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**FAYETTEVILLE**  
— GEORGIA —

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JULY 31, 2019

DAN GARCIA, CAPTURING THE HISTORIC TRAIN DEPOT "THE TRAIN HAS LEFT THE STATION"





**CITY OF FAYETTEVILLE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JULY 31, 2019**

Prepared By:  
Mike Bush  
Director of Finance

Submitted By:  
Ray Gibson  
City Manager



## **INTRODUCTORY SECTION**



**CITY OF FAYETTEVILLE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JULY 31, 2019**

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**TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Table of Contents .....	i – iii
Letter of Transmittal .....	iv – x
Certificate of Achievement for Excellence in Financial Reporting .....	xi
List of Principal Officials.....	xii
Organizational Chart .....	xiii

**FINANCIAL SECTION**

Independent Auditor's Report .....	1 – 3
Management's Discussion and Analysis .....	4 – 13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	14
Statement of Activities .....	15 and 16
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	17 and 18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	19 and 20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	22 and 23
Statement of Net Position – Proprietary Funds .....	24 and 25
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds .....	26
Statement of Cash Flows – Proprietary Funds .....	27 and 28
Notes to Financial Statements .....	29 – 59
Required Supplementary Information:	
Schedule of Changes in the City's Net Pension Liability and Related Ratios .....	60
Schedule of City Contributions.....	61

**CITY OF FAYETTEVILLE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JULY 31, 2019**

---

**TABLE OF CONTENTS (CONTINUED)**

Page

**FINANCIAL SECTION (CONTINUED)**

**Combining and Individual Fund Statements and Schedules:**

Combining Balance Sheet – Nonmajor Governmental Funds .....	62 and 63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	64 and 65
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Special Revenue Funds .....	66 – 72
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Projects Funds .....	73 – 76
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds.....	77

**STATISTICAL SECTION**

**Financial Trends:**

Net Position by Component .....	78 and 79
Changes in Net Position .....	80 – 83
Governmental Activities Tax Revenues by Source.....	84 and 85
Fund Balances of Governmental Funds.....	86 and 87
Changes in Fund Balances of Governmental Funds .....	88 and 89
General Governmental Tax Revenues by Source .....	90 and 91

**Revenue Capacity:**

Assessed Value and Estimated Actual Value of Taxable Property.....	92 and 93
Property Tax Rates – Direct and Overlapping Governments .....	94
Principal Property Taxpayers .....	95
Property Tax Levies and Collections.....	96
Water Sold by Customer Type.....	97
Water and Sewer User Rates .....	98 and 99
Ten Largest Water Customers .....	100
Ten Largest Sewer Customers.....	101

**Debt Capacity:**

Ratios of Outstanding Debt by Type .....	102 and 103
Direct and Overlapping Governmental Activities Debt.....	104
Legal Debt Margin Information.....	105 and 106
Pledged-Revenue Coverage .....	107

**CITY OF FAYETTEVILLE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JULY 31, 2019**

---

**TABLE OF CONTENTS (CONTINUED)**

Page

**STATISTICAL SECTION (CONTINUED)**

**Demographic and Economic Information:**

Demographic and Economic Statistics .....	108
Principal Employers .....	109

**Operating Information:**

Full-Time Equivalent City Government Employees by Function .....	110
Operating Indicators by Function .....	111 and 112
Capital Asset Statistics by Function .....	113

**CONTINUING DISCLOSURE SECTION**

Water Supply by Source .....	114
Wastewater Treatment Plant Average Flow .....	115
Water and Sewer Customers .....	116
Water and Sewer User Fees and Charges .....	117

**COMPLIANCE SECTION**

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 <i>Government Auditing Standards</i> .....	118 and 119
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance .....	120 and 121
Schedule of Expenditures of Federal Awards .....	122
Notes to the Schedule of Expenditures of Federal Awards .....	123
Schedule of Findings and Responses .....	124 and 125
Summary Schedule of Prior Year Findings .....	126

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MAYOR  
Edward Johnson

CITY MANAGER  
Ray Gibson

CITY CLERK  
Anne Barksdale



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

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January 28, 2020

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

Ladies and Gentlemen:

The comprehensive annual financial report of the City of Fayetteville, Georgia (the “City”) for the fiscal year ended July 31, 2019 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 is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable a reader to gain an understanding of the City’s financial activities have been included.

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

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

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

As a recipient of federal and state financial assistance, the City of Fayetteville is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by the management of the City. For fiscal year 2019, the City was required to undergo a Single Audit.

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

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

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

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

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

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

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

In 1900, the first gas lamps and telephones were installed. The Fayette County Daily Newspaper that began in 1886 is still in operation. Electricity lit up Fayetteville in the 1920s. In 1926, the first public water system was installed with a 60,000-gallon tank above the City well. In 1953, the water system was upgraded with the construction of a new water plant just northwest of the City. A sewer system was installed in the early 1960s. In 1996, the City built a four MOD water treatment plant. And, then, in 2008 the final upgrade to the City's wastewater treatment plant provides the City with a capacity of 5 MGD.

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

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

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

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

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

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

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

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

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

The population of Fayetteville is 17,459. The median housing value in Fayetteville is \$228,649. Renters make up about 29% of the City's population; while 64.2% own homes. 6% of the homes and apartments are vacant in the City. The City remains affordable to residents as the per capita income is \$34,443.

The total number of building permit inspections for fiscal year 2019 was 4,862 compared to last fiscal year, was 4,524. The total number of development plan applications was 13 compared to last fiscal year, was 15, and the total number of erosion control inspections was 833 compared to last fiscal year, was 356.

The unemployment rate for Fayetteville has decreased from 5.2% to 3.4%. Sales and office type jobs are the most prominent jobs in Fayetteville, followed by management, business, and financial operation.

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

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

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

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

During 2019, the City was able to add 33 new employees. four were in General Government position, thirteen in the Police Department, one in the Fire Department, three in the Community Development, and eleven more in the Public Services Department. Once again, the City had an increase in personal services and benefits. The increase was due mainly to a pay and class study implemented in 2019.

**Major Initiatives.** For fiscal year 2019, the Police Department purchased new in car camera systems along with body cameras that work off one system. This replaced several systems the City was maintaining and consolidated them into one central system.

The Fire Department put into service one Aerial Apparatus and two 3,000 gallon pumpers. The department was also able to purchase a second set of turn out gear for each firefighter.

The Water & Sewer Division of Public Services completed the design of the new Waste Water Treatment Plant. This project will start construction in Fiscal Year 2020 and be completed in Fiscal Year 2021.

The progress with the New City Center project was designed during Fiscal Year 2019. The park will take up 7.7 acres and City Hall will be constructed on the remaining 2 acres. We expect construction to start in Fiscal Year 2020 and finish in Fiscal Year 2021.

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

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

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

**Awards.** The Government Finance Officers Association (“GFOA”) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fayetteville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended July 31, 2018. This was the twentieth-third consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City also received the GFOA Award for Distinguished Budget Presentation for the annual budget for fiscal year 2019. This was the thirteen 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 CAFR on a timely basis was made possible by the dedicated service of the City staff and department directors and the auditors of our accounting firm, Mauldin and Jenkins, LLC. In closing, without the leadership and support of the Mayor and City Council, the preparation of this report would not have been possible. My sincere appreciation is extended to each individual for the contributions made in the preparations of this report.

Respectfully submitted,



Ray Gibson  
City Manager



Mike Bush  
Director of Finance and Administrative Services



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Fayetteville  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**July 31, 2018**

*Christopher P. Morill*

Executive Director/CEO

# CITY OF FAYETTEVILLE, GEORGIA

## LIST OF PRINCIPAL OFFICIALS JULY 31, 2019

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### **MAYOR**

Edward Johnson

### **CITY COUNCIL MEMBERS**

Scott Stacy Mayor Pro Tem

James Williams

Paul Oddo

Kathaleen Brewer

Harlan Shirley

### **CITY MANAGER**

Ray Gibson

### **CITY CLERK**

Anne Barksdale

### **DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES**

Mike Bush

### **CITY ATTORNEY**

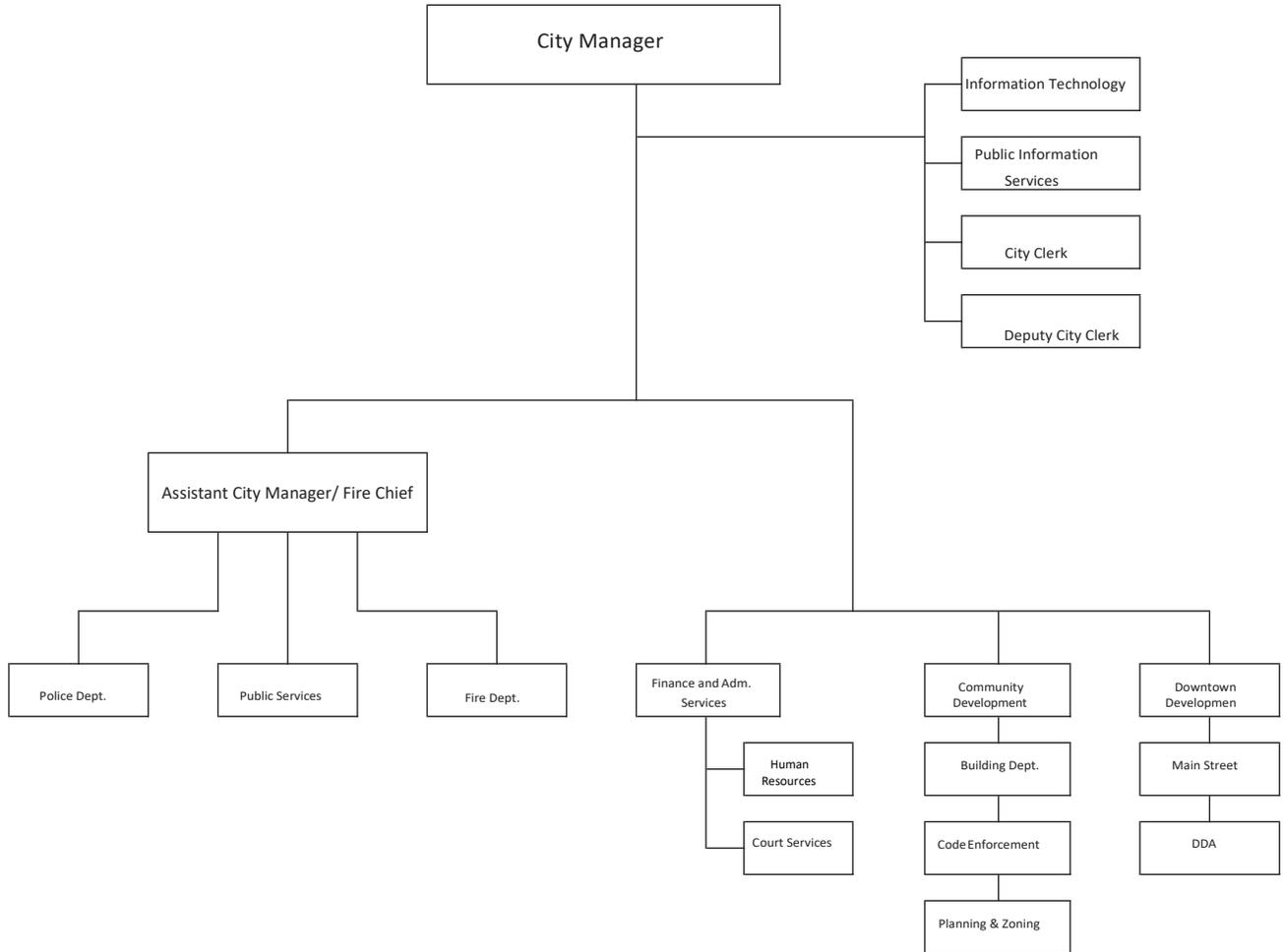
David Winkle

### **CITY AUDITORS**

Mauldin & Jenkins, LLC

# CITY OF FAYETTEVILLE, GEORGIA

## ORGANIZATIONAL CHART JULY 31, 2019



## **FINANCIAL SECTION**





## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Fayetteville, Georgia** (the "City") as of and for the year ended July 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of July 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 – 13), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 60), and the Schedule of City Contributions (on page 61) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

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

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

**Other Reporting Required By Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2020, 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 28, 2020

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# CITY OF FAYETTEVILLE, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS JULY 31,

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Management's Discussion and Analysis 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, 2019. It is designed to give the reader an objective and easily readable analysis of the City's financial performance. The primary intent of this discussion and analysis 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 2019 are as follows:

In total, combined net position increased by \$5,540,870 which represents a 5.80% increase over FY 2018. This increase can primarily be attributed to investments in capital assets.

- Combined tax revenues accounted for \$14,958,339 or 63.60% 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 \$8,367,057 or 26.24% of total revenues of \$23,519,214 from governmental activities.
- The City had \$18,988,408 in expenses related to governmental activities; \$8,367,057 of these expenses were offset by charges for services, grants, and contributions. General revenues (primarily taxes) of \$15,152,157 provided for these services as well as increasing the City's net position by \$4,830,806.
- Total Water and Sewer Fund revenues for fiscal year 2019 were \$6,831,225. Total expenses for fiscal year 2019 were \$5,487,092. Capital contributions were recorded in the amount of \$170,710, including but not limited to donated property and sewer proportionate share. The change in net position after depreciation and non-operating revenues/expenses was \$674,938 for the fiscal year-end 2019.
- Revenues from the General Fund were \$15,695,227 fiscal year 2019, an increase of approximately 16.55% over the prior fiscal year, due to an increase in taxes, licenses and permits, fines and forfeitures, and charges for services. General Fund expenditures totaled \$14,870,396 for the fiscal year ended July 31, 2019, a decrease of 1.9% over last fiscal year due mostly to decrease spending in general government.

### **Overview of the Financial Statements**

This comprehensive annual financial report 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **Statements of Net Position and the Statement of Activities**

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

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

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

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

### **Reporting the City's Most Significant Funds**

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

### **Governmental Funds**

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

### **Proprietary Funds**

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

### **Financial Analysis**

The net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeds liabilities and deferred inflows of resources by \$101,025,938, at the close of the most recent fiscal year.

The City's overall net position increased \$5,540,870 from the prior fiscal year. Net position for governmental activities increased \$4,830,806 from the prior fiscal year. The reason for this overall change in net position for governmental activities is mainly the result of increase in property taxes during the current fiscal year. Net position for business-type activities increased \$710,064 from the prior fiscal year. The reason for this overall change in net position for business-type activities is mainly the result of a decrease in operating expenses during the current fiscal year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### TABLE 1 – NET POSITION

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 16,669,736	\$ 14,124,299	\$ 8,015,701	\$ 8,163,060	\$ 24,685,437	\$ 22,287,359
Capital assets	84,009,592	82,737,518	24,794,355	24,894,447	108,803,947	107,631,965
Total assets	<u>\$ 100,679,328</u>	<u>\$ 96,861,817</u>	<u>\$ 32,810,056</u>	<u>\$ 33,057,507</u>	<u>\$ 133,489,384</u>	<u>\$ 129,919,324</u>
Deferred outflows of resources	<u>\$ 1,204,515</u>	<u>\$ 1,396,305</u>	<u>\$ 284,181</u>	<u>\$ 350,325</u>	<u>\$ 1,488,696</u>	<u>\$ 1,746,630</u>
Long-term liabilities	\$ 13,156,213	\$ 14,511,163	\$ 17,513,815	\$ 18,365,201	\$ 30,670,028	\$ 32,876,364
Other liabilities	1,627,412	1,622,387	696,434	902,682	2,323,846	2,525,069
Total liabilities	<u>\$ 14,783,625</u>	<u>\$ 16,133,550</u>	<u>\$ 18,210,249</u>	<u>\$ 19,267,883</u>	<u>\$ 32,993,874</u>	<u>\$ 35,401,433</u>
Deferred inflows of resources	<u>\$ 776,197</u>	<u>\$ 631,357</u>	<u>\$ 182,071</u>	<u>\$ 148,096</u>	<u>\$ 958,268</u>	<u>\$ 779,453</u>
Net position:						
Net investment in capital assets	\$ 75,562,324	\$ 73,396,508	\$ 8,248,140	\$ 7,627,778	\$ 83,810,464	\$ 81,024,286
Restricted	2,910,161	3,116,993	3,144,898	3,031,959	6,055,059	6,148,952
Unrestricted	7,851,536	4,979,714	3,308,879	3,332,116	11,160,415	8,311,830
Total net position	<u>\$ 86,324,021</u>	<u>\$ 81,493,215</u>	<u>\$ 14,701,917</u>	<u>\$ 13,991,853</u>	<u>\$ 101,025,938</u>	<u>\$ 95,485,068</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### TABLE 2 – CHANGE IN NET POSITION

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 2,963,721	\$ 2,313,057	\$ 7,541,067	\$ 7,221,083	\$ 10,504,788	\$ 9,534,140
Operating grants and contributions	300,440	647,997	-	-	300,440	647,997
Capital grants and contributions	5,102,896	4,069,051	170,710	184,970	5,273,606	4,254,021
Total program revenues	<u>8,367,057</u>	<u>7,030,105</u>	<u>7,711,777</u>	<u>7,406,053</u>	<u>16,078,834</u>	<u>14,436,158</u>
General revenues:						
Property taxes	6,052,590	4,238,436	-	-	6,052,590	4,238,436
Other taxes	8,905,749	8,327,692	-	-	8,905,749	8,327,692
Unrestricted investment earnings	193,818	44,761	86,744	5,848	280,562	50,609
Gain on sale of capital assets	-	-	-	1,826	-	1,826
Total general revenues	<u>15,152,157</u>	<u>12,645,850</u>	<u>86,744</u>	<u>(27,287)</u>	<u>15,238,901</u>	<u>12,618,563</u>
Total revenues	<u>\$ 23,519,214</u>	<u>\$ 19,675,955</u>	<u>\$ 7,798,521</u>	<u>\$ 7,378,766</u>	<u>\$ 31,317,735</u>	<u>\$ 27,054,721</u>
Expenses						
General government	2,322,589	3,580,927	-	-	2,322,589	3,580,927
Judicial	632,417	605,967	-	-	632,417	605,967
Public safety	10,147,469	7,904,689	-	-	10,147,469	7,904,689
Public works	3,663,837	3,082,460	-	-	3,663,837	3,082,460
Culture and recreation	55	30	-	-	55	30
Housing and development	1,959,415	2,085,329	-	-	1,959,415	2,085,329
Interest on long-term debt	262,626	158,004	-	-	262,626	158,004
Water and sewer	-	-	5,673,074	5,992,402	5,673,074	5,992,402
Stormwater	-	-	439,347	383,749	439,347	383,749
Solid waste	-	-	676,036	665,625	676,036	665,625
Total expenses	<u>\$ 18,988,408</u>	<u>\$ 17,417,406</u>	<u>\$ 6,788,457</u>	<u>\$ 7,041,776</u>	<u>\$ 25,776,865</u>	<u>\$ 24,459,182</u>
Increase in net assets before transfers	\$ 4,530,806	\$ 2,258,549	\$ 1,010,064	\$ 336,990	\$ 5,540,870	\$ 2,595,539
Transfers	300,000	34,961	(300,000)	(34,961)	-	-
Change in net position	<u>4,830,806</u>	<u>2,258,549</u>	<u>710,064</u>	<u>336,990</u>	<u>5,540,870</u>	<u>2,595,539</u>
Net position, beginning of year	<u>81,493,215</u>	<u>79,234,666</u>	<u>13,991,853</u>	<u>13,654,863</u>	<u>95,485,068</u>	<u>92,889,529</u>
Net position, end of year	<u>\$ 86,324,021</u>	<u>\$ 81,493,215</u>	<u>\$ 14,701,917</u>	<u>\$ 13,991,853</u>	<u>\$ 101,025,938</u>	<u>\$ 95,485,068</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Governmental Activities

The most significant functional expense for governmental activity was for public safety of \$10,147,469, which represents 53.44% of the total governmental expenses. The next most significant program expense is public works, which totals \$3,663,837 or 19.30% of the total.

