ANNUAL COMPREHENSIVE FINANCIAL REPORT



ACFR 2025

FOR THE FISCAL YEAR ENDED JULY 31, 2025

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CITY OF FAYETTEVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JULY 31, 2025

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, 2025

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MAYOR
Edward J. Johnson, Jr.

CITY MANAGER
Ray Gibson

INTERIM CITY CLERK
Chelsea Siemen

FAYETTEVILLE
NO LIMITS ON IMAGINATION

COUNCIL
Richard J. Hoffman,
Mayor Pro Tem
Joe Clark
Niyah Glover
Darryl Langford
Scott Stacy

January 27, 2026

Honorable Edward Johnson Jr., Mayor

Members of the City Council

And Citizens of Fayetteville, Georgia

Ladies and Gentlemen:

The annual comprehensive financial report of the City of Fayetteville, Georgia (the "City") for the fiscal year ended July 31, 2025, 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 ("GAAP"). 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 and audited in accordance with GAAP by a firm of licensed certified public accountants.

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

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

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

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

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

An organizational chart depicting the current structure associated with the management of the City 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. In 1996, the City built a four MGD water treatment plant.

A sewer system was installed in the early 1960s. In 2007 the City added additional capacity for wastewater by upgrading the City's wastewater treatment plant from 2.75 MGD to 5 MGD. The City updated the treatment processes at the wastewater treatment plant in 2022 to maintain the 5 MGD capacity as the state and federal requirements have changed.

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 and former Georgia Governor Hugh M. Dorsey, and it abounds in Civil War history. The City of Fayetteville Downtown Development Authority owns the Holliday Dorsey Fife House, which is leased by Revival Wine Bar.

Across, the street lies the historic Fayetteville City Cemetery, circa 1823. The Fitzgeralds', great grandparents of Margaret Mitchell, as well as the Hollidays', Dorseys', and Fifes' are laid to rest there. Recent enhancements to the cemetery have been completed to the entryway as well as the repairing and refurbishing of headstones. A self-guided cemetery tour brochure is available.

Adjacent to Fayetteville City Cemetery is the new Fayetteville City Hall & City Center Park. Opened in 2021, City Hall offers 34,000 square-feet of offices, conference rooms, training rooms, a City Council chamber, and customer service desks. City Center Park, which also opened in 2021, covers almost eight adjoining acres. It features a popular spray pad in warmer months along with year-round playgrounds, picnic pavilions, great lawn, walking paths, pond, dog park, and restroom facilities.

The new City Hall & City Center Park attracted private investment, which resulted in the renovation of the adjacent old Fayette County Public Schools bus barn into Triumph Station, featuring restaurants and an ice cream shop, as well as the renovation of the old gym into Southside Center, home to Southside Church and made available for public rental.

South of the Courthouse Square, The Fayetteville Academy and Seminary was built in 1857, which later became the publicly-attended Glynn Street School. It was renovated in 1994 and used as Fayetteville's City Hall until 2021. The building is presently owned by the Fayetteville Development Authority and leased by developers, who have repurposed it as a retail, restaurant, and boutique services destination branded as 240 Glynn Street.

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, 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 Ville Amphitheater (formerly Villages Amphitheater, Southern Ground Amphitheater, and Brightmoor Healthcare Amphitheater), three hotels, specialty shops of all descriptions, and a developing west side, that includes the Fayette Piedmont Hospital, medical complexes, all which make Fayetteville an attractive community. 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. Also, developing on the west side of Fayetteville includes the town of Trilith; a community developed around the studios that has gained attraction to Fayetteville after bringing the movie industry to Atlanta GA. QTS Data Center also broke ground, anticipating completing their first two buildings in the north and south campus by 2025. Also, new developments in the west side of Fayetteville, is the Arther M. Blank U.S Soccer National Traning Center, opening in Spring of 2026. It is the first ever home for soccer in America. The NTC is a world-class space designed to honor and celebrate the game of soccer from grassroots to the professional stage. Numerous festivals and events are held on the square throughout the calendar year, drawing thousands of people downtown to participate in fellowship and community. Additionally, The Ville Amphitheater hosts a wide array of concerts, films, and dramatic events.

Economic Condition and Outlook. Located approximately 21 miles south of Atlanta, the City 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 20,419. The median housing value in Fayetteville is $331,700. Renters make up about 32% of the City's population; while 68.0% own homes. Vacancy rates within the City are currently 7.15%. The City remains affordable to residents as the per capita income is $42,080.

The total number of building permit inspection for fiscal year 2025 was 5,059 compared to last fiscal year, was 3,655. The total number of development plan applications was 17 compared to last fiscal year, was 16, and the total number of erosion control inspections was 61 compared to last fiscal year, was 1,117.

The unemployment rate for Fayetteville was 3.1%, a slight increase over 2024's 3.0%. Sales and office type jobs are the most prominent jobs in Fayetteville, followed by management, business, and financial operation.

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

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

The financial position of the City continues to improve, marked by five consecutive years of positive growth in the tax digest. Most revenue sources remain stable, with modest increases in several other revenue categories. The City has continued to optimize the use of limited resources to preserve core services while maintaining fiscal responsibility. The City continues to work on capital expenditures primarily for public safety needs; however, other departments also have needs, which are funded as needed. The City continues to try to hold costs 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. In fiscal year 2026, the fire department will begin the design/construction of Station 93, located on the west side of Fayetteville. They will also be replacing outdated fire equipment, radios and turnout gear.

The public works department has plans to purchase two pickup trucks to replace aging ones, ensuring a more efficient and reliable fleet for their operations. There are also plans to purchase a Bobcat forestry machine to maintain right-of-ways.

The water and sewer department put the wastewater treatment plant with upgraded treatment processes into operation in 2022 and are continuing the process of enhancing its infrastructure.. We continue to maintain and upgrade pump stations to enhance the efficiency of each station. Projects that are set to conclude in 2026 include the sewer extension to the Soccer Center Complex as well as expanding sewer to the west side of Fayetteville.

The Parks & recreation Department continues to maintain and enhance our city parks, including the city center park as well as plans to upgrade church street park with restrooms in the upcoming fiscal year budget. They will also be purchasing updated park equipment for City Center Park, as well as updating water features for the spray park for the upcoming spring/summer season.

The police department has plans to purchase replacement of outdated radios and computer technology, along with replacing outdated police protective equipment. They will also be adding a new K9 officer to staff and upgrading fleet vehicles on the road.

In 2023, Fayette County voters approved the continuation of the one-penny (one percent) Splost Purpose Local Option Sales Tax ("SPLOST") program, that will generate revenues over a six-year time span, estimating to collect $40,380.000 through 2029. Projects to be funded through the 2023 SPLOST program will include road resurfacing, enhancements to recreation areas, stormwaters infrastructure upgrades, and construction of a multi-use trail system. Other projects, including public safety vehicles, facilities improvements, equipment, and citywide technology improvements, are needed to enhance the City's overall service delivery capabilities.

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 Financial Report ("ACFR") for the fiscal year ended July 31, 2024. This was the twentieth-ninth 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 annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR 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 2025. This was the nineteenth 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 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 and Jenkins, LLC. In closing, without the leadership and support of the Mayor and City Council, the preparation of this report would not have been possible. My sincere appreciation is extended to each individual for the contributions made in the preparations of this report.

Respectfully submitted,

Ray Gibson

Ray Gibson
City Manager

Mike Bush

Mike Bush
Director of Finance and Administrative Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fayetteville
Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

July 31, 2024

Christopher P. Morrill

Executive Director/CEO

CITY OF FAYETTEVILLE, GEORGIA

LIST OF PRINCIPAL OFFICERS

MAYOR

Edward Johnson

CITY COUNCIL MEMBERS

Edward Johnson, Mayor
Scott Stacy, Mayor Pro Tem
Niyah Glover
Darryl Langford
Joe Clark
Rich Hoffman

CITY MANAGER

Ray Gibson

CITY CLERK

Chelsea Siemen

DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES

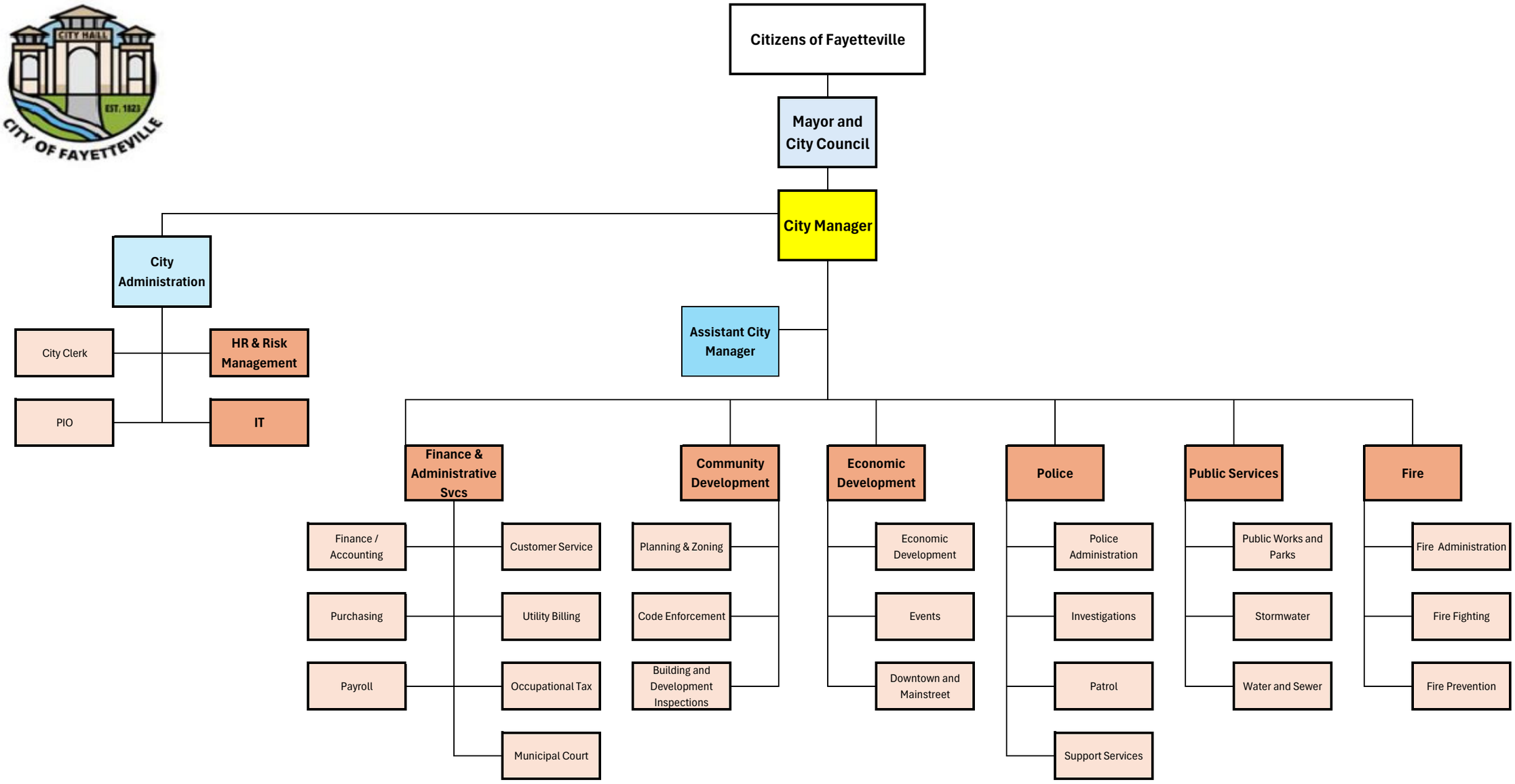
Mike Bush

CITY ATTORNEY

Jarrard & Davis, LLP

CITY AUDITORS

Mauldin & Jenkins, LLC


Citizens of Fayetteville
Mayor and City Council
City Manager
City Administration
City Clerk
HR & Risk Management
PIO
IT
Assistant City Manager
Finance & Administrative Svcs
Finance / Accounting
Customer Service
Purchasing
Utility Billing
Payroll
Occupational Tax
Municipal Court
Community Development
Planning & Zoning
Code Enforcement
Building and Development Inspections
Economic Development
Economic Development
Events
Downtown and Mainstreet
Police
Police Administration
Investigations
Patrol
Support Services
Public Services
Public Works and Parks
Stormwater
Water and Sewer
Fire
Fire Administration
Fire Fighting
Fire Prevention

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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Fayetteville, Georgia** (the "City") as of and for the fiscal year ended July 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of July 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying Schedules of Expenditures of Special Purpose Local Option Sales Tax ("SPLOST") proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121 and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and Schedules, and the Schedules of Expenditures of SPLOST proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 27, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2025. 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 2025 are as follows:

In total, combined net position increased by $12,238,151, which represents a 8.00% increase over FY 2024. This increase can be attributed to investments in capital assets and a reduction in net pension liability and debt service.

- Combined tax revenues accounted for $25,789,579, or 58.36%, 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 $17,040,521, or 38.56%, of total revenues of $44,193,615 from governmental activities.

- The City had $34,278,617 in expenses related to governmental activities; $17,040,521 of these expenses were offset by charges for services, grants, and contributions. General revenues (primarily taxes) of $25,789,579 provided for these services as well. The net result was an increase in the City's net position by $9,882,745.

- Total Water and Sewer Fund revenues for FY 2025 were $10,161,792. Total expenses for FY 2025 were $9,098,016. Capital contributions were recorded in the amount of $1,799,751, including but not limited to donated property and sewer proportionate share. The change in net position after depreciation and non-operating revenues/expenses was $2,356,437 for FY 2025.

- Revenues from the General Fund were $30,449,991 for FY 2025, a decrease of approximately 28.79% over the prior fiscal year. The decrease is mainly attributable to the decrease in license and permit fees collected in the current year. The decrease is due to the construction of the data center in the prior year. Revenues saw an increase in taxes collected by approximately 1.9 million dollars, due to the increased tax digest in the current year. General Fund expenditures totaled $27,368,568 for the fiscal year ended July 31, 2025, a decrease of 16.3% over last fiscal year, due mostly to the decrease in licenses and permits costs due to the prior year construction of the new Data Center located on the west side of town.

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 Statement of Activities

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

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

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

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

Reporting the City's Most Significant Funds

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

Governmental Funds

Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and basic services it provides. Governmental fund information helps the reader determine whether there are more financial resources that can be spent in the near future to finance governmental services. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements. See Note 1 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, 5) 2023 Special Purpose Local Option Sales Tax ("SPLOST") II, and 6) 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 seven Special Revenue Funds: 1) Confiscated Assets Fund, 2) Hotel/Motel Tax Fund, 3) Vehicle Excise Tax Fund, 4) Cemetery Fund, 5) Veterans Memorial, 6) Downtown Development Authority Fund, and the 7) Main Street Tourism Association Fund.

Proprietary Funds

Proprietary funds are activities that a city operates similar to a business in that it attempts to recover costs through charges to the user. The City's proprietary funds consist of two Enterprise Funds and one Internal Service Fund. 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. The City's only Internal Service Fund is used to account for the City's insurance plan which is self-funded. 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, assets and deferred outflows of resources exceeds liabilities and deferred inflows of resources by $165,298,150, at the close of the most recent fiscal year.

The City's overall net position increased $12,238,151 from the prior fiscal year. Net position for governmental activities increased $9,840,484 from the prior fiscal year. This increase can be attributed to an increase in capital asset investments in the current year. Net position for business-type activities increased $2,397,667 from the prior fiscal year. The reason for this overall change in net position for business-type activities is mainly the result of a rate increase for water, sewer, and stormwater fees.

