$ 91,679,887	**$ 39,916,388**	$ 32,338,496	**$ 145,010,486**	$ 124,018,383

Debt

The City reported outstanding debt of $28,845,792 as of July 31, 2021. 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 Georgia Environmental Finance Authority ("GEFA") note payable in FY 2017 and FY 2019 to make improvements to the City's stormwater 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 $38,089,253. This amount increased due to actuarial assumptions changing for the City's pension plan. Table 6 – *Outstanding Long-Term Liabilities* reflects information provided in Note 8.

TABLE 6 – Outstanding Long-Term Liabilities

	Governmental Activities		Business-type Activities	
	2021	2020	**2021**	2020
Notes payable	**$ 2,216,627**	$ 2,662,293	**$ 13,929,756**	$ 9,609,472
Compensated absences	**645,109**	657,753	**-**	-
Net pension liability	**7,431,852**	4,799,563	**1,743,274**	1,125,824
Capital leases	**2,246,714**	2,694,908	**-**	-
Certificates of participation	**1,500,000**	1,730,000	**-**	-
Bonds payable:				
Revenue bonds	**21,940,000**	22,180,000	**12,685,000**	13,285,000
Deferred amounts:				
Premium	**2,108,951**	2,230,962	**487,762**	563,279
Total bonds payable	**24,048,951**	24,410,962	**13,172,762**	13,848,279
Total long-term liabilities	**$ 38,089,253**	$ 36,955,479	**$ 28,845,792**	$ 24,583,575

Current Issues

Economic Factors and Next Years Budget and Rates

The City revenues continued to be steady in most areas. Some of the areas affected by the pandemic have started to normalize back in line where they were prior to the start of the pandemic. Items like Hotel/Motel taxes, Excise taxes on rental cars, court related revenues are among those that took the biggest hits recently, but have rebounded nicely. The inclusion of internet sales on our Local Option Sales Tax and our SPLOST have increased to levels we have not collected before which will help with expected increases in expenditures over the coming years.

Our operating expenses in salaries, contract services, general supplies, and capital outlay continue to increase. The City will enter into a contract for a Pay and Class Study to make sure we are providing adequate pay and benefits to all employees no matter where they work in the City. Based on the large turn-over of employees in the Public Safety departments, we do expect to see an increase in salary related expenses in the up-coming budgets. Increases are also expected in insurance cost for health insurance as well as general liability insurance. The City 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 10-acre park and a new City Hall, and continued required pension liabilities being added to our financial statements.

Staff developed a ten-year plan that includes workload indicators and trend analysis to assist the City in long-range financial planning and forecasting. The City is currently in the middle of the 10-year plan, and items that could affect the plan for FY 2022 are as follows:

- Renegotiations of Local Options Sales Tax with the County and other City's within Fayette County
- Renegotiations of Special Purpose Local Options Sales Tax
- Renegotiation of the Service Delivery Strategy, which looks to create efficient government activity within the local governments within the County

These renegotiations can affect revenues that are received by the City and can also affect the expenditures related to services provided by the City. This 10-year plan was 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, 210 Stonewall West Fayetteville, Georgia 30214, 770-461-6029, or mbush@fayetteville-ga.gov.

BASIC FINANCIAL STATEMENTS

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF NET POSITION
JULY 31, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 16,842,163	$ 3,371,907	$ 20,214,070
Investments	8,016,221	-	8,016,221
Taxes receivable	858,650	-	858,650
Accounts receivable, net of allowances	145,380	978,651	1,124,031
Due from other governments	1,109,439	914,303	2,023,742
Internal balances	(283,491)	283,491	-
Inventories	26,071	143,474	169,545
Prepaid expenses	352,587	236	352,823
Restricted assets, cash and cash equivalents	2,092,183	3,637,886	5,730,069
Capital assets, nondepreciable	37,948,727	20,206,274	58,155,001
Capital assets, depreciable, net of accumulated depreciation	67,145,371	19,710,114	86,855,485
Total assets	134,253,301	49,246,336	183,499,637
DEFERRED OUTFLOWS OF RESOURCES			
Pension	2,195,033	514,884	2,709,917
Deferred charge on refunding	5,621	515,395	521,016
Total deferred outflows of resources	2,200,654	1,030,279	3,230,933
LIABILITIES			
Accounts payable	2,399,197	1,338,468	3,737,665
Retainage payable	998,721	100,000	1,098,721
Accrued liabilities	957,728	144,573	1,102,301
Unearned revenues	4,097,603	-	4,097,603
Non-current liabilites:			
Due within one year			
Capital leases	1,003,469	-	1,003,469
Notes payable	460,463	39,972	500,435
Compensated absences	322,555	-	322,555
Bonds payable	245,000	650,000	895,000
Certificates of participation	235,000	-	235,000
Due in more than one year			
Capital leases	1,243,245	-	1,243,245
Notes payable	1,756,164	13,889,784	15,645,948
Compensated absences	322,554	-	322,554
Bonds payable	23,803,951	12,522,762	36,326,713
Certificates of participation	1,265,000	-	1,265,000
Net pension liability	7,431,852	1,743,274	9,175,126
Total liabilities	46,542,502	30,428,833	76,971,335
DEFERRED INFLOWS OF RESOURCES			
Pension	211,888	49,702	261,590
Total deferred inflows of resources	211,888	49,702	261,590
NET POSITION			
Net investment in capital assets	74,588,706	13,329,265	87,917,971
Restricted for:			
Debt service	-	751,511	751,511
Law enforcement	141,899	-	141,899
Cemetery improvements	26,751	-	26,751
Veterans memorial	2,488	-	2,488
Downtown development	610,210	-	610,210
Tourism	433,993	-	433,993
Other capital projects	9,266,905	-	9,266,905
Unrestricted	4,628,613	5,717,304	10,345,917
Total net position	$ 89,699,565	$ 19,798,080	$ 109,497,645

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, 2021

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	$ 3,541,617	$ 1,304,859	$ 74,615	$ 2,067
Judicial	651,377	934,666	-	-
Public safety	12,590,057	17,488	317,925	-
Public works	7,531,915	-	12,979	5,422,882
Culture and recreation	2,559	-	-	-
Housing and development	2,357,813	997,763	100,412	-
Interest on long-term debt	910,176	-	-	-
Total governmental activities	27,585,514	3,254,776	505,931	5,424,949
Business-type activities:				
Water and sewer	7,316,901	6,989,539	-	5,131,031
Stormwater	595,196	802,676	-	-
Solid waste	821,536	845,282	-	-
Total business-type activities	8,733,633	8,637,497	-	5,131,031
Total primary government	$ 36,319,147	$ 11,892,273	$ 505,931	$ 10,555,980
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
$ (2,160,076)	$ -	$ (2,160,076)
283,289	-	283,289
(12,254,644)	-	(12,254,644)
(2,096,054)	-	(2,096,054)
(2,559)	-	(2,559)
(1,259,638)	-	(1,259,638)
(910,176)	-	(910,176)
(18,399,858)	-	(18,399,858)
-	4,803,669	4,803,669
-	207,480	207,480
-	23,746	23,746
-	5,034,895	5,034,895
(18,399,858)	5,034,895	(13,364,963)
6,521,939	-	6,521,939
5,721,673	-	5,721,673
1,519,731	-	1,519,731
376,422	-	376,422
1,351,430	-	1,351,430
1,297,352	-	1,297,352
443,769	-	443,769
15,489	15,689	31,178
22,760	-	22,760
450,000	(450,000)	-
17,720,565	(434,311)	17,286,254
(679,293)	4,600,584	3,921,291
90,378,858	15,197,496	105,576,354
$ 89,699,565	$ 19,798,080	$ 109,497,645

CITY OF FAYETTEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2021

	General Fund	SPLOST 2017 Fund	Building Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 392,591	$ 5,841,041	$ 349,519	$ 3,359,229	$ 6,899,783	$ 16,842,163
Investments	8,016,209	-	-	-	12	8,016,221
Taxes receivable	744,940	-	-	-	113,710	858,650
Accounts receivable, net	121,176	-	-	-	24,204	145,380
Due from other governments	275,674	833,765	-	-	-	1,109,439
Due from other funds	305,534	-	1,457,381	-	249,898	2,012,813
Inventories	3,013	-	-	-	23,058	26,071
Prepaid expenditures	352,497	-	-	-	90	352,587
Restricted cash	-	-	500,000	-	1,592,183	2,092,183
Total assets	$ 10,211,634	$ 6,674,806	$ 2,306,900	$ 3,359,229	$ 8,902,938	$ 31,455,507
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 378,048	$ 701,870	$ 1,283,179	$ -	$ 36,100	$ 2,399,197
Retainage payable	-	-	998,721	-	-	998,721
Accrued liabilities	721,265	-	-	-	5,486	726,751
Due to other funds	141,192	898,151	25,000	-	1,231,961	2,296,304
Unearned revenue	631,775	-	-	3,359,229	106,599	4,097,603
Total liabilities	1,872,280	1,600,021	2,306,900	3,359,229	1,380,146	10,518,576
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	63,762	-	-	-	-	63,762
Total deferred inflows of resources	63,762	-	-	-	-	63,762

(Continued)

CITY OF FAYETTEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2021

	General Fund	SPLOST 2017 Fund	Building Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES						
Fund balances:						
Nonspendable	$ 355,510	$ -	$ -	$ -	$ 23,148	$ 378,658
Restricted	-	5,074,785	-	-	7,499,644	12,574,429
Assigned	4,200,000	-	-	-	-	4,200,000
Unassigned	3,720,082	-	-	-	-	3,720,082
Total fund balances	8,275,592	5,074,785	-	-	7,522,792	20,873,169
Total liabilities, deferred inflows of resources and fund balances	$ 10,211,634	$ 6,674,806	$ 2,306,900	$ 3,359,229	$ 8,902,938	
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.						105,094,098
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						63,762
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.						(5,448,707)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						(30,882,757)
Net position of governmental activities						$ 89,699,565

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, 2021

	General Fund	SPLOST 2017 Fund	Building Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 15,169,703	$ -	$ 1,135,822	$ -	$ 1,088,667	$ 17,394,192
Licenses and permits	1,045,341	-	-	-	-	1,045,341
Intergovernmental	308,569	4,757,046	189,456	-	445,725	5,700,796
Fines and forfeitures	907,489	-	-	-	17,488	924,977
Charges for services	201,967	-	-	-	194,376	396,343
Impact fees	-	-	-	-	803,387	803,387
Contributions	9,356	-	-	-	69,879	79,235
Interest income	10,180	12,447	2,113	-	21,404	46,144
Rental income	-	-	-	-	17,625	17,625
Other revenues	84,728	-	-	-	102,569	187,297
Total revenues	17,737,333	4,769,493	1,327,391	-	2,761,120	26,595,337
Expenditures						
Current:						
General government	2,489,495	-	-	-	-	2,489,495
Judicial	589,232	-	-	-	-	589,232
Public safety	9,810,463	-	-	-	88,978	9,899,441
Public works	1,070,035	-	-	-	-	1,070,035
Culture and recreation	272,796	-		-	295	273,091
Housing and development	1,517,333	-	-	-	760,052	2,277,385
Capital outlay:						
General government	-	-	15,156,566	-	127,885	15,284,451
Public safety	-	302,901	203,613	-	-	506,514
Public works	-	4,873,527	613,931	-	133,115	5,620,573
Culture and recreation	-	2,559	17,202	-	-	19,761
Debt service:						
Principal	-	646,275	934,919	-	282,666	1,863,860
Interest	831,050	90,595	84,270	-	15,210	1,021,125
Total expenditures	16,580,404	5,915,857	17,010,501	-	1,408,201	40,914,963
Excess (deficiency) of revenues over (under) expenditures	1,156,929	(1,146,364)	(15,683,110)	-	1,352,919	(14,319,626)