### Business-Type Activities

The most significant business-type activity of the City is the Water and Sewer Department. The majority of its revenue was derived from user fees charged for product and service.

### 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 15 and 16.

**TABLE 3 – Governmental and Business Type Activities**

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
General government	\$ 2,322,589	\$ 3,580,927	\$ (1,581,371)	\$ (2,968,665)
Judicial	632,417	605,967	598,465	338,855
Public safety	10,147,469	7,904,689	(10,051,883)	(7,493,578)
Public works	3,663,837	3,082,460	1,555,345	1,108,623
Culture and recreation	55	30	(55)	(30)
Housing and development	1,959,415	2,085,329	(879,226)	(1,214,502)
Interest on long-term debt	262,626	158,004	(262,626)	(158,004)
Total governmental activities	<u>18,988,408</u>	<u>17,417,406</u>	<u>(10,621,351)</u>	<u>(10,387,301)</u>
Business-type activities	<u>6,788,457</u>	<u>7,041,776</u>	<u>923,320</u>	<u>364,277</u>
Total expenses	<u>\$ 25,776,865</u>	<u>\$ 24,459,182</u>	<u>\$ (9,698,031)</u>	<u>\$ (10,023,024)</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Governmental Fund Balance

At the end of the fiscal year 2019, the combined ending fund balances for the City's Governmental Funds were \$14,338,504. Of the total fund balance, \$13,968,629 is available as working capital for current spending in accordance with the purposes of the specific funds. The remainder of the fund balance, \$369,875, is not available for new spending because it is considered nonspendable (pre-paid items and inventory).

The General Fund's fund balance for the fiscal year ended 2019 was \$5,749,341, which indicates an increase in fund balance over the previous year by \$950,720. The increase in the General Fund's fund balance is due to an increase in the millage rate from 3.874 mils to 5.646 mils. This generated approximately \$2,076,416. Total revenues increased by \$2,228,493. Total expenses decreased by \$282,124. The majority of the decrease was in general government which decrease by \$1,102,043 but public safety increased by \$941,163 resulting in a total decrease in expenses for the General Fund. The SPLOST 2017 fund collected \$1,922,823 more in revenues than we spent in expenditures in 2019. Information provided in Table 4 is from the *Governmental Funds Balance Sheet* on pages 17 and 18.

**TABLE 4 – Governmental Fund Balance**

	2019	2018
General Fund	\$ 5,749,341	\$ 4,798,621
SPLOST 2017 Fund	6,019,057	4,096,234
Capital Projects 2 Fund	(1,008,120)	-
Building Fund	634,300	-
Other Governmental Funds	2,943,926	3,554,432
Total	\$ 14,338,504	\$ 12,449,287

### Proprietary Net Position

At the end of the fiscal year 2019, the combined net position of the City's Proprietary Funds were \$14,701,917. The most significant events that took place were an increase in revenues of nearly \$320,000 and a reduction of expenses of about \$200,000 resulting in an increase in net position of \$710,064.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 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 \$15,695,227 were less than the final budgeted amount of \$16,579,510 by \$884,283.
- The actual expenditures of \$14,870,396 were less than the final budgeted amount of \$15,549,727 by \$679,331. This difference was primarily due to less capital outlay than expected during the current year.
- The original budget had to be increased by \$1,417,029 due to the change in revenues. Sales taxes were originally budgeted as \$3,840,528 with actual revenues of \$3,953,389 for a total increase of \$112,861; other taxes were originally budgeted as \$4,501,668 with actual revenues of \$4,952,360 for a total increase of \$450,692; intergovernmental revenues were originally budgeted as \$729,871 with actual revenues of \$120,800 for an decrease of \$609,071; and fines and forfeitures were originally budgeted as \$1,000,000 with actual revenues of \$1,142,427 for an increase of \$142,427.

### Capital Assets and Debt Administration

At the end of fiscal year 2019, the City had \$108,803,947 invested in capital assets, which is an increase over fiscal year 2018 of \$1,171,982. Table 5 shows fiscal years 2019 and 2018 balances of the *Capital Assets, Net of Accumulated Depreciation* as presented in Note 7.

**TABLE 5 – Capital Assets, Net of Accumulated Depreciation**

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Land	\$ 11,830,959	\$ 11,380,324	\$ 1,630,139	\$ 1,630,139	\$ 13,461,098	\$ 13,010,463
Historical treasures	91,279	91,279	-	-	91,279	91,279
Construction in progress	2,408,777	2,598,901	2,597,230	1,619,794	5,006,007	4,218,695
Buildings	5,685,255	5,921,505	-	-	5,685,255	5,921,505
Land improvements	1,034,323	1,157,422	-	-	1,034,323	1,157,422
Equipment	4,290,999	2,304,004	360,470	389,039	4,651,469	2,693,043
Infrastructure	58,668,000	59,284,083	20,206,516	21,255,475	78,874,516	80,539,558
Total	<u>\$ 84,009,592</u>	<u>\$ 82,737,518</u>	<u>\$ 24,794,355</u>	<u>\$ 24,894,447</u>	<u>\$ 108,803,947</u>	<u>\$ 107,631,965</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Debt

The City reported outstanding debt of \$17,513,815 as of July 31, 2019. Debt for the business-type activities relates to the Water and Sewerage Revenue Bonds that were issued in FY 2013 to refinance the cost of the 2003 Water and Sewerage Revenue Bonds, the Water and Sewer Fund's allocated portion of the net pension liability, and Water and Sewerage issuance of GEFA note payable in FY 2017 to make improvements to the City's storm water infrastructure. The amount of outstanding debt in Governmental Activities includes Certificates of Participation ("COPS") with Georgia Municipal Association ("GMA"), revenue bonds, compensated absences, capital leases, net pension liability, and notes payable totaling \$13,156,213. This amount decreased from the prior year as a result of changes in the net pension liability and debt reduction. Table 6 – *Outstanding Long-Term Liabilities* reflects information provided in Note 8.

**TABLE 6 – Outstanding Long-Term Liabilities**

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Notes payable	<b>\$ 3,093,234</b>	\$ 3,239,917	<b>\$ 806,652</b>	\$ 801,206
Compensated absences	<b>590,907</b>	584,121	-	-
Net pension liability	<b>4,081,827</b>	4,534,526	<b>957,466</b>	1,063,653
Capital leases	<b>2,715,245</b>	3,027,599	-	-
Certificates of participation	<b>1,955,000</b>	2,175,000	-	-
Bonds payable:				
Revenue bonds	<b>720,000</b>	950,000	<b>15,715,000</b>	16,460,000
Deferred amounts:				
Premium	-	-	<b>34,697</b>	40,342
Total bonds payable	<b>720,000</b>	950,000	<b>15,749,697</b>	16,500,342
Total long-term liabilities	<b>\$ 13,156,213</b>	\$ 14,511,163	<b>\$ 17,513,815</b>	\$ 18,365,201

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **Current Issues**

#### **Economic Factors and Next Year's Budget and Rates**

Today, the population for the City increased by 403 and is estimated to be 17,459. The City continued to see growth in the City's General Fund revenues primarily from the increase in the millage rate, which have increased from \$3,840,328 in 1994 to \$15,695,227 in 2019. The economic condition and outlook of the City is showing steady slow improvement in residential construction, purchasing by City residents, and low loss of jobs and a low unemployment rate in the area.

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

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

#### **Contacting the City's Financial Management**

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

## **BASIC FINANCIAL STATEMENTS**



**CITY OF FAYETTEVILLE, GEORGIA**

**STATEMENT OF NET POSITION  
JULY 31, 2019**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,173,540	\$ 1,598,138	\$ 12,771,678
Investments	2,668,357	-	2,668,357
Taxes receivable	694,223	-	694,223
Accounts receivable, net of allowances	194,679	940,451	1,135,130
Due from other governments	1,218,062	-	1,218,062
Internal balances	165,437	(165,437)	-
Inventories	29,982	152,496	182,478
Prepaid expenses	339,893	32,873	372,766
Restricted assets, cash and cash equivalents	185,563	5,457,180	5,642,743
Capital assets, nondepreciable	14,331,015	4,227,369	18,558,384
Capital assets, depreciable, net of accumulated depreciation	69,678,577	20,566,986	90,245,563
<b>Total assets</b>	<b>100,679,328</b>	<b>32,810,056</b>	<b>133,489,384</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	1,168,304	274,047	1,442,351
Deferred charge on refunding	36,211	10,134	46,345
<b>Total deferred outflows of resources</b>	<b>1,204,515</b>	<b>284,181</b>	<b>1,488,696</b>
<b>LIABILITIES</b>			
Accounts payable	635,363	409,702	1,045,065
Accrued liabilities	362,749	286,732	649,481
Unearned revenues	629,300	-	629,300
Capital leases due within one year	760,401	-	760,401
Capital leases due in more than one year	1,954,844	-	1,954,844
Compensated absences due within one year	295,440	-	295,440
Compensated absences due in more than one year	295,467	-	295,467
Certificates of participation due within one year	225,000	-	225,000
Certificates of participation due in more than one year	1,730,000	-	1,730,000
Notes payable due within one year	430,941	-	430,941
Notes payable due in more than one year	2,662,293	806,652	3,468,945
Bonds payable due within one year	235,000	770,000	1,005,000
Bonds payable due in more than one year	485,000	14,979,697	15,464,697
Net pension liability	4,081,827	957,466	5,039,293
<b>Total liabilities</b>	<b>14,783,625</b>	<b>18,210,249</b>	<b>32,993,874</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	776,197	182,071	958,268
<b>Total deferred inflows of resources</b>	<b>776,197</b>	<b>182,071</b>	<b>958,268</b>
<b>NET POSITION</b>			
Net investment in capital assets	75,562,324	8,248,140	83,810,464
Restricted for:			
Debt service	-	3,144,898	3,144,898
Law enforcement	82,024	-	82,024
Cemetery improvements	13,547	-	13,547
Veterans memorial	622	-	622
Downtown development	864,757	-	864,757
Tourism	69,414	-	69,414
Other capital projects	1,879,797	-	1,879,797
Unrestricted	7,851,536	3,308,879	11,160,415
<b>Total net position</b>	<b>\$ 86,324,021</b>	<b>\$ 14,701,917</b>	<b>\$ 101,025,938</b>

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, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 2,322,589	\$ 740,870	\$ -	\$ 348
Judicial	632,417	1,230,882	-	-
Public safety	10,147,469	83,768	11,818	-
Public works	3,663,837	-	126,075	5,093,107
Culture and recreation	55	-	-	-
Housing and development	1,959,415	908,201	162,547	9,441
Interest on long-term debt	262,626	-	-	-
Total governmental activities	<u>18,988,408</u>	<u>2,963,721</u>	<u>300,440</u>	<u>5,102,896</u>
Business-type activities:				
Water and sewer	5,673,074	6,053,739	-	170,710
Stormwater	439,347	777,486	-	-
Solid waste	676,036	709,842	-	-
Total business-type activities	<u>6,788,457</u>	<u>7,541,067</u>	<u>-</u>	<u>170,710</u>
Total primary government	<u>\$ 25,776,865</u>	<u>\$ 10,504,788</u>	<u>\$ 300,440</u>	<u>\$ 5,273,606</u>
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Alcoholic beverage excise taxes				
Business and occupation taxes				
Insurance premium taxes				
Other taxes				
Unrestricted investment earnings				
Transfers				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

**Net (Expenses) Revenues and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (1,581,371)	\$ -	\$ (1,581,371)
598,465	-	598,465
(10,051,883)	-	(10,051,883)
1,555,345	-	1,555,345
(55)	-	(55)
(879,226)	-	(879,226)
(262,626)	-	(262,626)
<u>(10,621,351)</u>	<u>-</u>	<u>(10,621,351)</u>
-	551,375	551,375
-	338,139	338,139
-	33,806	33,806
<u>-</u>	<u>923,320</u>	<u>923,320</u>
<u>(10,621,351)</u>	<u>923,320</u>	<u>(9,698,031)</u>
6,052,590	-	6,052,590
3,953,389	-	3,953,389
1,502,179	-	1,502,179
358,614	-	358,614
1,248,235	-	1,248,235
1,158,554	-	1,158,554
684,778	-	684,778
193,818	86,744	280,562
300,000	(300,000)	-
<u>15,452,157</u>	<u>(213,256)</u>	<u>15,238,901</u>
4,830,806	710,064	5,540,870
81,493,215	13,991,853	95,485,068
<u>\$ 86,324,021</u>	<u>\$ 14,701,917</u>	<u>\$ 101,025,938</u>

**CITY OF FAYETTEVILLE, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JULY 31, 2019**

	<b>General Fund</b>	<b>SPLOST 2017 Fund</b>	<b>Capital Projects 2 Fund</b>	<b>Building Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,507,953	\$ 5,712,585	\$ 94,117	\$ 20,501	\$ 2,838,384	\$ 11,173,540
Investments	2,668,357	-	-	-	-	2,668,357
Taxes receivable	624,498	-	-	-	69,725	694,223
Accounts receivable, net	194,679	-	-	-	-	194,679
Due from other governments	600,053	333,983	284,026	-	-	1,218,062
Due from other funds	822,001	-	-	645,550	204,718	1,672,269
Inventories	7,551	-	-	-	22,431	29,982
Prepaid expenditures	306,291	-	-	22,268	11,334	339,893
Restricted assets	-	-	-	128,730	56,833	185,563
Total assets	<u>\$ 7,731,383</u>	<u>\$ 6,046,568</u>	<u>\$ 378,143</u>	<u>\$ 817,049</u>	<u>\$ 3,203,425</u>	<u>\$ 18,176,568</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 290,443	\$ 27,511	\$ 74,614	\$ 182,749	\$ 60,046	\$ 635,363
Accrued liabilities	344,228	-	-	-	3,902	348,130
Due to other funds	108,685	-	1,280,550	-	117,597	1,506,832
Unearned revenue	520,247	-	31,099	-	77,954	629,300
Total liabilities	<u>1,263,603</u>	<u>27,511</u>	<u>1,386,263</u>	<u>182,749</u>	<u>259,499</u>	<u>3,119,625</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	118,386	-	-	-	-	118,386
Unavailable revenue - intergovernmental	600,053	-	-	-	-	600,053
Total deferred inflows of resources	<u>718,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>718,439</u>

**CITY OF FAYETTEVILLE, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JULY 31, 2019**

	<u>General Fund</u>	<u>SPLOST 2017 Fund</u>	<u>Capital Projects 2 Fund</u>	<u>Building Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>FUND BALANCES</b>						
Fund balances:						
Nonspendable	\$ 313,842	\$ -	\$ -	\$ 22,268	\$ 33,765	\$ 369,875
Restricted	-	6,019,057	-	612,032	2,910,161	9,541,250
Assigned	3,500,000	-	-	-	-	3,500,000
Unassigned	1,935,499	-	(1,008,120)	-	-	927,379
Total fund balances	<u>5,749,341</u>	<u>6,019,057</u>	<u>(1,008,120)</u>	<u>634,300</u>	<u>2,943,926</u>	<u>14,338,504</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,731,383</u>	<u>\$ 6,046,568</u>	<u>\$ 378,143</u>	<u>\$ 817,049</u>	<u>\$ 3,203,425</u>	
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.						\$ 84,009,592
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.						718,439
The net pension liability and related deferred outflows and inflows of resources are not financial resources and, therefore, are not reported in the governmental funds.						(3,689,720)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						<u>(9,052,794)</u>
Net position of governmental activities						<u>\$ 86,324,021</u>