TABLE 1 – NET POSITION

	Governmental Activities		Business-type Activities		Total Activities	
	2025	2024	**2025**	2024	**2025**	2024
Current and other assets	**$ 66,717,498**	$ 61,275,010	**$ 7,880,280**	$ 5,955,646	**$ 74,597,778**	$ 67,230,656
Capital assets	**113,311,842**	112,135,775	**43,620,575**	42,791,420	**156,932,417**	154,927,195
Total assets	**$ 180,029,340**	$ 173,410,785	**$ 51,500,855**	$ 48,747,066	**$ 231,530,195**	$ 222,157,851
Deferred outflows of resources	**$ 3,696,060**	$ 3,516,363	**$ 1,218,564**	$ 1,216,399	**$ 4,914,624**	$ 4,732,762
Long-term liabilites	**$ 38,704,940**	$ 40,564,038	**$ 25,128,506**	$ 26,516,299	**$ 63,833,446**	$ 67,080,337
Other liabilities	**2,231,413**	5,104,788	**2,798,519**	1,448,916	**5,029,932**	6,553,704
Total liabilities	**$ 40,936,353**	$ 45,668,826	**$ 27,927,025**	$ 27,965,215	**$ 68,863,378**	$ 73,634,041
Deferred inflows of resources	**$ 1,849,465**	$ 159,224	**$ 433,826**	$ 37,349	**$ 2,283,291**	$ 196,573
Net position:						
Net investment in capital assets	**$ 83,412,144**	$ 81,612,926	**$ 20,613,367**	$ 18,430,508	**$ 104,025,511**	$ 100,043,434
Restricted	**31,846,443**	26,805,217	**-**	-	**31,846,443**	26,805,217
Unrestricted	**25,680,995**	22,680,955	**3,745,201**	3,530,393	**29,426,196**	26,211,348
Total net position	**$ 140,939,582**	$ 131,099,098	**$ 24,358,568**	$ 21,960,901	**$ 165,298,150**	$ 153,059,999

TABLE 2 – CHANGE IN NET POSITION

	Governmental Activities		Business-type Activities		Total Activities	
	2025	2024	**2025**	2024	**2025**	2024
Revenues						
Program revenues:						
Charges for services	**$ 7,950,053**	$ 21,915,048	**$ 11,536,567**	$ 10,894,347	**$ 19,486,620**	$ 32,809,395
Operating grants and contributions	**7,673,608**	6,609,084	**-**	-	**7,673,608**	6,609,084
Capital grants and contributions	**1,416,860**	1,769,891	**1,799,751**	1,031,647	**3,216,611**	2,801,538
Total program revenues	**17,040,521**	30,294,023	**13,336,318**	11,925,994	**30,376,839**	42,220,017
General revenues:						
Property taxes	**12,149,335**	10,598,792	**-**	-	**12,149,335**	10,598,792
Other taxes	**13,640,244**	12,550,816	**-**	-	**13,640,244**	12,550,816
Unrestricted investment earnings	**1,320,043**	1,292,559	**104,506**	160,798	**1,424,549**	1,453,357
Gain on sale of capital assets	**11,219**	60,523	**-**	-	**11,219**	60,523
Total general revenues	**27,120,841**	24,502,690	**104,506**	160,798	**27,225,347**	24,663,488
Total revenues	**44,161,362**	54,796,713	**13,440,824**	12,086,792	**57,602,186**	66,883,505
Expenses						
General government	**5,745,383**	4,445,725	**-**	-	**5,745,383**	4,445,725
Judicial	**767,415**	754,796	**-**	-	**767,415**	754,796
Public safety	**14,296,052**	14,723,217	**-**	-	**14,296,052**	14,723,217
Public works	**5,253,970**	3,859,953	**-**	-	**5,253,970**	3,859,953
Culture and recreation	**212,073**	201,739	**-**	-	**212,073**	201,739
Housing and development	**6,953,974**	12,673,130	**-**	-	**6,953,974**	12,673,130
Interest on long-term debt	**1,049,750**	1,039,597	**-**	-	**1,049,750**	1,039,597
Water and sewer	**-**	-	**9,092,149**	8,102,108	**9,092,149**	8,102,108
Stormwater	**-**	-	**648,943**	719,321	**648,943**	719,321
Solid waste	**-**	-	**1,344,326**	1,162,879	**1,344,326**	1,162,879
Total expenses	**34,278,617**	37,698,157	**11,085,418**	9,984,308	**45,364,035**	47,682,465
Increase in net assets before transfers	**9,882,745**	17,098,556	**2,355,406**	2,102,484	**12,238,151**	19,201,040
Transfers	**(42,261)**	(92,260)	**42,261**	92,260	**-**	-
Change in net position	**9,840,484**	17,006,296	**2,397,667**	2,194,744	**12,238,151**	19,201,040
Net position, beginning of year	**131,099,098**	114,092,802	**21,960,901**	19,766,157	**153,059,999**	133,858,959
Net position, end of year	**$ 140,939,582**	$ 131,099,098	**$ 24,358,568**	$ 21,960,901	**$ 165,298,150**	$ 153,059,999

Governmental Activities

Governmental activities total revenues were $44,161,362 at July 31, 2025, a decrease of $10,635,351 over the prior year. The key element of this change from the prior year was the way we calculated the cost of building permits, which was changed by State law, and the General Fund saw a significant reduction in permitting fees.

Governmental activities total expenses were $34,278,617 at July 31, 2025, a decrease of $3,419,540 over the prior year. The key element of change from the prior year was due to State law changes in the determination of permitting fees. The City contracts with a private firm for inspections and permitting, and due to a significant revenue reduction, the fees paid to the private provider have also been reduced significantly.

In addition, the most significant functional expense for governmental activity was public safety, totaling $14,296,052, which represents 41.71% of total governmental expenses. The next most significant program expense is housing and development, totaling $6,953,974, or 16.76% of the total.

Business-type Activities

The City's most significant business-type activity is the Water and Sewer Department. The City's Water and Sewer Department experienced significant increases in revenues and expenses during the current year, driven by increased user fees for products and services, increased customer usage, and capital upgrades to the sewer system. This change occurred in the middle of the previous year, so in 2025, we saw a full 12-month change.

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 16 and 17.

TABLE 3 – Governmental and Business-type Activities

	Total Cost of Services		Net Cost of Services	
	2025	2024	**2025**	2024
General government	**$ 5,745,383**	$ 4,445,725	**$ (767,761)**	$ 15,123,076
Judicial	**767,415**	754,796	**535,874**	447,185
Public safety	**14,296,052**	14,723,217	**(13,603,214)**	(14,330,365)
Public works	**5,253,970**	3,859,953	**3,020,040**	4,091,843
Culture and recreation	**212,073**	201,739	**(212,073)**	(201,739)
Housing and development	**6,953,974**	12,673,130	**(5,161,212)**	(11,494,537)
Interest on long-term debt	**1,049,750**	1,039,597	**(1,049,750)**	(1,039,597)
Total governmental activities	**34,278,617**	37,698,157	**(17,238,096)**	(7,404,134)
Business-type activities	**11,085,418**	9,984,308	**2,250,900**	1,941,686
Total expenses	$ **45,364,035**	$ 47,682,465	$ **(14,987,196)**	$ (5,462,448)

Governmental Fund Balance

At the end of FY 2025, the combined ending fund balances for the City's Governmental Funds were $62,264,093. Of the total fund balance, $61,394,443 is available as working capital for current spending in accordance with the purposes of the specific funds. The remainder of the fund balance, $869,650, is not available for new spending because it is considered non-spendable (prepaid items and inventory).

The General Fund's fund balance for the fiscal year ended 2025 was $30,367,784, which indicates an increase in fund balance over the previous year by $2,702,503. The increase in the General Fund's fund balance is due mainly to operating revenues and expenditures, resulting in a surplus of revenues over expenditures of $3,081,423, and when we add back the total other financing sources of $2,702,503, we get the ending fund balance of $30,367,784. The majority of this increase in the General Fund is the addition of the Data Center located inside the City Limits of Fayetteville, and the collection of more taxes in 2025. The SPLOST 2017 Fund ended with a fund balance of $6,276,989, which is a decrease of $1,636,372. The SPLOST 2017 fund revenue stream ended in June 2023, and the 2023 SPLOST fund started in July 2023. This fund's fund balance will continue to go down until all funds are spent. The 2023 SPLOST Fund increased its fund balance by $4,930,282 due to a full year of collections and only a small amount of expenditures as this program is only in its second year of collections. The Building Fund decreased its fund balance by $778,346. There are only two projects left in this fund; and one is nearing completion which resulted in a fund balance of $1,444,456. Impact Fee fund increased its fund balance by $1,428,424 due to the construction going on throughout the City where those revenues are restricted to certain projects and will be spent during future years.

Information provided in Table 4 is from the *Governmental Funds Balance Sheet* on pages 18 and 19.

TABLE 4 – Governmental Fund Balance

	2025	2024
General Fund	**$ 30,367,784**	$ 27,665,281
SPLOST 2017 Fund	**6,276,989**	7,913,361
SPLOST 2023 Fund	**9,786,613**	4,856,331
Building Fund	**1,444,456**	2,222,802
Impact Fee Fund	**7,731,670**	6,303,246
Other Governmental Funds	**6,656,581**	5,625,480
	$ 62,264,093	$ 54,586,501

Proprietary Net Position

At the end of FY 2025, the combined net position of the City's Enterprise Funds was $24,358,568, which resulted in a change of net position of $2,397,667. The City's only Internal Service Fund had a change in net position of $476,194.

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 $30,449,991 were less than the final budgeted amount of $30,466,670 by $16,681.
- The actual expenditures of $27,368,566 were less than the final budgeted amount of $27,419,930 by $51,364. 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 $3,438,637 due mainly to the collection of more revenues over budgeted projections. Licenses and permits were originally budgeted at $3,548,000, with a final budget of $4,698,550, an increase of $1,150,550. Property taxes were originally budgeted at $8,894,000 with a final budget of $9,569,805, an increase of $675,805. Interest Income was originally budgeted at $600,000 with a final budget of $1,150,000, an increase of $550,000.

Capital Assets and Debt Administration

At the end of FY 2025, the City had $156,932,417 invested in capital assets, which is an increase over FY 2024 of $2,005,222. The main reason for the increase was an increase in new construction in progress across both government funds as well as business-type funds. Table 5 shows fiscal years 2025 and 2024 balances of the *Capital Assets, Net of Accumulated Depreciation* as presented in Note 6.

TABLE 5 – Capital Assets, Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total Activities	
	2025	2024	**2025**	2024	**2025**	2024
Land	**$ 15,864,691**	$ 15,864,691	**$ 1,630,139**	$ 1,630,139	**$ 17,494,830**	$ 17,494,830
Historical treasures	**-**	-	**-**	-	**-**	-
Construction in progress	**5,862,005**	8,995,292	**2,457,577**	5,445,177	**8,319,582**	14,440,469
Buildings	**14,806,783**	15,352,576	**-**	-	**14,806,783**	15,352,576
Land improvements	**12,495,344**	12,864,126	**-**	-	**12,495,344**	12,864,126
Equipment	**4,641,034**	3,446,324	**200,851**	268,538	**4,841,885**	3,714,862
Infrastructure	**59,641,985**	55,612,766	**39,332,008**	35,447,566	**98,973,993**	91,060,332
Total	**$ 113,311,842**	$ 112,135,775	**$ 43,620,575**	$ 42,791,420	**$ 156,932,417**	$ 154,927,195

Debt

The City reported outstanding debt of $25,072,534 as of July 31, 2025, for the business-type activities. 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") notes 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 revenue bonds, compensated absences, financed purchases, and net pension liability totaling $38,435,929. This amount decreased due to principal payments on debt and actuarial assumptions changing for the City's pension plan. Table 6 – *Outstanding Long-Term Liabilities* reflects information provided in Note 7.

TABLE 6 – Outstanding Long-Term Liabilities

	Governmental Activities		Business-type Activities	
	2025	2024	**2025**	2024
Notes payable	**$ -**	$ -	**$ 13,081,959**	$ 13,439,554
Compensated absences	**886,018**	834,357	**-**	-
Net pension liability	**7,707,197**	9,015,519	**1,807,861**	2,114,751
Financed purchases	**1,024,016**	1,122,955	**-**	-
Bonds payable:				
Revenue bonds	**27,195,000**	27,670,000	**9,910,000**	10,650,000
Deferred amounts:				
Premium	**1,623,698**	1,744,313	**272,714**	311,994
Total bonds payable	**28,818,698**	29,414,313	**10,182,714**	10,961,994
Total long-term liabilities	**$ 38,435,929**	$ 40,387,144	**$ 25,072,534**	$ 26,516,299

Current Issues

Economic Factors and Next Years Budget and Rates

The City revenues continued to be steady in most areas. The City's Digest has increased by $182,310,373 in the last year, which has led to an increase in taxes of $1,029,324. The City is concerned that some of this increase may be due to inflation and could result in a negative digest, potentially leading to a reduction in tax collections. If the economy slows and people stop spending money at the same rate, we could see a reduction in sales tax revenues, as well as hotel/motel and excise fees. With our operating expenses in salaries, contract services, general supplies, and capital outlay continuing to increase, it would create a negative situation if our revenues declined, which is cause for concern.

The City conducted a Pay and Class Study to make sure we are providing adequate pay and benefits to all employees during FY 2022. Since that time, each year the City has reached out to other local governments to make sure we don't need to adjust the rates to stay competitive. The City has continued to provide a cost-of-living adjustment ("COLA") of 12% for FY 2023, a 5% for FY 2024, and a 3% for FY 2025 to all City employees. The City will continue to see our debt service expenses increase over the coming years due to the construction of a permanent Fire Station 93, an addition to the police department, and an expansion of the City Court facility. Additional costs will be spent improving the road network in and around the City. As the City grows and our workforce continues to get bigger, we will see additional requirements placed on our pension plan as the pension liabilities grow larger.

Staff developed a ten-year plan in Fiscal Year 2018 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 2026 are as follows:

- Reductions of assessed values in the digest.
- Inflation concerns where people spend less, reducing the sales tax revenue.
- Possible slowdown in the economy, where other revenues could see a decline.
- Inflation, where the City will have to pay more money for goods needed to operate.
- Changes in State Law that change how we calculate revenues for various categories, like building permits and the collection of property taxes.

The above concerns 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, Council, and staff will need to continue to closely evaluate service and staffing levels on an ongoing basis to ensure adequate personnel and financial resources are available to achieve the desired service levels. We continue to drop a year off annually and add the next year to continue the current process.

