CITY OF BYRON, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025

CITY OF BYRON, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of City Council
City of Byron, Georgia
Byron, Georgia

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on pages 47 and 48) and the Schedule of City Contributions (on pages 49 and 50) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board ("GASB") 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 GAAS, 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.

Management has omitted the Management's Discussion and Analysis ("MD&A") that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the GASB 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds are presented for purposes of additional analysis, as required by the Official Code of Georgia Annotated ("O.C.G.A") §48-8-121, and the Schedule of Expenditures of Transportation Special Purpose Local Options Sales Tax ("TSPLOST"), as required by O.C.G.A. §48-8-269.5, are presented for the purpose of additional analysis, are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS.

In our opinion, the combining nonmajor fund financial statements, the Schedules of Expenditures of Special Purpose Local Option Sales Tax proceeds, and the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
June 22, 2026

BASIC FINANCIAL STATEMENTS

CITY OF BYRON, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 17,122,376	$ 1,268,497	$ 18,390,873
Taxes receivable	1,204,442	-	1,204,442
Accounts receivable, net of allowances	68,975	305,543	374,518
Due from other governments	411,933	-	411,933
Internal balances	185,476	(185,476)	-
Prepaid expenses	61,977	-	61,977
Investment in joint venture	-	1,363,421	1,363,421
Capital assets, non-depreciable	7,143,368	2,091,519	9,234,887
Capital assets, depreciable, net of accumulated depreciation	7,451,395	10,473,832	17,925,227
Total assets	33,649,942	15,317,336	48,967,278
DEFERRED OUTFLOWS OF RESOURCES			
Pension	1,360,653	272,165	1,632,818
Loss on refunding	4,275	-	4,275
Total deferred outflows of resources	1,364,928	272,165	1,637,093
LIABILITIES			
Accounts payable	300,784	254,247	555,031
Accrued interest expense	2,822	6,571	9,393
Other accrued expenses	18,189	3,674	21,863
Customer deposits	-	308,115	308,115
Compensated absences due within one year	378,779	38,867	417,646
Compensated absences due in more than one year	94,695	9,717	104,412
Bonds payable due within one year	365,000	-	365,000
Bonds payable due in more than one year	1,120,000	-	1,120,000
Notes payable due within one year	-	296,236	296,236
Notes payable due in more than one year	-	4,198,763	4,198,763
Net pension liability	3,266,599	653,403	3,920,002
Total liabilities	5,546,868	5,769,593	11,316,461
NET POSITION			
Net investment in capital assets	13,114,038	8,070,352	21,184,390
Restricted for capital projects	7,907,769	-	7,907,769
Restricted for public safety	4,509	-	4,509
Restricted for housing and development	304	-	304
Unrestricted	8,441,382	1,749,556	10,190,938
Total net position	$ 29,468,002	$ 9,819,908	$ 39,287,910

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

Component Units	
Byron Development Authority	Convention & Visitors Bureau
$ 244,389	$ 55,896
-	18,412
-	-
-	-
-	-
-	1,636
-	-
1,535,301	265,087
-	132,529
1,779,690	473,560
-	-
-	-
-	-
-	10,353
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	10,685
-	197,086
-	-
-	218,124
1,535,301	189,845
-	-
-	-
-	-
244,389	65,591
$ 1,779,690	$ 255,436