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

**CITY OF FAYETTEVILLE, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JULY 31, 2019**

	<b>General Fund</b>	<b>SPLOST 2017 Fund</b>	<b>Capital Projects 2 Fund</b>	<b>Building Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>						
Taxes	\$ 13,426,364	\$ -	\$ -	\$ 1,054,178	\$ 429,463	\$ 14,910,005
Licenses and permits	570,191	-	-	-	-	570,191
Intergovernmental	120,800	3,943,630	341,062	208,362	-	4,613,854
Fines and forfeitures	1,142,427	-	-	-	27,222	1,169,649
Charges for services	150,594	-	-	-	274,033	424,627
Impact fees	-	-	-	-	633,908	633,908
Contributions	8,551	-	-	-	105,954	114,505
Interest income	110,954	54,541	1,347	7,965	28,452	203,259
Rental income	-	-	-	-	44,308	44,308
Other revenues	165,346	-	-	-	21,175	186,521
<b>Total revenues</b>	<b>15,695,227</b>	<b>3,998,171</b>	<b>342,409</b>	<b>1,270,505</b>	<b>1,564,515</b>	<b>22,870,827</b>
<b>Expenditures</b>						
Current:						
General government	2,220,727	-	-	-	-	2,220,727
Judicial	636,626	-	-	-	-	636,626
Public safety	9,884,823	-	-	-	63,259	9,948,082
Public works	1,109,739	-	-	-	-	1,109,739
Culture and recreation	-	-	-	-	55	55
Housing and development	1,018,481	-	-	-	932,690	1,951,171
Capital outlay:						
General government	-	215,371	-	702,499	-	917,870
Public safety	-	-	-	529,192	-	529,192
Public works	-	1,517,363	1,107,773	183,836	-	2,808,972
Debt service:						
Principal	-	231,079	-	801,275	376,683	1,409,037
Interest	-	111,535	-	104,168	34,436	250,139
<b>Total expenditures</b>	<b>14,870,396</b>	<b>2,075,348</b>	<b>1,107,773</b>	<b>2,320,970</b>	<b>1,407,123</b>	<b>21,781,610</b>
Excess (deficiency) of revenues over (under) expenditures	824,831	1,922,823	(765,364)	(1,050,465)	157,392	1,089,217

(Continued)

**CITY OF FAYETTEVILLE, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JULY 31, 2019**

	<b>General Fund</b>	<b>SPLOST 2017 Fund</b>	<b>Capital Projects 2 Fund</b>	<b>Building Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Other financing sources (uses):</b>						
Capital leases	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000
Transfers in	951,042	-	650,000	964,565	845,805	3,411,412
Transfers out	<u>(825,153)</u>	-	<u>(1,280,550)</u>	<u>(225,269)</u>	<u>(780,440)</u>	<u>(3,111,412)</u>
Total other financing sources (uses)	<u>125,889</u>	-	<u>(630,550)</u>	<u>1,239,296</u>	<u>65,365</u>	<u>800,000</u>
Net change in fund balances	950,720	1,922,823	(1,395,914)	188,831	222,757	1,889,217
<b>Fund balance, beginning of year</b>	<u>4,798,621</u>	<u>4,096,234</u>	<u>387,794</u>	<u>445,469</u>	<u>2,721,169</u>	<u>12,449,287</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ 5,749,341</u>	<u>\$ 6,019,057</u>	<u>\$ (1,008,120)</u>	<u>\$ 634,300</u>	<u>\$ 2,943,926</u>	<u>\$ 14,338,504</u>

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

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# CITY OF FAYETTEVILLE, GEORGIA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURE AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JULY 31, 2019

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

Net change in fund balances - total governmental funds	\$ 1,889,217
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.	1,278,980
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(6,906)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	648,387
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.	909,037
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.	<u>112,091</u>
Change in net position - governmental activities	<u>\$ 4,830,806</u>

**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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 3,962,882	\$ 4,584,133	\$ 4,520,615	\$ (63,518)
Sales taxes	3,840,528	3,955,528	3,953,389	(2,139)
Other taxes	4,501,668	5,036,668	4,952,360	(84,308)
Licenses and permits	815,725	622,875	570,191	(52,684)
Intergovernmental	729,871	749,999	120,800	(629,199)
Fines and forfeitures	1,000,000	1,145,000	1,142,427	(2,573)
Charges for services	193,634	176,634	150,594	(26,040)
Contributions	8,505	9,005	8,551	(454)
Interest income	35,700	115,700	110,954	(4,746)
Other revenues	73,968	183,968	165,346	(18,622)
Total revenues	<u>15,162,481</u>	<u>16,579,510</u>	<u>15,695,227</u>	<u>(884,283)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Mayor and council	201,448	195,256	194,229	1,027
Clerk of council	116,987	123,106	120,684	2,422
City manager	143,750	154,200	153,313	887
Elections	-	7,880	7,880	-
Financial administration	583,383	573,610	546,520	27,090
Public information	75,743	118,555	117,168	1,387
Law	127,285	128,100	104,100	24,000
Data processing	251,659	277,858	256,040	21,818
Human resources	168,446	200,563	171,568	28,995
Building and plant	503,464	559,464	549,225	10,239
Total general government	<u>2,172,165</u>	<u>2,338,592</u>	<u>2,220,727</u>	<u>117,865</u>
<b>Judicial:</b>				
Municipal court	606,680	660,451	636,626	23,825
<b>Public safety:</b>				
Police administration	518,157	514,091	474,331	39,760
Investigations	1,330,363	1,407,223	1,403,658	3,565
Patrol	2,771,250	2,907,561	2,869,640	37,921
Police stations and buildings	100,804	273,229	96,940	176,289
Support services	490,227	507,756	486,593	21,163
Fire administration	371,324	394,265	393,414	851
Fire fighting	3,514,380	3,675,032	3,670,197	4,835
Fire prevention	381,389	399,116	395,451	3,665
Fire station 91 and headquarters	46,300	49,249	47,744	1,505
Fire station 92	27,500	26,050	23,348	2,702
Fire station 93	20,400	24,650	23,507	1,143
Total public safety	<u>9,572,094</u>	<u>10,178,222</u>	<u>9,884,823</u>	<u>293,399</u>

(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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Public works:</b>				
Public works administration	\$ 114,921	\$ 128,521	\$ 126,328	\$ 2,193
Highways and streets	1,071,236	1,126,174	983,411	142,763
Total public works	<u>1,186,157</u>	<u>1,254,695</u>	<u>1,109,739</u>	<u>144,956</u>
<b>Housing and development:</b>				
Inspection	396,311	466,775	369,298	97,477
Planning and zoning	496,251	601,122	600,261	861
Engineering and development	87,947	49,870	48,922	948
Total housing and development	<u>980,509</u>	<u>1,117,767</u>	<u>1,018,481</u>	<u>99,286</u>
Total expenditures	<u>14,517,605</u>	<u>15,549,727</u>	<u>14,870,396</u>	<u>679,331</u>
Excess of revenues over expenditures	<u>644,876</u>	<u>1,029,783</u>	<u>824,831</u>	<u>(204,952)</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of assets	12,500	13,000	-	(13,000)
Transfers in	307,500	967,939	951,042	(16,897)
Transfers out	(964,876)	(2,010,722)	(825,153)	1,185,569
Total other financing sources (uses)	<u>(644,876)</u>	<u>(1,029,783)</u>	<u>125,889</u>	<u>1,155,672</u>
Net change in fund balances	-	-	950,720	950,720
<b>Fund balances, beginning of year</b>	<u>4,798,621</u>	<u>4,798,621</u>	<u>4,798,621</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 4,798,621</u>	<u>\$ 4,798,621</u>	<u>\$ 5,749,341</u>	<u>\$ 950,720</u>

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

**CITY OF FAYETTEVILLE, GEORGIA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JULY 31, 2019**

<b>ASSETS</b>	<b>Major Enterprise Fund Water and Sewer Fund</b>	<b>Nonmajor Enterprise Fund Solid Waste Fund</b>	<b>Totals</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 1,476,354	\$ 121,784	\$ 1,598,138
Accounts receivable, net of allowances	940,451	-	940,451
Inventories	152,496	-	152,496
Prepaid expenses	32,873	-	32,873
Restricted assets, cash, and cash equivalents	5,457,180	-	5,457,180
Total current assets	<u>8,059,354</u>	<u>121,784</u>	<u>8,181,138</u>
<b>NONCURRENT ASSETS</b>			
Capital assets:			
Capital assets, nondepreciable	4,227,369	-	4,227,369
Capital assets, depreciable, net of accumulated depreciation	20,566,986	-	20,566,986
Total capital assets	<u>24,794,355</u>	<u>-</u>	<u>24,794,355</u>
Total noncurrent assets	<u>24,794,355</u>	<u>-</u>	<u>24,794,355</u>
Total assets	<u>32,853,709</u>	<u>121,784</u>	<u>32,975,493</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	274,047	-	274,047
Deferred charge on refunding	10,134	-	10,134
Total deferred outflows of resources	<u>284,181</u>	<u>-</u>	<u>284,181</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	353,722	55,980	409,702
Accrued liabilities	137,449	-	137,449
Due to other funds	165,437	-	165,437
Current portion of revenue bonds payable from restricted assets	770,000	-	770,000
Accrued interest	149,283	-	149,283
Total current liabilities	<u>1,575,891</u>	<u>55,980</u>	<u>1,631,871</u>
<b>NONCURRENT LIABILITIES</b>			
Net pension liability	957,466	-	957,466
Revenue bonds payable, net of current portion	14,979,697	-	14,979,697
Notes payable, net of current portion	806,652	-	806,652
Total noncurrent liabilities	<u>16,743,815</u>	<u>-</u>	<u>16,743,815</u>
Total liabilities	<u>18,319,706</u>	<u>55,980</u>	<u>18,375,686</u>

(Continued)

**CITY OF FAYETTEVILLE, GEORGIA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JULY 31, 2019**

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	<u>Major Enterprise Fund Water and Sewer Fund</u>	<u>Nonmajor Enterprise Fund Solid Waste Fund</u>	<u>Totals</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	\$ 182,071	\$ -	\$ 182,071
Total deferred inflows of resources	<u>182,071</u>	<u>-</u>	<u>182,071</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,248,140	-	8,248,140
Restricted for debt service	3,144,898	-	3,144,898
Unrestricted	<u>3,243,075</u>	<u>65,804</u>	<u>3,308,879</u>
Total net position	<u>\$ 14,636,113</u>	<u>\$ 65,804</u>	<u>\$ 14,701,917</u>

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

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**CITY OF FAYETTEVILLE, GEORGIA**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JULY 31, 2019**

	<u>Major Enterprise Fund Water and Sewer Fund</u>	<u>Nonmajor Enterprise Fund Solid Waste Fund</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services:			
Water sales pledged as security for revenue bonds	\$ 2,835,860	\$ -	\$ 2,835,860
Sewer sales pledged as security for revenue bonds	3,217,867	-	3,217,867
Stormwater sales pledged as security for revenue bonds	777,486	-	777,486
Sanitation charges	-	709,842	709,842
Other fees and charges	12	-	12
Total operating revenues	<u>6,831,225</u>	<u>709,842</u>	<u>7,541,067</u>
<b>OPERATING EXPENSES</b>			
Personal services and employee benefits	1,960,367	-	1,960,367
Contracted services	1,090,697	676,036	1,766,733
Supplies	1,308,350	-	1,308,350
Depreciation	1,127,678	-	1,127,678
Total operating expenses	<u>5,487,092</u>	<u>676,036</u>	<u>6,163,128</u>
Operating income	<u>1,344,133</u>	<u>33,806</u>	<u>1,377,939</u>
<b>NON-OPERATING INCOME (EXPENSES)</b>			
Interest income	85,424	1,320	86,744
Interest expense	(625,329)	-	(625,329)
Total non-operating income (expenses)	<u>(539,905)</u>	<u>1,320</u>	<u>(538,585)</u>
Income before transfers and capital contributions	804,228	35,126	839,354
<b>TRANSFERS</b>			
Transfers out	(300,000)	-	(300,000)
Total transfers	<u>(300,000)</u>	<u>-</u>	<u>(300,000)</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Change in net position	170,710	-	170,710
Change in net position	674,938	35,126	710,064
<b>NET POSITION, beginning of year</b>	<u>13,961,175</u>	<u>30,678</u>	<u>13,991,853</u>
<b>NET POSITION, end of year</b>	<u>\$ 14,636,113</u>	<u>\$ 65,804</u>	<u>\$ 14,701,917</u>

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, 2019**

	<u>Major Enterprise Fund Water and Sewer Fund</u>	<u>Nonmajor Enterprise Fund Solid Waste Fund</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 6,857,805	\$ 709,842	\$ 7,567,647
Payments to suppliers and service providers	(2,645,760)	(675,252)	(3,321,012)
Payments to employees	(2,059,035)	-	(2,059,035)
Net cash provided by operating activities	<u>2,153,010</u>	<u>34,590</u>	<u>2,187,600</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers out	(300,000)	-	(300,000)
Net cash used in noncapital financing activities	<u>(300,000)</u>	<u>-</u>	<u>(300,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of property and equipment	(1,027,586)	-	(1,027,586)
Proceeds from bonds	5,446	-	5,446
Principal paid on bonds	(745,000)	-	(745,000)
Interest paid	(612,476)	-	(612,476)
Capital contributions	170,710	-	170,710
Net cash used in capital and related financing activities	<u>(2,208,906)</u>	<u>-</u>	<u>(2,208,906)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	85,424	1,320	86,744
Net cash provided by investing activities	<u>85,424</u>	<u>1,320</u>	<u>86,744</u>
Increase (decrease) in cash and cash equivalents	(270,472)	35,910	(234,562)
<b>Cash and cash equivalents:</b>			
Beginning of year	<u>7,204,006</u>	<u>85,874</u>	<u>7,289,880</u>
End of year	<u>\$ 6,933,534</u>	<u>\$ 121,784</u>	<u>\$ 7,055,318</u>
Classified as:			
Cash and cash equivalents	\$ 1,476,354	\$ 121,784	\$ 1,598,138
Restricted assets, cash and cash equivalents	5,457,180	-	5,457,180
	<u>\$ 6,933,534</u>	<u>\$ 121,784</u>	<u>\$ 7,055,318</u>

(Continued)

**CITY OF FAYETTEVILLE, GEORGIA**

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JULY 31, 2019**

	<u>Major Enterprise Fund Water and Sewer Fund</u>	<u>Nonmajor Enterprise Fund Solid Waste Fund</u>	<u>Totals</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 1,344,133	\$ 33,806	\$ 1,377,939
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,127,678	-	1,127,678
Decrease in accounts receivable	26,580	-	26,580
Increase in inventories	(2,500)	-	(2,500)
Decrease in deferred outflows of resources - pension	41,399	-	41,399
Increase in prepaid expenses	(4,978)	-	(4,978)
Increase in accrued liabilities	38,450	-	38,450
Increase (decrease) in accounts payable	(239,235)	784	(238,451)
Increase in deferred inflows of resources - pension	33,975	-	33,975
Decrease in net pension liability	(106,187)	-	(106,187)
Decrease in due to other funds	(106,305)	-	(106,305)
Net cash provided by operating activities	<u>\$ 2,153,010</u>	<u>\$ 34,590</u>	<u>\$ 2,187,600</u>

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

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# CITY OF FAYETTEVILLE, GEORGIA

## NOTES TO FINANCIAL STATEMENTS JULY 31, 2019

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### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **A. Reporting Entity**

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

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

The Fayetteville Main Street Tourism Association, Inc. (the "Main Street Tourism Association") was organized to serve the needs and interests of tourism within the City and, in particular, tourism within the Main Street District of Fayetteville. The City's governing body is substantively the same as the Fayetteville 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.

## NOTES TO FINANCIAL STATEMENTS

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### 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.

## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

The City reports the following major proprietary fund:

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Cash and Deposits

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

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

#### E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

#### F. Inventories

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

#### G. Prepaid Expenditures/Expenses

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

#### H. Restricted Assets

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The City has retroactively reported major general infrastructure assets. In this case, the City chose to include all items regardless of their acquisition date. The City was able to estimate the historical cost for the initial reporting of these assets through back trending. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

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

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

#### J. Compensated Absences

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

#### K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the straight-line method, which approximates the effective interest method. The gain/loss on defeasance of bonds is presented as an increase/decrease to the face amount of bonds payable and is being amortized over the life of the bonds through interest expense. Bond issuance costs are expensed in the period incurred.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. Long-Term Obligations (Continued)

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

#### L. Deferred Outflows/Inflows of Resources

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### M. Fund Equity

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

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

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City Manager or the City’s Finance Director to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### M. Fund Equity (Continued)

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

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

#### N. Use of Estimates

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

#### O. Pension

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

#### P. Tax Abatement Agreements

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

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

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

Accrued interest payable	\$ (14,619)
Compensated absences payable	(590,907)
Notes payable	(3,093,234)
Capital leases	(2,715,245)
Revenue bonds	(720,000)
Certificates of participation	(1,955,000)
Deferred refunding loss	<u>36,211</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (9,052,794)</u>

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

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

Capital outlay	\$ 3,198,717
Depreciation expense	<u>(1,919,737)</u>
Net adjustment to increase <i>net changes in fund balance - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,278,980</u>

## NOTES TO FINANCIAL STATEMENTS

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

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

Another element of the reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Debt issued:	
Capital leases	\$ (500,000)
Principal repayments:	
Certificates of participation	220,000
Revenue bonds	230,000
Note payable	146,683
Capital leases	<u>812,354</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 909,037</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated absences	\$ (6,786)
Accrued interest	2,808
Net pension liability and related deferred outflows and inflows of resources	131,364
Amortization of deferred refunding loss	<u>(15,295)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 112,091</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assignments or commitments of fund balances, as appropriate, and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. At July 31, 2019, there were no outstanding encumbrances.

**Deficit Fund Balance.** For the fiscal year ended July 31, 2019, the Capital Projects 2 Fund reported a deficit fund balance of \$1,008,121. This deficit will be eliminated through future revenues and/or transfers from other funds.