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:

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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, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 40,117,868	$ 5,956,085	$ 46,073,953
Investments	22,621,578	-	22,621,578
Taxes receivable	1,303,345	-	1,303,345
Accounts receivable, net of allowances	431,236	1,978,202	2,409,438
Due from other governments	1,189,457	-	1,189,457
Internal balances	184,364	(184,364)	-
Inventories	23,827	130,357	154,184
Prepaid expenses	845,823	-	845,823
Capital assets, nondepreciable	21,726,696	4,087,716	25,814,412
Capital assets, depreciable, net of accumulated depreciation	91,585,146	39,532,859	131,118,005
Total assets	180,029,340	51,500,855	231,530,195
DEFERRED OUTFLOWS OF RESOURCES			
Pension	3,696,060	866,977	4,563,037
Deferred charge on refunding	-	351,587	351,587
Total deferred outflows of resources	3,696,060	1,218,564	4,914,624
LIABILITIES			
Accounts payable	969,029	2,628,907	3,597,936
Retainage payable	56,984	94,122	151,106
Accrued liabilities	543,146	75,490	618,636
Unearned revenues	662,254	-	662,254
Non-current liabilites:			
Due within one year:			
Financed purchases	573,992	-	573,992
Notes payable	-	366,822	366,822
Compensated absences	444,008	26,993	471,001
Bonds payable	977,000	1,010,000	1,987,000
Claims payable	269,011	-	269,011
Due in more than one year:			
Financed purchases	450,024	-	450,024
Notes payable	-	12,715,137	12,715,137
Compensated absences	442,010	28,979	470,989
Bonds payable	27,841,698	9,172,714	37,014,412
Net pension liability	7,707,197	1,807,861	9,515,058
Total liabilities	40,936,353	27,927,025	68,863,378
DEFERRED INFLOWS OF RESOURCES			
Pension	1,849,465	433,826	2,283,291
Total deferred inflows of resources	1,849,465	433,826	2,283,291
NET POSITION			
Net investment in capital assets	83,412,144	20,613,367	104,025,511
Restricted for:			
Law enforcement	215,992	-	215,992
Cemetery improvements	26,758	-	26,758
Veterans memorial	2,586	-	2,586
Downtown development	782,365	-	782,365
Tourism	1,800,092	-	1,800,092
Other capital projects	29,018,650	-	29,018,650
Unrestricted	25,680,995	3,745,201	29,426,196
Total net position	$ 140,939,582	$ 24,358,568	$ 165,298,150

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, 2025

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	$ 5,745,383	$ 4,977,622	$ -	$ -
Judicial	767,415	1,303,289	-	-
Public safety	14,296,052	88,588	604,250	-
Public works	5,253,970	-	6,857,150	1,416,860
Culture and recreation	212,073	-	-	-
Housing and development	6,953,974	1,580,554	212,208	-
Interest on long-term debt	1,049,750	-	-	-
Total governmental activities	34,278,617	7,950,053	7,673,608	1,416,860
Business-type activities:				
Water and sewer	9,092,149	8,690,124	-	1,799,751
Stormwater	648,943	1,471,668	-	-
Solid waste	1,344,326	1,374,775	-	-
Total business-type activities	11,085,418	11,536,567	-	1,799,751
Total primary government	$ 45,364,035	$ 19,486,620	$ 7,673,608	$ 3,216,611
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 and transfers				
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
$ (767,761)	$ -	$ (767,761)
535,874	-	535,874
(13,603,214)	-	(13,603,214)
3,020,040	-	3,020,040
(212,073)	-	(212,073)
(5,161,212)	-	(5,161,212)
(1,049,750)	-	(1,049,750)
(17,238,096)	-	(17,238,096)
-	1,397,726	1,397,726
-	822,725	822,725
-	30,449	30,449
-	2,250,900	2,250,900
(17,238,096)	2,250,900	(14,987,196)
12,149,335	-	12,149,335
6,955,786	-	6,955,786
1,907,339	-	1,907,339
456,257	-	456,257
1,942,419	-	1,942,419
1,807,406	-	1,807,406
571,037	-	571,037
1,320,043	104,506	1,424,549
11,219	-	11,219
(42,261)	42,261	-
27,078,580	146,767	27,225,347
9,840,484	2,397,667	12,238,151
131,099,098	21,960,901	153,059,999
$ 140,939,582	$ 24,358,568	$ 165,298,150

CITY OF FAYETTEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2025

	General Fund	SPLOST 2017 Fund	SPLOST 2023 Fund	Building Fund
ASSETS				
Cash and cash equivalents	$ 7,005,250	$ 6,289,610	$ 8,732,240	$ 1,404,023
Investments	22,621,564	-	-	-
Taxes receivable	1,011,231	-	-	-
Accounts receivable, net	336,051	-	-	-
Due from other governments	90,523	-	1,098,934	-
Due from other funds	219,595	-	-	126,012
Inventories	4,233	-	-	-
Prepaid expenditures	815,551	-	-	-
Total assets	$ 32,103,998	$ 6,289,610	$ 9,831,174	$ 1,530,035
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 519,537	$ 12,621	$ 44,561	$ 28,595
Retainage payable	-	-	-	56,984
Accrued liabilities	262,921	-	-	-
Due to other funds	183,773	-	-	-
Unearned revenue	616,624	-	-	-
Total liabilities	1,582,855	12,621	44,561	85,579
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	153,359	-	-	-
Total deferred inflows of resources	153,359	-	-	-
FUND BALANCES				
Nonspendable	$ 819,784	$ -	$ -	$ -
Restricted	-	6,276,989	9,786,613	1,444,456
Assigned	7,000,000	-	-	-
Unassigned	22,548,000	-	-	-
Total fund balances	30,367,784	6,276,989	9,786,613	1,444,456
Total liabilities, deferred inflows of resources and fund balances	$ 32,103,998	$ 6,289,610	$ 9,831,174	$ 1,530,035

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.

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

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.

Internal Service Funds are used by management to charge the costs of various benefits and services to individual funds, and th assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

- Accrued interest payable
- Compensated absences payable
- Financed purchases
- Revenue bonds
- Premium on revenue bonds

Net position of governmental activities

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

Impact Fee Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 7,623,573	$ 6,708,213	$ 37,762,909
-	14	22,621,578
-	292,114	1,303,345
90,123	5,062	431,236
-	-	1,189,457
17,974	325,345	688,926
-	19,594	23,827
-	30,272	845,823
$ 7,731,670	$ 7,380,614	$ 64,867,101
$ -	$ 351,776	$ 957,090
-	-	56,984
-	593	263,514
-	326,034	509,807
-	45,630	662,254
-	724,033	2,449,649
-	-	153,359
-	-	153,359
$ -	$ 49,866	$ 869,650
7,731,670	6,606,715	31,846,443
-	-	7,000,000
-	-	22,548,000
7,731,670	6,656,581	62,264,093
$ 7,731,670	$ 7,380,614	
		$ 113,311,842
		153,359
		(5,860,602)
		2,079,254
	$ (279,632)	
	(886,018)	
	(1,024,016)	
	(27,195,000)	
	(1,623,698)	(31,008,364)
		$ 140,939,582

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2025

	General Fund	SPLOST 2017 Fund	SPLOST 2023 Fund	Building Fund
Revenues				
Taxes	$ 22,415,626	$ -	$ -	$ 793,423
Licenses and permits	4,696,186	-	-	-
Intergovernmental	576,200	-	6,844,148	687,221
Fines and forfeitures	1,276,112	-	-	-
Charges for services	145,797	-	-	-
Impact fees	-	-	-	-
Contributions	28,050	-	-	-
Interest income	1,149,204	215,983	181,574	49,979
Rental income	-	-	-	-
Other revenues	162,816	-	-	-
Total revenues	30,449,991	215,983	7,025,722	1,530,623
Expenditures				
Current:				
General government	4,401,778	-	-	-
Judicial	758,756	-	-	-
Public safety	14,385,144	-	-	-
Public works	1,537,169	-	-	-
Culture and recreation	203,573	-	-	-
Housing and development	4,505,572	-	-	-
Capital outlay:				
General government	-	-	-	1,413,468
Public safety	-	-	-	575,873
Public works	-	1,202,011	2,095,440	709,924
Culture and recreation	-	-	-	8,500
Debt service:				
Principal	475,000	-	-	848,939
Interest	1,101,576	-	-	66,926
Total expenditures	27,368,568	1,202,011	2,095,440	3,623,630
Excess (deficiency) of revenues over expenditures	3,081,423	(986,028)	4,930,282	(2,093,007)
Other financing sources (uses)				
Issuance of financed purchases	-	-	-	750,000
Sale of general capital assets	43,472	-	-	-
Transfers in	665,000	-	-	564,661
Transfers out	(1,087,392)	(650,344)	-	-
Total other financiing sources (uses)	(378,920)	(650,344)	-	1,314,661
Net change in fund balances	2,702,503	(1,636,372)	4,930,282	(778,346)
Fund balances, beginning of year	27,665,281	7,913,361	4,856,331	2,222,802
Fund balances, end of year	$ 30,367,784	$ 6,276,989	$ 9,786,613	$ 1,444,456

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

Impact Fee Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 2,508,707	$ 25,717,756
-	-	4,696,186
-	64,878	8,172,447
-	88,588	1,364,700
-	327,598	473,395
1,252,956	-	1,252,956
-	161,955	190,005
215,468	172,596	1,984,804
-	42,600	42,600
-	20,655	183,471
1,468,424	3,387,577	44,078,320
-	-	4,401,778
-	-	758,756
-	19,195	14,404,339
-	-	1,537,169
-	-	203,573
-	2,275,106	6,780,678
-	558,297	1,971,765
-	-	575,873
-	9,692	4,017,067
-	-	8,500
-	-	1,323,939
-	-	1,168,502
-	2,862,290	37,151,939
1,468,424	525,287	6,926,381
-	-	750,000
-	-	43,472
-	2,425,778	3,655,439
(40,000)	(1,919,964)	(3,697,700)
(40,000)	505,814	751,211
1,428,424	1,031,101	7,677,592
6,303,246	5,625,480	54,586,501
$ 7,731,670	$ 6,656,581	$ 62,264,093

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, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:			
Net change in fund balances - total governmental funds			$ 7,677,592
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.			
Capital outlay	$	4,398,958	
Depreciation expense		(3,190,638)	1,208,320
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net position.			(32,253)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.			71,823
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.			
Debt issued:			
Financed purchases	$	(750,000)	
Principal repayments:			
Revenue bonds		475,000	
Amortization of premium on revenue bond		120,615	
Financed purchases		848,939	694,554
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.			
Compensated absences	$	(51,661)	
Accrued interest		(1,863)	
Net pension liability and related deferred outflows and inflows of resources		(202,222)	(255,746)
Internal Service Funds are used by management to charge costs of various services and benefits to individual funds. The net revenue (expense) of certain activities of Internal Service Funds is reported with governmental activities.			476,194
Change in net position - governmental activities			$ 9,840,484

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 8,894,000	$ 9,569,316	$ 9,568,805	$ (511)
Sales taxes	5,600,000	6,162,400	6,162,363	(37)
Other taxes	6,089,441	6,686,225	6,684,458	(1,767)
Licenses and permits	3,548,000	4,698,550	4,696,186	(2,364)
Intergovernmental	775,000	582,679	576,200	(6,479)
Fines and forfeitures	1,210,000	1,277,000	1,276,112	(888)
Charges for services	165,600	148,100	145,797	(2,303)
Contributions	45,000	29,500	28,050	(1,450)
Interest income	600,000	1,150,000	1,149,204	(796)
Other revenues	101,000	162,900	162,816	(84)
Total revenues	27,028,041	30,466,670	30,449,991	(16,679)
Expenditures				
Current				
General government:				
Mayor and council	151,729	133,729	125,343	8,386
Clerk of council	116,929	127,372	126,481	891
City manager	426,321	470,145	469,367	778
Elections	30,000	-	-	-
Financial administration	798,016	867,845	866,128	1,717
Public information	133,820	158,930	158,848	82
Law	200,000	219,000	218,689	311
Data processing	423,303	418,942	417,746	1,196
Human resources	435,218	445,970	443,062	2,908
Building and plant	1,471,328	1,577,057	1,576,114	943
Total general government	4,186,664	4,418,990	4,401,778	17,212
Judicial:				
Municipal court	732,651	759,132	758,756	376
Public safety:				
Police administration	986,075	1,016,710	1,015,638	1,072
Investigations	2,232,912	1,338,716	1,333,622	5,094
Patrol	3,439,231	3,232,160	3,223,269	8,891
Police stations and buildings	100,723	177,688	176,896	792
Support services	910,380	1,693,173	1,691,291	1,882
Fire administration	460,452	482,246	480,799	1,447
Fire fighting	5,341,519	5,634,109	5,633,191	918
Fire prevention	718,273	741,920	741,314	606
Fire station 91 and headquarters	45,992	49,992	48,217	1,775
Fire station 92	22,253	21,253	18,935	2,318
Fire station 93	31,490	22,390	21,972	418
Total public safety	14,289,300	14,410,357	14,385,144	25,213

(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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued)				
Current (Continued)				
Public works:				
Public works administration	$ 260,246	$ 261,974	$ 261,748	$ 226
Highways and streets	1,353,795	1,277,371	1,275,421	1,950
Total public works	1,614,041	1,539,345	1,537,169	2,176
Culture and recreation:				
Recreation	296,770	204,025	203,573	452
Total culture and recreation	296,770	204,025	203,573	452
Housing and development:				
Inspection	1,740,000	2,436,000	2,435,221	779
Planning and zoning	1,126,199	1,176,891	1,173,220	3,671
Facilities Management	204,319	22,273	22,199	74
Economic development	695,762	876,341	874,932	1,409
Total housing and development	3,766,280	4,511,505	4,505,572	5,933
Debt service:				
Principal	-	475,000	475,000	-
Interest	1,556,576	1,101,576	1,101,576	-
Total debt service	1,556,576	1,576,576	1,576,576	-
Total expenditures	26,442,282	27,419,930	27,368,568	51,362
Excess of revenues over expenditures	585,759	3,046,740	3,081,423	34,683
Other financing sources (uses)				
Sale of general capital assets	50,000	43,500	43,472	(28)
Transfers in	665,000	665,000	665,000	-
Transfers out	(1,300,759)	(3,755,240)	(1,087,392)	2,667,848
Total other financing uses, net	(585,759)	(3,046,740)	(378,920)	2,667,820
Net change in fund balances	-	-	2,702,503	2,702,503
Fund balances, beginning of year	27,665,281	27,665,281	27,665,281	-
Fund balances, end of year	$ 27,665,281	$ 27,665,281	$ 30,367,784	$ 2,702,503

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

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JULY 31, 2025

ASSETS	Major Enterprise Fund Water and Sewer Fund	Nonmajor Enterprise Fund Solid Waste Fund	Total Enterprise Funds	Governmental Activity Self-Funded Insurance Fund
CURRENT ASSETS				
Cash and cash equivalents	$ 5,531,832	$ 424,253	$ 5,956,085	$ 2,354,959
Accounts receivable, net of allowances	1,978,202	-	1,978,202	-
Due from other funds	417	894	1,311	5,245
Inventories	130,357	-	130,357	-
Total current assets	7,640,808	425,147	8,065,955	2,360,204
NON-CURRENT ASSETS				
Capital assets:				
Capital assets, non-depreciable	4,087,716	-	4,087,716	-
Capital assets, depreciable, net of accumulated depreciation	39,532,859	-	39,532,859	-
Total capital assets	43,620,575	-	43,620,575	-
Total non-current assets	43,620,575	-	43,620,575	-
Total assets	51,261,383	425,147	51,686,530	2,360,204
DEFERRED OUTFLOWS OF RESOURCES				
Pension	866,977	-	866,977	-
Deferred charge on refunding	351,587	-	351,587	-
Total deferred outflows of resources	1,218,564	-	1,218,564	-
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	2,516,125	112,782	2,628,907	11,939
Claims payable	-	-	-	269,011
Retainage payable	94,122	-	94,122	-
Accrued liabilities	2,919	-	2,919	-
Current portion of compensated absences	26,993	-	26,993	-
Due to other funds	185,675	-	185,675	-
Current portion of revenue bonds payable	1,010,000	-	1,010,000	-
Current portion of notes payable	366,822	-	366,822	-
Accrued interest	72,571	-	72,571	-
Total current liabilities	4,275,227	112,782	4,388,009	280,950
NON-CURRENT LIABILITIES				
Net pension liability due in more than one year	1,807,861	-	1,807,861	-
Revenue bonds payable, net of current portion	9,172,714	-	9,172,714	-
Compensated absences, net of current portion	28,979	-	28,979	-
Notes payable, net of current portion	12,715,137	-	12,715,137	-
Total non-current liabilities	23,724,691	-	23,724,691	-
Total liabilities	27,999,918	112,782	28,112,700	280,950

(Continued)

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JULY 31, 2025

	Major Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activity
	Water and Sewer Fund	Solid Waste Fund		Self-Funded Insurance Fund
DEFERRED INFLOWS OF RESOURCES				
Pension	$ 433,826	$ -	$ 433,826	$ -
Total deferred inflows of resources	433,826	-	433,826	-
NET POSITION				
Net investment in capital assets	20,613,367	-	20,613,367	-
Unrestricted	3,432,836	312,365	3,745,201	2,079,254
Total net position	$ 24,046,203	$ 312,365	$ 24,358,568	$ 2,079,254