(Continued)

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2021

	General Fund	SPLOST 2017 Fund	Building Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)						
Capital leases	$ -	$ -	$ 500,000	$ -	$ -	$ 500,000
Proceeds from sale of assets	22,760	-	-	-	-	22,760
Transfers in	450,000	-	14,847,870	-	2,109,694	17,407,564
Transfers out	(1,321,107)	(93,732)	(168,259)	-	(15,374,466)	(16,957,564)
Total other financing sources (uses)	(848,347)	(93,732)	15,179,611	-	(13,264,772)	972,760
Net change in fund balances	308,582	(1,240,096)	(503,499)	-	(11,911,853)	(13,346,866)
Fund balances, beginning of year	7,967,010	6,314,881	503,499	-	19,434,645	34,220,035
Fund balances (deficit), end of year	$ 8,275,592	$ 5,074,785	$ -	$ -	$ 7,522,792	$ 20,873,169

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

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, 2021

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(13,346,866)
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.		13,565,983
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(151,772)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(161,876)
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.		1,485,871
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.		(2,070,633)
Change in net position - governmental activities	$	(679,293)

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, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 4,938,935	$ 5,721,935	$ 5,595,148	$ (126,787)
Sales taxes	3,793,566	4,586,566	4,585,851	(715)
Other taxes	5,093,982	5,074,982	4,988,704	(86,278)
Licenses and permits	866,075	1,109,075	1,045,341	(63,734)
Intergovernmental	310,278	377,278	308,569	(68,709)
Fines and forfeitures	1,125,000	1,125,000	907,489	(217,511)
Charges for services	155,551	231,551	201,967	(29,584)
Contributions	17,000	17,000	9,356	(7,644)
Interest income	50,000	11,000	10,180	(820)
Other revenues	145,533	145,533	84,728	(60,805)
Total revenues	16,495,920	18,399,920	17,737,333	(662,587)
Expenditures				
Current				
General government:				
Mayor and council	213,199	213,199	157,837	55,362
Clerk of council	134,605	134,605	110,556	24,049
City manager	161,470	161,470	155,042	6,428
Financial administration	606,295	606,295	536,867	69,428
Public information	227,985	242,985	241,676	1,309
Law	155,000	86,000	80,199	5,801
Data processing	281,601	301,576	300,684	892
Human resources	187,242	187,267	181,837	5,430
Building and plant	644,894	728,894	724,797	4,097
Total general government	2,612,291	2,662,291	2,489,495	172,796
Judicial:				
Municipal court	621,551	621,551	589,232	32,319
Public safety:				
Police administration	740,585	707,385	683,913	23,472
Investigations	1,175,600	1,203,800	1,199,028	4,772
Patrol	3,015,687	2,999,687	2,766,148	233,539
Police stations and buildings	102,148	121,348	115,827	5,521
Support services	731,944	733,744	666,478	67,266
Fire administration	345,498	341,614	338,334	3,280
Fire fighting	3,906,034	3,809,744	3,629,004	180,740
Fire prevention	360,833	360,717	317,850	42,867
Fire station 91 and headquarters	56,434	54,724	49,044	5,680
Fire station 92	36,281	29,781	23,840	5,941
Fire station 93	32,538	25,038	20,997	4,041
Total public safety	10,503,582	10,387,582	9,810,463	577,119

(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, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued)				
Current (Continued)				
Public works:				
Public works administration	$ 121,090	$ 170,290	$ 168,853	$ 1,437
Highways and streets	950,633	908,433	901,182	7,251
Total public works	1,071,723	1,078,723	1,070,035	8,688
Culture and recreation:				
Recreation	245,730	365,730	272,796	92,934
Total culture and recreation	245,730	365,730	272,796	92,934
Housing and development:				
Inspection	434,228	736,209	687,282	48,927
Planning and zoning	627,766	804,805	803,840	965
Economic development	31,378	26,378	26,211	167
Total housing and development	1,093,372	1,567,392	1,517,333	50,059
Debt service:				
Interest	723,671	831,050	831,050	-
Total debt service	723,671	831,050	831,050	-
Total expenditures	16,871,920	17,514,319	16,580,404	933,915
Excess of revenues over expenditures	(376,000)	885,601	1,156,929	271,328
Other financing sources (uses)				
Proceeds from sale of assets	12,500	23,500	22,760	(740)
Transfers in	457,500	457,500	450,000	(7,500)
Transfers out	(94,000)	(1,698,980)	(1,321,107)	377,873
Total other financing sources (uses)	376,000	(1,217,980)	(848,347)	369,633
Net change in fund balances	-	(332,379)	308,582	640,961
Fund balances, beginning of year	7,967,010	7,967,010	7,967,010	-
Fund balances, end of year	$ 7,967,010	$ 7,634,631	$ 8,275,592	$ 640,961

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

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JULY 31, 2021

ASSETS	Major Enterprise Fund Water and Sewer Fund	Nonmajor Enterprise Fund Solid Waste Fund	Totals
CURRENT ASSETS			
Cash and cash equivalents	$ 3,116,089	$ 255,818	$ 3,371,907
Accounts receivable, net of allowances	978,651	-	978,651
Due from other governments	914,303	-	914,303
Due from other funds	535,500	-	535,500
Inventories	143,474	-	143,474
Prepaid expenses	236	-	236
Restricted assets, cash, and cash equivalents	3,637,886	-	3,637,886
Total current assets	9,326,139	255,818	9,581,957
NON-CURRENT ASSETS			
Capital assets:			
Capital assets, non-depreciable	20,206,274	-	20,206,274
Capital assets, depreciable, net of accumulated depreciation	19,710,114	-	19,710,114
Total capital assets	39,916,388	-	39,916,388
Total non-current assets	39,916,388	-	39,916,388
Total assets	49,242,527	255,818	49,498,345
DEFERRED OUTFLOWS OF RESOURCES			
Pension	514,884	-	514,884
Deferred charge on refunding	515,395	-	515,395
Total deferred outflows of resources	1,030,279	-	1,030,279
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	1,202,479	135,989	1,338,468
Retainage payable	100,000	-	100,000
Accrued liabilities	45,287	-	45,287
Due to other funds	252,009	-	252,009
Current portion of revenue bonds payable from restricted assets	650,000	-	650,000
Current portion of notes payable from restricted assets	39,972	-	39,972
Accrued interest	99,286	-	99,286
Total current liabilities	2,389,033	135,989	2,525,022
NON-CURRENT LIABILITIES			
Net pension liability due in more than one year	1,743,274	-	1,743,274
Revenue bonds payable, net of current portion	12,522,762	-	12,522,762
Notes payable, net of current portion	13,889,784	-	13,889,784
Total non-current liabilities	28,155,820	-	28,155,820
Total liabilities	30,544,853	135,989	30,680,842

(Continued)

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JULY 31, 2021

	Major Enterprise Fund	Nonmajor Enterprise Fund	
	Water and Sewer Fund	Solid Waste Fund	Totals
DEFERRED INFLOWS OF RESOURCES			
Pension	$ 49,702	$ -	$ 49,702
Total deferred inflows of resources	49,702	-	49,702
NET POSITION			
Net investment in capital assets	13,329,265	-	13,329,265
Restricted for debt service	751,511	-	751,511
Unrestricted	5,597,475	119,829	5,717,304
Total net position	$ 19,678,251	$ 119,829	$ 19,798,080

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

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2021

	Major Enterprise Fund	Nonmajor Enterprise Fund	
	Water and Sewer Fund	Solid Waste Fund	Totals
OPERATING REVENUES			
Charges for services:			
Water sales pledged as security for revenue bonds	$ 3,144,566	$ -	$ 3,144,566
Sewer sales pledged as security for revenue bonds	3,608,496	-	3,608,496
Stormwater sales pledged as security for revenue bonds	802,676	-	802,676
Sanitation charges	-	845,282	845,282
Other fees and charges	236,477	-	236,477
Total operating revenues	7,792,215	845,282	8,637,497
OPERATING EXPENSES			
Personnel services and employee benefits	2,225,500	-	2,225,500
Contracted services	2,400,923	821,536	3,222,459
Supplies	1,515,619	-	1,515,619
Depreciation	1,219,944	-	1,219,944
Total operating expenses	7,361,986	821,536	8,183,522
Operating income	430,229	23,746	453,975
NON-OPERATING INCOME (EXPENSES)			
Interest income	15,248	441	15,689
Interest expense	(550,111)	-	(550,111)
Total non-operating income (expenses)	(534,863)	441	(534,422)
Income before transfers and capital contributions	(104,634)	24,187	(80,447)
TRANSFERS			
Transfers out	(450,000)	-	(450,000)
Total transfers	(450,000)	-	(450,000)
CAPITAL CONTRIBUTIONS	5,131,031	-	5,131,031
Change in net position	4,576,397	24,187	4,600,584
NET POSITION, beginning of year	15,101,854	95,642	15,197,496
NET POSITION, end of year	$ 19,678,251	$ 119,829	$ 19,798,080

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, 2021

	Major Enterprise Fund Water and Sewer Fund	Nonmajor Enterprise Fund Solid Waste Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 7,749,855	$ 845,282	$ 8,595,137
Payments to suppliers and service providers	(5,861,483)	(743,744)	(6,605,227)
Payments to employees	(1,720,849)	-	(1,720,849)
Net cash provided by operating activities	167,523	101,538	269,061
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	(8,797,836)	-	(8,797,836)
Proceeds from notes payable	4,343,229	-	4,343,229
Principal paid on bonds	(600,000)	-	(600,000)
Principal paid on notes payable	(22,945)	-	(22,945)
Interest paid	(588,777)	-	(588,777)
Capital grants	937,704	-	937,704
Capital contributions	5,131,031	-	5,131,031
Net cash provided by capital and related financing activities	402,406	-	402,406
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	15,248	441	15,689
Net cash provided by investing activities	15,248	441	15,689
Increase in cash and cash equivalents	135,177	101,979	237,156
Cash and cash equivalents:			
Beginning of year	6,618,798	153,839	6,772,637
End of year	$ 6,753,975	$ 255,818	$ 7,009,793
Classified as:			
Cash and cash equivalents	$ 3,116,089	$ 255,818	$ 3,371,907
Restricted assets, cash and cash equivalents	3,637,886	-	3,637,886
	$ 6,753,975	$ 255,818	$ 7,009,793

(Continued)

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JULY 31, 2021

	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	$ 430,229	$ 23,746	$ 453,975
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,219,944	-	1,219,944
Increase in accounts receivable	(42,360)	-	(42,360)
Decrease in inventories	12,809	-	12,809
Increase in due from other funds	(535,500)	-	(535,500)
Increase in deferred outflows of resources - pension	(152,390)	-	(152,390)
Decrease in prepaid expenses	41	-	41
Decrease in accrued liabilities	(73,420)	-	(73,420)
Increase in retainage payable	100,000	-	100,000
Increase (decrease) in accounts payable	(1,522,291)	77,792	(1,444,499)
Increase in deferred inflows of resources - pension	21,014	-	21,014
Increase in net pension liability due in more than one year	617,450	-	617,450
Increase in due to other funds	91,997	-	91,997
Net cash provided by operating activities	$ 167,523	$ 101,538	$ 269,061

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

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 ***ARPA Fund*** is used to account for the financial resources provided and subsequently expended from the American Rescue Plan grant received from the federal government.