### NOTE 4. DEPOSITS AND INVESTMENTS

**Credit Risk.** State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The City has no formal credit risk policy other than to only invest in obligations authorized by the State of Georgia. As of July 31, 2019, the City's investment in Georgia Fund 1 was rated AA Af by Standard & Poor's and is valued at fair market value.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

At July 31, 2019, the City had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1 Certificate of Deposit	39 day weighted average January 2020	\$ 2,493,189 175,168
		\$ 2,668,357

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

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

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

**Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of July 31, 2019, all of the deposits for the City were fully collateralized in accordance with the state statutes.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. RECEIVABLES

Receivables at July 31, 2019 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<b>General</b>	<b>Water and Sewer</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
Receivables:				
Taxes	\$ 624,498	\$ -	\$ 69,725	\$ 694,223
Accounts	225,443	1,062,843	-	1,288,286
Gross receivables	849,941	1,062,843	69,725	1,982,509
Less allowance for uncollectibles	30,764	122,392	-	153,156
Net total receivables	\$ 819,177	\$ 940,451	\$ 69,725	\$ 1,829,353

### NOTE 6. PROPERTY TAXES

The City receives its property tax revenue from Fayette County, which assesses, levies, and collects the taxes, including real and personal property, mobile homes, and motor vehicles. Tax bills were levied to taxpayers on September 15, 2018, and were due and payable on November 15, 2018. All unpaid taxes became delinquent as of November 16, 2018. Property taxes attached as an enforceable lien on property as of January 15, 2019. Receivables are recorded when taxes are levied.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended July 31, 2019, is as follows:

#### A. Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 11,380,324	\$ 450,635	\$ -	\$ -	\$ 11,830,959
Historical treasures	91,279	-	-	-	91,279
Construction in progress	2,598,901	1,756,300	-	(1,946,424)	2,408,777
Total	<u>14,070,504</u>	<u>2,206,935</u>	<u>-</u>	<u>(1,946,424)</u>	<u>14,331,015</u>
Capital assets, being depreciated:					
Buildings	10,222,130	20,990	(15,475)	-	10,227,645
Land improvements	1,569,089	-	-	(92,024)	1,477,065
Infrastructure	73,160,699	211,251	-	92,024	73,463,974
Equipment	7,394,885	759,541	(7,968)	1,946,424	10,092,882
Total	<u>92,346,803</u>	<u>991,782</u>	<u>(23,443)</u>	<u>1,946,424</u>	<u>95,261,566</u>
Less accumulated depreciation for:					
Buildings	4,300,625	257,240	(15,475)	-	4,542,390
Land improvements	411,667	34,756	-	(3,681)	442,742
Infrastructure	13,876,616	915,677	-	3,681	14,795,974
Equipment	5,090,881	712,064	(1,062)	-	5,801,883
Total	<u>23,679,789</u>	<u>1,919,737</u>	<u>(16,537)</u>	<u>-</u>	<u>25,582,989</u>
Total assets, being depreciated, net	<u>68,667,014</u>	<u>(927,955)</u>	<u>(6,906)</u>	<u>1,946,424</u>	<u>69,678,577</u>
Governmental activities capital assets, net	<u>\$ 82,737,518</u>	<u>\$ 1,278,980</u>	<u>\$ (6,906)</u>	<u>\$ -</u>	<u>\$ 84,009,592</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 1,630,139	\$ -	\$ -	\$ -	\$ 1,630,139
Construction in progress	1,619,794	977,436	-	-	2,597,230
Total	3,249,933	977,436	-	-	4,227,369
Capital assets, being depreciated:					
Water and plant distribution system	11,897,738	-	-	-	11,897,738
Sewer plant and extensions	34,794,598	-	-	-	34,794,598
Stormwater system	4,060,378	-	-	-	4,060,378
Equipment	1,384,181	50,150	-	-	1,434,331
Total	52,136,895	50,150	-	-	52,187,045
Less accumulated depreciation for:					
Water and plant distribution system	11,032,926	74,906	-	-	11,107,832
Sewer plant and extensions	17,588,943	850,320	-	-	18,439,263
Stormwater system	875,370	123,733	-	-	999,103
Equipment	995,142	78,719	-	-	1,073,861
Total	30,492,381	1,127,678	-	-	31,620,059
Total assets, being depreciated, net	21,644,514	(1,077,528)	-	-	20,566,986
Business-type activities capital assets, net	\$ 24,894,447	\$ (100,092)	\$ -	\$ -	\$ 24,794,355

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

**Governmental activities:**

General government	\$ 117,271
Public safety	725,658
Public works	964,629
Housing and development	112,179
	1,919,737

Total depreciation expense - governmental activities

\$ 1,919,737

**Business-type activities:**

Water and sewer	\$ 1,127,678
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Total depreciation expense - business-type activities

\$ 1,127,678

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT

**Revenue Bonds.** During the year ended July 31, 2010, the City issued Series 2010 revenue bonds in the amount of \$9,870,000. The bond proceeds were used to pay off a note payable to the Georgia Environmental Facilities Authority and to refund a portion of the series 2003 revenue bonds. Revenue bonds outstanding at July 31, 2019, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
Water and Sewer Fund	3.00 - 4.50%	23 years	2032	<u>\$ 9,870,000</u>	<u>\$ 9,575,000</u>

During the fiscal year ended July 31, 2014, the City issued Series 2013A revenue bonds in the amount of \$6,750,000. The bond proceeds were used to refund the remaining portion of the series 2003 revenue bonds. The difference between the cash flows required to service the old debt, series 2003, and the cash flows required to service the new debt, Series 2013A, and complete the refunding totaled \$330,775. This refunding resulted in an economic gain of \$567,355. Revenue bonds outstanding at July 31, 2019, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
Water and Sewer Fund, Series 2013A	2.35 - 4.00%	20 years	2033	<u>\$ 6,750,000</u>	\$ 6,140,000
					<u>34,697</u>
					<u>6,174,697</u>
	Total 2013A			<u>\$ 6,750,000</u>	<u>\$ 6,174,697</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT (CONTINUED)

**Revenue Bonds (Continued).** Debt service requirements to maturity on the revenue bonds are as follows:

Year Ending July 31,	Principal	Interest
2020	\$ 770,000	\$ 596,082
2021	790,000	573,282
2022	815,000	549,162
2023	835,000	529,261
2024	865,000	507,614
2025 – 2029	5,275,000	1,938,956
2030 – 2034	6,365,000	708,286
Total	\$ 15,715,000	\$ 5,402,643

The Downtown Development Authority issued revenue bonds during the year ended July 31, 2012 in the amount of \$1,885,000. The purpose of the bonds is to advance refund the remaining series 2001 bonds issued during the year ended July 31, 2002. The principal and interest on the bonds is payable from and secured by certain payments made to the Downtown Development Authority by the City pursuant to a contract between the Downtown Development Authority and the City until maturity or the bonds are redeemed. To fulfill its obligations under the contract, the City has agreed that it will, to the extent necessary, levy an annual tax on all taxable property located within the boundaries of the City, at such rate or rates, limited to 3 mills, as may be necessary to make the payments to the Downtown Development Authority for its services as called for by the contract. For the fiscal year ended July 31, 2019, the levied tax by the City totaled \$3,976,497 and the total debt service related to the revenue bonds totaled \$250,792. Amounts pledged equal total debt service for each applicable year. Revenue bonds outstanding at July 31, 2019, are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Downtown Development Authority	2.49%	10 years	2021	\$ 1,885,000	\$ 720,000

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT (CONTINUED)

**Revenue Bonds (Continued).** Downtown Development Authority revenue bond debt service requirements to maturity are as follows:

<u>Year Ending July 31,</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 235,000	\$ 15,002
2021	240,000	9,089
2022	245,000	3,050
Total	<u>\$ 720,000</u>	<u>\$ 27,141</u>

**Notes Payable.** The Downtown Development Authority has incurred debt to a financial institution to be used on specifically identified Main Street projects. In connection with this debt, a contract has been entered into between the Downtown Development Authority and the City whereby the City is to levy an annual tax on all taxable property located within the boundaries of the City in order to produce revenues sufficient to pay the debt service on the Downtown Development Authority debt. In the event that payments of this tax by the City to the Downtown Development Authority each year are not sufficient to pay the debt service payment on the debt, the City will be liable for any difference. For the fiscal year ended July 31, 2019, the levied tax by the City totaled \$3,976,497 and the total debt service related to the revenue bonds totaled \$48,787. Amounts pledged equal total debt service for each applicable year. The note is as follows at July 31, 2019:

<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
4.17%	15 years	2024	<u>\$ 540,000</u>	<u>\$ 198,234</u>

During the fiscal year ended July 31, 2018, the City entered into an Installment Sales Agreement debt in the amount of \$2,895,000. The proceeds from the debt agreement were used to purchase land for capital outlay projects. The note is as follows at July 31, 2019:

<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
3.34%	12 years	2029	<u>\$ 2,895,000</u>	<u>\$ 2,895,000</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT (CONTINUED)

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

Year Ending July 31,	Principal	Interest
2020	\$ 430,941	\$ 98,027
2021	445,666	83,059
2022	460,463	67,584
2023	476,337	51,582
2024	469,224	35,017
2025 – 2029	664,000	81,497
2030	146,603	2,455
Total	\$ 3,093,234	\$ 419,221

The City has also incurred debt to the Georgia Environmental Facilities Authority for construction of various water and sewer system projects. This note is a construction line of credit agreement with a rate of 2.03% for \$1,465,000, of which \$806,652 had been drawn as of July 31, 2019. A debt service requirements to maturity schedule is not presented for the construction line of credit as this note payable is in the draw down phase as of July 31, 2019, and repayment will be determined when construction is complete and all draws have been made.

**Certificates of Participation.** During the year ended July 31, 2005, the City entered into lease-purchase agreements with the Georgia Municipal Association for the construction of a new law enforcement center issuing certificates of participation in the amount of \$4,575,000. The City refinanced the previously issued certificates of participation during the year ended July 31, 2013. Certificates of participation outstanding at July 31, 2019, are as follows:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
2.27%	13 years	2027	\$ 3,115,000	\$ 1,955,000

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT (CONTINUED)

**Certificates of Participation (Continued).** Annual debt service requirements on the certificates of participation are as follows:

Year Ending July 31,	Principal	Interest
2020	\$ 225,000	\$ 41,733
2021	230,000	36,580
2022	235,000	31,314
2023	240,000	25,934
2024	245,000	20,441
2025 – 2027	780,000	26,727
Total	\$ 1,955,000	\$ 182,729

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

The City reported accumulated depreciation and depreciation expense in the respective amounts of \$955,153 and \$344,915 on the above leased assets as of July 31, 2019.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT (CONTINUED)

**Capital Leases (Continued).** The following is a schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments at July 31, 2019:

<u>Year Ending July 31,</u>		<u>\$</u>
2020		830,037
2021		684,231
2022		550,894
2023		291,050
2024		162,583
2025 – 2028		<u>382,958</u>
Total minimum lease payments		2,901,753
Less amount representing interest		<u>(186,508)</u>
Present value of future minimum lease payments		2,715,245
Less current maturities		<u>(760,401)</u>
		<u><u>\$ 1,954,844</u></u>

Long-term liability activity for the year ended July 31, 2019, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Revenue bonds	\$ 950,000	\$ -	\$ (230,000)	\$ 720,000	\$ 235,000
Certificates of participation	2,175,000	-	(220,000)	1,955,000	225,000
Notes payable	3,239,917	-	(146,683)	3,093,234	430,941
Capital leases	3,027,599	500,000	(812,354)	2,715,245	760,401
Net pension liability	4,534,526	1,595,809	(2,048,508)	4,081,827	-
Compensated absences	584,121	583,879	(577,093)	590,907	295,440
Governmental activities Long-term liabilities	<u>\$ 14,511,163</u>	<u>\$ 2,679,688</u>	<u>\$ (4,034,638)</u>	<u>\$ 13,156,213</u>	<u>\$ 1,946,782</u>
<b>Business-type activities:</b>					
Bonds payable:					
Revenue bonds	\$ 16,460,000	\$ -	\$ (745,000)	\$ 15,715,000	\$ 770,000
Deferred amount:					
Premium	40,342	-	(5,645)	34,697	-
Total bonds payable	<u>16,500,342</u>	<u>-</u>	<u>(750,645)</u>	<u>15,749,697</u>	<u>770,000</u>
Notes payable	801,206	5,446	-	806,652	-
Net pension liability	<u>1,063,653</u>	<u>374,326</u>	<u>(480,513)</u>	<u>957,466</u>	<u>-</u>
Business-type activities Long-term liabilities	<u>\$ 18,365,201</u>	<u>\$ 379,772</u>	<u>\$ (1,231,158)</u>	<u>\$ 17,513,815</u>	<u>\$ 770,000</u>

For governmental activities, compensated absences and net pension liability are generally liquidated by the General Fund.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT (CONTINUED)

**Defeasance of Debt.** During prior years, the City defeased certain Downtown Development Authority bonds by placing part of the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On July 31, 2019, the total outstanding amount of bonds considered defeased was \$690,000 for the Downtown Development Authority bonds.

### NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of July 31, 2019, is as follows:

Receivable Fund	Payable Fund				Total
	General Fund	Water and Sewer Fund	Capital Project 2 Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 165,437	\$ 635,000	\$ 21,564	\$ 822,001
Building Fund	-	-	645,550	-	645,550
Nonmajor Governmental Funds	108,685	-	-	96,033	204,718
<b>Total</b>	<b>\$ 108,685</b>	<b>\$ 165,437</b>	<b>\$ 1,280,550</b>	<b>\$ 117,597</b>	<b>\$ 1,672,269</b>

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					Total
	General Fund	Water and Sewer Fund	Building Fund	Cap Project 2 Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 300,000	\$ -	\$ 635,000	\$ 16,042	\$ 951,042
Capital Project 2	650,000	-	-	-	-	650,000
Building Fund	54,000	-	-	645,550	265,015	964,565
Nonmajor Governmental Funds	121,153	-	225,269	-	499,383	845,805
<b>Total</b>	<b>\$ 825,153</b>	<b>\$ 300,000</b>	<b>\$ 225,269</b>	<b>\$ 1,280,550</b>	<b>\$ 780,440</b>	<b>\$ 3,411,412</b>

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten county Atlanta area, is a member of the Atlanta Regional Commission (“RC”) and is required to pay annual dues thereto. During its fiscal year ended July 31, 2019, the City’s membership dues were paid by Fayette County, Georgia. The City did not pay any annual dues. Membership in an RC is required by the O.C.G.A. § 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. § 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

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

### NOTE 11. DEFINED BENEFIT PENSION PLAN

#### Plan Description

The City’s Pension Plan (the “Plan”) is administered through the Georgia Municipal Employee Benefit System (“GMEBS”), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive a 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](http://www.gmanet.com) or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

#### Plan Membership

As of January 1, 2019, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	65
Inactive plan members entitled to but not receiving benefits	76
Active plan members	165
	<hr/> <u>306</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. For the year ended July 31, 2019, the City's contribution rate was 12.09% of annual payroll. City contributions to the Plan were \$1,092,536 for the fiscal year ended July 31, 2019.

#### Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2018.

*Actuarial Assumptions.* The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	2.75% plus service based merit increases
Investment rate of return	7.50%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with gender-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – June 30, 2014.

Cost of living adjustments were assumed to be 2.75% although the Plan allowance for annual cost of living adjustment is variable, as established by the City Council, in an amount not to exceed 4%.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Net Pension Liability of the City (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.40 %
International equity	20	7.40
Real estate	10	5.10
Global fixed income	5	3.03
Domestic fixed income	20	1.75
Total	100 %	

#### Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Changes in the Net Pension Liability of the City

The changes in the components of the net pension liability of the City for the fiscal year ended July 31, 2019, were as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at July 31, 2018</b>	\$ 20,586,131	\$ 14,987,952	\$ 5,598,179
<b>Changes for the year:</b>			
Service cost	387,624	-	387,624
Interest	1,540,247	-	1,540,247
Differences between expected and actual experience	(112,839)	-	(112,839)
Assumption changes	-	-	-
Contributions - employer	-	852,118	(852,118)
Contributions - employee	-	73,423	(73,423)
Net investment income	-	1,490,641	(1,490,641)
Benefit payments, including refunds of employee contributions	(874,244)	(874,244)	-
Administrative expense	-	(42,264)	42,264
Other	-	-	-
<b>Net changes</b>	<u>940,788</u>	<u>1,499,674</u>	<u>(558,886)</u>
<b>Balances at July 31, 2019</b>	<u>\$ 21,526,919</u>	<u>\$ 16,487,626</u>	<u>\$ 5,039,293</u>

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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
City's net pension liability	<u>\$ 8,037,799</u>	<u>\$ 5,039,293</u>	<u>\$ 2,549,197</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2018, and the current sharing pattern of costs between employer and employee.

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

For the year ended July 31, 2019, the City recognized pension expense of \$930,358. At July 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 184,597	\$ (84,630)
Changes in assumptions	165,218	-
Net difference between projected and actual earnings on pension plan investments	-	(873,638)
City contributions subsequent to the measurement date	1,092,536	-
Total	\$ 1,442,351	\$ (958,268)

City contributions subsequent to the measurement date of \$1,092,536 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending July 31,</b>			
2020		\$ 14,339	
2021		(257,885)	
2022		(291,663)	
2023		(73,244)	
Total		\$ (608,453)	

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 12. DEFINED CONTRIBUTION PENSION PLAN**

The City participates in the Georgia Municipal Association 401(a) Defined Contribution Plan (the "Plan") which is administered by the Georgia Municipal Association through their service manager, New Port. The Plan provides retirement benefits to plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the City. Employees are not required to contribute to the Plan. The City contributes an amount equal to 50% of the amount contributed by participants to the City's deferred compensation plan, except that the City shall not match in excess of 2% of the participant's annual compensation. The City's contribution for each employee is 100% vested after five years of continuous service. For the fiscal year ended July 31, 2019, the City's contribution to the Plan was \$68,703. The amount contributed by employees was \$205,496.