CITY OF BYRON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 586,217	$ 1,975,964	$ -	$ -
Judicial	398,386	-	-	-
Public safety	4,257,386	1,227,872	4,629	-
Public works	3,771,885	-	-	3,578,554
Housing and development	662,119	-	-	-
Interest on long-term debt	22,723	-	-	-
Total governmental activities	9,698,716	3,203,836	4,629	3,578,554
Business-type activities:				
Water and sewer	4,149,800	4,074,147	-	-
Solid waste	654,158	748,707	-	-
Natural gas	-	43,399	-	-
Total business-type activities	4,803,958	4,866,253	-	-
Total primary government	$ 14,502,674	$ 8,070,089	$ 4,629	$ 3,578,554
Component Units				
Byron Development Authority	$ 876	$ -	$ -	$ -
Convention and Visitors Bureau	295,544	57,859	-	-
Total Component Units	$ 296,420	$ 57,859	$ -	$ -
General revenues:				
Property taxes				
Sales taxes				
Hotel/Motel taxes				
Other taxes				
Gain on disposal of capital assets				
Investment earnings				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year, as previously stated				
Restatement - correction of an error				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position					
Primary Government				Component Units	
Governmental Activities	Business-type Activities	Total		Byron Development Authority	Convention & Visitors Bureau
$ 1,389,747	$ -	$ 1,389,747		$ -	$ -
(398,386)	-	(398,386)		-	-
(3,024,885)	-	(3,024,885)		-	-
(193,331)	-	(193,331)		-	-
(662,119)	-	(662,119)		-	-
(22,723)	-	(22,723)		-	-
(2,911,697)	-	(2,911,697)		-	-
-	(75,653)	(75,653)		-	-
-	94,549	94,549		-	-
-	43,399	43,399		-	-
-	62,295	62,295		-	-
(2,911,697)	62,295	(2,849,402)		-	-
-	-	-		(876)	-
-	-	-		-	(237,685)
-	-	-		(876)	(237,685)
3,440,849	-	3,440,849		-	-
1,251,588	-	1,251,588		-	-
461,819	-	461,819		-	230,910
1,512,695	-	1,512,695		-	-
31,929	38,200	70,129		15,000	-
192,447	379,404	571,851		1,398	-
6,891,327	461,629	7,352,956		16,398	230,910
3,979,630	523,924	4,503,554		15,522	(6,775)
24,254,135	9,295,984	33,550,119		1,764,168	262,211
1,234,237	-	1,234,237		-	-
25,488,372	9,295,984	34,784,356		1,764,168	262,211
$ 29,468,002	$ 9,819,908	$ 39,287,910		$ 1,779,690	$ 255,436

CITY OF BYRON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	SPLOST 2012 Fund	SPLOST 2021 Fund	TSPLOST 2022 Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 9,371,425	$ 585,049	$ 6,054,272	$ 491,783	$ 619,847	$ 17,122,376
Taxes receivable	1,040,175	-	-	127,443	36,824	1,204,442
Accounts receivable	18,975	-	-	-	50,000	68,975
Due from other governments	33	-	411,900	-	-	411,933
Due from other funds	1,193,927	-	-	-	30	1,193,957
Prepaid expenditures	61,977	-	-	-	-	61,977
Total assets	$ 11,686,512	$ 585,049	$ 6,466,172	$ 619,226	$ 706,701	$ 20,063,660
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 171,742	$ 462	$ 71,457	$ 38,712	$ 18,411	$ 300,784
Accrued liabilities	18,189	-	-	-	-	18,189
Due to other funds	672,712	-	10,740	209,555	115,474	1,008,481
Total liabilities	862,643	462	82,197	248,267	133,885	1,327,454
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	304,930	-	-	-	-	304,930
Unavailable revenue - grant revenue	-	-	-	-	50,000	50,000
Total deferred inflows of resources	304,930	-	-	-	50,000	354,930
FUND BALANCES						
Fund balances:						
Non-spendable:						
Prepaids	61,977	-	-	-	-	61,977
Restricted for:						
Capital projects		584,587	6,383,975	370,959	568,248	7,907,769
Public safety	-	-	-	-	4,509	4,509
Housing and development	-	-	-	-	304	304
Assigned for:						
Utility payments	57,425	-	-	-	-	57,425
Fire department	15,837	-	-	-	-	15,837
Municipal court	164,107	-	-	-	-	164,107
Law enforcement	182,671	-	-	-	-	182,671
Unassigned	10,036,922	-	-	-	(50,245)	9,986,677
Total fund balances	10,518,939	584,587	6,383,975	370,959	522,816	18,381,276
Total liabilities, deferred inflows of resources and fund balances	$ 11,686,512	$ 585,049	$ 6,466,172	$ 619,226	$ 706,701	
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.						14,594,763
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						354,930
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.						(1,905,946)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						(1,957,021)
Net position of governmental activities						$ 29,468,002