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 a 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 a 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 relate 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:

- ***Non-spendable*** – Fund balances are reported as non-spendable 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	$ (230,977)
Compensated absences payable	(645,109)
Notes payable	(2,216,627)
Capital leases	(2,246,714)
Revenue bonds	(21,940,000)
Premium on revenue bond	(2,108,951)
Certificates of participation	(1,500,000)
Deferred charge on refunding	5,621
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (30,882,757)

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	$ 15,754,140
Depreciation expense	(2,188,157)
Net adjustment to increase *net changes in fund balance - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 13,565,983

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	$	(500,000)
Principal repayments:		
Certificates of participation		230,000
Revenue bonds		240,000
Premium on revenue bond		122,011
Note payable		445,666
Capital leases		948,194
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	1,485,871

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	$	12,644
Accrued interest		4,233
Net pension liability and related deferred outflows and inflows of resources		(2,072,215)
Amortization of deferred refunding loss		(15,295)
Net adjustment to reduce *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(2,070,633)

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, 2021, 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, 2021, 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, 2021, the City had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	43 day weighted average	$ 8,016,223
		$ 8,016,223

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, 2021, all of the deposits for the City were fully collateralized in accordance with the state statutes.

NOTE 5. RECEIVABLES

Receivables at July 31, 2021 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	Nonmajor Governmental Funds
Receivables:			
Taxes	$ 744,940	$ -	$ 113,710
Accounts	151,940	-	24,204
Due from of other governments	275,674	833,765	-
Gross receivables	1,172,554	833,765	137,914
Less allowance for uncollectibles	30,764	-	-
Net total receivables	$ 1,141,790	$ 833,765	$ 137,914

	Water and Sewer	Total
Receivables:		
Taxes	$ -	$ 858,650
Accounts	1,101,043	1,277,187
Due from of other governments	914,303	2,023,742
Gross receivables	2,015,346	4,159,579
Less allowance for uncollectibles	122,392	153,156
Net total receivables	$ 1,892,954	$ 4,006,423

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, 2020, and were due and payable on November 15, 2020. All unpaid taxes became delinquent as of November 16, 2020. Property taxes attached as an enforceable lien on property as of May 28, 2021. Receivables are recorded when taxes are levied.

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended July 31, 2021, is as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 11,484,691	$ -	$ -	$ -	$ 11,484,691
Historical treasures	91,279	-	-	-	91,279
Construction in progress	11,804,099	15,242,176	(50,921)	(622,597)	26,372,757
Total	23,380,069	15,242,176	(50,921)	(622,597)	37,948,727
Capital assets, being depreciated:					
Buildings	10,005,282	-	-	-	10,005,282
Land improvements	1,477,065	-	-	-	1,477,065
Infrastructure	73,463,974	6,615	(100,851)	449,419	73,819,157
Equipment	10,115,612	505,349	(121,676)	173,178	10,672,463
Total	95,061,933	511,964	(222,527)	622,597	95,973,967
Less accumulated depreciation for:					
Buildings	4,596,715	251,155	-	-	4,847,870
Land improvements	477,499	34,757	-	-	512,256
Infrastructure	15,712,203	923,719	-	-	16,635,922
Equipment	5,975,698	978,526	(121,676)	-	6,832,548
Total	26,762,115	2,188,157	(121,676)	-	28,828,596
Total assets, being depreciated, net	68,299,818	(1,676,193)	(100,851)	622,597	67,145,371
Governmental activities capital assets, net	$ 91,679,887	$ 13,565,983	$ (151,772)	$ -	$ 105,094,098

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	9,873,837	8,797,836	-	(95,538)	18,576,135
Total	11,503,976	8,797,836	-	(95,538)	20,206,274
Capital assets, being depreciated:					
Water and plant distribution system	12,669,621	-	-	-	12,669,621
Sewer plant and extensions	35,187,272	-	-	-	35,187,272
Stormwater system	4,220,393	-	-	95,538	4,315,931
Equipment	1,525,615	-	-	-	1,525,615
Total	53,602,901	-	-	95,538	53,698,439
Less accumulated depreciation for:					
Water and plant distribution system	11,211,495	102,374	-	-	11,313,869
Sewer plant and extensions	19,291,901	909,321	-	-	20,201,222
Stormwater system	1,125,321	136,113	-	-	1,261,434
Equipment	1,139,664	72,136	-	-	1,211,800
Total	32,768,381	1,219,944	-	-	33,988,325
Total assets, being depreciated, net	20,834,520	(1,219,944)	-	95,538	19,710,114
Business-type activities capital assets, net	$ 32,338,496	$ 7,577,892	$ -	$ -	$ 39,916,388

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

Governmental activities	
General government	$ 144,245
Public safety	964,536
Public works	982,494
Housing and development	96,882
Total depreciation expense - governmental activities	$ 2,188,157
Business-type activities	
Water and sewer	$ 1,219,944
Total depreciation expense - business-type activities	$ 1,219,944

NOTE 8. LONG-TERM DEBT

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable:					
Revenue bonds	$ 22,180,000	$ -	$ (240,000)	$ 21,940,000	$ 245,000
Deferred amount:					
Premium	2,230,962	-	(122,011)	2,108,951	-
Total bonds payable	24,410,962	-	(362,011)	24,048,951	245,000
Certificates of participation	1,730,000	-	(230,000)	1,500,000	235,000
Notes payable	2,662,293	-	(445,666)	2,216,627	460,463
Capital leases	2,694,908	500,000	(948,194)	2,246,714	1,003,469
Net pension liability	4,799,563	4,952,683	(2,320,394)	7,431,852	-
Compensated absences	657,753	613,704	(626,348)	645,109	322,555
Governmental activities long-term liabilities	$ 36,955,479	$ 6,066,387	$ (4,932,613)	$ 38,089,253	$ 2,266,487
Business-type activities					
Bonds payable:					
Revenue bonds	$ 13,285,000	$ -	$ (600,000)	$ 12,685,000	$ 650,000
Deferred amount:					
Premium	563,279	-	(75,517)	487,762	-
Total bonds payable	13,848,279	-	(675,517)	13,172,762	650,000
Notes payable	9,609,472	4,343,229	(22,945)	13,929,756	39,972
Net pension liability	1,125,824	1,161,741	(544,291)	1,743,274	-
Business-type activites long-term liabilities	$ 24,583,575	$ 5,504,970	$ (1,242,753)	$ 28,845,792	$ 689,972

For governmental activities, compensated absences and pension liabilities are liquidated by the General Fund. For business-type activities, compensated absences and pension liabilities are liquidated by the Water and Sewer Fund.

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			-	2,108,951
	Total Series 2019			$ 21,695,000	$ 23,803,951

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, 2021, the levied tax by the City totaled $4,770,216 and the total debt service related to the revenue bonds totaled $249,089. Amounts pledged equal total debt service for each applicable year. Revenue bonds outstanding at July 31, 2021, are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Downtown Development Authority	2.49%	10 years	2022	$ 1,885,000	$ 245,000

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
2022	$ 245,000	$ 834,100
2023	-	831,050
2024	-	831,050
2025	475,000	821,550
2026	495,000	802,150
2027 – 2031	2,825,000	3,644,550
2032 – 2036	3,525,000	2,939,450
2037 – 2041	4,290,000	2,159,750
2042 – 2046	5,230,000	1,216,800
2047 – 2050	4,855,000	296,775
Total	$ 21,940,000	$ 14,377,225

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, 2021, the levied tax by the City totaled $4,770,216 and the total debt service related to the notes payable totaled $48,787. Amounts pledged equal total debt service for each applicable year. The note is as follows at July 31, 2021:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
4.17%	15 years	2024	$ 540,000	$ 114,627

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, 2021:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
3.34%	12 years	2029	$ 2,895,000	$ 2,102,000

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
2022	$ 460,463	$ 67,584
2023	476,337	51,582
2024	469,224	35,017
2025	124,000	25,017
2026	128,000	20,808
2027 – 2030	558,603	38,127
Total	$ 2,216,627	$ 238,135

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, 2021, are as follows:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
2.27%	13 years	2027	$ 3,115,000	$ 1,500,000

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

Year Ending July 31,	Principal	Interest
2022	$ 235,000	$ 31,314
2023	240,000	25,934
2024	245,000	20,442
2025	255,000	14,779
2026	260,000	8,947
2027	265,000	3,001
Total	$ 1,500,000	$ 104,417

NOTE 8. LONG-TERM DEBT (CONTINUED)

Governmental activities (Continued)

Capital leases. 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 and $1,200,000. 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% and 2.12%, 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%. During the year ended July 31, 2021, the City entered into a lease-purchase agreement with BCI for the purchase of equipment in the amount of $500,000. 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 payments with an annual interest rate of 1.45%.

The City reported accumulated depreciation and depreciation expense in the respective amounts of $1,950,637 and $483,378 on the above leased assets as of July 31, 2021.

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, 2021:

Year Ending July 31,	
2022	$ 1,045,852
2023	623,838
2024	333,203
2025	162,583
2026	118,975
2027 and 2028	114,152
Total minimum lease payments	2,398,603
Less amount representing interest	(151,889)
Present value of future minimum lease payments	2,246,714
Less current maturities	(1,003,469)
	$ 1,243,245

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	$ 7,855,000
PFA Revenue Bonds Series 2019 W&S Refunding	3.00 - 4.00%	15 years	2034	$ 5,395,000	$ 4,830,000
	Plus unamortized premium				487,762
					5,317,762
	Total Series 19			$ 5,395,000	$ 5,317,762

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

Year Ending July 31,	Principal	Interest
2022	$ 650,000	$ 384,592
2023	675,000	359,038
2024	710,000	332,373
2025	740,000	304,498
2026	1,010,000	278,415
2027 – 2031	5,440,000	994,453
2032 and 2033	3,460,000	196,644
Total	$ 12,685,000	$ 2,850,013

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 $12,997,986 had been drawn as of July 31, 2021. 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, 2021, and repayment will be determined when the construction is complete and all draws have been made.