### **NOTE 13. RISK MANAGEMENT**

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. FUND EQUITY

#### A. Fund Balances

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

<b>General Fund</b>	
Prepaid items	\$ 306,291
Inventories	7,551
<b>Building Fund</b>	
Prepaid items	22,268
<b>Downtown Development Authority Fund</b>	
Prepaid items	105
<b>Main Street Tourism Association Fund</b>	
Prepaid items	11,229
Inventories	22,431

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

<b>Confiscated Assets Fund</b> - used to account for public safety-related expenditures funded by drug confiscations.	\$ 82,024
<b>Veterans Memorial Park Fund</b> - used for the design and construction of a Veterans Memorial.	622
<b>Cemetery Fund</b> - accounts for the revenues earned from a trust set up for cemetery improvements.	13,547
<b>Downtown Development Authority Fund</b> - used for housing and development within the City.	864,757
<b>Main Street Tourism Association Fund</b> - used for the promotion of tourism in the City.	69,414
<b>Impact Fee Fund</b> - accounts for capital projects activity funded by development impact fees.	1,879,797
<b>Building Fund</b> - accounts for capital projects activity funded by state road maintenance fees.	612,032
<b>SPLOST 2017 Fund</b> - used to account for capital projects financed with intergovernmental revenues.	6,019,057

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. FUND EQUITY (CONTINUED)

#### A. Fund Balances (Continued)

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

##### General Fund

Three-month operating reserve, as provided for in adopted  
City policy

\$ 3,500,000

### NOTE 15. COMMITMENTS AND CONTINGENCIES

#### Litigation

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

#### Grant Contingencies

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

#### Contractual Commitments

In addition to the liabilities enumerated in the balance sheet at July 31, 2019, the City has contractual commitments on uncompleted construction contracts of \$1,993,641.

### NOTE 16. HOTEL/MOTEL LODGING TAX

The City has levied a 5% lodging tax. The O.C.G.A. § 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. For the fiscal year ended July 31, 2019, the City collected \$281,340 of hotel/motel taxes, and transferred 100% of the lodging tax received during the year ended July 31, 2019 to the Downtown Development Authority Fund, where it was used for the promotion of tourism.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 17. EXCISE TAXES ON RENTAL MOTOR VEHICLES**

Under the provisions of the O.C.G.A. § 48-13-93, the City has imposed and collected an excise tax on rental motor vehicles. The Code section requires the City to expend taxes collected for the purpose of promoting tourism, conventions, trade shows, etc., and promoting the City and business therein. During the year ended July 31, 2019, 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, 2019:

Revenues	\$148,123
Expenditures	\$148,123

### **NOTE 18. TAX ABATEMENT AGREEMENTS**

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

The Fayette County Board of Commissioners authorizes industries which promote the development of trade, commerce, industry and employment opportunities in the City to participate in the Economic Development Program. Abatements of real and personal property taxes are provided to companies based on a criteria calculation which includes targeted industry, capital investment and employment. The abatement may reduce the amount of property taxes paid over ten or twenty years. The agreements may contain claw back provisions which would result in the re-payment of the annual tax abatement for each year the Company fails to meet its jobs/investment commitment. For the fiscal year ended July 31, 2019, the City abated property taxes totaling \$184,909.

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## **REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF FAYETTEVILLE, GEORGIA**

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

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

**Notes to the Schedule:**

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

**CITY OF FAYETTEVILLE, GEORGIA**

**SCHEDULE OF CITY CONTRIBUTIONS  
FOR THE FISCAL YEAR ENDED JULY 31,**

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

**Notes to the Schedule:**

Valuation date	January 1, 2019
Cost method	Projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be
Assumed rate of return on investments	7.50%
Projected salary increases	2.75% plus service based merit increases
Cost of living adjustments	0.00%
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.

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

# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds

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

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

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

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

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

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

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

## Capital Project Fund

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

**CITY OF FAYETTEVILLE, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JULY 31, 2019**

ASSETS	Special Revenue Funds				
	Vehicle Excise Tax Fund	Confiscated Assets Fund	Hotel/Motel Tax Fund	Veterans Memorial Park Fund	Cemetery Fund
Cash and cash equivalents	\$ 4	\$ 105,217	\$ 26,304	\$ 622	\$ 13,547
Taxes receivable	16,882	-	52,843	-	-
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted assets	-	-	-	-	-
Total assets	<u>\$ 16,886</u>	<u>\$ 105,217</u>	<u>\$ 79,147</u>	<u>\$ 622</u>	<u>\$ 13,547</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 23,193	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	16,886	-	79,147	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>16,886</u>	<u>23,193</u>	<u>79,147</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	82,024	-	622	13,547
Total fund balances	<u>-</u>	<u>82,024</u>	<u>-</u>	<u>622</u>	<u>13,547</u>
Total liabilities and fund balances	<u>\$ 16,886</u>	<u>\$ 105,217</u>	<u>\$ 79,147</u>	<u>\$ 622</u>	<u>\$ 13,547</u>

		<b>Capital Projects Fund</b>			
<b>Downtown Development Authority Fund</b>	<b>Main Street Tourism Association Fund</b>	<b>Impact Fee Fund</b>	<b>Total Nonmajor Governmental Funds</b>		
\$ 706,042	\$ 114,361	\$ 1,872,287	\$	2,838,384	
-	-	-		69,725	
-	-	-		-	
118,061	79,147	7,510		204,718	
105	11,229	-		11,334	
-	22,431	-		22,431	
56,833	-	-		56,833	
<u>\$ 881,041</u>	<u>\$ 227,168</u>	<u>\$ 1,879,797</u>	<u>\$</u>	<u>3,203,425</u>	

\$ 6,511	\$ 30,342	\$ -	\$	60,046	
1,463	2,439	-		3,902	
8,205	13,359	-		117,597	
-	77,954	-		77,954	
<u>16,179</u>	<u>124,094</u>	<u>-</u>	<u>\$</u>	<u>259,499</u>	

105	33,660	-		33,765	
<u>864,757</u>	<u>69,414</u>	<u>1,879,797</u>		<u>2,910,161</u>	
<u>864,862</u>	<u>103,074</u>	<u>1,879,797</u>		<u>2,943,926</u>	

<u>\$ 881,041</u>	<u>\$ 227,168</u>	<u>\$ 1,879,797</u>	<u>\$</u>	<u>3,203,425</u>	
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**CITY OF FAYETTEVILLE, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JULY 31, 2019**

	<b>Special Revenue Funds</b>				
	<b>Vehicle Excise Tax Fund</b>	<b>Confiscated Assets Fund</b>	<b>Hotel/Motel Tax Fund</b>	<b>Veterans Memorial Park Fund</b>	<b>Cemetery Fund</b>
<b>Revenues:</b>					
Other taxes	\$ 148,123	\$ -	\$ 281,340	\$ -	\$ -
Fines and forfeitures	-	27,222	-	-	-
Charges for services	-	-	-	-	-
Impact fees	-	-	-	-	-
Contributions	-	-	-	-	8,542
Interest income	-	1,124	-	-	175
Rental income	-	-	-	-	-
Other revenues	-	-	-	348	-
<b>Total revenues</b>	<b>148,123</b>	<b>28,346</b>	<b>281,340</b>	<b>348</b>	<b>8,717</b>
<b>Expenditures:</b>					
Current:					
Public safety	-	63,259	-	-	-
Culture and recreation	-	-	-	55	-
Housing and development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>63,259</b>	<b>-</b>	<b>55</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	148,123	(34,913)	281,340	293	8,717
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	(148,123)	-	(281,340)	-	(8,542)
<b>Total other financing sources (uses)</b>	<b>(148,123)</b>	<b>-</b>	<b>(281,340)</b>	<b>-</b>	<b>(8,542)</b>
Net change in fund balances	-	(34,913)	-	293	175
<b>Fund balances, beginning of year</b>	<b>-</b>	<b>116,937</b>	<b>-</b>	<b>329</b>	<b>13,372</b>
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 82,024</b>	<b>\$ -</b>	<b>\$ 622</b>	<b>\$ 13,547</b>

		<b>Capital Projects Fund</b>			
<b>Downtown Development Authority Fund</b>	<b>Main Street Tourism Association Fund</b>	<b>Impact Fee Fund</b>	<b>Total Nonmajor Governmental Funds</b>		
\$ -	\$ -	\$ -	\$	429,463	
-	-	-	-	27,222	
-	274,033	-	-	274,033	
-	-	633,908	-	633,908	
29,929	67,483	-	-	105,954	
9,441	14	17,698	-	28,452	
-	44,308	-	-	44,308	
1,076	19,751	-	-	21,175	
<u>40,446</u>	<u>405,589</u>	<u>651,606</u>	<u>-</u>	<u>1,564,515</u>	
-	-	-	-	63,259	
-	-	-	-	55	
161,355	771,335	-	-	932,690	
376,683	-	-	-	376,683	
34,436	-	-	-	34,436	
<u>572,474</u>	<u>771,335</u>	<u>-</u>	<u>-</u>	<u>1,407,123</u>	
<u>(532,028)</u>	<u>(365,746)</u>	<u>651,606</u>	<u>-</u>	<u>157,392</u>	
544,465	301,340	-	-	845,805	
-	-	(342,435)	-	(780,440)	
<u>544,465</u>	<u>301,340</u>	<u>(342,435)</u>	<u>-</u>	<u>65,365</u>	
12,437	(64,406)	309,171	-	222,757	
<u>852,425</u>	<u>167,480</u>	<u>1,570,626</u>	<u>-</u>	<u>2,721,169</u>	
<u>\$ 864,862</u>	<u>\$ 103,074</u>	<u>\$ 1,879,797</u>	<u>\$</u>	<u>2,943,926</u>	

**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, 2019**

	<b>Vehicle Excise Tax Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues:</b>			
Other taxes	\$ 180,000	\$ 148,123	\$ (31,877)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Contributions	-	-	-
Interest income	-	-	-
Rental income	-	-	-
Other revenues	-	-	-
Total revenues	<u>180,000</u>	<u>148,123</u>	<u>(31,877)</u>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Culture and recreation	-	-	-
Housing and development	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>180,000</u>	<u>148,123</u>	<u>(31,877)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	(180,000)	(148,123)	31,877
Total other financing sources (uses)	<u>(180,000)</u>	<u>(148,123)</u>	<u>31,877</u>
Net change in fund balances	-	-	-
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**Confiscated Assets Fund**

<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
\$ -	\$ -	\$ -
-	-	-
74,250	27,222	(47,028)
-	-	-
1,250	1,124	(126)
-	-	-
-	-	-
<u>75,500</u>	<u>28,346</u>	<u>(47,154)</u>
75,500	63,259	12,241
-	-	-
-	-	-
-	-	-
<u>75,500</u>	<u>63,259</u>	<u>12,241</u>
-	(34,913)	(34,913)
-	-	-
-	-	-
-	-	-
-	(34,913)	(34,913)
116,937	116,937	-
<u>\$ 116,937</u>	<u>\$ 82,024</u>	<u>\$ (34,913)</u>

**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, 2019**

	<b>Hotel/Motel Tax Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues:</b>			
Other taxes	\$ 282,330	\$ 281,340	\$ (990)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Contributions	-	-	-
Rental income	-	-	-
Other revenues	-	-	-
<b>Total revenues</b>	<b>282,330</b>	<b>281,340</b>	<b>(990)</b>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Culture and recreation	-	-	-
Housing and development	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	282,330	281,340	(990)
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	(282,330)	(281,340)	990
<b>Total other financing sources (uses)</b>	<b>(282,330)</b>	<b>(281,340)</b>	<b>990</b>
Net change in fund balances	-	-	-
<b>Fund balances, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

Veterans Memorial Park Fund		
Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
530	348	(182)
<u>530</u>	<u>348</u>	<u>(182)</u>
-	-	-
2,155	55	2,100
-	-	-
-	-	-
-	-	-
<u>2,155</u>	<u>55</u>	<u>2,100</u>
<u>(1,625)</u>	<u>293</u>	<u>1,918</u>
1,625	-	(1,625)
-	-	-
<u>1,625</u>	<u>-</u>	<u>(1,625)</u>
-	293	293
329	329	-
<u>\$ 329</u>	<u>\$ 622</u>	<u>\$ 293</u>

**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, 2019**

	<b>Cemetery Fund</b>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues:</b>			
Other taxes	\$ -	\$ -	\$ -
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Contributions	12,000	8,542	(3,458)
Interest income	176	175	(1)
Rental income	-	-	-
Other revenues	-	-	-
<b>Total revenues</b>	<u>12,176</u>	<u>8,717</u>	<u>(3,459)</u>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Culture and recreation	-	-	-
Housing and development	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,176</u>	<u>8,717</u>	<u>(3,459)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	(12,176)	(8,542)	3,634
<b>Total other financing sources (uses)</b>	<u>(12,176)</u>	<u>(8,542)</u>	<u>3,634</u>
Net change in fund balances	-	175	175
<b>Fund balances, beginning of year</b>	<u>13,372</u>	<u>13,372</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 13,372</u>	<u>\$ 13,547</u>	<u>\$ 175</u>

(Continued)

<b>Downtown Development Authority Fund</b>		
<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
\$ -	\$ -	\$ -
-	-	-
-	-	-
31,089	29,929	(1,160)
9,600	9,441	(159)
-	-	-
102,980	1,076	(101,904)
<u>143,669</u>	<u>40,446</u>	<u>(103,223)</u>
-	-	-
-	-	-
210,427	161,355	49,072
382,109	376,683	5,426
43,000	34,436	8,564
<u>635,536</u>	<u>572,474</u>	<u>63,062</u>
<u>(491,867)</u>	<u>(532,028)</u>	<u>(40,161)</u>
573,831	544,465	(29,366)
(81,964)	-	81,964
<u>491,867</u>	<u>544,465</u>	<u>52,598</u>
-	12,437	12,437
<u>852,425</u>	<u>852,425</u>	<u>-</u>
<u>\$ 852,425</u>	<u>\$ 864,862</u>	<u>\$ 12,437</u>



**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, 2019**

	<b>Main Street Tourism Association Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues:</b>			
Other taxes	\$ -	\$ -	\$ -
Charges for services	289,649	274,033	(15,616)
Fines and forfeitures	-	-	-
Contributions	67,700	67,483	(217)
Interest income	15	14	(1)
Rental income	47,000	44,308	(2,692)
Other revenues	28,000	19,751	(8,249)
Total revenues	<u>432,364</u>	<u>405,589</u>	<u>(26,775)</u>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Culture and recreation	-	-	-
Housing and development	893,634	771,335	122,299
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>893,634</u>	<u>771,335</u>	<u>122,299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(461,270)</u>	<u>(365,746)</u>	<u>95,524</u>
<b>Other financing sources (uses):</b>			
Transfers in	461,270	301,340	(159,930)
Transfers out	-	-	-
Total other financing sources (uses)	<u>461,270</u>	<u>301,340</u>	<u>(159,930)</u>
Net change in fund balances	-	(64,406)	(64,406)
<b>Fund balances, beginning of year</b>	<u>167,480</u>	<u>167,480</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 167,480</u>	<u>\$ 103,074</u>	<u>\$ (64,406)</u>

**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, 2019**

	<b>Building Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues:</b>			
Property taxes	\$ 1,054,857	\$ 1,054,178	\$ (679)
Intergovernmental	209,000	208,362	(638)
Impact fees	-	-	-
Interest income	8,000	7,965	(35)
Total revenues	<u>1,271,857</u>	<u>1,270,505</u>	<u>(1,352)</u>
<b>Expenditures:</b>			
Capital outlay:			
General government	745,550	702,499	43,051
Public safety	541,110	529,192	11,918
Public works	257,000	183,836	73,164
Debt service:			
Principal	939,221	801,275	137,946
Interest	104,169	104,168	1
Total expenditures	<u>2,587,050</u>	<u>2,320,970</u>	<u>266,080</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,315,193)</u>	<u>(1,050,465)</u>	<u>264,728</u>
<b>Other financing sources (uses):</b>			
Capital leases	500,000	500,000	-
Transfers in	1,040,488	964,565	(75,923)
Transfers out	(225,295)	(225,269)	26
Total other financing sources (uses)	<u>1,315,193</u>	<u>1,239,296</u>	<u>(75,897)</u>
Net change in fund balances	-	188,831	188,831
<b>Fund balances, beginning of year</b>	<u>445,469</u>	<u>445,469</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 445,469</u>	<u>\$ 634,300</u>	<u>\$ 188,831</u>

(Continued)

<b>Impact Fee Fund</b>		
<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
\$ -	\$ -	\$ -
-	-	-
698,500	633,908	(64,592)
28,515	17,698	(10,817)
<u>727,015</u>	<u>651,606</u>	<u>(75,409)</u>
-	-	-
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
727,015	651,606	(75,409)
-	-	-
-	-	-
(727,015)	(342,435)	384,580
<u>(727,015)</u>	<u>(342,435)</u>	<u>384,580</u>
-	309,171	309,171
1,570,626	1,570,626	-
<u>1,570,626</u>	<u>1,570,626</u>	<u>-</u>
<u>\$ 1,570,626</u>	<u>\$ 1,879,797</u>	<u>\$ 309,171</u>

**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, 2019**

	<b>Capital Projects 2 Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues:</b>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	343,000	341,062	(1,938)
Impact fees	-	-	-
Interest income	1,350	1,347	(3)
<b>Total revenues</b>	<b>344,350</b>	<b>342,409</b>	<b>(1,941)</b>
<b>Expenditures:</b>			
Capital outlay:			
General government	-	-	-
Public safety	-	-	-
Public works	1,107,918	1,107,773	145
Debt service:			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>1,107,918</b>	<b>1,107,773</b>	<b>145</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(763,568)</u>	<u>(765,364)</u>	<u>(1,796)</u>
<b>Other financing sources (uses):</b>			
Capital leases	-	-	-
Transfers in	2,044,118	650,000	(1,394,118)
Transfers out	(1,280,550)	(1,280,550)	-
<b>Total other financing sources (uses)</b>	<b>763,568</b>	<b>(630,550)</b>	<b>(1,394,118)</b>
Net change in fund balances	-	(1,395,914)	(1,395,914)
<b>Fund balances, beginning of year</b>	<b>387,794</b>	<b>387,794</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 387,794</b>	<b>\$ (1,008,120)</b>	<b>\$ (1,395,914)</b>