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, 2025

	Major Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activity
	Water and Sewer Fund	Solid Waste Fund		Self-Funded Insurance Fund
OPERATING REVENUES				
Charges for services:				
Water sales pledged as security for revenue bonds	$ 3,998,373	$ -	$ 3,998,373	$ -
Sewer sales pledged as security for revenue bonds	4,691,388	-	4,691,388	-
Stormwater sales pledged as security for revenue bonds	1,471,668	-	1,471,668	-
Sanitation charges	-	1,374,775	1,374,775	-
Other revenue	363	-	363	-
Risk management	-	-	-	3,367,457
Total operating revenues	10,161,792	1,374,775	11,536,567	3,367,457
OPERATING EXPENSES				
Personnel services and employee benefits	1,722,495	-	1,722,495	915,465
Contracted services	4,191,409	1,344,326	5,535,735	-
Supplies	1,423,878	-	1,423,878	5,698
Claims	-	-	-	2,031,190
Depreciation	1,760,234	-	1,760,234	-
Total operating expenses	9,098,016	1,344,326	10,442,342	2,952,353
Operating income	1,063,776	30,449	1,094,225	415,104
NON-OPERATING INCOME (EXPENSES)				
Intergovernmental revenue	1,370,979	-	1,370,979	-
Interest income	93,725	10,781	104,506	61,090
Interest expense	(643,076)	-	(643,076)	-
Total non-operating income (expenses)	821,628	10,781	832,409	61,090
Income before transfers and capital contributions	1,885,404	41,230	1,926,634	476,194
TRANSFERS				
Transfers out	(600,000)	-	(600,000)	-
Transfers in	642,261	-	642,261	-
Total transfers	42,261	-	42,261	-
CAPITAL CONTRIBUTIONS	428,772	-	428,772	-
Change in net position	2,356,437	41,230	2,397,667	476,194
NET POSITION, beginning of year	21,689,766	271,135	21,960,901	1,603,060
NET POSITION, end of year	$ 24,046,203	$ 312,365	$ 24,358,568	$ 2,079,254

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, 2025

	Major Enterprise Fund	Nonmajor Enterprise Fund		Governmental Activity
	Water and Sewer Fund	Solid Waste Fund	Total Enterprise Funds	Self-Funded Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 9,432,387	$ 1,374,797	$ 10,807,184	$ 3,367,457
Payments to suppliers and service providers	(4,422,094)	(1,231,544)	(5,653,638)	(1,818,529)
Payments to employees	(1,486,474)	-	(1,486,474)	(921,108)
Net cash provided by operating activities	3,523,819	143,253	3,667,072	627,820
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	642,261	-	642,261	-
Transfers out	(600,000)	-	(600,000)	-
Net cash provided by noncapital financing activities	42,261	-	42,261	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of property and equipment	(2,495,267)	-	(2,495,267)	-
Principal paid on bonds	(740,000)	-	(740,000)	-
Principal paid on notes payable	(357,595)	-	(357,595)	-
Interest paid	(649,477)	-	(649,477)	-
Capital grants	1,370,979	-	1,370,979	-
Capital contributions	428,772	-	428,772	-
Net cash used in capital and related financing activities	(2,442,588)	-	(2,442,588)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	93,725	10,781	104,506	61,090
Net cash provided by investing activities	93,725	10,781	104,506	61,090
Change in cash and cash equivalents	1,217,217	154,034	1,371,251	688,910
Cash and cash equivalents:				
Beginning of year	4,314,615	270,219	4,584,834	1,666,049
End of year	$ 5,531,832	$ 424,253	$ 5,956,085	$ 2,354,959
Classified as:				
Cash and cash equivalents	$ 5,531,832	$ 424,253	$ 5,956,085	$ 2,354,959
	$ 5,531,832	$ 424,253	$ 5,956,085	$ 2,354,959

(Continued)

CITY OF FAYETTEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JULY 31, 2025

	Major Enterprise Fund	Nonmajor Enterprise Fund		Governmental Activity
	Water and Sewer Fund	Solid Waste Fund	Total Enterprise Funds	Self-Funded Insurance Fund
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 1,063,776	$ 30,449	$ 1,094,225	$ 415,104
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,760,234	-	1,760,234	-
(Increase) decrease in assets and deferred outflows of resources:				
Accounts receivable	(729,405)	-	(729,405)	115,412
Inventories	(11,185)	-	(11,185)	-
Due from other funds	1,510	22	1,532	-
Deferred outflows of resources - pension	(42,151)	-	(42,151)	-
Increase (decrease) in liabilities and deferred inflows of resources:				
Accrued liabilities	(53,062)	-	(53,062)	-
Compensated absences	55,972	-	55,972	-
Accounts payable	1,202,868	112,782	1,315,650	102,947
Deferred inflows of resources - pension	396,477	-	396,477	-
Net pension liability due in more than one year	(306,890)	-	(306,890)	-
Due to other funds	185,675	-	185,675	(5,643)
Net cash provided by operating activities	$ 3,523,819	$ 143,253	$ 3,667,072	$ 627,820
Noncash investing, capital, and financing activities:				
Change in retainage payable	$ (94,122)	$ -	$ (94,122)	$ -

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Fayetteville, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") 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, 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 ***Special Purpose Local Option Sales Tax ("SPLOST") 2023 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 2023 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 ***Impact Fee Fund*** is used to account for capital projects activity funded by development impact fees.

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.

The City also reports the following fund types:

The ***Internal Service Fund*** accounts for the City's self-insurance program.

The ***Special Revenue Funds*** account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***Capital Project Funds*** account for resources provided for acquisition, construction, or renovation of major capital facilities.

The ***Enterprise Fund*** accounts for the provision of solid waste services to the residents of the City.

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

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. 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. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary 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. For sick leave, under the provisions of GASB Statement No. 101, a liability for compensated absences is recognized only when it is probable that the leave will be used for time off or otherwise settled. The City has determined that the amount of sick leave expected to be paid out upon termination or used in a manner that requires settlement is immaterial to the financial statements. Consequently, no liability for sick leave has been recognized as of July 31, 2025.

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City had three 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 two items relate to the City's defined benefit pension plan. The pension experience differences, 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 reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets 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 two 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 item relates to the City's defined pension plan.

The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. These differences between projected investment returns 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 Balance/Net Position

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

Fund balances are classified as follows:

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

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

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City Manager or the City's Finance Director to assign fund balances.

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

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

- Committed
- Assigned
- Unassigned

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Balance/Net Position (Continued)

Net Position – Net position represents the difference between assets, deferred outflows, deferred inflows, 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 GAAP 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. 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, 2025, there were no outstanding encumbrances.

NOTE 3. 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, 2025, the City's investment in Georgia Fund 1 was rated AAAf by Standard & Poor's and is valued at fair value.

At July 31, 2025, the City had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	59-day weighted average	$ 22,621,578
		$ 22,621,578

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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 GAAP. 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, 2025, all of the deposits for the City were fully collateralized in accordance with the state statutes.

NOTE 4. RECEIVABLES

Receivables at July 31, 2025 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	SPLOST 2023	Nonmajor Governmental Funds
Receivables:			
Taxes	$ 1,011,231	$ -	$ 292,114
Accounts	366,815	-	5,062
Due from other governments	90,523	1,098,934	-
Gross receivables	1,468,569	1,098,934	297,176
Less allowance for uncollectibles	30,764	-	-
Net total receivables	$ 1,437,805	$ 1,098,934	$ 297,176

	Water and Sewer	Total
Receivables:		
Taxes	$ -	$ 1,303,345
Accounts	2,142,671	2,514,548
Due from other governments	-	1,189,457
Gross receivables	2,142,671	5,007,350
Less allowance for uncollectibles	164,469	195,233
Net total receivables	$ 1,978,202	$ 4,812,117

NOTE 5. 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, 2024, and were due and payable on November 15, 2024. All unpaid taxes became delinquent as of November 16, 2024. Property taxes attached as an enforceable lien on property as of November 15, 2025. Receivables are recorded when taxes are levied.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended July 31, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 15,864,691	$ -	$ -	$ -	$ 15,864,691
Construction in progress	8,995,292	3,088,030	-	(6,221,317)	5,862,005
Total	24,859,983	3,088,030	-	(6,221,317)	21,726,696
Capital assets, being depreciated:					
Buildings	21,790,786	-	-	-	21,790,786
Land improvements	14,459,854	-	-	-	14,459,854
Infrastructure	75,047,321	-	-	4,996,972	80,044,293
Equipment	12,072,587	1,310,928	(689,843)	1,224,345	13,918,017
Total	123,370,548	1,310,928	(689,843)	6,221,317	130,212,950
Less accumulated depreciation for:					
Buildings	6,438,210	545,793	-	-	6,984,003
Land improvements	1,595,728	368,782	-	-	1,964,510
Infrastructure	19,434,555	967,753	-	-	20,402,308
Equipment	8,626,263	1,308,310	(657,590)	-	9,276,983
Total	36,094,756	3,190,638	(657,590)	-	38,627,804
Total assets, being depreciated, net	87,275,792	(1,879,710)	(32,253)	6,221,317	91,585,146
Governmental activities capital assets, net	$ 112,135,775	$ 1,208,320	$ (32,253)	$ -	$ 113,311,842

NOTE 6. CAPITAL ASSETS (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	5,445,177	2,588,098	-	(5,575,698)	2,457,577
Total	7,075,316	2,588,098	-	(5,575,698)	4,087,716
Capital assets, being depreciated:					
Water and plant distribution system	12,664,101	-	-	-	12,664,101
Sewer plant and extensions	35,507,407	1,291	-	5,575,698	41,084,396
Stormwater system	24,163,986	-	-	-	24,163,986
Equipment	1,487,603	-	(64,426)	-	1,423,177
Total	73,823,097	1,291	(64,426)	5,575,698	79,335,660
Less accumulated depreciation for:					
Water and plant distribution system	11,507,748	102,930	-	-	11,610,678
Sewer plant and extensions	23,691,751	1,404,886	-	-	25,096,637
Stormwater system	1,688,429	184,731	-	-	1,873,160
Equipment	1,219,065	67,687	(64,426)	-	1,222,326
Total	38,106,993	1,760,234	(64,426)	-	39,802,801
Total assets, being depreciated, net	35,716,104	(1,758,943)	-	5,575,698	39,532,859
Business-type activities capital assets, net	$ 42,791,420	$ 829,155	$ -	$ -	$ 43,620,575

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

Governmental activities:	
General government	$ 693,716
Public safety	1,218,331
Public works	1,121,281
Total depreciation expense - governmental activities	$ 3,190,638
Business-type activities:	
Water and sewer	$ 1,760,234
Total depreciation expense - business-type activities	$ 1,760,234

NOTE 7. LONG-TERM DEBT

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable:					
Revenue bonds	$ 27,670,000	$ -	$ (475,000)	$ 27,195,000	$ 977,000
Deferred amount:					
Premium	1,744,313	-	(120,615)	1,623,698	-
Total bonds payable	29,414,313	-	(595,615)	28,818,698	977,000
Financed purchases	1,122,955	750,000	(848,939)	1,024,016	573,992
Net pension liability	9,015,519	4,892,060	(6,200,382)	7,707,197	-
Compensated absences	834,357	51,661	-	886,018	444,008
Governmental activities long-term liabilities	$ 40,387,144	$ 5,693,721	$ (7,644,936)	$ 38,435,929	$ 1,995,000
Business-type activities					
Bonds payable:					
Revenue bonds	$ 10,650,000	$ -	$ (740,000)	$ 9,910,000	$ 1,010,000
Deferred amount:					
Premium	311,994	-	(39,280)	272,714	-
Total bonds payable	10,961,994	-	(779,280)	10,182,714	1,010,000
Notes payable	13,439,554	-	(357,595)	13,081,959	366,822
Net pension liability	2,114,751	1,147,520	(1,454,410)	1,807,861	-
Compensated absences	-	55,972	-	55,972	26,993
Business-type activities long-term liabilities	$ 26,516,299	$ 1,147,520	$ (2,591,285)	$ 25,072,534	$ 1,376,822

For governmental activities, pension liabilities are liquidated by the General Fund. For business-type activities, 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”).

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

NOTE 7. LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Revenue Bonds (Continued). During the year ended July 31, 2024, the City of Fayetteville Public Facilities Authority issued the following Series 2023 Bonds: (i) $1,545,000 City of Fayetteville Public Facilities Authority Revenue Bonds (City of Fayetteville Projects), Series 2023A Revenue Bonds, (the "Series 2023A Bond"), and (ii) $4,430,000 City of Fayetteville Public Facilities Authority Taxable Revenue Bonds (City of Fayetteville Project) (the "Series 2023B Bond").

The Series 2023A and B bonds in the amount of $5,975,000 were used to finance the costs of the acquisition, construction, renovation, improvement, extension, addition, or equipping of utility systems and improvements, emergency facilities and equipment, recreational facilities and equipment, public safety facilities, educational, cultural, or historical facilities or equipment, administrative facilities and equipment, courthouses, public libraries, jails, facilities relating to aviation, and other facilities in the City that may be leased to, subleased to, operated, or otherwise used by the Public Facilities Authority.

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Series 2019	3.00 - 5.00%	30 years	2050	$ 21,695,000	$ 21,220,000
Series 2023A	3.53%	10 years	2035	1,545,000	1,545,000
Series 2023B	5.09%	10 years	2035	4,430,000	4,430,000
Public Facility Authority Bonds	Plus unamortized premium			-	1,623,698
	Total Revenue Bonds			$ 27,670,000	$ 28,818,698

Year Ending July 31,	Principal	Interest
2026	$ 977,000	$ 1,070,930
2027	1,020,000	1,027,694
2028	1,063,000	979,890
2029	1,118,000	927,117
2030	1,169,000	871,749
2031 – 2035	6,713,000	3,486,117
2036 – 2040	4,125,000	2,328,050
2041 – 2045	5,025,000	1,416,250
2046 – 2050	5,985,000	459,375
Total	$ 27,195,000	$ 12,567,172

NOTE 7. LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Financed Purchases. During the year ended July 31, 2019, the City entered into one purchase agreement with a financial institution for the purchase of vehicles and equipment in the amount of $500,000. The agreement qualifies as a financed purchase agreement for accounting purposes (title transfers at the end of the agreement term) and has been recorded at the present value of the future minimum payments as of the date of inception. This purchase agreement is being serviced by the SPLOST 2017 Fund payments with an annual interest rate of 3.10%.

During the year ended July 31, 2021, the City entered into a purchase agreement with a financial institution for the purchase of equipment in the amount of $500,000. The agreement qualifies as a financed purchase agreement for accounting purposes (title transfers at the end of the agreement term) and has been recorded at the present value of the future minimum payments as of the date of their inception. The agreement is being serviced by the Building Fund payments with an annual interest rate of 1.45%.

During the year ended July 31, 2022, the City entered into a purchase agreement with a financial institution for the purchase of equipment in the amount of $400,000. The agreement qualifies as financed purchases for accounting purposes (title transfers at the end of the agreement term) and has been recorded at the present value of the future minimum payments as of the date of their inception. The agreement is being serviced by the Building Fund payments with an annual interest rate of 1.46%.

During the year ended July 31, 2023, the City entered into a purchase agreement with a financial institution for the purchase of equipment in the amount of $1,000,000. The agreement qualifies as financed purchases for accounting purposes (title transfers at the end of the agreement term) and has been recorded at the present value of the future minimum payments as of the date of their inception. The agreement is being serviced by the Building Fund payments with an annual interest rate of 4.05%.

During the year ended July 31, 2024, the City entered into a purchase agreement with a financial institution for the purchase of various vehicles and equipment in the amount of $700,000. The agreement qualifies as financed purchases for accounting purposes (title transfers at the end of the agreement term) and has been recorded at the present value of the future minimum payments as of the date of their inception. The agreement is being serviced by the Building Fund payments with an annual interest rate of 5.45%.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Financed Purchases (Continued). During the year ended July 31, 2025, the City entered into a purchase agreement with a financial institution for the purchase of various vehicles and equipment in the amount of $750,000. The agreement qualifies as financed purchases for accounting purposes (title transfers at the end of the agreement term) and has been recorded at the present value of the future minimum payments as of the date of their inception. The agreement is being serviced by the Building Fund payments with an annual interest rate of 5.45%.

The following is a schedule of future principal and interest financed purchase payments as of July 31, 2025:

Year Ending July 31,	Principal	Interest
2026	$ 573,992	$ 40,697
2027	383,855	14,411
2028	66,169	863
	$ 1,024,016	$ 55,971

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.

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.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Business-type Activities (Continued)

Revenue Bonds (Continued).