Notes payable outstanding July 31, 2021, are as follows:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
2.03%	20	2040	$ 961,221	$ 931,770

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

Year Ending July 31,	Principal	Interest
2022	$ 39,972	$ 18,544
2023	40,791	17,725
2024	41,627	16,890
2025	42,480	16,037
2026	43,350	15,166
2027 – 2031	230,442	62,138
2032 – 2036	255,038	37,542
2037 – 2041	238,070	10,619
Total	$ 931,770	$ 194,661

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of July 31, 2021, is as follows:

	Payable Fund					
Receivable Fund	General Fund	Water and Sewer Fund	SPLOST 2017 Fund	Building Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 252,009	$ -	$ 25,000	$ 28,525	$ 305,534
Water and Sewer Fund	-	-	535,500	-	-	535,500
Building Fund	5,005	-	362,651	-	1,089,725	1,457,381
Nonmajor Governmental Funds	136,187	-	-	-	113,711	249,898
Total	$ 141,192	$ 252,009	$ 898,151	$ 25,000	$ 1,231,961	$ 2,548,313

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	SPLOST 2017 Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 450,000	$ -	$ -	$ -	$ 450,000
Building Fund	54,000	-	-	93,732	14,700,138	14,847,870
Nonmajor Governmental Funds	1,267,107	-	168,259	-	674,328	2,109,694
Total	$ 1,321,107	$ 450,000	$ 168,259	$ 93,732	$ 15,374,466	$ 17,407,564

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, 2021, 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, 2021, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	81
Inactive plan members entitled to but not receiving benefits	84
Active plan members	165
	330

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, 2021, the City's contribution rate was 12.4% of annual payroll. City contributions to the Plan were $1,101,426 for the fiscal year ended July 31, 2021.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021, with updated procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2020.

Actuarial Assumptions. The total pension liability in the January 1, 2021 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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019.

Cost of living adjustments were assumed to be 2.25% although the Plan allowance for annual cost of living adjustment is variable, as established by the City Council, in an amount not to exceed 4%.

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 March 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.40 %
International equity	20	7.05
Real estate	10	4.50
Global fixed income	5	1.25
Domestic fixed income	20	1.15
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, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	$ 23,821,710	$ 17,896,323	$ 5,925,387
Changes for the year:			
Service cost	492,039	-	492,039
Interest	1,758,100	-	1,758,100
Differences between expected and actual experience	1,421,927	-	1,421,927
Assumption changes	2,394,956	-	2,394,956
Contributions - employer	-	999,116	(999,116)
Contributions - employee	-	120,242	(120,242)
Net investment income	-	1,745,327	(1,745,327)
Benefit payments, including refunds of employee contributions	(950,198)	(950,198)	-
Administrative expense	-	(47,402)	47,402
Other	-	-	-
Net changes	5,116,824	1,867,085	3,249,739
Ending balance	$ 28,938,534	$ 19,763,408	$ 9,175,126

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	$ 13,296,583	$ 9,175,126	$ 5,774,164

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, 2020, 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, 2021, the City recognized pension expense of $3,555,093. At July 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,180,074	$ (28,210)
Changes in assumptions	611,988	-
Net difference between projected and actual earnings on pension plan investments	-	(233,380)
City contributions subsequent to the measurement date	917,855	-
Total	$ 2,709,917	$ (261,590)

City contributions subsequent to the measurement date of $917,855 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, 2022. 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,	
2022	$ 273,400
2023	491,822
2024	565,063
2025	200,187
Total	$ 1,530,472

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, 2021, the City's contribution to the Plan was $95,976. The amount contributed by employees was $275,809.

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

- ***Non-spendable*** – The following fund balance is non-spendable because it is allocated to:

General Fund	
Prepaid items	$ 352,497
Inventories	3,013
Downtown Development Authority Fund	
Prepaid items	90
Main Street Tourism Association Fund	
Inventories	23,058

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

Special Revenue Funds	
Confiscated Assets Fund - used to account for public safety-related expenditures funded by drug confiscations.	$ 141,899
Veterans Memorial Park Fund - used for the design and construction of a Veterans Memorial.	2,488
Cemetery Fund - accounts for the revenues earned from a trust set up for cemetery improvements.	26,751
Downtown Development Authority Fund - used for housing and development within the City.	610,210
Main Street Tourism Association Fund - used for the promotion of tourism in the City.	433,993
Capital Projects Funds	
Capital Projects 2 Fund - used to account for capital projects financed with intergovernmental revenues that are in the completion phase.	1,261,960
Impact Fee Fund - accounts for capital projects activity funded by development impact fees.	3,433,478
TAD Fund - accounts for capital projects activity funded by tax allocation districts revenues.	1,588,865
SPLOST 2017 Fund - used to account for capital projects financed with intergovernmental revenues.	5,074,785

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, 2021, the City has contractual commitments on uncompleted construction contracts of $1,419,023.

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, 2021, the City collected $352,935 of hotel/motel taxes, and transferred 100% of the lodging tax received during the year ended July 31, 2021 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, 2021, 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, 2021:

Revenues	$249,390
Expenditures	$249,390

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, 2021, the City abated property taxes totaling $184,793.

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, 2021

	Fiscal Year						
	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	**$ 492,039**	$ 468,473	$ 387,624	$ 329,802	$ 263,826	$ 208,146	$ 157,698
Interest on total pension liability	**1,758,100**	1,616,611	1,540,247	1,457,157	1,361,621	1,251,294	1,215,070
Differences between expected and actual experience	**1,421,927**	70,892	(112,839)	129,571	479,242	893,993	463,700
Changes of assumptions	**2,394,956**	1,019,980	-	-	-	-	(425,920)
Changes in benefit terms	**-**	-	-	330,437	52,900	-	-
Benefit payments, including refunds of employee contributions	**(950,198)**	(881,165)	(874,244)	(925,729)	(923,996)	(935,731)	(950,553)
Net change in total pension liability	**5,116,824**	2,294,791	940,788	1,321,238	1,233,593	1,417,702	459,995
Total pension liability - beginning	**23,821,710**	21,526,919	20,586,131	19,264,893	18,031,300	16,613,598	16,153,603
Total pension liability - ending (a)	**28,938,534**	23,821,710	21,526,919	20,586,131	19,264,893	18,031,300	16,613,598
Plan fiduciary net position							
Contributions - employer	**999,116**	1,704,804	852,118	1,063,454	784,036	770,628	735,096
Contributions - employee	**120,242**	90,800	73,423	51,362	37,550	29,259	10,870
Net investment income	**1,745,327**	535,801	1,490,641	1,955,471	1,308,314	140,161	1,221,044
Benefit payments, including refunds of employee contributions	**(950,198)**	(881,165)	(874,244)	(925,729)	(923,996)	(935,731)	(950,553)
Administrative expenses	**(47,402)**	(41,543)	(42,264)	(44,411)	(21,005)	(21,533)	(17,333)
Net change in plan fiduciary net position	**1,867,085**	1,408,697	1,499,674	2,100,147	1,184,899	(17,216)	999,124
Plan fiduciary net position - beginning	**17,896,323**	16,487,626	14,987,952	12,887,805	11,702,906	11,720,122	10,720,998
Plan fiduciary net position - ending (b)	**19,763,408**	17,896,323	16,487,626	14,987,952	12,887,805	11,702,906	11,720,122
City's net pension liability (a) - (b)	**$ 9,175,126**	$ 5,925,387	$ 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	**68.3%**	75.1%	76.6%	72.8%	66.9%	64.9%	70.5%
Covered payroll	**$ 8,721,491**	$ 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	**105.2%**	73.4%	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, 2021

	Fiscal Year						
	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	**$ 1,101,426**	$ 1,104,199	$ 1,092,536	$ 1,022,541	$ 910,444	$ 761,413	$ 772,471
Contributions in relation to the actuarially determined contribution	**1,101,426**	1,104,199	1,092,536	1,022,541	910,444	761,413	772,471
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	**$ 8,912,671**	$ 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	**12.4%**	12.7%	12.1%	12.1%	12.1%	10.8%	12.4%

Notes to the Schedule:

Valuation date	January 1, 2021
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.

Capital Projects 2 Fund – This 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.

TAD Fund – This fund is used to account for taxes collected and expended from the City's tax allocation district.

CITY OF FAYETTEVILLE, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JULY 31, 2021

	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	$ -	$ 148,453	$ 1	$ 2,603	$ 26,751
Investments	-	-	-	-	-
Taxes receivable	18,119	-	95,591	-	-
Accounts receivable	-	1,690	-	-	-
Due from other funds	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted cash	-	-	-	-	-
Total assets	$ 18,119	$ 150,143	$ 95,592	$ 2,603	$ 26,751
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ 8,244	$ -	$ 115	$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	18,119	-	95,592	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	18,119	8,244	95,592	115	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	141,899	-	2,488	26,751
Total fund balances	-	141,899	-	2,488	26,751
Total liabilities and fund balances	$ 18,119	$ 150,143	$ 95,592	$ 2,603	$ 26,751

		Capital Projects Fund			
Downtown Development Authority Fund	Main Street Tourism Association Fund	Impact Fee Fund	Capital Projects 2 Fund	TAD Fund	Total Nonmajor Governmental Funds
$ 611,529	$ 456,191	$ 3,442,087	$ 623,303	$ 1,588,865	$ 6,899,783
-	-	-	12	-	12
-	-	-	-	-	113,710
-	22,514	-	-	-	24,204
18,119	95,592	-	136,187	-	249,898
90	-	-	-	-	90
-	23,058	-	-	-	23,058
-	-	-	1,592,183	-	1,592,183
$ 629,738	$ 597,355	$ 3,442,087	$ 2,351,685	$ 1,588,865	$ 8,902,938
$ 7,859	$ 11,273	$ 8,609	$ -	$ -	$ 36,100
1,912	3,574	-	-	-	5,486
9,667	18,858	-	1,089,725	-	1,231,961
-	106,599	-	-	-	106,599
19,438	140,304	8,609	1,089,725	-	1,380,146
90	23,058	-	-	-	23,148
610,210	433,993	3,433,478	1,261,960	1,588,865	7,499,644
610,300	457,051	3,433,478	1,261,960	1,588,865	7,522,792
$ 629,738	$ 597,355	$ 3,442,087	$ 2,351,685	$ 1,588,865	$ 8,902,938

CITY OF FAYETTEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2021

	Special Revenue Funds				
	Vehicle Excise Tax Fund	Confiscated Assets Fund	Hotel/Motel Tax Fund	Veterans Memorial Park Fund	Cemetery Fund
Revenues					
Other taxes	$ 249,390	$ -	$ 352,935	$ -	$ -
Intergovernmental	-	-	-	-	-
Fines and forfeitures	-	17,488	-	-	-
Charges for services	-	-	-	-	-
Impact fees	-	-	-	-	-
Contributions	-	-	-	-	12,979
Interest income	-	441	-	-	43
Rental income	-	-	-	-	-
Other revenues	-	-	-	2,067	-
Total revenues	249,390	17,929	352,935	2,067	13,022
Expenditures					
Current:					
Public safety	-	88,978	-	-	-
Culture and recreation	-	-	-	295	-
Housing and development	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	88,978	-	295	-
Excess (deficiency) of revenues over (under) expenditures	249,390	(71,049)	352,935	1,772	13,022
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	(249,390)	-	(352,935)	-	-
Total other financing sources (uses)	(249,390)	-	(352,935)	-	-
Net change in fund balances	-	(71,049)	-	1,772	13,022
Fund balances, beginning of year	-	212,948	-	716	13,729
Fund balances, end of year	$ -	$ 141,899	$ -	$ 2,488	$ 26,751