**Special Purpose Local Option Sales Tax 2017 Fund**

<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
\$ -	\$ -	\$ -
25,009,872	3,943,630	(21,066,242)
-	-	-
55,000	54,541	(459)
<u>25,064,872</u>	<u>3,998,171</u>	<u>(21,066,701)</u>
215,680	215,371	309
-	-	-
24,504,192	1,517,363	22,986,829
233,000	231,079	1,921
112,000	111,535	465
<u>25,064,872</u>	<u>2,075,348</u>	<u>22,989,524</u>
-	1,922,823	1,922,823
-	-	-
-	-	-
-	-	-
-	1,922,823	1,922,823
4,096,234	4,096,234	-
<u>\$ 4,096,234</u>	<u>\$ 6,019,057</u>	<u>\$ 1,922,823</u>

**CITY OF FAYETTEVILLE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED JULY 31, 2019**

<b>Project</b>	<b>Original Estimated Cost</b>	<b>Current Estimated Cost</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total</b>
Fire Safety Equipment/Vehicles	\$ 3,000,000	\$ 3,000,000	\$ 1,356,224	\$ 98,351	\$ 1,454,575
Police Safety Equipment/Vehicles	1,109,000	1,109,000	238,856	336,007	574,863
Fire Building and Land: Station 93	1,000,000	1,000,000	3,000	75,641	78,641
Road, Street, and Bridge Projects	7,000,872	7,000,872	37,058	902,038	939,096
Water, Sewer, Stormwater Projects	9,500,000	9,500,000	-	-	-
Recreational and Park Projects	<u>3,400,000</u>	<u>3,400,000</u>	<u>2,570,704</u>	<u>320,697</u>	<u>2,891,401</u>
<b>Totals</b>	<b><u>\$ 25,009,872</u></b>	<b><u>\$ 25,009,872</u></b>	<b><u>\$ 4,205,842</u></b>	<b><u>\$ 1,732,734</u></b>	<b><u>\$ 5,938,576</u></b>

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

Debt service principal payments	231,079
Debt service interest payments	<u>111,535</u>
 Total SPLOST 217 Fund expenditures for the current year	 <u><u>\$ 2,075,348</u></u>

## **STATISTICAL SECTION**



# STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> .....	<b>78 – 91</b>
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b> .....	<b>92 – 101</b>
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b> .....	<b>102 – 107</b>
<i>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.</i>	
<b>Demographic and Economic Information</b> .....	<b>108 and 109</b>
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
<b>Operating Information</b> .....	<b>110 – 113</b>
<i>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.</i>	

**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			
	2010	2011	2012	2013
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 60,622,894	\$ 64,398,879	\$ 64,305,483	\$ 66,251,170
Restricted	2,036,624	2,714,174	1,837,952	1,952,554
Unrestricted	5,239,070	2,763,931	2,763,931	5,147,215
Total governmental activities net position	<u>\$ 67,898,588</u>	<u>\$ 69,876,984</u>	<u>\$ 68,907,366</u>	<u>\$ 73,350,939</u>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 11,607,708	\$ 10,733,529	\$ 10,733,529	\$ 8,699,625
Restricted	1,350,819	1,507,269	1,507,269	2,286,019
Unrestricted	2,730,595	2,844,349	2,844,349	2,902,804
Total business-type activities net position	<u>\$ 15,689,122</u>	<u>\$ 15,085,147</u>	<u>\$ 15,085,147</u>	<u>\$ 13,888,448</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 72,230,602	\$ 75,132,408	\$ 75,039,012	\$ 74,950,795
Restricted	3,387,443	4,221,443	3,345,221	4,238,573
Unrestricted	7,969,665	5,608,280	5,608,280	8,050,019
Total primary government net position	<u>\$ 83,587,710</u>	<u>\$ 84,962,131</u>	<u>\$ 83,992,513</u>	<u>\$ 87,239,387</u>

<b>Fiscal Year</b>					
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 67,435,901	\$ 68,600,004	\$ 70,522,573	\$ 72,963,871	\$ 73,396,508	\$ 75,562,324
2,098,212	2,902,027	3,825,714	3,866,029	3,116,993	2,910,161
6,067,942	2,804,841	2,261,422	2,404,766	4,979,714	7,851,536
<u>\$ 75,602,055</u>	<u>\$ 74,306,872</u>	<u>\$ 76,609,709</u>	<u>\$ 79,234,666</u>	<u>\$ 81,493,215</u>	<u>\$ 86,324,021</u>
\$ 8,502,525	\$ 7,962,881	\$ 7,916,518	\$ 7,233,909	\$ 7,627,778	\$ 8,248,140
2,723,599	2,987,802	2,998,621	3,004,607	3,031,959	3,144,898
2,436,768	1,986,662	2,610,938	3,416,347	3,332,116	3,308,879
<u>\$ 13,662,892</u>	<u>\$ 12,937,345</u>	<u>\$ 13,526,077</u>	<u>\$ 13,654,863</u>	<u>\$ 13,991,853</u>	<u>\$ 14,701,917</u>
\$ 75,938,426	\$ 76,562,885	\$ 78,439,091	\$ 80,197,780	\$ 81,024,286	\$ 83,810,464
4,821,811	5,889,829	6,824,335	6,870,636	6,148,952	6,055,059
8,504,710	4,791,503	4,872,360	5,821,113	8,311,830	11,160,415
<u>\$ 89,264,947</u>	<u>\$ 87,244,217</u>	<u>\$ 90,135,786</u>	<u>\$ 92,889,529</u>	<u>\$ 95,485,068</u>	<u>\$ 101,025,938</u>

# CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year			
	2010	2011	2012	2013
<b>Expenses</b>				
Governmental activities:				
General government	\$ 1,084,097	\$ 1,020,074	\$ 1,023,395	\$ 918,357
Judicial	820,922	719,103	584,782	491,867
Public safety	6,676,928	6,589,191	6,505,689	6,579,434
Public works	1,765,659	1,629,730	1,707,680	1,618,047
Culture and recreation	-	1,321	10 (13)	19,672
Housing and development	946,682	820,882	774,059	919,084
Interest on long-term debt	177,001	165,407	154,685	270,964
Total governmental activities expenses	<u>11,471,289</u>	<u>10,945,708</u>	<u>10,750,300</u>	<u>10,817,425</u>
Business-type activities:				
Water and sewer	5,460,020	5,736,799	5,838,861	5,602,921
Stormwater	294,409 (7)	423,132 (7)	354,558	270,252
Solid waste	616,359	628,225	668,891	657,636
Total business-type activities	<u>6,370,788</u>	<u>6,788,156</u>	<u>6,862,310</u>	<u>6,530,809</u>
Total primary government	<u>\$ 17,842,077</u>	<u>\$ 17,733,864</u>	<u>\$ 17,612,610</u>	<u>\$ 17,348,234</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 271,628	\$ 261,382	\$ 278,237	\$ 428,003
Judicial	1,748,018	1,192,244	1,090,808	815,119
Public safety	81,738	73,026	85,134	71,393
Public works	- (3)	(208) (3)	109,514 (3)	109,514
Culture and recreation	-	-	-	-
Housing and development	38,190 (4)	35,500 (4)	59,916 (4)	388,878
Operating grants and contributions	365,152 (10)	283,528 (10)	156,016 (10)	528,838
Capital grants and contributions	1,107,764	1,107,764	2,756,869	251,021
Total governmental activities program revenues	<u>3,612,490</u>	<u>2,953,236</u>	<u>4,536,494</u>	<u>2,592,766</u>
Business-type activities:				
Charges for services:				
Water and sewer	4,810,109	4,956,688	5,058,146	4,951,031
Stormwater	494,976	494,238	482,941	497,904
Solid waste	632,549	631,930	630,019	606,376
Capital grants and contributions	32,686 (5)	88,690 (5)	37,644	232,047
Total business-type activities program revenues	<u>5,970,320</u>	<u>6,171,546</u>	<u>6,208,750</u>	<u>6,287,358</u>
Total primary government program revenues	<u>\$ 9,582,810</u>	<u>\$ 9,124,782</u>	<u>\$ 10,745,244</u>	<u>\$ 8,880,124</u>

(Continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 938,311	\$ 1,090,268	\$ 1,499,529	\$ 1,897,428	\$ 3,580,927	\$ 2,322,589
562,483	591,966	649,968	588,769	605,967	632,417
6,556,219	7,218,353	8,307,210	8,804,976	7,904,689	10,147,469
2,095,224	1,305,120	1,784,682	1,782,748	3,082,460	3,663,837
19,877	4,024	1,756	30	30	55
1,042,536	1,205,233	1,445,102	1,807,358	2,085,329	1,959,415
158,192	143,584	151,836	157,269	158,004	262,626
<u>11,372,842</u>	<u>11,558,548</u>	<u>13,840,083</u>	<u>15,038,578</u>	<u>17,417,406</u>	<u>18,988,408</u>
5,867,412	5,616,165	5,652,208	6,088,714	5,992,402	5,673,074
302,784	407,049	413,917	365,125	383,749	439,347
655,272	662,473	631,887	656,959	665,625	676,036
<u>6,825,468</u>	<u>6,685,687</u>	<u>6,698,012</u>	<u>7,110,798</u>	<u>7,041,776</u>	<u>6,788,457</u>
<u>\$ 18,198,310</u>	<u>\$ 18,244,235</u>	<u>\$ 20,538,095</u>	<u>\$ 22,149,376</u>	<u>\$ 24,459,182</u>	<u>\$ 25,776,865</u>
\$ 381,491	\$ 491,211	\$ 738,418	\$ 668,408	\$ 612,132	\$ 740,870
1,076,456	941,816	1,149,394	907,630	944,822	1,230,882
99,443	78,677	56,856	69,557	56,850	83,768
-	-	-	-	-	-
-	-	-	-	-	-
731,387	511,033	1,009,230	676,936	699,253	908,201
560,303	712,268	609,313	574,307	647,997	300,440
<u>2,003,847</u>	<u>1,327,532</u>	<u>1,804,969</u>	<u>3,007,935</u>	<u>4,069,051</u>	<u>5,102,896</u>
<u>4,852,927</u>	<u>4,062,537</u>	<u>5,368,180</u>	<u>5,904,773</u>	<u>7,030,105</u>	<u>8,367,057</u>
5,164,682	5,175,387	5,523,564	5,709,452	5,748,538	6,053,739
509,426	741,777	763,764	759,289	773,664	777,486
623,294	658,728	674,937	637,610	698,881	709,842
297,696	300,975	309,040	124,147	184,970	170,710
<u>6,595,098</u>	<u>6,876,867</u>	<u>7,271,305</u>	<u>7,230,498</u>	<u>7,406,053</u>	<u>7,711,777</u>
<u>\$ 11,448,025</u>	<u>\$ 10,939,404</u>	<u>\$ 12,639,485</u>	<u>\$ 13,135,271</u>	<u>\$ 14,436,158</u>	<u>\$ 16,078,834</u>

# CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year			
	2010	2011	2012	2013
Net (expense)/revenue				
Governmental activities	\$ (7,858,799)	\$ (7,992,472)	\$ (6,213,806)	\$ (8,224,659)
Business-type activities	(400,468)	(616,610)	(653,560)	(243,451)
Total primary government net expense	<u>\$ (8,259,267)</u>	<u>\$ (8,609,082)</u>	<u>\$ (6,867,366)</u>	<u>\$ (8,468,110)</u>
<b>General Revenues and Other</b>				
<b>Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 2,670,285	\$ 2,651,885	\$ 2,664,133	\$ 2,879,031
Sales taxes	2,259,642	2,215,415	2,374,473	2,369,274
Other taxes	3,171,974	3,409,190	3,662,347	3,690,062
Unrestricted investment earnings	13,315 (6)	11,940 (6)	9,253 (6)	6,374
Gain on sale of capital assets	11,336	33,333	-	-
Transfers	-	-	-	-
Total governmental activities	<u>8,126,552</u>	<u>8,321,763</u>	<u>8,710,206</u>	<u>8,944,741</u>
Business-type activities:				
Unrestricted investment earnings	41 (6)	2,443 (6)	2,035	108
Gain on sale of capital assets	-	10,192	5,039	1,554
Transfers	-	-	-	-
Total business-type activities	<u>41</u>	<u>12,635</u>	<u>7,074</u>	<u>1,662</u>
Total primary government	<u>\$ 8,126,593</u>	<u>\$ 8,334,398</u>	<u>\$ 8,717,280</u>	<u>\$ 8,946,403</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 267,753	\$ 329,291	\$ 2,496,400	\$ 720,082
Business-type activities	(400,427)	(603,975)	(646,486)	(241,789)
Total primary government	<u>\$ (132,674)</u>	<u>\$ (274,684)</u>	<u>\$ 1,849,914</u>	<u>\$ 478,293</u>

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

(4) Multiple transportation and sidewalk construction projects.

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

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

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

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

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

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ (6,519,915)	\$ (7,496,011)	\$ (8,471,903)	\$ (9,133,805)	\$ (10,387,301)	\$ (10,621,351)
(230,370)	191,180	573,293	119,700	364,277	923,320
<u>\$ (6,750,285)</u>	<u>\$ (7,304,831)</u>	<u>\$ (7,898,610)</u>	<u>\$ (9,014,105)</u>	<u>\$ (10,023,024)</u>	<u>\$ (9,698,031)</u>
\$ 3,094,181	\$ 3,134,679	\$ 3,224,290	\$ 3,377,638	\$ 4,238,436	\$ 6,052,590
2,561,460	2,799,116	3,049,230	3,627,566	3,799,392	3,953,389
3,787,465	4,150,689	4,467,235	4,721,419	4,528,300	4,952,360
5,893	8,217	16,929	32,139	44,761	193,818
-	17,582	-	-	-	-
-	-	-	-	34,961	300,000
<u>9,448,999</u>	<u>10,110,283</u>	<u>10,757,684</u>	<u>11,758,762</u>	<u>12,645,850</u>	<u>15,452,157</u>
52	306	931	852	5,848	86,744
4,762	-	31,564	8,234	1,826	-
-	-	-	-	(34,961)	(300,000)
<u>4,814</u>	<u>306</u>	<u>32,495</u>	<u>9,086</u>	<u>(27,287)</u>	<u>(213,256)</u>
<u>\$ 9,453,813</u>	<u>\$ 10,110,589</u>	<u>\$ 10,790,179</u>	<u>\$ 11,767,848</u>	<u>\$ 12,618,563</u>	<u>\$ 15,238,901</u>
\$ 2,929,084	\$ 2,614,272	\$ 2,285,781	\$ 2,624,957	\$ 2,258,549	\$ 4,830,806
(225,556)	191,486	605,788	128,786	336,990	710,064
<u>\$ 2,703,528</u>	<u>\$ 2,805,758</u>	<u>\$ 2,891,569</u>	<u>\$ 2,753,743</u>	<u>\$ 2,595,539</u>	<u>\$ 5,540,870</u>

# CITY OF FAYETTEVILLE, GEORGIA

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

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<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Insurance Premium Tax</u>
2010	\$ 2,670,285	\$ 2,259,642	\$ 1,150,101	\$ 309,881	\$ 618,080
2011	2,651,885	2,215,415	1,324,949	318,257	600,117
2012	2,664,133	2,374,473	1,374,943	332,731	747,887
2013	2,879,031	2,369,274	1,329,806	339,813	794,382
2014	3,094,181	2,561,460	1,321,912	349,688	822,506
2015	3,163,272	2,799,116	1,398,004	406,527	868,188
2016	3,224,290	3,049,230	1,404,682	339,911	927,516
2017	3,377,638	3,627,566	1,418,440	366,163	1,006,241
2018	4,238,436	3,799,392	1,426,555	369,553	1,072,946
2019	6,052,590	3,953,389	1,502,179	358,614	1,158,554

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	<b>Business and Occupation Tax</b>	<b>Other Taxes</b>	<b>Total</b>
\$	817,237	\$ 276,675	\$ 8,101,901
	814,309	351,558	8,276,490
	825,213	381,573	8,700,953
	846,563	379,498	8,938,367
	872,431	420,928	9,443,106
	925,729	552,241	10,113,077
	997,986	797,140	10,740,755
	1,132,578	797,997	11,726,623
	1,154,115	505,131	12,566,128
	1,248,235	684,778	14,958,339

# CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year			
	2010	2011	2012	2013
<b>General Fund</b>				
Reserved	\$ 193,539	\$ -	\$ -	\$ -
Unreserved	2,904,019	-	-	-
Nonspendable	-	145,621	252,215 (2)	136,186
Assigned	-	2,358,940	2,381,335 (2)	2,352,026
Unassigned	-	545,370	1,044,598 (2)	2,362,619
<b>Total General Fund</b>	<b>\$ 3,097,558</b>	<b>\$ -</b>	<b>\$ 3,678,148</b>	<b>\$ 4,850,831</b>
<b>All Other Governmental Funds</b>				
Reserved	\$ - (1)	\$ - (1)	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	302,866	-	-	-
Capital project funds	4,126,822	-	-	-
Nonspendable, reported in:				
Special revenue funds	-	-	-	31,630
Capital project funds	-	-	-	-
Restricted, reported in:				
Special revenue funds	-	319,171	126,229 (2)	526,916
Capital project funds	-	2,395,003	1,711,723 (2)	1,797,568
Assigned, reported in:				
Capital project funds	-	25,417	286,085 (2)	69,677
Unassigned, reported in:				
Capital project funds	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 4,429,688</b>	<b>\$ 2,739,591</b>	<b>\$ 2,124,037</b>	<b>\$ 2,425,791</b>

(1) Prepaid expenditures.