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
PFA Revenue Bonds Series 2019					
Water and Sewer Refunding Taxable	2.125 - 2.850%	13 years	2032	$ 7,890,000	$ 7,625,000
PFA Revenue Bonds Series 2019	3.00 - 4.00%	15 years	2034	5,395,000	2,285,000
Water and Sewer Refunding	Plus unamortized premium			-	272,714
	Total Series 2019			$ 13,285,000	$ 10,182,714

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

Year Ending July 31,	Principal	Interest
2026	$ 1,010,000	$ 278,415
2027	1,035,000	253,869
2028	1,060,000	227,940
2029	1,085,000	200,585
2030	1,115,000	171,428
2031 – 2034	4,605,000	337,275
Total	$ 9,910,000	$ 1,469,512

Notes Payable. The City has also incurred debt to the Georgia Environmental Facilities Authority ("GEFA") 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 GEFA 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 $13,334,150.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Business-type Activities (Continued)

Notes Payable (Continued). Notes payable outstanding July 31, 2025 are as follows:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
2.03%	20	2040	$ 961,221	$ 766,902

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
2.62%	30	2053	$ 13,334,150	$ 12,315,057

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

Year Ending July 31,	Principal	Interest
2026	$ 366,822	$ 333,955
2027	376,287	324,489
2028	385,999	314,778
2029	395,962	304,814
2030	406,184	294,592
2031 – 2035	2,193,785	1,310,097
2036 – 2040	2,492,223	1,011,659
2041 – 2045	2,539,965	685,964
2046 – 2050	2,878,449	332,853
2051 – 2053	1,046,283	24,152
Total	$ 13,081,959	$ 4,937,353

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of July 31, 2025 is as follows:

Receivable Fund	Payable Fund: General Fund	Water and Sewer Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 185,675	$ 33,920	$ 219,595
Impact Fee Fund	17,974	-	-	17,974
Water and Sewer Fund	417	-	-	417
Building Fund	126,012	-	-	126,012
Internal Service Fund	5,245	-	-	5,245
Nonmajor Enterprise Funds	894	-	-	894
Nonmajor Governmental Funds	33,231	-	292,114	325,345
Total	$ 183,773	$ 185,675	$ 326,034	$ 695,482

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 In	Transfers out: General Fund	Water and Sewer Fund	SPLOST 2017 Fund	Impact Fee Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 600,000	$ -	$ 40,000	$ 25,000	$ 665,000
Water and Sewer Fund	-	-	642,261	-	-	642,261
Building Fund	307,392	-	-	-	257,269	564,661
Nonmajor Governmental Funds	780,000	-	8,083	-	1,637,695	2,425,778
Total	$ 1,087,392	$ 600,000	$ 650,344	$ 40,000	$ 1,919,964	$ 4,297,700

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, 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, 3) fund SPLOST approved project expenditures disbursed from Nonmajor Governmental Funds and the Water and Sewer Fund, 4) assist with new development within the City in the Impact Fee Fund to the respective funds, 5) fund Water and Sewer projects disbursed from the General Fund and 6) allocate resources from hotel/motel development within the Main Street Tourism Association Fund.

NOTE 9. 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, 2025, 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 10. 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

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Membership

As of January 1, 2024, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	95
Inactive plan members entitled to but not receiving benefits	106
Active plan members	172
	373

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, 2025, the City's contribution rate was 16.5% of annual payroll. City contributions to the Plan were $1,809,006 for the fiscal year ended July 31, 2025.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025.

Actuarial Assumptions. The total pension liability in the January 1, 2025 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 increase
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.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

The actuarial assumptions used in the January 1, 2025 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019.

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 31, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return
Domestic equity	45 %	6.60 %
International equity	20	7.03
Real estate	10	3.40
Global fixed income	5	3.70
Domestic fixed income	20	2.70
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 10. 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, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	$ 35,416,103	$ 24,285,833	$ 11,130,270
Changes for the year:			
Service cost	644,210	-	644,210
Interest	2,598,721	-	2,598,721
Differences between expected and actual experience	2,752,738	-	2,752,738
Contributions - employer	-	1,470,514	(1,470,514)
Contributions - employee	-	352,844	(352,844)
Net investment income	-	5,831,434	(5,831,434)
Benefit payments, including refunds of employee contributions	(1,646,824)	(1,646,824)	-
Administrative expense	-	(43,911)	43,911
Net changes	4,348,845	5,964,057	(1,615,212)
Ending balance	$ 39,764,948	$ 30,249,890	$ 9,515,058

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	$ 14,766,309	$ 9,515,058	$ 5,152,348

NOTE 10. 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, 2024, and the current sharing pattern of costs between employer and employee.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended July 31, 2025, the City recognized pension expense of $1,906,927. At July 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,055,532	$ -
Investment earnings	-	(2,283,291)
City contributions subsequent to the measurement date	1,507,505	-
Total	$ 4,563,037	$ (2,283,291)

City contributions subsequent to the measurement date of $1,507,505 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, 2026. 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,	
2026	$ 765,285
2027	1,187,680
2028	(373,634)
2029	(807,090)
Total	$ 772,241

NOTE 11. 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, 2025, the City's contribution to the Plan was $127,460. The amount contributed by employees was $499,928.

NOTE 12. 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 Argonaut Insurance Company, with the exception of workers' compensation, which has been placed with BITCO 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.

The City established an Internal Service Fund for group health insurance which is funded by charges to the City's other funds. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported ("IBNR"s). The result of the process to estimate the claims liability is based on the medical plan in-network preferred provider organization ("PPO") negotiated amount or based on the usual, customary, and reasonable charges for out-of-network charges. Accordingly, claims are re-evaluated periodically to consider the effects of proper claims adjudication. The estimate of the claims liability also includes amounts for incremental claim adjustment expense related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

The City has entered into a self-funded group insurance plan with major medical coverage. The City currently utilizes Allied Benefit Services as the third-party administrator. A stop loss carrier is in place to cover claims in excess of $50,000. Management continues to monitor the performance of this fund to ensure that premiums charged to the funds and agencies of the City are adequate.

NOTE 12. RISK MANAGEMENT (CONTINUED)

Changes in the respective claims liability amount for the fiscal year ended July 31, 2025 are as follows:

Self-Insurance Fund	July 31, 2025
Unpaid claims, beginning of fiscal year	$ 176,894
Claims incurred and changes in estimates	1,480,309
Claims payment	(1,388,192)
Unpaid claims, end of fiscal year	$ 269,011

NOTE 13. FUND BALANCE

Fund Balances

- ***Nonspendable*** – The following fund balances are nonspendable because they are allocated to:

General Fund	
Prepaid items	$ 815,551
Inventories	4,233
Main Street Tourism Association Fund	
Prepaid items	30,272
Inventories	19,594

NOTE 13. FUND BALANCE (CONTINUED)

Fund Balances (Continued)

- ***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.	$ 215,992
Veterans Memorial Park Fund - used for the design and construction of a Veterans Memorial.	2,586
Cemetery Fund - accounts for the revenues earned from a trust set up for cemetery improvements.	26,758
Downtown Development Authority Fund - used for housing and development within the City.	782,365
Main Street Tourism Association Fund - used for the promotion of tourism in the City.	1,800,092
Capital Projects Funds	
Capital Projects 2 Fund - used to account for capital projects financed with intergovernmental revenues that are in the completion phase.	14
Impact Fee Fund - accounts for capital projects activity funded by development impact fees.	7,731,670
Building Fund - accounts for capital projects activity funded by state road maintenance fees.	1,444,456
TAD Fund - accounts for capital projects activity funded by tax allocation districts revenues.	3,778,908
SPLOST 2017 Fund - used to account for capital projects financed with intergovernmental revenues.	6,276,989
SPLOST 2023 Fund - used to account for capital projects financed with intergovernmental revenues.	9,786,613

- ***Assigned –*** The following fund balance is assigned for:

General Fund	
Three-month operating reserve, as provided for in adopted City policy	$ 7,000,000

NOTE 14. 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, 2025, the City has contractual commitments on uncompleted construction contracts of $2,274,151.

NOTE 15. 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, 2025, the City collected $1,423,356 of hotel/motel taxes, and transferred 100% of the lodging tax received during the year ended July 31, 2025 to the Downtown Development Authority Fund, where it was used for the promotion of tourism.

NOTE 16. 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 fiscal year ended July 31, 2025, 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, 2025:

Revenues	$214,339
Expenditures	$214,339

NOTE 17. 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 10 or 20 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, 2025, the City abated property taxes totaling $179,052.

NOTE 18. NET INVESTMENT IN CAPITAL ASSETS

The following schedule provides the details of the net investment in capital assets classification of net position:

	Governmental Activities	Business-Type Activities
Calculation of net investment in capital assets:		
Capital assets, non-depreciable	$ 21,726,696	$ 4,087,716
Capital assets, depreciable	130,212,950	79,335,660
Accumulated depreciation	(38,627,804)	(39,802,801)
Bonds payable	(27,195,000)	(9,910,000)
Financed purchases	(1,024,016)	-
Notes payable	-	(13,081,959)
Retainage payable	(56,984)	(94,122)
Unamortized premiums on bonds payable	(1,623,698)	(272,714)
Deferred charges on refunding	-	351,587
	$ 83,412,144	$ 20,613,367

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,

	Fiscal Year		
	2025	2024	2023
Total pension liability			
Service cost	**$ 644,210**	$ 602,813	$ 514,025
Interest on total pension liability	**2,598,721**	2,377,790	2,198,679
Differences between expected and actual experience	**2,752,738**	1,491,787	980,332
Changes of assumptions	**-**	-	-
Changes in benefit terms	**-**	-	-
Benefit payments, including refunds of employee contributions	**(1,646,824)**	(1,389,386)	(1,317,015)
Other changes	**-**	-	-
Net change in total pension liability	**4,348,845**	3,083,004	2,376,021
Total pension liability - beginning	**35,416,103**	32,333,099	29,957,078
Total pension liability - ending (a)	**39,764,948**	35,416,103	32,333,099
Plan fiduciary net position			
Contributions - employer	**1,470,514**	1,448,937	1,635,847
Contributions - employee	**352,844**	319,961	279,631
Net investment income	**5,831,434**	2,842,840	(4,102,581)
Benefit payments, including refunds of employee contributions	**(1,646,824)**	(1,389,386)	(1,317,015)
Administrative expenses	**(43,911)**	(48,377)	(47,681)
Net change in plan fiduciary net position	**5,964,057**	3,173,975	(3,551,799)
Plan fiduciary net position - beginning	**24,285,833**	21,111,858	24,663,657
Plan fiduciary net position - ending (b)	**30,249,890**	24,285,833	21,111,858
City's net pension liability (a) - (b)	**$ 9,515,058**	$ 11,130,270	$ 11,221,241
Plan fiduciary net position as a percentage of the total pension liability	**76.1%**	68.6%	65.3%
Covered payroll	**$ 10,086,757**	$ 9,832,636	$ 8,421,457
City's net pension liability as a percentage of covered payroll	**94.3%**	113.2%	133.2%

Fiscal Year							
2022	2021	2020	2019	2018	2017	2016
$ 636,320	$ 492,039	$ 468,473	$ 387,624	$ 329,802	$ 263,826	$ 208,146
2,136,570	1,758,100	1,616,611	1,540,247	1,457,157	1,361,621	1,251,294
(786,291)	1,421,927	70,892	(112,839)	129,571	479,242	893,993
-	2,394,956	1,019,980	-	-	-	-
-	-	-	-	330,437	52,900	-
(1,208,832)	(950,198)	(881,165)	(874,244)	(925,729)	(923,996)	(935,731)
240,777	-	-	-	-	-	-
1,018,544	5,116,824	2,294,791	940,788	1,321,238	1,233,593	1,417,702
28,938,534	23,821,710	21,526,919	20,586,131	19,264,893	18,031,300	16,613,598
29,957,078	28,938,534	23,821,710	21,526,919	20,586,131	19,264,893	18,031,300
1,103,209	999,116	1,704,804	852,118	1,063,454	784,036	770,628
255,799	120,242	90,800	73,423	51,362	37,550	29,259
4,798,688	1,745,327	535,801	1,490,641	1,955,471	1,308,314	140,161
(1,208,832)	(950,198)	(881,165)	(874,244)	(925,729)	(923,996)	(935,731)
(48,615)	(47,402)	(41,543)	(42,264)	(44,411)	(21,005)	(21,533)
4,900,249	1,867,085	1,408,697	1,499,674	2,100,147	1,184,899	(17,216)
19,763,408	17,896,323	16,487,626	14,987,952	12,887,805	11,702,906	11,720,122
24,663,657	19,763,408	17,896,323	16,487,626	14,987,952	12,887,805	11,702,906
$ 5,293,421	$ 9,175,126	$ 5,925,387	$ 5,039,293	$ 5,598,179	$ 6,377,088	$ 6,328,394
82.3%	68.3%	75.1%	76.6%	72.8%	66.9%	64.9%
$ 8,912,671	$ 8,721,491	$ 8,075,098	$ 7,142,875	$ 6,150,907	$ 5,753,146	$ 4,388,256
59.4%	105.2%	70.5%	70.5%	91.0%	110.8%	144.2%

CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year		
	2025	2024	2023
Actuarially determined contribution	**$ 1,809,006**	$ 1,584,903	$ 1,426,464
Contributions in relation to the actuarially determined contribution	**1,809,006**	1,584,903	1,426,464
Contribution deficiency (excess)	**$ -**	$ -	$ -
Covered payroll	**$ 10,967,820**	$ 9,959,697	$ 9,127,047
Contributions as a percentage of covered payroll	**16.5%**	15.9%	15.6%

Notes to the Schedule:

Valuation date	January 1, 2025
Cost method	Projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the fair value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of fair 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.

	Fiscal Year						
	2022	2021	2020	2019	2018	2017	2016
$	1,493,713	$ 1,101,426	$ 1,104,199	$ 1,092,536	$ 1,022,541	$ 910,444	$ 761,413
	1,493,713	1,101,426	1,104,199	1,092,536	1,022,541	910,444	761,413
$	-	$ -	$ -	$ -	$ -	$ -	$ -
$	8,667,064	$ 8,817,081	$ 8,398,295	$ 7,608,987	$ 6,646,891	$ 5,952,027	$ 5,070,701
	17.2%	12.5%	13.1%	14.4%	15.4%	15.3%	15.0%

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 PROJECTS FUNDS

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, 2025

	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	$ -	$ 197,419	$ -	$ 2,581	$ 26,693
Investments	-	-	-	-	-
Taxes receivable	20,607	-	271,507	-	-
Accounts receivable	-	-	-	-	-
Due from other funds	-	18,573	-	5	65
Prepaid expenditures	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 20,607	$ 215,992	$ 271,507	$ 2,586	$ 26,758
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	20,607	-	271,507	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	20,607	-	271,507	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	215,992	-	2,586	26,758
Total fund balances	-	215,992	-	2,586	26,758
Total liabilities and fund balances	$ 20,607	$ 215,992	$ 271,507	$ 2,586	$ 26,758

Special Revenue Funds		Capital Projects Funds		
Downtown Development Authority Fund	Main Street Tourism Association Fund	Capital Projects 2 Fund	TAD Fund	Total Nonmajor Governmental Funds
$ 770,232	$ 1,604,501	$ -	$ 4,106,787	$ 6,708,213
-	-	14	-	14
-	-	-	-	292,114
-	1,108	-	3,954	5,062
22,150	275,110	-	9,442	325,345
-	30,272	-	-	30,272
-	19,594	-	-	19,594
$ 792,382	$ 1,930,585	$ 14	$ 4,120,183	$ 7,380,614
$ 3,760	$ 6,741	$ -	$ 341,275	$ 351,776
109	484	-	-	593
6,148	27,772	-	-	326,034
-	45,630	-	-	45,630
10,017	80,627	-	341,275	724,033
-	49,866	-	-	49,866
782,365	1,800,092	14	3,778,908	6,606,715
782,365	1,849,958	14	3,778,908	6,656,581
$ 792,382	$ 1,930,585	$ 14	$ 4,120,183	$ 7,380,614