Downtown Development Authority Fund	Main Street Tourism Association Fund	Capital Projects Fund: Impact Fee Fund	Capital Projects Fund: Capital Projects 2 Fund	TAD Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ 486,342	$ 1,088,667
-	-	-	445,725		445,725
-	-	-	-	-	17,488
-	194,376	-	-	-	194,376
-	-	803,387	-	-	803,387
27,231	29,669	-	-	-	69,879
1,517	7	6,781	9,314	3,301	21,404
-	17,625	-	-	-	17,625
6,490	19,397	-	74,615	-	102,569
35,238	261,074	810,168	529,654	489,643	2,761,120
-	-	-	-	-	88,978
-	-	-	-	-	295
288,627	471,425	-	-	-	760,052
-	-	-	-	127,885	127,885
-	-	-	133,115	-	133,115
282,666	-	-	-	-	282,666
15,210	-	-	-	-	15,210
586,503	471,425	-	133,115	127,885	1,408,201
(551,265)	(210,351)	810,168	396,539	361,758	1,352,919
489,652	392,935	-	-	1,227,107	2,109,694
-	-	(287,018)	(14,485,123)	-	(15,374,466)
489,652	392,935	(287,018)	(14,485,123)	1,227,107	(13,264,772)
(61,613)	182,584	523,150	(14,088,584)	1,588,865	(11,911,853)
671,913	274,467	2,910,328	15,350,544	-	19,434,645
$ 610,300	$ 457,051	$ 3,433,478	$ 1,261,960	$ 1,588,865	$ 7,522,792

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, 2021

	Vehicle Excise Tax Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Other taxes	$ 250,000	$ 249,390	$ (610)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Contributions	-	-	-
Interest income	-	-	-
Rental income	-	-	-
Other revenues	-	-	-
Total revenues	250,000	249,390	(610)
Expenditures			
Current:			
Public safety	-	-	-
Culture and recreation	-	-	-
Housing and development	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	250,000	249,390	(610)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(250,000)	(249,390)	610
Total other financing sources (uses)	(250,000)	(249,390)	610
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
$ -	$ -	$ -
-	-	-
91,705	17,488	(74,217)
-	-	-
-	441	441
-	-	-
-	-	-
91,705	17,929	(73,776)
91,705	88,978	2,727
-	-	-
-	-	-
-	-	-
-	-	-
91,705	88,978	2,727
-	(71,049)	(71,049)
-	-	-
-	-	-
-	-	-
-	(71,049)	(71,049)
212,948	212,948	-
$ 212,948	$ 141,899	$ (71,049)

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, 2021

	Hotel/Motel Tax Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Other taxes	$ 353,200	$ 352,935	$ (265)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Contributions	-	-	-
Interest income	-	-	-
Rental income	-	-	-
Other revenues	-	-	-
Total revenues	353,200	352,935	(265)
Expenditures			
Current:			
Public safety	-	-	-
Culture and recreation	-	-	-
Housing and development	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	353,200	352,935	(265)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(353,200)	(352,935)	265
Total other financing sources (uses)	(353,200)	(352,935)	265
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
$ -	$ -	$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
2,255	2,067	(188)
2,255	2,067	(188)
-	-	-
2,255	295	1,960
-	-	-
-	-	-
-	-	-
2,255	295	1,960
-	1,772	1,772
-	-	-
-	-	-
-	-	-
-	1,772	1,772
716	716	-
$ 716	$ 2,488	$ 1,772

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, 2021

	Cemetery Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Other taxes	$ -	$ -	$ -
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Contributions	13,000	12,979	(21)
Interest income	45	43	(2)
Rental income	-	-	-
Other revenues	-	-	-
Total revenues	13,045	13,022	(23)
Expenditures			
Current:			
Public safety	-	-	-
Culture and recreation	-	-	-
Housing and development	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	13,045	13,022	(23)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(13,045)	-	13,045
Total other financing sources (uses)	(13,045)	-	13,045
Net change in fund balances	-	13,022	13,022
Fund balances, beginning of year	13,729	13,729	-
Fund balances, end of year	$ 13,729	$ 26,751	$ 13,022

(Continued)

Downtown Development Authority Fund		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
-	-	-
-	-	-
30,604	27,231	(3,373)
1,575	1,517	(58)
-	-	-
7,200	6,490	(710)
39,379	35,238	(4,141)
-	-	-
-	-	-
313,986	288,627	25,359
282,666	282,666	-
15,211	15,210	1
611,863	586,503	25,360
(572,484)	(551,265)	21,219
490,849	489,652	(1,197)
-	-	-
490,849	489,652	(1,197)
(81,635)	(61,613)	20,022
671,913	671,913	-
$ 590,278	$ 610,300	$ 20,022

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, 2021

	Main Street Tourism Association Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Other taxes	$ -	$ -	$ -
Charges for services	340,658	194,376	(146,282)
Fines and forfeitures	-	-	-
Contributions	85,500	29,669	(55,831)
Interest income	10	7	(3)
Rental income	18,225	17,625	(600)
Other revenues	41,000	19,397	(21,603)
Total revenues	485,393	261,074	(224,319)
Expenditures			
Current:			
Public safety	-	-	-
Culture and recreation	-	-	-
Housing and development	878,593	471,425	407,168
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	878,593	471,425	407,168
Excess (deficiency) of revenues over (under) expenditures	(393,200)	(210,351)	182,849
Other financing sources (uses)			
Transfers in	393,200	392,935	(265)
Transfers out	-	-	-
Total other financing sources (uses)	393,200	392,935	(265)
Net change in fund balances	-	182,584	182,584
Fund balances, beginning of year	274,467	274,467	-
Fund balances, end of year	$ 274,467	$ 457,051	$ 182,584

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, 2021

	Building Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Property taxes	$ 1,135,822	$ 1,135,822	$ -
Other taxes	-	-	-
Intergovernmental	214,250	189,456	(24,794)
Impact fees	-	-	-
Interest income	5,250	2,113	(3,137)
Other revenues	-	-	-
Total revenues	1,355,322	1,327,391	(27,931)
Expenditures			
Capital outlay:			
General government	15,159,175	15,156,566	2,609
Public safety	207,278	203,613	3,665
Public works	614,512	613,931	581
Culture and recreation	18,000	17,202	798
Debt service:			
Principal	934,988	934,919	69
Interest	93,540	84,270	9,270
Total expenditures	17,027,493	17,010,501	16,992
Excess (deficiency) of revenues over (under) expenditures	(15,672,171)	(15,683,110)	(10,939)
Other financing sources (uses)			
Capital leases	500,000	500,000	-
Transfers in	15,060,980	14,847,870	(213,110)
Transfers out	(168,874)	(168,259)	615
Total other financing sources (uses)	15,392,106	15,179,611	(212,495)
Net change in fund balances	(280,065)	(503,499)	(223,434)
Fund balances, beginning of year	503,499	503,499	-
Fund balances (deficit), end of year	$ 223,434	$ -	$ (223,434)

(Continued)

Special Purpose Local Option Sales Tax 2017 Fund		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
-	-	-
25,009,872	4,757,046	(20,252,826)
-	-	-
-	12,447	12,447
-	-	-
25,009,872	4,769,493	(20,240,379)
-	-	-
5,109,000	302,901	4,806,099
15,250,872	4,873,527	10,377,345
4,650,000	2,559	4,647,441
-	646,275	(646,275)
-	90,595	(90,595)
25,009,872	5,915,857	19,094,015
-	(1,146,364)	(1,146,364)
-	-	-
-	-	-
-	(93,732)	(93,732)
-	(93,732)	(93,732)
-	(1,240,096)	(1,240,096)
6,314,881	6,314,881	-
$ 6,314,881	$ 5,074,785	$ (1,240,096)

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, 2021

	Impact Fee Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Property taxes	$ -	$ -	$ -
Other taxes	-	-	-
Intergovernmental	-	-	-
Impact fees	811,680	803,387	(8,293)
Interest income	7,000	6,781	(219)
Other revenues	-	-	-
Total revenues	818,680	810,168	(8,512)
Expenditures			
Capital outlay:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	818,680	810,168	(8,512)
Other financing sources (uses)			
Capital leases	-	-	-
Transfers in	-	-	-
Transfers out	(818,680)	(287,018)	531,662
Total other financing sources (uses)	(818,680)	(287,018)	531,662
Net change in fund balances	-	523,150	523,150
Fund balances, beginning of year	2,910,328	2,910,328	-
Fund balances (deficit), end of year	$ 2,910,328	$ 3,433,478	$ 523,150

Capital Projects 2 Fund		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
-	-	-
491,200	445,725	(45,475)
-	-	-
10,000	9,314	(686)
-	74,615	74,615
501,200	529,654	28,454
-	-	-
-	-	-
291,200	133,115	158,085
-	-	-
-	-	-
-	-	-
291,200	133,115	158,085
210,000	396,539	186,539
-	-	-
220,000	-	(220,000)
(14,312,000)	(14,485,123)	(173,123)
(14,092,000)	(14,485,123)	(393,123)
(13,882,000)	(14,088,584)	(206,584)
15,350,544	15,350,544	-
$ 1,468,544	$ 1,261,960	$ (206,584)

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, 2021

	TAD Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Property taxes	$ -	$ -	$ -
Other taxes	490,000	486,342	(3,658)
Intergovernmental	-	-	-
Impact fees	-	-	-
Interest income	5,000	3,301	(1,699)
Other revenues	-	-	-
Total revenues	495,000	489,643	(5,357)
Expenditures			
Capital outlay:			
General government	1,722,200	127,885	1,594,315
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Housing and development	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	1,722,200	127,885	1,594,315
Excess (deficiency) of revenues over (under) expenditures	(1,227,200)	361,758	1,588,958
Other financing sources (uses)			
Capital leases	-	-	-
Transfers in	1,227,200	1,227,107	(93)
Transfers out	-	-	-
Total other financing sources (uses)	1,227,200	1,227,107	(93)
Net change in fund balances	-	1,588,865	1,588,865
Fund balances, beginning of year	-	-	-
Fund balances (deficit), end of year	$ -	$ 1,588,865	$ 1,588,865

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JULY 31, 2021

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Fire Safety Equipment/Vehicles	$ 3,000,000	$ 3,000,000	$ 1,623,372	$ 20,817	$ 1,644,189
Police Safety Equipment/Vehicles	1,109,000	1,109,000	674,224	282,084	956,308
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	1,882,520	1,847,665	3,730,185
Water, Sewer, Stormwater Projects	9,500,000	9,500,000	1,804,724	3,025,862	4,830,586
Recreational and Park Projects	3,400,000	3,400,000	2,903,718	2,559	2,906,277
Totals	$ 25,009,872	$ 25,009,872	$ 8,967,199	$ 5,178,987	$ 14,146,186