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

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
134,854	130,449	210,087	256,694	450,832	313,842
2,061,010	2,885,387	3,092,983	3,385,000	3,500,000	3,500,000
4,337,610	3,556,522	2,400,709	3,064,984	847,789	1,935,499
<u>\$ 6,533,474</u>	<u>\$ 6,572,358</u>	<u>\$ 5,703,779</u>	<u>\$ 6,706,678</u>	<u>\$ 4,798,621</u>	<u>\$ 5,749,341</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
37,843	43,887	21,469	39,779	49,645	33,765
-	-	-	-	-	22,268
554,604	753,080	935,860	1,185,684	1,123,166	1,030,364
1,543,608	2,148,947	2,889,854	2,680,345	2,381,621	2,491,829
-	-	-	-	-	-
(183,013)	267,046	-	-	-	(1,008,120)
<u>\$ 1,953,042</u>	<u>\$ 3,212,960</u>	<u>\$ 3,847,183</u>	<u>\$ 3,905,808</u>	<u>\$ 3,554,432</u>	<u>\$ 2,570,106</u>

# CITY OF FAYETTEVILLE, GEORGIA

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

	Fiscal Year			
	2010	2011	2012	2013
<b>Revenues</b>				
Taxes	\$ 8,076,848 (10)	\$ 8,319,973	\$ 8,704,436	\$ 8,946,907
Licenses and permits	217,086 (5)	217,496 (5)	229,816	369,157
Intergovernmental	1,450,723 (10)	745,573 (14)	393,202 (14)	2,171,246
Fines and forfeitures	1,798,758 (11)	1,236,945	1,143,693	854,263
Charges for services	41,443	34,528	148,823	352,612
Main Street	-	-	-	29,288
Impact fees	37,890 (5)	35,229 (5)	57,836	196,424
Contributions	18,146	21,472	12,806	281,436
Interest income	17,262 (8)	14,311 (8)	10,282	6,419
Other revenues	44,497 (12)	37,746	43,441	91,121
<b>Total revenues</b>	<b>11,702,653</b>	<b>10,663,273</b>	<b>10,744,335</b>	<b>13,298,873</b>
<b>Expenditures</b>				
General government	1,019,212	959,036	929,487	871,018
Judicial	828,909	718,830	580,976	492,832
Public safety	6,304,775	6,167,299	6,354,094	5,863,779
Public works	1,007,576	912,264	928,008	906,708
Culture and recreation	-	1,321	10 (16)	19,672
Housing and development	743,571	640,226	625,145	1,095,329
Capital outlay	1,526,584 (13)	2,543,618 (15)	739,582 (15)	2,765,825
Debt service				
Principal	378,721	338,899	429,955	259,615
Interest	165,971	154,232	144,508	198,312
Issuance costs	-	-	-	76,048
<b>Total expenditures</b>	<b>11,975,319</b>	<b>12,435,725</b>	<b>10,731,765</b>	<b>12,549,138</b>
Excess of revenues over (under) expenditures	(272,666)	(1,772,452)	12,570	749,735
<b>Other financing sources (uses)</b>				
Capital leases	-	-	-	-
Issuance of debt	-	-	-	3,115,000
Discount on certificates of participation	-	-	-	-
Proceeds from sale of assets	22,200	34,728	93	7,676
Payment to escrow agent	-	-	-	(3,055,278)
Transfers in	400,811	912,284	489,601	459,829
Transfers out	(400,811)	(912,284)	(489,601)	(459,829)
<b>Total other financing sources (uses)</b>	<b>22,200</b>	<b>34,728</b>	<b>93</b>	<b>67,398</b>
<b>Net change in fund balances</b>	<b>\$ (250,466)</b>	<b>\$ (1,737,724)</b>	<b>\$ 12,663</b>	<b>\$ 817,133</b>
Debt service as a percentage of noncapital expenditures	4.7%	4.4%	6.9%	3.9%

(5) The decrease in impact fees and permits is due to the continual decline in new construction during fiscal years 2009 and 2010.

(6) The City received a federal grant for Downtown Pedestrian Improvements.

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

(9) Costs associated with the Downtown Pedestrian Improvements project and other transportation and sidewalk projects.

(10) Beginning in 2009, Special Purpose Local Option Sales Taxes received from the County were reclassified as Intergovernmental revenues.

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 9,439,385	\$ 10,113,077	\$ 10,748,014	\$ 11,734,645	\$ 12,550,082	\$ 14,910,005	
321,693	391,641	605,257	530,484	493,649	570,191	
1,537,932	1,676,503	2,219,017	3,407,632	4,447,552	4,613,854	
1,072,854	917,448	1,103,205	874,142	901,655	1,169,649	
312,492	401,364	427,977	430,616	462,155	424,627	
31,710	35,071	35,414	36,275	37,803	44,308	
526,850	262,447	767,735	403,916	368,585	633,908	
307,452	322,768	155,057	109,985	214,657	114,505	
5,893	8,217	16,929	32,139	44,761	203,259	
63,976	55,295	54,518	111,723	104,049	186,521	
<u>13,620,237</u>	<u>14,183,831</u>	<u>16,133,123</u>	<u>17,671,557</u>	<u>19,624,948</u>	<u>22,870,827</u>	
900,303	1,038,603	1,396,104	1,892,285	3,322,770	2,220,727	
563,783	597,843	654,217	581,762	610,101	636,626	
5,802,578	6,778,141	7,454,179	7,824,112	8,959,295	9,948,082	
914,808	870,572	921,742	1,011,184	1,217,720	1,109,739	
19,877	4,024	1,756	30	30	55	
1,130,669	1,089,323	1,328,880	2,239,375	2,495,415	1,951,171	
2,859,150	2,230,877	3,859,669	3,962,113	5,664,017	4,256,034	
232,102	561,212	638,119	943,811	1,002,389	1,409,037	
144,888	141,391	138,362	134,793	145,414	250,139	
-	-	-	-	-	-	
<u>12,568,158</u>	<u>13,311,986</u>	<u>16,393,028</u>	<u>18,589,465</u>	<u>23,417,151</u>	<u>21,781,610</u>	
<u>1,052,079</u>	<u>871,845</u>	<u>(259,905)</u>	<u>(917,908)</u>	<u>(3,792,203)</u>	<u>1,089,217</u>	
-	388,760	768,055	580,700	2,365,000	500,000	
143,200	-	-	-	-	-	
-	-	-	-	-	-	
14,615	32,197	16,529	932,137	24,547	-	
-	-	-	-	2,895,000	-	
807,129	1,835,032	2,722,254	1,509,690	2,384,350	3,411,412	
<u>(807,129)</u>	<u>(1,835,032)</u>	<u>(2,705,198)</u>	<u>(1,509,690)</u>	<u>(2,349,389)</u>	<u>(3,111,412)</u>	
<u>157,815</u>	<u>420,957</u>	<u>801,640</u>	<u>1,512,837</u>	<u>5,319,508</u>	<u>800,000</u>	
<u>\$ 1,209,894</u>	<u>\$ 1,292,802</u>	<u>\$ 541,735</u>	<u>\$ 594,929</u>	<u>\$ 1,527,305</u>	<u>\$ 1,889,217</u>	
3.8%	6.4%	5.6%	6.1%	6.8%	8.9%	

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

**CITY OF FAYETTEVILLE, GEORGIA**

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

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<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Insurance Premium Tax</b>
2010	\$ 2,645,232	\$ 2,259,642	\$ 1,150,101	\$ 339,515	\$ 618,080
2011	2,695,368	2,215,415	1,324,949	350,585	600,117
2012	2,667,616	2,374,473	1,374,943	373,104	747,888
2013	2,887,571	2,369,274	1,329,806	384,026	794,382
2014	3,090,460	2,561,460	1,321,912	401,981	822,506
2015	3,163,272	2,799,116	1,398,004	406,527	868,188
2016	3,231,549	3,049,230	1,404,682	410,703	927,516
2017	3,385,660	3,627,566	1,418,440	430,024	1,006,241
2018	3,765,756	3,799,392	1,426,555	441,758	1,072,946
2019	4,520,615	3,953,389	1,502,179	431,144	1,158,554

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<b>Business and Occupation Tax</b>	<b>Other Taxes</b>	<b>Total</b>
\$ 817,237	\$ 247,041	\$ 8,076,848
814,309	319,230	8,319,973
825,213	341,199	8,704,436
846,563	335,285	8,946,907
872,431	368,635	9,439,385
925,729	552,241	10,113,077
997,986	726,348	10,748,014
1,132,578	734,136	11,734,645
1,154,115	889,560	12,550,082
1,248,235	2,095,889	14,910,005

## CITY OF FAYETTEVILLE, GEORGIA

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

Fiscal Year	Assessed Value					Motor Vehicle
	Residential	Commercial	Industrial	Agricultural	Utility	
2010	\$ 472,686,132	\$ 383,151,099	\$ 11,317,909	\$ 154,976	\$ 8,790,447	\$ 51,646,580
2011	415,908,249	367,331,508	10,757,511	111,440	8,184,468	42,264,380
2012	393,340,653	341,459,925	10,903,338	161,400	8,054,235	41,599,160
2013	326,191,083	315,754,591	9,024,407	128,960	10,413,957	43,882,340
2014	325,260,341	307,662,197	8,913,676	127,160	10,459,265	46,781,650
2015	354,864,079	286,136,874	9,096,352	1,270,564	10,678,994	39,708,310
2016	395,758,690	308,710,848	11,173,566	1,321,672	10,399,688	29,407,350
2017	430,419,970	316,416,754	13,705,564	4,014,688	10,246,597	21,564,490
2018	487,377,962	355,953,893	17,768,348	5,027,388	10,785,661	16,073,620
2019	519,435,067	392,040,861	22,514,630	3,977,656	11,202,352	12,250,750

**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.

<u>Other (1)</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value (2)</u>
\$ 390,463	\$ 1,379,107	\$ 926,758,499	2.988	\$ 2,316,896,248	40%
351,732	1,479,328	843,429,960	2.988	2,108,574,900	40%
1,042,744	2,541,634	794,019,821	3.240	1,985,049,553	40%
616,446	2,227,595	703,784,189	3.441	1,759,460,473	40%
553,943	2,190,189	697,568,043	3.882	1,743,920,108	40%
1,394,317	5,464,068	697,685,422	3.870	1,744,213,555	40%
936,012	6,112,866	751,594,960	3.874	1,878,987,400	40%
1,047,602	7,712,300	789,703,365	3.874	1,974,258,413	40%
916,306	8,383,268	885,519,910	3.874	2,213,799,775	40%
561,215	10,027,024	951,955,507	5.646	2,381,460,268	40%

# CITY OF FAYETTEVILLE, GEORGIA

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

<u>Fiscal Year</u>	<u>State</u>	<u>County</u>	<u>County School District</u>	<u>City of Fayetteville</u>			<u>Total</u>
				<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total City</u>	
2010	0.25	5.95	23.42	2.24	0.75	2.99	32.61
2011	0.25	5.95	21.65	2.37	0.87	3.24	31.09
2012	0.25	6.30	21.65	2.69	0.75	3.44	31.64
2013	0.20	6.30	21.45	3.08	0.80	3.88	31.83
2014	0.15	6.38	21.45	2.68	1.19	3.87	31.85
2015	0.10	6.27	21.45	2.76	1.11	3.87	31.69
2016	0.05	5.84	21.35	3.02	0.86	3.87	31.11
2017	0.00	5.59	21.10	3.07	0.81	3.87	30.56
2018	0.00	5.18	20.85	2.91	0.69	3.87	29.90
2019	0.00	5.06	20.85	4.41	1.24	5.65	31.56

**Source:**

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

# CITY OF FAYETTEVILLE, GEORGIA

## PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Brent Scarborough & Company, Inc.	\$ 20,979,295	1	2.18%	\$ -		-
DDRTC Fayette Pavilion I & II	11,754,308	2	1.22%	71,970,511	1	7.77%
DDRTC Fayette Pavilion III & IV	10,997,019	3	1.14%	43,446,800	2	4.69%
DDRTC Fayette Pavilion I & II	10,983,574	4	1.14%	-		-
Chartwell Cobblestone, LLC	8,922,524	5	0.93%	-		-
Piedmont Hospital Inc	6,355,624	6	0.66%	17,856,570	3	1.93%
Piedmont Fayette Medical & Office Bldg	6,244,284	7	0.65%	14,689,885	4	1.59%
Banks Crossing Associates LLC & BC Plaza	6,134,324	8	0.64%	14,121,000	6	1.52%
MVL ProductionsLLC DBA Marvel Studios	5,552,566	9	0.58%	-		-
New Market Summit Point LLC	5,115,240	10	0.53%	-		-
Norbelle LLC & Lasalle Investment	-		-	13,059,840	8	1.41%
CP Summit Retail LLC	-		-	14,143,690	5	1.53%
Fayetteville Towne Center	-		-	13,541,360	7	1.46%
CA New Plan Acquisition Fund & LLC	-		-	12,607,000	9	1.36%
General Electric Credit Equities, Inc.	-		-	11,660,600	10	1.26%
<b>Total</b>	<b>\$ 93,038,758</b>		<b>9.67%</b>	<b>\$ 227,097,256</b>		<b>24.52%</b>

**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
2010	\$ 2,642,618	\$ 2,456,059	\$ 93 %	\$ 51,526	\$ 2,507,585	94.9 %
2011	2,614,719	2,471,256	94.5	119,790	2,591,046	99.1
2012	2,595,776	2,431,436	93.7	89,897	2,521,333	97.1
2013	2,732,222	2,449,988	89.7	56,276	2,506,264	91.7
2014	2,732,090	2,650,781	97.0	45,045	2,695,826	98.7
2015	2,799,996	2,701,065	96.5	-	2,701,065	96.5
2016	2,827,868	2,822,251	99.8	-	2,822,251	99.8
2017	3,030,113	3,026,471	99.9	-	3,026,471	99.9
2018	3,299,117	3,280,003	99.4	-	3,280,003	99.4
2019	5,262,887	5,030,676	95.6	-	5,030,676	95.6

**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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential (1)	300.96	289.10	308.97	271.12	273.35	274.86	282.87	267.72	268.27	289.23
Commercial (1)	91.13	95.51	93.85	98.84	85.05	85.49	88.56	86.37	81.25	90.12
Senior (1)	58.79	69.20	58.26	67.76	71.34	68.74	70.65	65.17	67.04	68.76
Other (1)	11.17	16.50	14.26	11.72	9.45	9.18	13.85	4.35	2.73	9.81
<b>Total usage</b>	<b>462.05</b>	<b>470.31</b>	<b>475.34</b>	<b>449.44</b>	<b>439.19</b>	<b>438.27</b>	<b>455.93</b>	<b>423.61</b>	<b>419.29</b>	<b>457.92</b>
Total direct rate per 1,000 gallons (2)	\$ 2.90	\$ 2.90	\$ 2.90	\$ 2.90	\$ 2.97	\$ 3.04	\$ 3.11	\$ 3.18	\$ 3.26	\$ 3.35

(1) City of Fayetteville, Georgia billing registers.

(2) City of Fayetteville, Georgia 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
2010	14.50	2.90	26.60	2.90	12.33	2.90
2011	14.50	2.90	26.60	2.90	12.33	2.90
2012	14.50	2.90	26.60	2.90	12.33	2.90
2013	14.50	2.90	26.60	2.90	12.33	2.90
2014	14.83	2.97	27.21	2.97	12.61	2.97
2015	15.19	3.04	27.86	3.04	12.92	3.04
2016	15.55	3.11	28.53	3.11	13.23	3.11
2017	15.92	3.18	29.21	3.18	13.55	3.18
2018	16.30	3.26	29.91	3.26	13.88	3.26
2019	16.69	3.34	30.36	3.34	14.21	3.34

**Source:**

City of Fayetteville, Georgia ordinances.

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

# CITY OF FAYETTEVILLE, GEORGIA

## TEN LARGEST WATER CUSTOMERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Fiscal Year 2019			Fiscal Year 2009		
	Total Water Revenue	Rank	Percentage of Total Water Revenue	Total Water Revenue	Rank	Percentage of Total Water Revenue
Banks Station	\$ -		-	\$ 29,628	1	1.20%
HCCC, Inc.	-		-	9,488	8	0.38%
Marksman Landscaping	-		-	5,382	10	0.22%
Fayette County Jail Complex	18,174	6	0.74%	11,754	7	0.48%
Swanbrook	24,369	3	0.99%	16,008	3	0.65%
Bay Branch Condo	23,732	4	0.97%	18,199	2	0.74%
Board of Commissioners	17,967	7	0.73%	14,045	6	0.57%
Cobblestone of Fayette	-		0.00%	15,193	4	0.61%
Summit Retail	14,599	10	0.59%	14,652	5	0.59%
3 Minute Express Car Wash	19,832	5	0.81%	-		-
Fayetteville Towne Center	-		-	9,231	9	0.37%
Magnolia Park Daycare (VANE)	14,843	9	0.60%	-		-
CHMG Accts Payable	16,407	8	0.67%	-		-
Meridian @ Lafayette Apts	42,002	1	1.71%	-		-
CA New Plan Acquisition	25,365	2	1.03%	-		-
Subtotal (10 Largest)	217,290		8.85%	143,580		5.81%
Balance from Other Customers	2,238,817		91.15%	2,327,687		94.19%
Total	<u>\$ 2,456,107</u>		<u>100.00%</u>	<u>\$ 2,471,267</u>		<u>100.00%</u>

**Source:**

City of Fayetteville, Georgia Water/Sewer Department records.