CITY OF FAYETTEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2025

	Special Revenue Funds				
	Vehicle Excise Tax Fund	Confiscated Assets Fund	Hotel/Motel Tax Fund	Veterans Memorial Park Fund	Cemetery Fund
Revenues					
Other taxes	$ 214,339	$ -	$ 1,423,356	$ -	$ -
Intergovernmental	-	-	-	-	-
Fines and forfeitures	-	88,588	-	-	-
Charges for services	-	-	-	-	-
Contributions	-	-	-	-	13,002
Interest income	-	3,720	-	77	679
Rental income	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	214,339	92,308	1,423,356	77	13,681
Expenditures					
Current:					
Public safety	-	19,195	-	-	-
Housing and development	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Total expenditures	-	19,195	-	-	-
Excess (deficiency) of revenues over (under) expenditures	214,339	73,113	1,423,356	77	13,681
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	(214,339)	-	(1,423,356)	-	(25,000)
Total other financing sources (uses)	(214,339)	-	(1,423,356)	-	(25,000)
Net change in fund balances	-	73,113	-	77	(11,319)
Fund balances, beginning of year	-	142,879	-	2,509	38,077
Fund balances, end of year	$ -	$ 215,992	$ -	$ 2,586	$ 26,758

Special Revenue Funds		Capital Projects Funds		
Downtown Development Authority Fund	Main Street Tourism Association Fund	Capital Projects 2 Fund	TAD Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 871,012	$ 2,508,707
-	-	64,878	-	64,878
-	-	-	-	88,588
-	327,598	-	-	327,598
503	148,450	-	-	161,955
18,492	36,789	1,757	111,082	172,596
40,950	1,650	-	-	42,600
-	20,655	-	-	20,655
59,945	535,142	66,635	982,094	3,387,577
-	-	-	-	19,195
950,455	1,324,651	-	-	2,275,106
-	-	-	558,297	558,297
-	-	9,692	-	9,692
950,455	1,324,651	9,692	558,297	2,862,290
(890,510)	(789,509)	56,943	423,797	525,287
994,339	1,423,356	8,083	-	2,425,778
-	-	(257,269)	-	(1,919,964)
994,339	1,423,356	(249,186)	-	505,814
103,829	633,847	(192,243)	423,797	1,031,101
678,536	1,216,111	192,257	3,355,111	5,625,480
$ 782,365	$ 1,849,958	$ 14	$ 3,778,908	$ 6,656,581

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, 2025

	Vehicle Excise Tax Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Other taxes	$ 214,350	$ 214,339	$ (11)
Fines and forfeitures	-	-	-
Interest income	-	-	-
Total revenues	214,350	214,339	(11)
Expenditures			
Current:			
Public safety	-	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	214,350	214,339	(11)
Other financing uses			
Transfers out	(214,350)	(214,339)	11
Total other financing uses	(214,350)	(214,339)	11
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
$ -	$ -	$ -
88,588	88,588	-
3,722	3,720	(2)
92,310	92,308	(2)
92,310	19,195	73,115
92,310	19,195	73,115
-	73,113	73,113
-	-	-
-	-	-
-	73,113	73,113
142,879	142,879	-
$ 142,879	$ 215,992	$ 73,113

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, 2025

	Hotel/Motel Tax Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Other taxes	$ 1,423,357	$ 1,423,356	$ (1)
Interest income	-	-	-
Other revenues	-	-	-
Total revenues	1,423,357	1,423,356	(1)
Expenditures			
Current:			
Culture and recreation	-	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	1,423,357	1,423,356	(1)
Other financing uses			
Transfers out	(1,423,357)	(1,423,356)	1
Total other financing uses	(1,423,357)	(1,423,356)	1
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
$ -	$ -	$ -
70	77	7
500	-	(500)
570	77	(493)
570	-	570
570	-	570
-	77	77
-	-	-
-	-	-
-	77	77
2,509	2,509	-
$ 2,509	$ 2,586	$ 77

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, 2025

	Cemetery Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Contributions	$ 13,001	$ 13,002	$ 1
Interest income	685	679	(6)
Rental income	-	-	-
Total revenues	13,686	13,681	(5)
Expenditures			
Current:			
Housing and development	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	13,686	13,681	(5)
Other financing sources (uses)			
Transfers in	11,614	-	(11,614)
Transfers out	(25,300)	(25,000)	300
Total other financing sources (uses)	(13,686)	(25,000)	(11,314)
Net change in fund balances	-	(11,319)	(11,319)
Fund balances, beginning of year	38,077	38,077	-
Fund balances, end of year	$ 38,077	$ 26,758	$ (11,319)

(Continued)

Downtown Development Authority Fund		
Final Budget	Actual	Variance With Final Budget
$ 505	$ 503	$ (2)
18,500	18,492	(8)
44,945	40,950	(3,995)
63,950	59,945	(4,005)
1,058,300	950,455	107,845
1,058,300	950,455	107,845
(994,350)	(890,510)	103,840
994,350	994,339	(11)
-	-	-
994,350	994,339	(11)
-	103,829	103,829
678,536	678,536	-
$ 678,536	$ 782,365	$ 103,829

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, 2025

	Main Street Tourism Association Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Charges for services	$ 329,590	$ 327,598	$ (1,992)
Contributions	148,500	148,450	(50)
Interest income	36,790	36,789	(1)
Rental income	1,650	1,650	-
Other revenues	20,925	20,655	(270)
Total revenues	537,455	535,142	(2,313)
Expenditures			
Current:			
Housing and development	1,964,936	1,324,651	640,285
Total expenditures	1,964,936	1,324,651	640,285
Deficiency of revenues under expenditures	(1,427,481)	(789,509)	637,972
Other financing sources			
Transfers in	1,427,481	1,423,356	(4,125)
Total other financing sources	1,427,481	1,423,356	(4,125)
Net change in fund balances	-	633,847	633,847
Fund balances, beginning of year	1,216,111	1,216,111	-
Fund balances, end of year	$ 1,216,111	$ 1,849,958	$ 633,847

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, 2025

	Capital Projects 2 Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Other taxes	$ -	$ -	$ -
Intergovernmental	289,343	64,878	(224,465)
Interest income	1,759	1,757	(2)
Total revenues	291,102	66,635	(224,467)
Expenditures			
Capital outlay:			
General government	-	-	-
Public works	41,917	9,692	32,225
Total expenditures	41,917	9,692	32,225
Excess of revenues over expenditures	249,185	56,943	(192,242)
Other financing sources (uses)			
Transfers in	8,084	8,083	(1)
Transfers out	(257,269)	(257,269)	-
Total other financing (uses)	(249,185)	(249,186)	(1)
Net change in fund balances	-	(192,243)	(192,243)
Fund balances, beginning of year	192,257	192,257	-
Fund balances, end of year	$ 192,257	$ 14	$ (192,243)

(Continued)

TAD Fund		
Final Budget	Actual	Variance With Final Budget
$ 871,013	$ 871,012	$ (1)
-	-	-
111,083	111,082	(1)
982,096	982,094	(2)
982,096	558,297	423,799
-	-	-
982,096	558,297	423,799
-	423,797	423,797
-	-	-
-	-	-
-	-	-
-	423,797	423,797
3,355,111	3,355,111	-
$ 3,355,111	$ 3,778,908	$ 423,797

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, 2025

	Building Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Property taxes	$ 793,423	$ 793,423	$ -
Intergovernmental	687,221	687,221	-
Interest income	50,000	49,979	(21)
Total revenues	1,530,644	1,530,623	(21)
Expenditures			
Capital outlay:			
General government	1,513,469	1,413,468	100,001
Public safety	598,319	575,873	22,446
Public works	709,925	709,924	1
Culture and recreation	158,500	8,500	150,000
Debt service:			
Principal	848,940	848,939	1
Interest	66,927	66,926	1
Total expenditures	3,896,080	3,623,630	272,450
Excess (deficiency) of revenues over (under) expenditures	(2,365,436)	(2,093,007)	272,429
Other financing sources (uses)			
Issuance of financed purchases	801,275	750,000	(51,275)
Transfers in	1,564,161	564,661	(999,500)
Transfers out	-	-	-
Total other financing sources (uses)	2,365,436	1,314,661	(1,050,775)
Net change in fund balances	-	(778,346)	(778,346)
Fund balances, beginning of year	2,222,802	2,222,802	-
Fund balances, end of year	$ 2,222,802	$ 1,444,456	$ (778,346)

(Continued)

Special Purpose Local Option Sales Tax 2017 Fund		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
26,917,768	-	(26,917,768)
890,367	215,983	(674,384)
27,808,135	215,983	(27,592,152)
-	-	-
-	-	-
27,338,718	1,202,011	26,136,707
-	-	-
-	-	-
-	-	-
27,338,718	1,202,011	26,136,707
469,417	(986,028)	(1,455,445)
4,095,000	-	(4,095,000)
64,748	-	(64,748)
(4,629,165)	(650,344)	3,978,821
(469,417)	(650,344)	(180,927)
-	(1,636,372)	(1,636,372)
7,913,361	7,913,361	-
$ 7,913,361	$ 6,276,989	$ (1,636,372)

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, 2025

	Impact Fee Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Intergovernmental	$ -	$ -	$ -
Impact fees	1,744,531	1,252,956	(491,575)
Interest income	215,469	215,468	(1)
Total revenues	1,960,000	1,468,424	(491,576)
Expenditures			
Capital outlay:			
Public works	1,608,630	-	1,608,630
Total expenditures	1,608,630	-	1,608,630
Excess of revenues over expenditures	351,370	1,468,424	1,117,054
Other financing uses			
Transfers out	(351,370)	(40,000)	311,370
Total other financing uses	(351,370)	(40,000)	311,370
Net change in fund balances	-	1,428,424	1,428,424
Fund balances, beginning of year	6,303,246	6,303,246	-
Fund balances, end of year	$ 6,303,246	$ 7,731,670	$ 1,428,424

SPLOST 2023 Fund		
Final Budget	Actual	Variance With Final Budget
$ 40,657,825	$ 6,844,148	$ (33,813,677)
-	-	-
181,574	181,574	-
40,839,399	7,025,722	(33,813,677)
40,839,399	2,095,440	38,743,959
40,839,399	2,095,440	38,743,959
-	4,930,282	4,930,282
-	-	-
-	-	-
-	4,930,282	4,930,282
4,856,331	4,856,331	-
$ 4,856,331	$ 9,786,613	$ 4,930,282

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2017 FOR THE FISCAL YEAR ENDED JULY 31, 2025

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Fire Safety Equipment/Vehicles	$ 3,000,000	$ 3,000,000	$ 1,695,124	$ 1,025,262	$ 2,720,386
Police Safety Equipment/Vehicles	1,109,000	1,109,000	1,087,319	-	1,087,319
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	3,859,494	8,084	3,867,578
Water, Sewer, Stormwater Projects	9,500,000	9,500,000	6,301,619	778,441	7,080,060
Recreational and Park Projects	3,400,000	3,400,000	2,964,166	40,568	3,004,734
Totals	$ 25,009,872	$ 25,009,872	$ 15,986,363	$ 1,852,355	$ 17,838,718

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

Transfer to Nonmajor Governmental Funds for SPLOST approved project expenditures	(8,084)
Transfer to the Water and Sewer Fund for SPLOST approved project expenditures	(642,260)
Total SPLOST 2017 Fund expenditures for the current year	$ 1,202,011

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2023 FOR THE FISCAL YEAR ENDED JULY 31, 2025

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Fire Safety Equipment/Vehicles	$ 2,000,000	$ 2,000,000	$ 943,829	$ 689,423	$ 1,633,252
Police Safety Equipment/Vehicles	2,250,000	2,250,000	898,788	-	898,788
Computer Equipment	750,000	750,000	-	137,034	137,034
Police and Court Buildings	4,500,000	4,500,000	-	41,911	41,911
Road, Street and Bridge Projects	11,000,000	11,000,000	9,912	1,227,072	1,236,984
Water, Sewer, Stormwater Projects	4,000,000	4,000,000	-	-	-
Recreational and Park Projects	10,500,000	10,500,000	-	-	-
Totals	$ 35,000,000	$ 35,000,000	$ 1,852,529	$ 2,095,440	$ 3,947,969

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report ("ACFR") presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends ..... **84 – 97**

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 ..... **98 – 107**

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

Debt Capacity ..... **108 – 113**

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 ..... **114 and 115**

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 ..... **116 – 119**

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			
	2016	2017	2018	2019
Governmental Activities				
Net investment in capital assets	$ 70,522,573	$ 72,963,871	$ 73,396,508	$ 75,562,324
Restricted	3,825,714	3,866,029	3,116,993	2,910,161
Unrestricted	2,261,422	2,404,766	4,979,714	7,851,536
Total governmental activities net position	$ 76,609,709	$ 79,234,666	$ 81,493,215	$ 86,324,021
Business-Type Activities				
Net investment in capital assets	$ 7,916,518	$ 7,233,909	$ 7,627,778	$ 8,248,140
Restricted	2,998,621	3,004,607	3,031,959	3,144,898
Unrestricted	2,610,938	3,416,347	3,332,116	3,308,879
Total business-type activities net position	$ 13,526,077	$ 13,654,863	$ 13,991,853	$ 14,701,917
Primary Government				
Net investment in capital assets	$ 78,439,091	$ 80,197,780	$ 81,024,286	$ 83,810,464
Restricted	6,824,335	6,870,636	6,148,952	6,055,059
Unrestricted	4,872,360	5,821,113	8,311,830	11,160,415
Total primary government net position	$ 90,135,786	$ 92,889,529	$ 95,485,068	$ 101,025,938

Fiscal Year						
2020	2021	2022	2023	2024	2025
$ 60,482,704	$ 74,588,706	$ 80,001,680	$ 86,274,819	$ 81,612,926	$ 83,412,144
4,035,510	10,482,246	13,067,227	20,426,298	26,805,271	31,846,443
25,860,644	4,628,613	3,906,096	7,391,685	22,680,955	25,680,995
$ 90,378,858	$ 89,699,565	$ 96,975,003	$ 114,092,802	$ 131,099,152	$ 140,939,582
$ 9,460,359	$ 13,329,265	$ 13,219,975	$ 14,068,749	$ 18,430,508	$ 20,613,367
883,873	751,511	435,227	4,717,567	-	-
4,853,264	5,717,304	5,831,903	979,841	3,530,393	3,745,201
$ 15,197,496	$ 19,798,080	$ 19,487,105	$ 19,766,157	$ 21,960,901	$ 24,358,568
$ 69,943,063	$ 87,917,971	$ 93,221,655	$ 100,343,568	$ 100,043,434	$ 104,025,511
4,919,383	11,233,757	13,502,454	25,143,865	26,805,217	31,846,443
30,713,908	10,345,917	9,737,999	8,371,526	26,211,348	29,426,196
$ 105,576,354	$ 109,497,645	$ 116,462,108	$ 133,858,959	$ 153,059,999	$ 165,298,150

CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	$ 1,499,529	$ 1,897,428	$ 3,580,927	$ 2,322,589
Judicial	649,968	588,769	605,967	632,417
Public safety	8,307,210	8,804,976	7,904,689	10,147,469
Public works	1,784,682	1,782,748	3,082,460	3,663,837
Culture and recreation	1,756	30	30	55
Housing and development	1,445,102	1,807,358	2,085,329	1,959,415
Interest on long-term debt	151,836	157,269	158,004	262,626
Total governmental activities expenses	13,840,083	15,038,578	17,417,406	18,988,408
Business-type activities:				
Water and sewer	5,652,208	6,088,714	5,992,402	5,673,074
Stormwater	413,917	365,125	383,749	439,347
Solid waste	631,887	656,959	665,625	676,036
Total business-type activities	6,698,012	7,110,798	7,041,776	6,788,457
Total primary government	$ 20,538,095	$ 22,149,376	$ 24,459,182	$ 25,776,865
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 738,418	$ 668,408	$ 612,132	$ 740,870
Judicial	1,149,394	907,630	944,822	1,230,882
Public safety	56,856	69,557	56,850	83,768
Housing and development	1,009,230	676,936	699,253	908,201
Operating grants and contributions	609,313	574,307	647,997	300,440
Capital grants and contributions	1,804,969	3,007,935	4,069,051	5,102,896
Total governmental activities program revenues	5,368,180	5,904,773	7,030,105	8,367,057
Business-type activities:				
Charges for services:				
Water and sewer	5,523,564	5,709,452	5,748,538	6,053,739
Stormwater	763,764	759,289	773,664	777,486
Solid waste	674,937	637,610	698,881	709,842
Capital grants and contributions	309,040	124,147	184,970	170,710
Total business-type activities program revenues	7,271,305	7,230,498	7,406,053	7,711,777
Total primary government program revenues	$ 12,639,485	$ 13,135,271	$ 14,436,158	$ 16,078,834