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

Debt service principal payments	646,275
Debt service interest payments	90,595
Total SPLOST 2017 Fund expenditures for the current year	$ 5,915,857

STATISTICAL SECTION

STATISTICAL SECTION

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

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Financial Trends ..... **80 – 93**

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 ..... **94 – 103**

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

Debt Capacity ..... **104 – 109**

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 ..... **110 and 111**

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 ..... **112 – 115**

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			
	2012	2013	2014	2015
Governmental Activities				
Net investment in capital assets	$ 64,305,483	$ 66,251,170	$ 67,435,901	$ 68,600,004
Restricted	1,837,952	1,952,554	2,098,212	2,902,027
Unrestricted	2,763,931	5,147,215	6,067,942	2,804,841
Total governmental activities net position	$ 68,907,366	$ 73,350,939	$ 75,602,055	$ 74,306,872
Business-Type Activities				
Net investment in capital assets	$ 10,733,529	$ 8,699,625	$ 8,502,525	$ 7,962,881
Restricted	1,507,269	2,286,019	2,723,599	2,987,802
Unrestricted	2,844,349	2,902,804	2,436,768	1,986,662
Total business-type activities net position	$ 15,085,147	$ 13,888,448	$ 13,662,892	$ 12,937,345
Primary Government				
Net investment in capital assets	$ 75,039,012	$ 74,950,795	$ 75,938,426	$ 76,562,885
Restricted	3,345,221	4,238,573	4,821,811	5,889,829
Unrestricted	5,608,280	8,050,019	8,504,710	4,791,503
Total primary government net position	$ 83,992,513	$ 87,239,387	$ 89,264,947	$ 87,244,217

Fiscal Year						
2016	2017	2018	2019	2020	2021
$ 70,522,573	$ 72,963,871	$ 73,396,508	$ 75,562,324	$ 60,482,704	$ 74,588,706
3,825,714	3,866,029	3,116,993	2,910,161	4,035,510	10,482,246
2,261,422	2,404,766	4,979,714	7,851,536	25,860,644	4,628,613
$ 76,609,709	$ 79,234,666	$ 81,493,215	$ 86,324,021	$ 90,378,858	$ 89,699,565
$ 7,916,518	$ 7,233,909	$ 7,627,778	$ 8,248,140	$ 9,460,359	$ 13,329,265
2,998,621	3,004,607	3,031,959	3,144,898	883,873	751,511
2,610,938	3,416,347	3,332,116	3,308,879	4,853,264	5,717,304
$ 13,526,077	$ 13,654,863	$ 13,991,853	$ 14,701,917	$ 15,197,496	$ 19,798,080
$ 78,439,091	$ 80,197,780	$ 81,024,286	$ 83,810,464	$ 69,943,063	$ 87,917,971
6,824,335	6,870,636	6,148,952	6,055,059	4,919,383	11,233,757
4,872,360	5,821,113	8,311,830	11,160,415	30,713,908	10,345,917
$ 90,135,786	$ 92,889,529	$ 95,485,068	$ 101,025,938	$ 105,576,354	$ 109,497,645

CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	$ 1,023,395	$ 918,357	$ 938,311	$ 1,090,268
Judicial	584,782	491,867	562,483	591,966
Public safety	6,505,689	6,579,434	6,556,219	7,218,353
Public works	1,707,680	1,618,047	2,095,224	1,305,120
Culture and recreation	10 (13)	19,672	19,877	4,024
Housing and development	774,059	919,084	1,042,536	1,205,233
Interest on long-term debt	154,685	270,964	158,192	143,584
Total governmental activities expenses	10,750,300	10,817,425	11,372,842	11,558,548
Business-type activities:				
Water and sewer	5,838,861	5,602,921	5,867,412	5,616,165
Stormwater	354,558	270,252	302,784	407,049
Solid waste	668,891	657,636	655,272	662,473
Total business-type activities	6,862,310	6,530,809	6,825,468	6,685,687
Total primary government	$ 17,612,610	$ 17,348,234	$ 18,198,310	$ 18,244,235
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 278,237	$ 428,003	$ 381,491	$ 491,211
Judicial	1,090,808	815,119	1,076,456	941,816
Public safety	85,134	71,393	99,443	78,677
Public works	109,514 (3)	109,514	-	-
Housing and development	59,916 (4)	388,878	731,387	511,033
Operating grants and contributions	156,016 (10)	528,838	560,303	712,268
Capital grants and contributions	2,756,869	251,021	2,003,847	1,327,532
Total governmental activities program revenues	4,536,494	2,592,766	4,852,927	4,062,537
Business-type activities:				
Charges for services:				
Water and sewer	5,058,146	4,951,031	5,164,682	5,175,387
Stormwater	482,941	497,904	509,426	741,777
Solid waste	630,019	606,376	623,294	658,728
Capital grants and contributions	37,644	232,047	297,696	300,975
Total business-type activities program revenues	6,208,750	6,287,358	6,595,098	6,876,867
Total primary government program revenues	$ 10,745,244	$ 8,880,124	$ 11,448,025	$ 10,939,404

(Continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
$ 1,499,529	$ 1,897,428	$ 3,580,927	$ 2,322,589	$ 2,751,667	$ 3,541,617
649,968	588,769	605,967	632,417	530,392	651,377
8,307,210	8,804,976	7,904,689	10,147,469	11,092,290	12,590,057
1,784,682	1,782,748	3,082,460	3,663,837	5,239,662	7,531,915
1,756	30	30	55	301,541	2,559
1,445,102	1,807,358	2,085,329	1,959,415	1,671,733	2,357,813
151,836	157,269	158,004	262,626	826,092	910,176
13,840,083	15,038,578	17,417,406	18,988,408	22,413,377	27,585,514
5,652,208	6,088,714	5,992,402	5,673,074	6,491,953	7,316,901
413,917	365,125	383,749	439,347	421,360	595,196
631,887	656,959	665,625	676,036	698,973	821,536
6,698,012	7,110,798	7,041,776	6,788,457	7,612,286	8,733,633
$ 20,538,095	$ 22,149,376	$ 24,459,182	$ 25,776,865	$ 30,025,663	$ 36,319,147
$ 738,418	$ 668,408	$ 612,132	$ 740,870	$ 934,750	$ 1,304,859
1,149,394	907,630	944,822	1,230,882	755,778	934,666
56,856	69,557	56,850	83,768	194,646	17,488
-	-	-	-	-	-
1,009,230	676,936	699,253	908,201	1,498,700	997,763
609,313	574,307	647,997	300,440	2,156,961	505,931
1,804,969	3,007,935	4,069,051	5,102,896	4,524,951	5,424,949
5,368,180	5,904,773	7,030,105	8,367,057	10,065,786	9,185,656
5,523,564	5,709,452	5,748,538	6,053,739	6,724,648	6,989,539
763,764	759,289	773,664	777,486	784,964	802,676
674,937	637,610	698,881	709,842	727,118	845,282
309,040	124,147	184,970	170,710	284,281	5,131,031
7,271,305	7,230,498	7,406,053	7,711,777	8,521,011	13,768,528
$ 12,639,485	$ 13,135,271	$ 14,436,158	$ 16,078,834	$ 18,586,797	$ 22,954,184

CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year			
	2012	2013	2014	2015
Net (expense)/revenue				
Governmental activities	$ (8,224,659)	$ (6,519,915)	$ (6,519,915)	$ (7,496,011)
Business-type activities	(243,451)	(230,370)	(230,370)	191,180
Total primary government net expense	$ (8,468,110)	$ (6,750,285)	$ (6,750,285)	$ (7,304,831)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 2,664,133	$ 2,879,031	$ 3,094,181	$ 3,134,679
Sales taxes	2,374,473	2,369,274	2,561,460	2,799,116
Other taxes	3,662,347	3,690,062	3,787,465	4,150,689
Unrestricted investment earnings	9,253 (6)	6,374	5,893	8,217
Gain on sale of capital assets	-	-	-	17,582
Transfers	-	-	-	-
Total governmental activities	8,710,206	8,944,741	9,448,999	10,110,283
Business-type activities:				
Unrestricted investment earnings	2,035	108	52	306
Gain on sale of capital assets	5,039	1,554	4,762	-
Transfers	-	-	-	-
Total business-type activities	7,074	1,662	4,814	306
Total primary government	$ 8,717,280	$ 8,946,403	$ 9,453,813	$ 10,110,589
Change in Net Position				
Governmental activities	$ 485,547	$ 2,424,826	$ 2,929,084	$ 2,614,272
Business-type activities	(236,377)	(228,708)	(225,556)	191,486
Total primary government	$ 249,170	$ 2,196,118	$ 2,703,528	$ 2,805,758

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

(4) Multiple transportation and sidewalk construction projects.

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

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

Fiscal Year					
2016	2017	2018	2019	2020	2021
$ (8,471,903)	$ (9,133,805)	$ (10,387,301)	$ (10,621,351)	$ (12,347,591)	$ (18,399,858)
573,293	119,700	364,277	923,320	908,725	5,034,895
$ (7,898,610)	$ (9,014,105)	$ (10,023,024)	$ (9,698,031)	$ (11,438,866)	$ (13,364,963)
$ 3,224,290	$ 3,377,638	$ 4,238,436	$ 6,052,590	$ 4,715,445	$ 6,521,939
3,049,230	3,627,566	3,799,392	3,953,389	5,260,580	5,721,673
4,467,235	4,721,419	4,528,300	4,952,360	5,303,784	4,988,704
16,929	32,139	44,761	193,818	404,896	15,489
-	-	-	-	267,723	22,760
-	-	34,961	300,000	450,000	450,000
10,757,684	11,758,762	12,645,850	15,452,157	16,402,428	17,720,565
931	852	5,848	86,744	36,854	15,689
31,564	8,234	1,826	-	-	-
-	-	(34,961)	(300,000)	(450,000)	(450,000)
32,495	9,086	(27,287)	(213,256)	(413,146)	(434,311)
$ 10,790,179	$ 11,767,848	$ 12,618,563	$ 15,238,901	$ 15,989,282	$ 17,286,254
$ 2,285,781	$ 2,624,957	$ 2,258,549	$ 4,830,806	$ 4,054,837	$ (679,293)
605,788	128,786	336,990	710,064	495,579	4,600,584
$ 2,891,569	$ 2,753,743	$ 2,595,539	$ 5,540,870	$ 4,550,416	$ 3,921,291

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
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
2021	6,521,939	5,721,673	1,519,731	376,422	1,297,352

Business and Occupation Tax	Other Taxes	Total
$ 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	12,566,128
1,267,045	1,537,266	15,952,428
1,351,430	443,769	17,232,316

CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	$ 252,215 (1)	$ 136,186	$ 134,854	$ 130,449
Assigned	2,381,335 (1)	2,352,026	2,061,010	2,885,387
Unassigned	1,044,598 (1)	2,362,619	4,337,610	3,556,522
Total General Fund	$ 3,678,148	$ 4,850,831	$ 6,533,474	$ 6,572,358
All Other Governmental Funds				
Nonspendable, reported in:				
Special revenue funds	$ -	$ 31,630	$ 37,843	$ 43,887
Capital project funds	-	-	-	-
Restricted, reported in:				
Special revenue funds	126,229 (1)	526,916	554,604	753,080
Capital project funds	1,711,723 (1)	1,797,568	1,543,608	2,148,947
Assigned, reported in:				
Capital project funds	286,085 (1)	69,677	-	-
Unassigned, reported in:				
Capital project funds	-	-	(183,013)	267,046
Total all other governmental funds	$ 2,124,037	$ 2,425,791	$ 1,953,042	$ 3,212,960

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

Fiscal Year						
2016	2017	2018	2019	2020	2021
$ 210,087	$ 256,694	$ 450,832	$ 313,842	$ 392,616	$ 355,510
3,092,983	3,385,000	3,500,000	3,500,000	4,200,000	4,200,000
2,400,709	3,064,984	847,789	1,935,499	3,374,394	3,720,082
$ 5,703,779	$ 6,706,678	$ 4,798,621	$ 5,749,341	$ 7,967,010	$ 8,275,592
$ 21,469	$ 39,779	$ 49,645	$ 33,765	$ 48,591	$ 23,148
-	-	-	22,268	-	-
935,860	1,185,684	1,123,166	1,030,364	1,125,182	1,215,341
2,889,854	2,680,345	2,381,621	2,491,829	3,413,827	11,359,088
-	-	-	-	-	-
-	-	-	(1,008,120)	15,350,544	-
$ 3,847,183	$ 3,905,808	$ 3,554,432	$ 2,570,106	$ 19,938,144	$ 12,597,577

CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Taxes	$ 8,704,436	$ 8,946,907	$ 9,439,385	$ 10,113,077
Licenses and permits	229,816	369,157	321,693	391,641
Intergovernmental	393,202 (14)	2,171,246	1,537,932	1,676,503
Fines and forfeitures	1,143,693	854,263	1,072,854	917,448
Charges for services	148,823	352,612	312,492	401,364
Main Street	-	29,288	31,710	35,071
Impact fees	57,836	196,424	526,850	262,447
Contributions	12,806	281,436	307,452	322,768
Interest income	10,282	6,419	5,893	8,217
Other revenues	43,441	91,121	63,976	55,295
Total revenues	10,744,335	13,298,873	13,620,237	14,183,831
Expenditures				
General government	929,487	871,018	900,303	1,038,603
Judicial	580,976	492,832	563,783	597,843
Public safety	6,354,094	5,863,779	5,802,578	6,778,141
Public works	928,008	906,708	914,808	870,572
Culture and recreation	10 (16)	19,672	19,877	4,024
Housing and development	625,145	1,095,329	1,130,669	1,089,323
Capital outlay	739,582 (15)	2,765,825	2,859,150	2,230,877
Debt service:				
Principal	429,955	259,615	232,102	561,212
Interest	144,508	198,312	144,888	141,391
Issuance costs	-	76,048	-	-
Total expenditures	10,731,765	12,549,138	12,568,158	13,311,986
Excess of revenues over (under) expenditures	12,570	749,735	1,052,079	871,845
Other financing sources (uses)				
Capital leases	-	-	-	388,760
Issuance of debt	-	3,115,000	143,200	-
Premium on debt	-	-	-	-
Discount on certificates of participation	-	-	-	-
Proceeds from sale of assets	93	7,676	14,615	32,197
Payment to escrow agent	-	(3,055,278)	-	-
Transfers in	489,601	459,829	807,129	1,835,032
Transfers out	(489,601)	(459,829)	(807,129)	(1,835,032)
Total other financing sources (uses)	93	67,398	157,815	420,957
Net change in fund balances	$ 12,663	$ 817,133	$ 1,209,894	$ 1,292,802
Debt service as a percentage of noncapital expenditures	6.1%	4.5%	3.2%	6.6%

(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.

Fiscal Year					
2016	2017	2018	2019	2020	2021
$ 10,748,014	$ 11,734,645	$ 12,550,082	$ 14,910,005	$ 15,772,610	$ 17,394,192
605,257	530,484	493,649	570,191	671,653	1,045,341
2,219,017	3,407,632	4,447,552	4,613,854	6,605,281	5,700,796
1,103,205	874,142	901,655	1,169,649	923,247	924,977
427,977	430,616	462,155	424,627	327,507	396,343
35,414	36,275	37,803	44,308	23,239	17,625
767,735	403,916	368,585	633,908	1,337,593	803,387
155,057	109,985	214,657	114,505	44,533	79,235
16,929	32,139	44,761	203,259	404,896	46,144
54,518	111,723	104,049	186,521	132,733	187,297
16,133,123	17,671,557	19,624,948	22,870,827	26,243,292	26,595,337
1,396,104	1,892,285	3,322,770	2,220,727	2,627,501	2,489,495
654,217	581,762	610,101	636,626	542,432	589,232
7,454,179	7,824,112	8,959,295	9,948,082	10,417,443	9,899,441
921,742	1,011,184	1,217,720	1,109,739	1,063,677	1,070,035
1,756	30	30	55	301,541	273,091
1,328,880	2,239,375	2,495,415	1,951,171	1,824,164	2,277,385
3,859,669	3,962,113	5,664,017	4,256,034	12,727,204	21,431,299
638,119	943,811	1,002,389	1,409,037	1,851,278	1,863,860
138,362	134,793	145,414	250,139	712,217	1,021,125
-	-	-	-	-	-
16,393,028	18,589,465	23,417,151	21,781,610	32,067,457	40,914,963
(259,905)	(917,908)	(3,792,203)	1,089,217	(5,824,165)	(14,319,626)
768,055	580,700	2,365,000	500,000	940,000	500,000
-	-	-	-	-	-
-	-	-	-	2,352,973	-
-	-	-	-	-	-
16,529	932,137	24,547	-	267,723	22,760
-	-	2,895,000	-	21,695,000	-
2,722,254	1,509,690	2,384,350	3,411,412	9,331,171	17,407,564
(2,705,198)	(1,509,690)	(2,349,389)	(3,111,412)	(8,881,171)	(16,957,564)
801,640	1,512,837	5,319,508	800,000	25,705,696	972,760
$ 541,735	$ 594,929	$ 1,527,305	$ 1,889,217	$ 19,881,531	$ (13,346,866)
5.5%	6.7%	6.1%	6.8%	11.5%	11.5%

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
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
2021	5,595,148	4,585,851	1,519,731	472,517	1,297,352

Business and Occupation Tax	Other Taxes	Total
$ 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
1,351,430	2,572,163	17,394,192

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
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
2021	658,806,034	406,944,247	38,524,050	5,322,536	13,010,676	6,505,680

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]
$ 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%
1,146,480	15,360,277	1,114,899,426	5.646	2,787,248,565	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
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	20.52	4.49	1.16	5.65	30.92
2021	0.00	4.70	20.43	4.78	0.87	5.65	30.78

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

CITY OF FAYETTEVILLE, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2021			Fiscal Year 2012		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Brent Scarbrough & Co Inc	$ 30,192,632	1	2.71%	$ 68,744,510	1	7.42%
Pinewood Atlanta	27,071,931	2	2.43%	-		-
DDRTC Fayette Pavilion I & II	12,329,476	3	1.11%	-		-
DDRTC Fayette Pavilion I & II	10,136,452	4	0.91%	-		-
DDRTC Fayette Pavilion III & IV	9,844,504	5	0.88%	41,963,360	2	4.53%
CCC-PWF, LLC	8,946,436	6	0.80%	-		-
Cobblestone Apartments LLC	8,466,888	7	0.76%	13,505,050	5	1.46%
Pinewood Forrest LLC	8,382,328	8	0.75%	-		-
Heartis Fayetteville	7,510,000	9	0.67%	-		-
Piedmont Fayette Medical & Office Bldg I	6,601,684	10	0.59%	14,675,905	3	1.58%
Piedmont Hospital	-		-	13,963,450	4	1.51%
Banks Crossing Associate	-		-	13,285,140	6	1.43%
TNT Summit Point LLC	-		-	11,692,110	7	1.26%
Norbelle LLC & Lasalle Investment	-		-	11,270,280	8	1.22%
Centro NP Banks Station LLC	-		-	10,457,670	9	1.13%
Lowes Home Centers, Inc.	-		-	9,850,050	10	1.06%
Total	$ 129,482,331		11.61%	$ 209,407,525		22.60%

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
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	280,596	2,730,584	99.9
2014	2,732,090	2,650,781	97.0	76,000	2,726,781	99.8
2015	2,799,996	2,701,065	96.5	93,413	2,794,478	99.8
2016	2,827,868	2,822,251	99.8	2,550	2,824,801	99.9
2017	3,030,113	3,026,471	99.9	1,256	3,027,727	99.9
2018	3,299,117	3,280,003	99.4	14,511	3,294,514	99.9
2019	5,262,887	5,030,676	95.6	225,465	5,256,141	99.9
2020	5,448,306	5,413,030	99.4	22,308	5,435,338	99.8
2021	5,789,390	5,771,840	99.7	-	5,771,840	99.7

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential [1]	308.97	271.12	273.35	274.86	282.87	267.72	268.27	289.23	285.55	304.45
Commercial [1]	93.85	98.84	85.05	85.49	88.56	86.37	81.25	90.12	90.96	84.68
Senior [1]	58.26	67.76	71.34	68.74	70.65	65.17	67.04	68.76	65.80	62.63
Other [1]	14.26	11.72	9.45	9.18	13.85	4.35	2.73	9.81	4.55	8.76
Total usage	475.34	449.44	439.19	438.27	455.93	423.61	419.29	457.92	446.86	460.52
Total direct rate per 1,000 gallons [2]	$ 2.90	$ 2.90	$ 2.97	$ 3.04	$ 3.11	$ 3.18	$ 3.26	$ 3.35	$ 3.52	$ 3.69

[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
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
2021	18.40	3.68	33.77	3.68	15.67	3.68

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
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
20.67	3.69	36.24	3.69	17.55	3.69