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

CITY OF BYRON, GEORGIA

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

	General Fund	SPLOST 2012 Fund	SPLOST 2021 Fund	TSPLOST 2022 Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 6,083,948	$ -	$ -	$ -	$ 461,819	$ 6,545,767
Licenses and permits	334,565	-	-	-	-	334,565
Intergovernmental	265,933	-	2,771,158	127,443	147,355	3,311,889
Fines and forfeitures	1,170,722	-	-	-	57,150	1,227,872
Charges for services	1,405,712	-	-	-	-	1,405,712
Interest income	176,595	18,194	152,276	49,055	17,621	413,741
Other revenues	235,687	-	-	-	-	235,687
Total revenues	9,673,162	18,194	2,923,434	176,498	683,945	13,475,233
Expenditures						
Current:						
General government	2,590,892	-	-	-	-	2,590,892
Judicial	378,274	-	-	-	-	378,274
Public safety	4,093,373	-	-	-	51,334	4,144,707
Public works and parks	1,129,963	-	-	-	-	1,129,963
Housing and development	233,854	-	-	-	428,265	662,119
Capital outlay:						
General government	-	-	52,232	-	-	52,232
Public works	-	110,985	1,354,827	2,367,790	-	3,833,602
Debt service:						
Principal	17,266	-	-	-	360,000	377,266
Interest	265	-	-	-	21,033	21,298
Total expenditures	8,443,887	110,985	1,407,059	2,367,790	860,632	13,190,353
Excess (deficiency) of revenues over (under) expenditures	1,229,275	(92,791)	1,516,375	(2,191,292)	(176,687)	284,880
Other financing sources (uses)						
Proceeds from sale of assets	31,929	-	-	-	-	31,929
Transfers in	230,910	-	-	-	381,033	611,943
Transfers out	(381,033)	-	-	-	(230,910)	(611,943)
Total other financing sources (uses)	(118,194)	-	-	-	150,123	31,929
Net change in fund balances	1,111,081	(92,791)	1,516,375	(2,191,292)	(26,564)	316,809
Fund balances, beginning of year	9,407,858	677,378	4,867,600	2,562,251	549,380	18,064,467
Fund balances, end of year	$ 10,518,939	$ 584,587	$ 6,383,975	$ 370,959	$ 522,816	$ 18,381,276

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

CITY OF BYRON, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

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

Net change in fund balances - total governmental funds	$	316,809
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.		3,014,738
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		171,184
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.		377,266
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.		99,633
Changes in net position - governmental activities	$	3,979,630

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

CITY OF BYRON, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 3,383,623	$ 3,383,623	$ 3,319,665	$ (63,958)
Sales taxes	1,200,000	1,200,000	1,251,588	51,588
Other taxes	1,565,627	1,565,627	1,512,695	(52,932)
Licenses and permits	255,000	255,000	334,565	79,565
Intergovernmental	410,348	410,348	265,933	(144,415)
Fines and forfeitures	700,000	700,000	1,170,722	470,722
Charges for services	1,128,594	1,128,594	1,405,712	277,118
Interest income	180,000	180,000	176,595	(3,405)
Other revenues	50,100	50,100	235,687	185,587
Total revenues	8,873,292	8,873,292	9,673,162	799,870
Expenditures				
Current:				
General government:				
Mayor and Council	1,045,440	1,338,653	1,338,653	-
Clerk of Council	708,073	392,352	389,883	2,469
City administrator	852,585	859,084	859,084	-
Elections	15,700	3,272	3,272	-
Total general government	2,621,798	2,593,361	2,590,892	2,469
Judicial:				
Municipal court	408,803	408,803	378,274	30,529
Public safety:				
Police	2,966,885	2,966,885	2,897,717	69,168
Fire	1,563,505	1,456,307	1,195,656	260,651
Total public safety	4,530,390	4,423,192	4,093,373	329,819
Public works:				
Public works administration	393,777	393,777	355,449	38,328
Streets	539,024	539,024	422,764	116,260
Stormwater	340,000	351,750	351,750	-
Total public works	1,272,801	1,284,551	1,129,963	154,588
Housing and development:				
Planning and zoning	127,500	233,854	233,854	-
Total housing and development	127,500	233,854	233,854	-
Debt service:				
Principal	-	17,266	17,266	-
Interest	-	265	265	-
Total debt service	-	17,531	17,531	-
Total expenditures	8,961,292	8,961,292	8,443,887	517,405
Excess (deficiency) of revenues over (under) expenditures	(88,000)	(88,000)	1,229,275	1,317,275
Other financing sources (uses)				
Proceeds from sale of assets	10,000	10,000	31,929	21,929
Transfers in	78,000	78,000	230,910	152,910
Transfers out	-	-	(381,033)	(381,033)
Total other financing sources (uses)	88,000	88,000	(118,194)	(206,194)
Net change in fund balances	-	-	1,111,081	1,111,081
Fund balances, beginning of year	9,407,858	9,407,858	9,407,858	-
Fund balances, end of year	$ 9,407,858	$ 9,407,858	$ 10,518,939	$ 1,111,081