(Continued)

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 2,751,667	$ 3,541,617	$ 3,982,343	$ 4,273,440	$ 4,445,725	$ 5,745,383
530,392	651,377	641,860	650,510	754,796	767,415
11,092,290	12,590,057	11,922,000	13,759,755	14,723,217	14,296,052
5,239,662	7,531,915	2,666,942	1,457,805	3,859,953	5,253,970
301,541	2,559	405,469	278,002	201,739	212,073
1,671,733	2,357,813	2,832,588	5,067,819	12,673,130	6,953,974
826,092	910,176	872,522	760,772	1,039,597	1,049,750
22,413,377	27,585,514	23,323,724	26,248,103	37,698,157	34,278,617
6,491,953	7,316,901	7,520,034	8,096,119	8,102,108	9,092,149
421,360	595,196	1,102,902	676,332	719,321	648,943
698,973	821,536	837,921	1,081,265	1,162,879	1,344,326
7,612,286	8,733,633	9,460,857	9,853,716	9,984,308	11,085,418
$ 30,025,663	$ 36,319,147	$ 32,784,581	$ 36,101,819	$ 47,682,465	$ 45,364,035
$ 934,750	$ 1,304,859	$ 2,065,320	$ 3,641,959	$ 19,568,066	$ 4,977,622
755,778	934,666	1,121,352	1,012,379	1,201,981	1,303,289
194,646	17,488	18,088	29,761	53,640	88,588
1,498,700	997,763	1,739,777	1,694,598	1,091,361	1,580,554
2,156,961	505,931	1,059,231	7,453,052	6,609,084	7,673,608
4,524,951	5,424,949	5,419,129	8,279,765	1,769,891	1,416,860
10,065,786	9,185,656	11,422,897	22,111,514	30,294,023	17,040,521
6,724,648	6,989,539	7,370,037	7,733,439	8,203,530	8,690,124
784,964	802,676	813,398	892,585	1,351,800	1,471,668
727,118	845,282	863,920	1,023,079	1,339,017	1,374,775
284,281	5,131,031	292,000	367,625	1,031,647	1,799,751
8,521,011	13,768,528	9,339,355	10,016,728	11,925,994	13,336,318
$ 18,586,797	$ 22,954,184	$ 20,762,252	$ 32,128,242	$ 42,220,017	$ 30,376,839

CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year			
	2016	2017	2018	2019
Net (expense)/revenue				
Governmental activities	$ (8,471,903)	$ (9,133,805)	$ (10,387,301)	$ (10,621,351)
Business-type activities	573,293	119,700	364,277	923,320
Total primary government net expense	$ (7,898,610)	$ (9,014,105)	$ (10,023,024)	$ (9,698,031)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	$ 3,224,290	$ 3,377,638	$ 4,238,436	$ 6,052,590
Sales taxes	3,049,230	3,627,566	3,799,392	3,953,389
Other taxes	4,467,235	4,721,419	4,528,300	4,952,360
Unrestricted investment earnings	16,929	32,139	44,761	193,818
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	34,961	300,000
Total governmental activities	10,757,684	11,758,762	12,645,850	15,452,157
Business-type activities:				
Unrestricted investment earnings	931	852	5,848	86,744
Gain on sale of capital assets	31,564	8,234	1,826	-
Transfers	-	-	(34,961)	(300,000)
Total business-type activities	32,495	9,086	(27,287)	(213,256)
Total primary government	$ 10,790,179	$ 11,767,848	$ 12,618,563	$ 15,238,901
Change in Net Position				
Governmental activities	$ 2,285,781	$ 2,624,957	$ 2,258,549	$ 4,830,806
Business-type activities	605,788	128,786	336,990	710,064
Total primary government	$ 2,891,569	$ 2,753,743	$ 2,595,539	$ 5,540,870

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ (12,347,591)	$ (18,399,858)	$ (11,900,827)	$ (4,136,589)	$ (7,404,134)	$ (17,238,096)
908,725	5,034,895	(121,502)	163,012	1,941,686	2,250,900
$ (11,438,866)	$ (13,364,963)	$ (12,022,329)	$ (3,973,577)	$ (5,462,448)	$ (14,987,196)
$ 4,715,445	$ 6,521,939	$ 7,502,267	$ 8,758,854	$ 10,598,792	$ 12,149,335
5,260,580	5,721,673	5,926,258	6,243,470	6,493,365	6,955,786
5,303,784	4,988,704	5,156,149	5,733,383	6,057,451	6,684,458
404,896	15,489	28,890	540,185	1,292,559	1,320,043
267,723	22,760	368,268	70,757	60,523	11,219
450,000	450,000	194,433	(92,261)	(92,260)	(42,261)
16,402,428	17,720,565	19,176,265	21,254,388	24,410,430	27,078,580
36,854	15,689	4,960	23,779	160,798	104,506
-	-	-	-	-	-
(450,000)	(450,000)	(194,433)	92,261	92,260	42,261
(413,146)	(434,311)	(189,473)	116,040	253,058	146,767
$ 15,989,282	$ 17,286,254	$ 18,986,792	$ 21,370,428	$ 24,663,488	$ 27,225,347
$ 4,054,837	$ (679,293)	$ 7,275,438	$ 17,117,799	$ 17,006,296	$ 9,840,484
495,579	4,600,584	(310,975)	279,052	2,194,744	2,397,667
$ 4,550,416	$ 3,921,291	$ 6,964,463	$ 17,396,851	$ 19,201,040	$ 12,238,151

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
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
2022	7,502,267	5,926,258	1,624,921	357,282	1,340,824
2023	8,758,854	6,243,470	1,671,423	350,026	1,580,184
2024	10,598,792	6,493,365	1,709,495	412,875	1,680,460
2025	12,149,335	6,955,786	1,907,339	456,257	1,807,406

Business and Occupation Tax	Other Taxes	Total
$ 997,986	$ 797,140	$ 10,740,755
1,132,578	797,997	11,726,623
1,154,115	505,131	12,566,128
1,248,235	684,778	14,958,339
1,267,045	1,537,266	15,952,428
1,351,430	443,769	17,232,316
1,322,056	511,066	18,584,674
1,578,844	552,906	20,735,707
1,648,374	606,247	23,149,608
1,942,419	571,037	25,789,579

CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year			
	2016	2017	2018	2019
General Fund				
Nonspendable	$ 210,087	$ 256,694	$ 450,832	$ 313,842
Assigned	3,092,983	3,385,000	3,500,000	3,500,000
Unassigned	2,400,709	3,064,984	847,789	1,935,499
Total General Fund	$ 5,703,779	$ 6,706,678	$ 4,798,621	$ 5,749,341
All Other Governmental Funds				
Nonspendable, reported in:				
Special revenue funds	$ 21,469	$ 39,779	$ 49,645	$ 33,765
Capital projects funds	-	-	-	22,268
Restricted, reported in:				
Special revenue funds	935,860	1,185,684	1,123,166	1,030,364
Capital projects funds	2,889,854	2,680,345	2,381,621	2,491,829
Unassigned, reported in:				
Capital projects funds	-	-	-	(1,008,120)
Total all other governmental funds	$ 3,847,183	$ 3,905,808	$ 3,554,432	$ 2,570,106

Fiscal Year						
2020	2021	2022	2023	2024	2025
$ 392,616	$ 355,510	$ 398,385	$ 496,039	$ 607,182	$ 819,784
4,200,000	4,200,000	5,250,000	5,250,000	7,000,000	7,000,000
3,374,394	3,720,082	3,879,377	6,838,886	20,058,099	22,548,000
$ 7,967,010	$ 8,275,592	$ 9,527,762	$ 12,584,925	$ 27,665,281	$ 30,367,784
$ 48,591	$ 23,148	$ 26,583	$ 58,689	$ 63,889	$ 49,866
-	-	-	-	-	-
1,125,182	1,215,341	1,504,391	1,759,740	2,014,223	2,827,793
3,413,827	11,359,088	11,875,913	18,666,558	24,843,108	29,018,650
15,350,544	-	-	-	-	-
$ 19,938,144	$ 12,597,577	$ 13,406,887	$ 20,484,987	$ 26,921,220	$ 31,896,309

CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Taxes	$ 10,748,014	$ 11,734,645	$ 12,550,082	$ 14,910,005
Licenses and permits	605,257	530,484	493,649	570,191
Intergovernmental	2,219,017	3,407,632	4,447,552	4,613,854
Fines and forfeitures	1,103,205	874,142	901,655	1,169,649
Charges for services	427,977	430,616	462,155	424,627
Main Street	35,414	36,275	37,803	44,308
Impact fees	767,735	403,916	368,585	633,908
Contributions	155,057	109,985	214,657	114,505
Interest income	16,929	32,139	44,761	203,259
Other revenues	54,518	111,723	104,049	186,521
Total revenues	16,133,123	17,671,557	19,624,948	22,870,827
Expenditures				
General government	1,396,104	1,892,285	3,322,770	2,220,727
Judicial	654,217	581,762	610,101	636,626
Public safety	7,454,179	7,824,112	8,959,295	9,948,082
Public works	921,742	1,011,184	1,217,720	1,109,739
Culture and recreation	1,756	30	30	55
Housing and development	1,328,880	2,239,375	2,495,415	1,951,171
Capital outlay	3,859,669	3,962,113	5,664,017	4,256,034
Debt service:				
Principal	638,119	943,811	1,002,389	1,409,037
Interest	138,362	134,793	145,414	250,139
Total expenditures	16,393,028	18,589,465	23,417,151	21,781,610
Excess (deficiency) of revenues over (under) expenditures	(259,905)	(917,908)	(3,792,203)	1,089,217
Other financing sources (uses)				
Capital leases	768,055	580,700	2,365,000	500,000
Issuance of debt	-	-	-	-
Premium on debt	-	-	-	-
Proceeds from sale of assets	16,529	932,137	24,547	-
Payment to escrow agent	-	-	2,895,000	-
Transfers in	2,722,254	1,509,690	2,384,350	3,411,412
Transfers out	(2,705,198)	(1,509,690)	(2,349,389)	(3,111,412)
Total other financing sources, net	801,640	1,512,837	5,319,508	800,000
Net change in fund balances	$ 541,735	$ 594,929	$ 1,527,305	$ 1,889,217
Debt service as a percentage of noncapital expenditures	5.5%	6.7%	6.1%	6.8%

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 15,772,610	$ 17,394,192	$ 18,567,314	$ 20,735,980	$ 23,148,921	$ 25,717,756
671,653	1,045,341	1,783,085	3,359,506	19,288,107	4,696,186
6,605,281	5,700,796	6,291,834	15,080,899	7,589,710	8,172,447
923,247	924,977	1,112,263	1,014,963	1,228,444	1,364,700
327,507	396,343	319,776	360,780	400,347	473,395
23,239	17,625	7,600	5,825	6,400	42,600
1,337,593	803,387	1,539,922	1,475,008	832,150	1,252,956
44,533	79,235	122,682	142,750	76,898	190,005
404,896	46,144	56,496	944,906	1,943,959	1,984,804
132,733	187,297	218,129	267,062	220,567	183,471
26,243,292	26,595,337	30,019,101	43,387,679	54,735,503	44,078,320
2,627,501	2,489,495	3,275,128	3,773,845	4,272,512	4,401,778
542,432	589,232	657,372	648,201	734,001	758,756
10,417,443	9,899,441	11,069,238	12,338,998	13,938,595	14,404,339
1,063,677	1,070,035	1,379,712	1,449,421	1,404,378	1,537,169
301,541	273,091	413,659	4,804,779	151,849	203,573
1,824,164	2,277,385	3,097,561	4,931,661	2,502,887	6,780,678
12,727,204	21,431,299	2,644,445	4,638,927	4,715,740	6,573,205
1,851,278	1,863,860	5,374,957	762,297	1,052,008	1,323,939
712,217	1,021,125	1,008,250	882,783	1,090,207	1,168,502
32,067,457	40,914,963	28,920,322	34,230,912	34,230,912	37,151,939
(5,824,165)	(14,319,626)	1,098,779	9,156,767	14,873,326	6,926,381
940,000	500,000	400,000	1,000,000	700,000	750,000
-	-	-	-	5,975,000	-
2,352,973	-	-	-	-	-
267,723	22,760	368,268	70,757	60,523	43,472
21,695,000	-	-	-	-	-
9,331,171	17,407,564	5,192,103	9,179,922	2,324,995	3,655,439
(8,881,171)	(16,957,564)	(4,997,670)	(9,272,183)	(2,417,255)	(3,697,700)
25,705,696	972,760	962,701	978,496	6,643,263	751,211
$ 19,881,531	$ (13,346,866)	$ 2,061,480	$ 10,135,263	$ 21,516,589	$ 7,677,592
11.5%	11.5%	24.2%	6.7%	5.9%	7.6%

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
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
2022	6,082,900	4,914,699	1,624,921	492,640	1,340,824
2023	7,315,671	5,435,970	1,671,423	547,306	1,580,184
2024	8,677,651	5,792,640	1,709,495	669,992	1,680,460
2025	9,568,805	6,162,363	1,907,339	734,145	1,807,406

Business and Occupation Tax	Other Taxes	Total
$ 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
1,322,056	2,789,274	18,567,314
1,578,844	2,606,582	20,735,980
1,648,374	2,970,309	23,148,921
1,942,419	3,595,279	25,717,756

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
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	519,231,715	351,775,333	22,032,130	3,977,656	11,202,352	12,250,750
2020	564,766,893	367,486,046	27,597,236	3,840,952	11,501,544	9,993,780
2021	604,745,028	382,424,776	32,806,550	4,996,832	12,568,127	8,633,950
2022	658,806,034	406,944,247	38,524,050	5,322,536	13,010,676	6,505,680
2023	817,494,031	461,033,325	48,089,288	3,799,068	12,834,210	6,188,540
2024	961,442,195	483,819,839	61,625,463	3,944,372	14,225,686	6,331,000
2025	1,040,805,020	592,372,074	54,068,477	4,104,004	19,352,264	5,357,050

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]
$ 936,012	$ 6,112,866	$ 751,594,960	3.874	$ 1,878,987,400	40%
1,047,602	7,712,306	789,703,359	3.874	1,974,258,398	40%
916,306	8,383,268	885,519,910	3.874	2,213,799,775	40%
1,189,995	10,027,024	911,632,907	5.646	2,279,082,268	40%
831,421	10,631,840	975,386,032	5.646	2,438,465,080	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%
891,310	17,880,559	1,332,449,213	5.646	3,331,123,033	40%
310,924	21,418,962	1,510,280,517	5.646	3,775,701,293	40%
224,360	26,841,555	1,689,441,694	5.646	4,223,604,235	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			Total
				General Fund	Capital Projects Funds	Total City	
2016	0.05	5.84	21.35	3.02	0.86	3.88	31.11
2017	0.00	5.59	21.10	3.07	0.81	3.88	30.56
2018	0.00	5.18	20.85	2.91	0.69	3.60	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
2022	0.00	4.03	19.15	5.04	0.61	5.65	28.83
2023	0.00	4.03	20.00	5.20	0.45	5.65	29.68
2024	0.00	4.47	19.60	5.18	0.47	5.65	29.72
2025	0.00	3.76	19.60	5.18	0.47	5.65	29.01