CITY OF FAYETTEVILLE, GEORGIA

TEN LARGEST WATER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2021			Fiscal Year 2012		
Taxpayer	Total Water Revenue	Rank	Percentage of Total Water Revenue	Total Water Revenue	Rank	Percentage of Total Water Revenue
Banks Station	$ -		-	$ 37,649	1	1.64%
HCCC, Inc.	-		-	26,624	2	1.16%
Meridian @ Lafayette Apts	51,164	1	1.73%	-		-
Fayette County Jail Complex	-		-	22,782	4	0.99%
Swanbrook	31,647	2	1.07%	19,242	5	0.84%
Bay Branch Condo	23,933	5	0.81%	18,710	6	0.82%
Board of Commissioners	17,689	8	0.60%	16,502	7	0.72%
Cobblestone of Fayette	17,658	9	0.60%	15,260	8	0.67%
Summit Retail	17,820	7	0.60%	14,010	9	0.61%
Marksman Landscaping	-		-	9,884	10	0.43%
Magnolia Park Owners	16,980	10	0.57%	-		-
Hearthside Lafayette	27,380	3	0.92%	-		-
Tidal Wave Auto Spa	24,163	4	0.82%	-		-
CA New Plan Acquisition	23,754	6	0.80%	-		-
Fayette County Board of Ed	-		-	23,898	3	1.04%
Subtotal (10 Largest)	252,188		8.51%	204,561		8.92%
			-			
Balance from Other Customers	2,711,344		91.49%	2,089,220		91.08%
Total	$ 2,963,532		100.00%	$ 2,293,781		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 2021			Fiscal Year 2012		
Taxpayer	Total Sewer Revenue	Rank	Percentage of Total Sewer Revenue	Total Sewer Revenue	Rank	Percentage of Total Sewer Revenue
Piedmont Healthcare	$ 136,899	1	5.09%	127,908	1	5.56%
Inland Group	59,318	2	2.20%	53,424	2	2.32%
Banks Station	-		-	40,079	3	1.74%
Fayette County Jail Complex	-		-	24,622	4	1.07%
Marksman Landscaping	-		-	22,038	6	0.96%
Bay Branch Condo	25,803	7	0.96%	20,529	8	0.89%
Fayette County Board of Ed	-		-	24,622	5	1.07%
Swanbrook	34,175	5	1.27%	20,938	7	0.91%
Board of Commissioners	-		-	16,152	9	0.70%
Cobblestone Fayette	-		-	15,999	10	0.70%
Pinewood Atlanta Studios	19,833	10	0.74%	-		-
CA New Plan Acquisition	24,979	8	0.93%	-		-
Meridian @ Lafayette Apt	56,857	3	2.11%	-		-
Hearthside Lafayette	30,760	6	1.14%	-		-
Tidal Wave Auto Spa	24,257	9	0.90%	-		-
Heartis Fayetteville Partners	34,291	4	1.27%	-		-
Subtotal (10 Largest)	447,172		16.61%	366,311		15.93%
Balance from Other Customers	2,244,221		83.39%	1,933,099		84.07%
Total	$ 2,691,393		100.00%	$ 2,299,410		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
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
2021	1,500,000	24,048,951	2,246,714	2,216,627	30,012,292

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			
$ 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
13,172,762	13,929,756	27,102,518	57,114,810	8.40	3,129

CITY OF FAYETTEVILLE, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JULY 31, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Fayette County School District	$ 51,122,286	15.41%	$ 7,877,944
Fayette County Public Facilities Authority	26,590,000	15.41%	4,097,519
Total overlapping debt			11,975,463
City of Fayetteville direct debt			30,012,292
Total direct and overlapping debt			$ 41,987,755

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			
	2012	2013	2014	2015
Debt limit	$ 79,656,146	$ 70,601,178	$ 69,975,823	$ 70,314,949
Total net debt applicable to limit	-	-	-	-
Legal debt margin	$ 79,656,146	$ 70,601,178	$ 69,975,823	$ 70,314,949
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						
2016	2017	2018	2019	2020	2021
$ 75,770,783	$ 79,741,567	$ 89,390,318	$ 96,198,253	$ 104,751,760	$ 113,025,970
-	-	-	-	-	-
$ 75,770,783	$ 79,741,567	$ 89,390,318	$ 96,198,253	$ 104,751,760	$ 113,025,970
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	$ 1,114,899,426
Add back: exempt real property	15,360,277
Total assessed value	$ 1,130,259,703
Debt limit (10% of assessed value)	$ 113,025,970
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	$ 113,025,970

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
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
2021	7,792,215	6,142,042	1,650,173	600,000	405,989	1.64

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]
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
2021	18,255	645,789	35,376	43.5	19,912	3.7

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 2021			Fiscal Year 2012		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Fayette County Board of Education	2,700	1	21.20%	2,826	1	33.34%
Fayette Hospital (Piedmont)	1,536	2	12.12%	1,430	2	13.63%
Brent Scarborough & Company, Inc.			1.91%	198	7	1.34%
Wal-mart Stores, Inc	401	4	2.53%	348	4	3.35%
Kroger	332	5	3.74%	226	5	3.94%
Publix	304	6	2.11%	213	6	2.08%
Lafayette Nursing Home	-		-	166	8	1.87%
Fayette County Board of Commissioners	700	3	5.84%	770	3	6.90%
CITY OF FAYETTEVILLE	170	9	1.25%	124	10	-
Olive Garden	243	7	1.44%	-		1.34%
Lowe's	-		-	132	9	1.34%
Chic-fil-a	178	8	1.44%	-		-
Concerte Supply Co	165	10	1.44%	-		-
Oliven Garden	243	8	1.85%	-		-
Total	7,077		56.88%	6,433		69.12%

Source:
City of Fayetteville, Georgia records.

CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
General government	13	13	13	15	18	21	23	24	30	33
Judicial	2	2	2	3	3	3	2	3	3	4
Public safety										
Police	44	46	42	45	48	55	54	59	60	61
Fire	35	35	37	31	33	39	51	51	48	51
Public works	11	11	10	11	9	12	13	12	8	8
Housing and development	6	6	3	6	8	7	10	11	9	12.5
Main Street Tourism	2	2	2	2	1	3	4	3.5	4	4.5
Water and Sewer										
Water	10	7	10	10	10	11	14	17	14	2
Wastewater	7	6	2	3	3	3	3	2.5	4	5
Total	130	128	121	126	133	154	174	183	180	181

Source:
City of Fayetteville, Georgia records

CITY OF FAYETTEVILLE, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN CALENDAR YEARS

Function	Fiscal Year 2012	2013	2014	2015	2016
Mayor And Council					
Citizen contacts	4,600	4,600	4,600	4,598	4,600
Council meetings	25	25	24	27	25
Correspondence generated	80	65	70	75	76
Finance and Administration					
A/P checks processed	3,739	3,943	4,013	4,678	3,515
Business licenses processed	2,217	2,183	2,409	2,500	2,459
Utility bills generated	99,936	101,105	103,446	103,049	103,405
Information Technology					
Number of work orders received	600	600	665	600	600
Hits on City website per year	150,000	150,000	152,436	400,990	430,850
Municipal Court					
Citations processed	6,518	5,585	6,693	5,727	7,954
Cases adjudicated	5,301	4,845	5,096	5,909	7,610
Average inmates per month	9	5	5	3	2
Police					
Number of arrests	1,382	1,145	940	1,330	1,430
Number of traffic accidents	1,317	1,388	1,326	1,149	1,556
Citations/warnings issued	10,161	8,449	6,450	7,262	7,901
Fire					
Emergency calls	3,110	2,850	2,518	2,689	2,889
Hydrants maintained	1,261	1,280	642	1,287	1,287
Inspections completed	1,381	1,450	1,908	1,364	1,280
Public Works					
Miles resurfaced	1.3	1.5	0.0	0.0	0.0
Miles of cracks sealed	1.0	1.0	0.0	0.0	1.0
Miles of right of way mowed	352	390	386	410	470
Housing And Development					
Building permit inspections	2,300	2,398	3,286	2,303	2,727
Development plan applications	7	11	4	10	12
Erosion control inspections	427	460	409	193	237
Water And Sewer					
Water - gallons processed (X 1,000)	300,269	224,093	224,013	215,760	210,840
Wastewater - gallons processed (X 1,000)	543,576	548,332	713,125	743,425	905,662
New meter installations	14	139	71	51	62

Source:
City of Fayetteville, Georgia records.

Fiscal Year				
2017	2018	2019	2020	2021
4,780	4,659	4,679	4,800	N/A
24	24	24	27	28
70	74	N/A	N/A	N/A
3,513	6,243	4,212	4,576	4,690
2,379	2,718	2,935	2,675	2,507
98,404	98,451	104,632	101,896	103,618
1,700	2,011	2,710	2,196	2,930
577,917	500,108	533,384	419,429	408,565
5,209	5,372	9,088	4,286	4,321
253	7,371	7,701	2,797	5,160
3	3	3	1	1
1,102	1,183	1,174	1,049	951
1,634	1,567	1,449	1,362	1,647
6,990	7,637	9,032	9,947	7,853
3,237	3,203	3,379	3,416	3,938
1,304	1,336	1,347	1,379	1,361
1,969	2,045	2,057	2,341	2,371
0.0	3.0	5.0	4.0	8.0
1.0	1.0	1.0	1.0	1.0
490	495	498	500	500
3,613	4,524	4,862	8,907	4,161
0	15	13	27	22
383	356	833	1,804	1,081
265,000	212,304	308,395	280,253	245,073
825,538	846,761	898,152	832,300	768,810
37	45	67	21	21

CITY OF FAYETTEVILLE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	3	3
Fire trucks	4	4	4	4	5	6	8	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	66.30	66.30	64.30	64.30	64.30	64.30
Building	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.05	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	6	7	7	7
Museum Collection	1	1	1	1	1	1	1	1	1	0
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	26	26	26	26	26	28
Miles of sewer lines	126	126	126	126	129	130	131	131	132	133
Miles of water lines	108	108	108	108	108	109	109	109	109	109
Manholes	2,798	2,798	2,798	2,798	2,848	2,863	2,870	2,880	2,890	2,940
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)

	Fayette County		System Well/Water Plant			
Calendar Year	Volume	Percent	Volume	Percent	Total Usage	Percent Change
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)
2021	359,737	51.0	345,073	49.0	704,810	33.5

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
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
2021	2.10	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
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
2021	7,092	(0.0)	7,643	107.8

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, 2021, 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 31, 2022.

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 31, 2022

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, 2021. 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, 2021.

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 31, 2022

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JULY 31, 2021

Grant Program	CFDA #	Grant I.D.	Expenditures	Passed Through to Subrecipients
U.S. Environmental Protection Agency				
Passed through Georgia Environmental Finance Authority				
Clean Water State Revolving Fund Cluster				
Capitalization of Grants for Clean Water State Revolving Loan Funds	66.458	CWSRF 2019-014	$ 4,329,742	$ -
Total U.S. Environmental Protection Agency			**4,329,742**	**-**
U.S. Department of Homeland Security				
Staffing for Adequate Fire and Emergency Response Grant	97.083	EMW-2016-FH00474	118,870	-
Total U.S. Department of Homeland Security			**118,870**	**-**
U.S. Department of Transportation				
Passed through Georgia Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	PI 0012878	445,725	-
Highway Planning and Construction	20.205	693JJ22030000Z230GA0014951	26,453	-
Total Highway Planning and Construction Cluster			472,178	-
Highway Safety Cluster				
State and Community Highway Safety	20.600	GA-2021-F.A.S.T. 402PT-0888	35,108	-
Total Highway Safety Cluster			35,108	-
Total U.S. Department of Transportation			**507,286**	**-**
Total Expenditures of Federal Awards			**$ 4,955,898**	**$ -**

CITY OF FAYETTEVILLE, GEORGIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JULY 31, 2021

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, 2021.

NOTE 3. NON-CASH AWARDS

The City did not receive non-cash federal awards during the fiscal year ended July 31, 2021.

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JULY 31, 2021

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

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

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JULY 31, 2021

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, 2021

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.