# CITY OF FAYETTEVILLE, GEORGIA

## TEN LARGEST SEWER CUSTOMERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Total Sewer Revenue	Rank	Percentage of Total Sewer Revenue	Total Sewer Revenue	Rank	Percentage of Total Sewer Revenue
Piedmont Healthcare	\$ 186,077	1	8.17%	\$ 162,852	1	6.45%
Inland Group	67,116	2	2.95%	47,202	2	1.87%
Banks Station	-		-	29,985	3	1.19%
Fayette County Jail Complex	18,280	10	0.80%	11,595	10	0.46%
Marksman Landscaping	-		-	21,801	4	0.86%
Bay Branch Condo	25,303	6	1.11%	19,273	5	0.76%
Swanbrook	26,656	4	1.17%	15,328	6	0.61%
Board of Commissioners	19,151	8	0.84%	14,758	9	0.58%
Cobblestone Fayette	-		-	15,249	7	0.60%
3 Minute Express Car Wash	19,918	7	0.87%	-		-
Summit Retail	-		-	14,877	8	0.59%
CA New Plan Acquisition	26,468	5	1.16%	-		-
Meridian @ Lafayette Apt	47,172	3	2.07%	-		-
Lafayette Nursing Home	18,614	9	0.82%	-		-
Fayetteville Towne Center	-		-	-		-
Subtotal (10 Largest)	454,756		19.96%	352,920		13.98%
Balance from Other Customers	1,823,283		80.04%	2,172,008		86.02%
Total	<u>\$ 2,278,039</u>		<u>100.00%</u>	<u>\$ 2,524,928</u>		<u>100.00%</u>

**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				Total
	Certificates of Participation	Revenue Bonds	Capital Leases	Notes Payable	
2010	\$ 3,625,000	\$ -	\$ 353,854	\$ -	\$ 3,978,854
2011	3,420,000	-	219,955	-	3,639,955
2012	3,210,000	-	-	-	3,210,000
2013	3,115,000	1,885,000 (2)	-	629,434 (2)	5,629,434
2014	3,010,000	1,805,000	-	725,532	5,540,532
2015	2,805,000	1,600,000	292,919	670,161	5,368,080
2016	2,600,000	1,385,000	898,659	614,357	5,498,016
2017	2,390,000	1,170,000	1,184,980	389,925	5,134,905
2018	2,175,000	950,000	5,928,034	345,250	9,398,284
2019	1,955,000	720,000	2,715,245	3,093,234	8,483,479

**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.

<b>Business-type Activities</b>			<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>
<b>Revenue Bonds</b>	<b>Notes Payable</b>	<b>Total</b>			
\$ 20,055,368	\$ -	\$ 20,055,368	\$ 24,034,222	5.40	1,592
19,498,405	-	19,498,405	23,138,360	5.47	1,451
18,926,442	-	18,926,442	22,136,442	4.95	1,373
18,339,482	-	18,339,482	23,968,916	4.97	1,492
19,352,528	-	19,352,528	24,893,060	5.16	1,536
18,687,366	-	18,687,366	24,055,446	4.79	1,438
17,970,996	-	17,970,996	23,469,012	4.38	1,381
17,243,618	801,206	18,044,824	23,179,729	4.24	1,388
16,460,000	-	16,460,000	25,858,284	4.31	1,516
15,749,697	806,652	16,556,349	25,039,828	4.17	1,434

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**CITY OF FAYETTEVILLE, GEORGIA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JULY 31, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Fayette County School District	\$ 65,673,220	100 %	\$ 65,673,220
Fayette County Public Facilities Authority	28,673,759	100 %	<u>28,673,759</u>
Total overlapping debt			94,346,979
City of Fayetteville direct debt			<u>8,483,479</u>
Total direct and overlapping debt			<u><u>\$ 102,830,458</u></u>

**Source:**

Fayette County School District and Fayette County Public Facilities Authority.

**Notes:**

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

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

# CITY OF FAYETTEVILLE, GEORGIA

## LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
Debt limit	\$ 92,813,761	\$ 84,490,929	\$ 79,656,146	\$ 70,601,178
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 92,813,761</u>	<u>\$ 84,490,929</u>	<u>\$ 79,656,146</u>	<u>\$ 70,601,178</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

**Note:**

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

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 69,975,823	\$ 70,314,949	\$ 75,770,783	\$ 79,741,567	\$ 89,390,318	\$ 96,198,253
-	-	-	-	-	-
<u>\$ 69,975,823</u>	<u>\$ 70,314,949</u>	<u>\$ 75,770,783</u>	<u>\$ 79,741,567</u>	<u>\$ 89,390,318</u>	<u>\$ 96,198,253</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2019**

Assessed value	\$ 951,955,507
Add back: exempt real property	<u>10,027,024</u>
Total assessed value	961,982,531
Debt limit (10% of assessed value)	96,198,253
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of General obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 96,198,253</u></u>

# 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
2010	\$ 5,305,085	\$ 3,337,598	\$ 1,967,487	\$ 655,000	\$ 506,369	1.69
2011	5,450,926	3,716,167	1,734,759	550,000	840,828	1.25
2012	5,541,087	3,782,904	1,758,183	565,000	818,038	1.27
2013	5,448,935	3,582,188	1,866,747	580,000	799,210	1.35
2014	5,674,108	3,760,485	1,913,623	600,000	778,923	1.39
2015	5,917,164	3,802,058	2,115,106	645,000	673,645	1.60
2016	6,287,328	3,986,165	2,301,163	700,000	658,719	1.69
2017	6,468,741	4,378,653	2,090,088	715,000	644,869	1.54
2018	6,522,202	4,175,132	2,347,070	735,000	629,769	1.72
2019	6,831,225	4,359,414	2,471,811	745,000	612,476	1.82

**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

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Fiscal Year	Population (1)	Personal Income (thousands) (2)	Per Capita Personal Income (2)	Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
2010	15,093	445,002	29,484	36.1	20,756	8.6
2011	15,945	423,356	26,551	36.1	20,607	8.3
2012	16,124	447,248	27,738	41.3	20,506	8.1
2013	16,060	482,330	30,033	41.6	20,317	7.7
2014	16,206	482,663	29,783	39.9	20,756	5.8
2015	16,725	502,302	30,033	40.2	20,054	4.9
2016	16,990	536,119	31,555	41.3	20,078	4.4
2017	16,705	547,289	32,762	41.7	20,238	5.2
2018	17,056	600,320	35,197	41.8	20,104	5.2
2019	17,459	601,166	34,433	41.8	20,520	3.4

**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

Employer	Fiscal Year 2019			Fiscal Year 2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Fayette County Board of Education	-	-	-	2,921	1	25.13%
Fayette Hospital (Piedmont)	1,518	3	10.39%	1,256	2	10.81%
CGL Facility Management LLC						
Brent Scarborough & Company, Inc.	250	8	1.71%			
Wal-mart Stores, Inc	332	5	2.27%	338	4	2.91%
Kroger	327	6	2.24%	239	5	2.06%
Publix	265	7	1.81%	193	7	0
Lowe's				137	10	1.18%
Home Depot						
Lafayette Nursing Home				207	6	1.78%
Concrete Supply Company						
Fayette County Government	758	4	5.19%	720	3	6.20%
Fayette Medical						
Target				180	8	1.55%
Long Horn Steakhouse						
CITY OF FAYETTEVILLE	181	10	1.24%			
Amedisys Georgia LLC	2,529	1	17.31%			
Best Buy				139	9	0.012
<b>SRC Ventures</b>	1,520	2	10.40%			
Oliven Garden	209	9	1.43%			
<b>Total</b>	<u>7,889</u>		<u>42.17%</u>	<u>6,330</u>		<u>54.48%</u>

**Source:**

City of Fayetteville, Georgia records.

# CITY OF FAYETTEVILLE, GEORGIA

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	14	14	13	13	13	15	18	21	23	24
Judicial	2	2	2	2	2	3	3	3	2	3
Public safety										
Police	45	45	44	46	42	45	48	55	54	59
Fire	36	36	35	35	37	31	33	39	51	51
Public works	12	12	11	11	10	11	9	12	13	12
Housing and development	5	5	6	6	3	6	8	7	10	11
Main Street Tourism	2	2	2	2	2	2	1	3	4	3.5
Water and Sewer										
Water	10	10	10	7	10	10	10	11	14	17
Wastewater	10	10	7	6	2	3	3	3	3	2.5
<b>Total</b>	<b>136</b>	<b>136</b>	<b>130</b>	<b>128</b>	<b>121</b>	<b>126</b>	<b>133</b>	<b>154</b>	<b>174</b>	<b>183</b>

**Source:**

City of Fayetteville, Georgia records

# CITY OF FAYETTEVILLE, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST TEN CALENDAR YEARS

Function	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Mayor And Council</b>					
Citizen contacts	5,000	5,000	4,600	4,600	4,600
Council meetings	26	26	25	25	24
Correspondence generated	100	100	80	65	70
<b>Finance and Administration</b>					
A/P checks processed	4,282	4,200	3,739	3,943	4,013
Business licenses processed	2,092	2,100	2,217	2,183	2,409
Utility bills generated	101,010	101,051	99,936	101,105	103,446
<b>Information Technology</b>					
Number of work orders received	600	600	600	600	665
Hits on City website per year	125,000	150,000	150,000	150,000	152,436
<b>Municipal Court</b>					
Citations processed	8,704	8,000	6,518	5,585	6,693
Cases adjudicated	9,131	9,000	5,301	4,845	5,096
Average inmates per month	14	12	9	5	5
<b>Police</b>					
Number of arrests	1,521	1,431	1,382	1,145	940
Number of traffic accidents	1,084	1,351	1,317	1,388	1,326
Citations/warnings issued	10,969	10,398	10,161	8,449	6,450
<b>Fire</b>					
Emergency calls	2,737	2,800	3,110	2,850	2,518
Hydrants maintained	1,300	1,315	1,261	1,280	642
Inspections completed	1,391	1,400	1,381	1,450	1,908
<b>Public Works</b>					
Miles resurfaced	1.5	1.5	1.3	1.5	0.0
Miles of cracks sealed	1.0	1.0	1.0	1.0	0.0
Miles of right of way mowed	465	465	352	390	386
<b>Housing And Development</b>					
Building permit inspections	2,294	2,300	2,300	2,398	3,286
Development plan applications	0	8	7	11	4
Erosion control inspections	461	460	427	460	409
<b>Water And Sewer</b>					
Water - gallons processed (X 1,000)	427,071	322,906	300,269	224,093	224,013
Wastewater - gallons processed (X 1,000)	630,894	637,203	543,576	548,332	713,125
New meter installations	13	15	14	139	71

**Source:**

City of Fayetteville, Georgia records.

<b>Fiscal Year</b>				
<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
4,598	4,600	4,780	4,659	4,679
27	25	24	24	24
75	76	70	74	N/A
4,678	3,515	3,513	6,243	4,212
2,500	2,459	2,379	2,718	2,935
103,049	103,405	98,404	98,451	104,632
600	600	1,700	2,011	2,710
400,990	430,850	577,917	500,108	533,384
5,727	7,954	5,209	5,372	9,088
5,909	7,610	253	7,371	7,701
3	2	3	3	3
1,330	1,430	1,102	1,183	1,174
1,149	1,556	1,634	1,567	1,449
7,262	7,901	6,990	7,637	9,032
2,689	2,889	3,237	3,203	3,379
1,287	1,287	1,304	1,336	1,347
1,364	1,280	1,969	2,045	2,057
0.0	0.0	0.0	3.0	5.0
0.0	1.0	1.0	1.0	1.0
410	470	490	495	498
2,303	2,727	3,613	4,524	4,862
10	12	0	15	13
193	237	383	356	833
215,760	210,840	265,000	212,304	308,395
743,425	905,662	825,538	846,761	898,152
51	62	37	45	67

# CITY OF FAYETTEVILLE, GEORGIA

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government</b>										
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
<b>Police</b>										
Station	1	1	1	1	1	1	1	1	1	1
<b>Fire</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Fire trucks	3	3	4	4	4	4	5	6	8	8
<b>Public Works</b>										
Parks	5	5	5	5	5	5	5	5	5	5
Highways/streets	63.30	63.30	63.30	63.30	63.30	63.30	66.30	66.30	64.30	64.30
Building	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.05
Bridge	1	1	1	1	1	1	1	1	1	1
Traffic signals	3	3	3	3	3	3	3	3	3	3
Cemetery	1	1	1	1	1	1	1	1	1	1
Lake	3	3	3	3	3	3	3	3	3	3
<b>Component Units</b>										
Buildings	4	4	4	4	4	4	4	4	6	7
Museum Collection	1	1	1	1	1	1	1	1	1	1
<b>Water And Sewer</b>										
Buildings	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Lift stations	24	24	24	24	24	24	26	26	26	26
Miles of sewer lines	126	126	126	126	126	126	129	130	131	131
Miles of water lines	108	108	108	108	108	108	108	109	109	109
Manholes	2,798	2,798	2,798	2,798	2,798	2,798	2,848	2,863	2,870	2,880
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)

<u>Calendar Year</u>	<u>Fayette County</u>		<u>System Well/Water Plant</u>		<u>Total Usage</u>	<u>Percent Change</u>
	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>		
2010	118,314	23.0 %	395,035	77.0 %	513,349	2.1 %
2011	149,076	31.6	322,906	68.4	471,982	(8.1)
2012	196,070	39.5	300,269	60.5	496,339	5.2
2013	248,780	52.8	222,129	47.2	470,909	(5.1)
2014	265,770	54.3	224,013	45.7	489,783	4.0
2015	263,918	55.0	215,760	45.0	479,678	(2.1)
2016	287,590	57.7	210,840	42.3	498,430	1.8
2017	301,247	58.7	212,304	41.3	513,551	3.0
2018	251,776	50.3	248,446	49.7	500,222	(2.6)
2019	234,363	43.2	308,395	56.8	542,758	8.5

**Source:** City of Fayetteville, Georgia records.

# CITY OF FAYETTEVILLE, GEORGIA

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

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<u>Calendar Year</u>	<u>Average Daily Flow MGD</u>	<u>Average Weekly Peak Flow MGD</u>
2010	1.73	1.90
2011	1.63	1.88
2012	1.46	1.65
2013	1.61	2.40
2014	1.85	1.80
2015	2.04	1.98
2016	2.34	N/A
2017	2.28	N/A
2018	2.34	N/A
2019	2.46	N/A

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

**Source:** City of Fayetteville, Georgia records.

# CITY OF FAYETTEVILLE, GEORGIA

## WATER AND SEWER CUSTOMERS LAST TEN CALENDAR YEARS

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<u>Calendar Year</u>	<u>Number of Water Customers</u>	<u>% Increase Water Customers</u>	<u>Number of Sewer Customers</u>	<u>% Sewer to Water Customers</u>
2010	6,615	0.5 %	8,035	121.5 %
2011	6,607	(0.1)	8,027	121.5
2012	6,628	0.3	8,083	122.0
2013	6,720	1.4	8,196	122.0
2014	6,769	0.7	8,202	121.2
2015	6,856	1.3	7,122	103.9
2016	6,891	0.5	7,170	104.0
2017	6,820	(1.0)	7,212	105.7
2018	7,023	3.0	7,472	106.4
2019	7,017	(0.1)	7,559	107.7

**Source:**

City of Fayetteville, Georgia records.

# CITY OF FAYETTEVILLE, GEORGIA

## WATER AND SEWER USER FEES AND CHARGES

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

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

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

<u>Meter Size</u>	<u>Meter Charge</u>	<u>Installed</u>	<u>Tap</u>	<u>Sewer</u>	<u>Total for Water and Sewer</u>
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**





**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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fayetteville, Georgia (the "City") for the year ended July 31, 2019, 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 28, 2020.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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**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 determination of financial statement amounts. 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.



Macon, Georgia  
January 28, 2020



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

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

### **Report on Compliance For Each Major Federal Program**

We have audited City of Fayetteville, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended July 31, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

### **Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2019.

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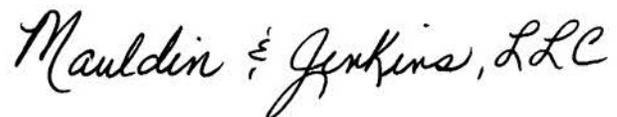
## Report on Internal Control Over Compliance

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

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

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

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



Macon, Georgia  
January 28, 2020

**CITY OF FAYETTEVILLE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JULY 31, 2019**

<u>Grant Program</u>	<u>CFDA #</u>	<u>Grant I.D.</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b>U.S. Environmental Protection Agency</b>				
Passed through Georgia Environmental Finance Authority				
Capitalization of Grants for Clean Water State Revolving Loan Funds	66.458	CWSRF 14-019	\$ 5,446	\$ -
<b>Total U.S. Environmental Protection Agency</b>			<u>5,446</u>	<u>-</u>
<b>U.S. Department of Homeland Security</b>				
Staffing for Adequate Fire and Emergency Response Grant	97.083	EMW-2016-FH00474	600,053	-
<b>Total U.S. Department of Homeland Security</b>			<u>600,053</u>	<u>-</u>
<b>U.S. Department of Transportation</b>				
Passed through Georgia Department of Transportation				
Highway Planning and Construction	20.205	PI 0012878	31,099	-
Highway Planning and Construction	20.205	PI 0010613	317,867	-
<b>Total U.S. Department of Transportation</b>			<u>348,966</u>	<u>-</u>
<b>U.S. Department of Justice</b>				
Bulletproof Vest Partnership Program	16.607	NA	3,268	-
<b>Total U.S. Department of Justice</b>			<u>3,268</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 957,733</u>	<u>\$ -</u>

# CITY OF FAYETTEVILLE, GEORGIA

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JULY 31, 2019

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### **NOTE 1. BASIS OF PRESENTATION**

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

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

### **NOTE 2. DE MINIMIS INDIRECT COST RATE**

The City chose not to use the 10% de minimis indirect cost rate for the fiscal year ended July 31, 2019.

### **NOTE 3. NON-CASH AWARDS**

The City did not receive non-cash federal awards during the fiscal year ended July 31, 2019.

**CITY OF FAYETTEVILLE, GEORGIA**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JULY 31, 2019**

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**SECTION I  
SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
Material weaknesses identified? \_\_\_ Yes  X  No

Significant deficiencies identified not considered  
to be material weaknesses? \_\_\_ Yes  X  None Reported

Noncompliance material to financial statements noted? \_\_\_ Yes  X  No

**Federal Awards**

Internal Control over major programs:  
Material weaknesses identified? \_\_\_ Yes  X  No

Significant deficiencies identified not considered  
to be material weaknesses? \_\_\_ Yes  X  No

Type of auditor's report issued on compliance for  
major programs Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with the Uniform Guidance? \_\_\_ Yes  X  No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
97.083	<b>U.S. Department of Homeland Security</b> Staffing for Adequate Fire and Emergency Response Grant

Dollar threshold used to distinguish between  
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_ Yes  X  No

**CITY OF FAYETTEVILLE, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE FISCAL YEAR ENDED JULY 31, 2019**

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**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, 2019**

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**STATUS OF PRIOR YEAR AUDIT FINDINGS**

None reported.