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 2025				Fiscal Year 2016		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Trilith Studios LLC	$ 45,724,037	1	2.71%	DDRTC Fayette Pavilion I & II	$ 24,761,160	1	3.29%
Fayette Pavillion	40,045,880	2	2.37%	DDRTC Fayette Pavilion III & IV	11,570,672	2	1.54%
QTS Fayetteville	31,974,000	3	1.89%	Brent Scarborough & Company, Inc.	14,238,354	3	1.89%
Walton Fayetteville LLC	21,400,971	4	1.27%	Piedmont Hospital Inc	6,218,496	4	0.83%
Lofts at Trilith Owner LLC	15,936,001	5	0.94%	Piedmont Fayette Medical & Office Blc	6,110,208	5	0.81%
Holly Blue LLC	12,709,864	6	0.75%	CP Summit Retail LLC	6,033,076	6	0.80%
Lafayette Square Investors	12,676,000	7	0.75%	NG Ban Crossing LLC	5,810,292	7	0.77%
Trilith Hotel Owner LLC	12,066,627	8	0.71%	Pinewood Atlanta	5,350,018	8	0.71%
Heartis Fayetteville Partners	11,659,056	9	0.69%	Norbelle LLC	4,519,276	9	0.60%
Cobblestone Apartments LLC	10,095,764	10	0.60%	Chartwell Cobblestone, LLC	4,048,000	10	0.54%
Total	$214,288,200		12.68%		$ 88,659,552		11.80%

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
2016	$ 2,827,868	$ 2,822,251	99.8 %	$ 2,563	$ 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	225,783	5,256,141	99.9
2020	5,448,306	5,413,030	99.4	22,686	5,435,338	99.8
2021	5,789,390	5,771,840	99.7	16,119	5,771,840	99.7
2022	6,529,515	6,486,376	98.7	55,967	6,486,376	99.6
2023	7,280,689	7,263,618	96.6	92,108	7,263,618	97.8
2024	8,527,044	8,339,422	97.8	46,862	8,386,284	98.4
2025	9,538,588	9,467,096	99.3	-	9,467,096	99.3

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential [1]	282.87	267.72	268.27	289.23	285.55	304.45	309.86	326.20	323.97	316.11
Commercial [1]	88.56	86.37	81.25	90.12	90.96	84.68	90.50	92.01	84.09	89.87
Senior [1]	70.65	65.17	67.04	68.76	65.80	62.63	60.39	61.55	64.67	62.78
Other [1]	13.85	4.35	2.73	9.81	4.55	8.76	5.66	8.05	6.01	4.88
Total usage	455.93	423.61	419.29	457.92	446.86	460.52	466.41	487.81	478.74	473.64
Total direct rate per 1,000 gallons [2]	$ 3.11	$ 3.18	$ 3.26	$ 3.35	$ 3.52	$ 3.69	$ 3.86	$ 4.05	$ 4.25	$ 4.46

[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
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
2022	19.32	3.85	35.45	3.86	16.45	3.86
2023	20.28	4.05	37.22	4.05	17.27	4.05
2024	21.29	4.25	39.08	4.25	18.13	4.25
2025	22.35	4.46	41.03	4.46	19.04	4.46

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
$ 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
21.07	3.87	38.05	3.87	18.42	3.87
22.12	4.06	39.95	4.06	19.34	4.06
23.22	4.26	41.94	4.26	20.30	4.26
24.38	4.47	44.04	4.47	21.32	4.47

CITY OF FAYETTEVILLE, GEORGIA

TEN LARGEST WATER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Fiscal Year 2025 Total Water Revenue	Rank	Percentage of Total Water Revenue	Fiscal Year 2016 Total Water Revenue	Rank	Percentage of Total Water Revenue
Banks Station	$ -	-	-	$ 22,825	3	0.94%
HCCC, Inc.	-	-	-	14,282	7	0.59%
Meridian @ Lafayette Apts	62,388	1	1.64%	-	-	-
Fayette County Jail Complex	24,757	8	0.65%	29,199	1	1.20%
Swanbrook	29,821	4	0.79%	26,715	2	1.10%
Bay Branch Condo	26,963	5	0.71%	18,165	4	0.75%
Cassandra Bush	-	-	-	6,088	10	0.25%
Board of Commissioners	21,578	10	0.57%	15,547	6	0.64%
Cobblestone of Fayette	21,634	9	0.57%	9,424	8	0.39%
Summit Retail	-	-	0.00%	16,531	5	0.68%
Magnolia Park Daycare (VANE)	-	-	-	11,318	7	0.47%
Walton Fayetteville LLC	51,308	2	1.35%	-	-	-
Hearthside Lafayette	33,393	3	0.88%	-	-	-
Tidal Wave Auto Spa	25,206	6	0.66%	-	-	-
CA New Plan Acquisition	24,988	7	0.66%	-	-	-
Centemarc Constructions	-	-	-	8,054	9	0.33%
Subtotal (10 Largest)	322,034		8.48%	178,148		7.34%
Balance from Other Customers	3,476,512		91.52%	2,250,067		92.66%
Total	$ 3,798,546		100.00%	$ 2,428,215		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 2025			Fiscal Year 2016		
Taxpayer	Total Sewer Revenue	Rank	Percentage of Total Sewer Revenue	Total Sewer Revenue	Rank	Percentage of Total Sewer Revenue
Piedmont Healthcare	$ 161,668	1	3.71%	$ 120,421	1	5.58%
Fayette Pavillion LP	116,198	2	2.67%	-	-	-
Inland Group	-	-	-	50,054	2	2.32%
Banks Station	-	-	-	23,856	4	1.11%
Fayette County Jail Complex	-	-	-	29,343	3	1.36%
Bay Branch Condo	-	-	-	19,738	6	0.92%
Summit Retail	-	-	-	17,111	7	0.79%
Fayetteville Center for Nursing & Healing/Lafyette	29,622	10	0.68%	14,595	9	0.68%
Swanbrook	31,760	8	0.73%	23,277	5	1.08%
Board of Commissioners	-	-	-	16,181	8	0.75%
Walton Fayetteville LLC	31,261	9	0.72%	-	-	-
Cobblestone Fayette	-	-	-	-	-	-
Magnolia Park Daycare	-	-	-	14,476	10	0.67%
Trilith Propco	42,842	4	0.98%	-	-	-
Meridian @ Lafayette Apt	68,219	3	1.57%	-	-	-
Hearthside Lafayette	36,425	5	0.84%	-	-	-
Lofts at Trilith Venture LLC	34,256	7	0.79%	-	-	-
Heartis Fayetteville Partners	34,844	6	0.80%	-	-	-
Subtotal (10 Largest)	587,096		13.47%	329,052		15.26%
Balance from Other Customers	3,771,174		86.53%	1,827,593		84.74%
Total	$ 4,358,270		100.00%	$ 2,156,645		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	Leases	Financed Purchases	Notes Payable	Total
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
2022	-	23,681,940	-	1,237,260	-	24,919,200
2023	-	23,559,929	-	1,474,963	-	25,034,892
2024	-	29,414,313	-	1,122,955	-	30,537,268
2025	-	28,818,698	-	1,024,016	-	29,842,714

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			
$ 17,970,996	$ -	$ 17,970,996	$ 23,469,012	3.60 %	$ 1,266
17,243,618	801,206	18,044,824	23,179,729	4.30	1,481
16,460,000	-	16,460,000	25,858,284	3.68	1,433
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
12,454,911	14,127,993	26,582,904	51,502,104	7.57	2,821
11,721,197	13,788,156	25,509,353	50,544,245	7.43	2,769
10,961,994	13,439,554	24,401,548	54,938,816	8.51	2,849
10,182,714	13,081,959	23,264,673	53,107,387	7.79	2,698

CITY OF FAYETTEVILLE, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JULY 31, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Fayette County School District	$ -	16.08%	$ -
Fayette County Public Facilities Authority	49,645,597	16.08%	7,983,012
Total overlapping debt			7,983,012
City of Fayetteville direct debt			29,842,714
Total direct and overlapping debt			$ 37,825,726

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. 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			
	2016	2017	2018	2019
Debt limit	$ 75,770,783	$ 79,741,567	$ 89,390,318	$ 96,198,253
Total net debt applicable to limit	-	-	-	-
Legal debt margin	$ 75,770,783	$ 79,741,567	$ 89,390,318	$ 96,198,253
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'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					
2020	2021	2022	2023	2024	2025
$ 104,751,760	$ 113,025,970	$ 134,780,949	$ 158,905,899	$ 177,679,195	$ 171,628,325
-	-	-	-	-	-
$ 104,751,760	$ 113,025,970	$ 134,780,949	158,905,899	177,679,195	$ 171,628,325
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed value	$ 1,689,441,694
Add back: exempt real property	26,841,555
Total assessed value	1,716,283,249
Debt limit (10% of assessed value)	171,628,325
Legal debt margin	$ 171,628,325

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
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
2022	8,183,435	6,552,671	1,630,764	650,000	384,593	1.58
2023	8,626,024	6,565,324	2,060,700	675,000	384,593	1.94
2024	9,555,330	6,681,405	2,873,925	710,000	384,593	2.63
2025	10,161,792	7,337,782	2,824,010	740,000	304,498	2.70

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]
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
2022	19,284	681,689	35,350	41.0	20,048	2.8
2023	19,687	765,844	38,901	42.9	19,895	3.0
2024	20,083	781,249	38,901	43.4	20,242	3.8
2025	20,419	781,161	42,080	43.8	19,680	3.1

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 2025			Fiscal Year 2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Fayette County Board of Ed	2,578	1	9.66%	1,279	1	7.53%
Piedmont Fayette Hospital	1,693	2	6.35%	185	4	1.09%
Fayette County Board of Comm	805	3	3.02%	-	-	-
Brent Scarbrough & Company	-	-	-	161	5	0.95%
CGL Facility Management LLC	-	-	-	250	3	1.47%
Wal-Mart Stores, Inc	262	4	0.98%	-	-	-
Kroger	167	7	0.63%	105	9	0.62%
Publix	249	5	0.93%	134	6	0.79%
City of Fayetteville	190	6	0.71%	-	-	-
Home Depot	-	-	-	112	8	0.66%
Concrete Supply Co	157	9	0.59%	725	2	4.27%
Kindred Transitional Care/Rehabilitation	-	-	-	130	7	0.77%
Target	-	-	-	55	10	0.32%
Hanna Brothers	161	8	0.60%	-	-	-
MMR Constructions	150	10	0.56%	-	-	-
Total	6,412		24.04%	3,136		18.46%

Source:
City of Fayetteville, Georgia records.

CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
General government	18	21	23	24	30	33	32	32	24	32
Judicial	3	3	2	3	3	4	4	4	4	4
Public safety:										
Police	48	55	54	59	60	61	62	62	62	62
Fire	33	39	51	51	48	51	50	54	54	54
Public works	9	12	13	12	8	8	14	15	15	18
Housing and development	8	7	10	11	9	12.5	8	8	9	9
Main Street tourism	1	3	4	3.5	4	4.5	2	2	2	2
Water and Sewer:										
Water	10	11	14	17	14	2	2	2	2	2
Wastewater	3	3	3	2.5	4	5	-	-	-	-
Total	133	154	174	183	180	181	174	179	172	183

Source:
City of Fayetteville, Georgia records

CITY OF FAYETTEVILLE, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year 2016	2017	2018	2019
Mayor And Council				
Citizen contacts	4,600	4,780	4,659	4,679
Council meetings	25	24	24	24
Correspondence generated	76	70	74	N/A
Finance and Administration				
A/P checks processed	3,515	3,513	6,243	4,212
Business licenses processed	2,459	2,379	2,718	2,935
Utility bills generated	103,405	98,404	98,451	104,632
Information Technology				
Number of work orders received	600	1,700	2,011	2,710
Hits on City website per year	430,850	577,917	500,108	533,384
Municipal Court				
Citations processed	7,954	5,209	5,372	9,088
Cases adjudicated	7,610	253	7,371	7,701
Average inmates per month	2	3	3	3
Police				
Number of arrests	1,430	1,102	1,183	1,174
Number of traffic accidents	1,556	1,634	1,567	1,449
Citations/warnings issued	7,901	6,990	7,637	9,032
Fire				
Emergency calls	2,889	3,237	3,203	3,379
Hydrants maintained	1,287	1,304	1,336	1,347
Inspections completed	1,280	1,969	2,045	2,057
Public Works				
Miles resurfaced	0.0	0.0	3.0	5.0
Miles of cracks sealed	1.0	1.0	1.0	1.0
Miles of right of way mowed	470	490	495	498
Housing and Development				
Building permit inspections	2,727	3,613	4,524	4,862
Development plan applications	12	0	15	13
Erosion control inspections	237	383	356	833
Water and Sewer				
Water - gallons processed (X 1,000)	210,840	265,000	212,304	308,395
Wastewater - gallons processed (X 1,000)	905,662	825,538	846,761	898,152
New meter installations	62	37	45	67

Source:
City of Fayetteville, Georgia records.

Fiscal Year					
2020	2021	2022	2023	2024	2025
4,800	N/A	N/A	N/A	N/A	N/A
27	28	24	27	35	30
N/A	N/A	N/A	N/A	N/A	N/A
4,576	4,690	3,374	5,409	3,705	3,696
2,675	2,507	2,766	2,865	2,685	2,879
101,896	103,618	94,041	109,431	110,532	102,115
2,196	2,930	3,542	3,967	3,500	3,675
419,429	408,565	393,208	606,904	643,587	
4,286	4,321	6,723	5,384	5,233	5,369
2,797	5,160	6,439	4,884	4,579	4,807
1	1	2	4	5	5
1,049	951	1,158	1,168	1,167	1,126
1,362	1,647	1,012	1,036	1,576	1,516
9,947	7,853	8,948	13,589	10,164	9,978
3,416	3,938	4,460	4,674	4,797	5,201
1,379	1,361	1,500	1,557	2,047	2,047
2,341	2,371	2,587	2,311	1,557	2,058
4.0	8.0	4.0	1.0	4.0	11.0
1.0	1.0	2.0	0.0	1.0	0.0
500	500	502	500	505	505
8,907	4,161	4,132	5,676	5,319	5,059
27	22	35	26	22	17
1,804	1,081	1,164	1,000	1,107	1,117
280,253	245,073	328,351	336,241	318,007	301,170
832,300	768,810	835,990	865,330	926,400	921,000
21	21	64	51	49	92

CITY OF FAYETTEVILLE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function/Program	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
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	3	3	3	3	3	3
Fire trucks	5	6	8	8	8	8	8	8	8	8
Public Works										
Parks	5	5	5	5	5	5	5	5	5	5
Highways/streets	66.30	66.30	64.30	64.30	64.30	64.30	64.30	64.30	67.00	67
Building	0.5	0.5	0.5	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Bridge	1	1	1	1	1	1	1	1	1	2
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	2
Component Units										
Buildings	4	4	6	7	7	7	6	6	6	6
Museum collection	1	1	1	1	1	0	0	0	0	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	26	26	26	26	26	28	28	29	29	31
Miles of sewer lines	129	130	131	131	132	133	133	133	137	140
Miles of water lines	108	109	109	109	109	109	109	130	132	135
Manholes	2,848	2,863	2,870	2,880	2,890	2,940	2,940	2,940	3,200	3200
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
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
2022	309,729	48.5	328,351	51.5	638,080	(9.5)
2023	266,901	44.3	336,241	55.7	603,142	(5.5)
2024	301,994	51.7	282,348	48.3	584,342	(3.1)
2025	257,826	46.1	301,160	53.9	558,986	(4.5)

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
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
2022	2.30	N/A
2023	2.37	N/A
2024	2.52	N/A
2025	2.52	N/A

Note:
The City's sewerage system consists of a modern secondary wastewater treatment facility, 31 pumping stations and approximately 130 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 in Water Customers	Number of Sewer Customers	% Sewer to Water Customers
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
2022	7,147	0.8	7,645	107.0
2023	7,241	1.3	7,758	107.1
2024	7,236	(0.1)	7,557	104.4
2025	7,362	1.7	7,767	105.5

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 business-like 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 the 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 ("*Government Auditing Standards"*), 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"), as of and for the fiscal year ended July 31, 2025, 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 27, 2026.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 27, 2026

CITY OF FAYETTEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JULY 31, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP.	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

There was not an audit of major federal programs as of July 31, 2025 due to the total amount expended being less than $750,000

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, 2025

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.