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

CITY OF BYRON, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Water and Sewer Fund	Natural Gas Fund	Solid Waste Fund	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 895,908	$ 203,956	$ 168,633	$ 1,268,497
Accounts receivable, net of allowances	276,998	-	28,545	305,543
Due from other funds	-	672,682	356,452	1,029,134
Total current assets	1,172,906	876,638	553,630	2,603,174
NON-CURRENT ASSETS				
Investment in joint venture	-	1,363,421	-	1,363,421
Capital assets, non-depreciable	2,091,519	-	-	2,091,519
Capital assets, depreciable, net of accumulated depreciation	10,473,832	-	-	10,473,832
Total non-current assets	12,565,351	1,363,421	-	13,928,772
Total assets	13,738,257	2,240,059	553,630	16,531,946
DEFERRED OUTFLOWS OF RESOURCES				
Pension	272,165	-	-	272,165
Total deferred outflows of resources	272,165	-	-	272,165
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	196,969	324	56,954	254,247
Accrued liabilities	3,674	-	-	3,674
Notes payable, current portion	296,236	-	-	296,236
Due to other funds	769,313	-	445,297	1,214,610
Compensated absences due within one year	38,867	-	-	38,867
Customer deposits	308,115	-	-	308,115
Accrued interest	6,571	-	-	6,571
Total current liabilities	1,619,745	324	502,251	2,122,320
NON-CURRENT LIABILITIES				
Compensated absences due in more than one year	9,717	-	-	9,717
Net pension liability	653,403	-	-	653,403
Notes payable, long-term portion	4,198,763	-	-	4,198,763
Total non-current liabilities	4,861,883	-	-	4,861,883
Total liabilities	6,481,628	324	502,251	6,984,203
NET POSITION				
Net investment in capital assets	8,070,352	-	-	8,070,352
Unrestricted	(541,558)	2,239,735	51,379	1,749,556
Total net position	$ 7,528,794	$ 2,239,735	$ 51,379	$ 9,819,908

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

CITY OF BYRON, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

	Water and Sewer Fund	Natural Gas Fund	Solid Waste Fund	Totals
OPERATING REVENUES				
Charges for services:				
Water sales	$ 2,254,912	$ -	$ -	$ 2,254,912
Sewer sales	1,743,527	-	-	1,743,527
Natural gas sales	-	42,450	-	42,450
Sanitation charges	-	-	748,707	748,707
Other fees and charges	75,708	949	-	76,657
Total operating revenues	4,074,147	43,399	748,707	4,866,253
OPERATING EXPENSES				
Personal services and employee benefits	1,413,575	-	-	1,413,575
Contracted services	473,297	-	650,276	1,123,573
Supplies	1,534,384	-	3,882	1,538,266
Depreciation	646,805	-	-	646,805
Total operating expenses	4,068,061	-	654,158	4,722,219
Operating income	6,086	43,399	94,549	144,034
NON-OPERATING REVENUES (EXPENSES)				
Gain on disposal of assets	38,200	-	-	38,200
Net income from joint venture	-	348,051	-	348,051
Interest income	21,234	5,690	4,429	31,353
Interest expense	(81,739)	-	-	(81,739)
Total non-operating revenue (expenses), net	(22,305)	353,741	4,429	335,865
Income (loss) before capital contributions	(16,219)	397,140	98,978	479,899
CAPITAL CONTRIBUTIONS	44,025	-	-	44,025
Change in net position	27,806	397,140	98,978	523,924
NET POSITION, beginning of year	7,500,988	1,842,595	(47,599)	9,295,984
NET POSITION, end of year	$ 7,528,794	$ 2,239,735	$ 51,379	$ 9,819,908

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

CITY OF BYRON, GEORGIA

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

	Water and Sewer Fund	Natural Gas Fund	Solid Waste Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 4,529,684	$ 16	$ 744,964	$ 5,274,664
Payments to suppliers and service providers	(796,107)	-	(726,938)	(1,523,045)
Payments to employees	(1,458,323)	-	-	(1,458,323)
Net cash provided by operating activities	2,275,254	16	18,026	2,293,296
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of property and equipment	(1,881,186)	-	-	(1,881,186)
Proceeds from sale of property and equipment	38,200	-	-	38,200
Proceeds from notes payable	42,231	-	-	42,231
Intergovernmental revenue	44,025	-	-	44,025
Principal payments on financed purchases	(4,793)	-	-	(4,793)
Principal payments on notes payable	(289,948)	-	-	(289,948)
Interest paid	(82,252)	-	-	(82,252)
Net cash used in capital and related financing activities	(2,133,723)	-	-	(2,133,723)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	187,039	5,674	4,429	197,142
Net cash provided by investing activities	187,039	5,674	4,429	197,142
Increase in cash and cash equivalents	328,570	5,690	22,455	356,715
CASH AND CASH EQUIVALENTS				
Beginning of year	567,338	198,266	146,178	911,782
End of year	$ 895,908	$ 203,956	$ 168,633	$ 1,268,497

(Continued)

CITY OF BYRON, GEORGIA

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

	Water and Sewer Fund	Natural Gas Fund	Solid Waste Fund	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	$ 6,086	$ 43,399	$ 94,549	$ 144,034
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	646,805	-	-	646,805
Increase in accounts receivable	(1,122)	-	(3,743)	(4,865)
Decrease (increase) in due from other funds	1,053,680	(43,383)	(33,238)	977,059
Increase in deferred outflows of resources - pension	(129,310)	-	-	(129,310)
Increase in customer deposits payable	10,560	-	-	10,560
Decrease in accrued liabilities	(19,003)	-	-	(19,003)
Increase in accounts payable	157,894	-	7,524	165,418
Decrease in deferred inflows of resources - pension	(53,079)	-	-	(53,079)
Increase in net pension liability	156,644	-	-	156,644
(Increase) decrease in due to other funds	446,099	-	(47,066)	399,033
Net cash provided by operating activities	$ 2,275,254	$ 16	$ 18,026	$ 2,293,296

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

CITY OF BYRON, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2025

	Pre-Confiscation Fund	Municipal Court Fund
ASSETS		
Cash	$ 147,560	$ 73,849
LIABILITIES AND NET POSITION		
LIABILITIES		
Due to others	$ 132,589	$ 73,849
NET POSITION		
Restricted for individuals, organizations and other governments	14,971	-
Total Liabilities and Net Position	$ 147,560	$ 73,849

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

CITY OF BYRON, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

	Pre-Confiscation Fund	Municipal Court Fund
ADDITIONS		
Fines and fees collected	$ -	$ 285,658
Interest	4,131	-
Total additions	4,131	285,658
DEDUCTIONS		
Fines and fees disbursed	-	285,658
Change in net position	4,131	-
NET POSITION		
Beginning of year	10,840	-
End of year	$ 14,971	$ -

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City was incorporated in 1874 under the provision of an Act of the General Assembly of Georgia. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, health and social services, recreation, and general administrative services.

In 2013, the City adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment to GASB No.'s 14 and 34*, which defines the reporting entity for determining which potential component units should be included in the primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body; and: 1) the ability of the City to impose its will on that organization; or 2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City. In addition to the above criteria, GASB 61 added that if the primary government is expected to repay substantially all of the component unit's debt, then the component unit should be blended.

Blended Component Unit – Blended component unit, although a legally separate entity, is, in substance, part of the government's operations.

The City of Byron Redevelopment Authority (the "Authority") was formed on April 11, 1979, to promote projects in connection with the redevelopment or revitalization of urban, central city or downtown areas for the public good and welfare of the City. The governing board of the Authority is appointed by City Council for a three-year term. The Authority is presented as a Debt Service Fund. The Authority does not issue separate financial statements.

Discretely Presented Component Units – Discretely presented component units are presented separately from normal government operations.

The City of Byron Development Authority (the "Authority") was formed in 1998 to promote and expand industry, welfare and trade for the public good and welfare of the City. The governing board of the Authority is appointed by City Council for a four-year term. The Authority is audited along with the primary government financial statements and separate financial statements are not prepared.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Byron Convention and Visitors Bureau Authority (the "CVB") was formed on April 4, 1997, to promote tourism, trade, and conventions for the City. The governing board consists of ten members, nine of which are regular board members and one of which is an ex officio member, with the ex officio member being the President of the Byron Historical Society. The current members of the Byron Downtown Development Authority make up seven of the nine regular board members. The terms of office of each member coincides with his or her term of office as a member of the Byron Downtown Development Authority or Byron Historical Society. The CVB is audited along with the primary government financial statements and separate financial statements are not prepared.

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 non-fiduciary 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

Intergovernmental grants, investment income, property taxes, sales taxes, franchise taxes, and licenses 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 format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis, which includes an analytical overview of the City's financial activity. The City has elected not to present the Management's Discussion and Analysis for the year ended December 31, 2025.

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") 2012 Fund*** accounts for capital expenditures. Funding is provided by special purpose sales taxes, which are collected by the County and remitted to the City through an intergovernmental agreement.

The ***Special Purpose Local Option Sales Tax ("SPLOST") 2021 Fund*** accounts for capital expenditures. Funding is provided by special purpose sales taxes, which are collected by the County and remitted to the City through an intergovernmental agreement.

The ***Transportation Special Purpose Local Option Sales Tax ("TSPLOST") 2022 Fund*** accounts for capital expenditures. Funding is provided by transportation special purpose sales taxes, which are collected by the County and remitted to the City through an intergovernmental agreement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major proprietary funds:

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

The ***Natural Gas Fund*** accounts for the activities of the natural gas distribution system.

The ***Solid Waste Fund*** accounts for the operation of the solid waste trash pickup services including all revenues from sources applicable to these operations and all expenses of the operation.

Additionally, the City reports the following fund types:

The ***Special Revenue Funds*** – account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***Capital Projects Funds*** – account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The ***Debt Service Fund*** – accounts for the accumulation of resources for the principal payment, interest and related costs of long-term debt.

The ***Custodial Funds*** – account for money collected and disbursed by the City on behalf of other governments and individuals, such as cash bonds, traffic fines, and monies confiscated and held pending disposition by courts.

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 utility function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customer or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally designed resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

D. Use of Estimates

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

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. For purposes of the Statement of Cash Flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

F. 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 December 31, 2025.

G. Restricted Assets

Certain assets of the Enterprise Funds are classified as restricted assets because their use is restricted by bond covenants.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows

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 represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category. Three of these items relate to the City's defined benefit pension plan. The pension experience differences, investment differences, and the contributions made subsequent to the measurement date are deferred and recognized as pension expense in future years. The fourth item, loss on refunding, is recognized as a component of interest expense, over the shorter of the new debt's life or the remaining life of the previous debt. The unamortized loss is a deferred outflow of resources in the Statement of Net Position.

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 represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. This item is unavailable revenue, which arises only under the modified accrual basis of accounting, and is reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenue for property taxes and grants and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Byron 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in respective funds. Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset	Years
Building and improvements	5 – 30
Infrastructure	30
Equipment, vehicles, intangibles	5 – 10
Distribution system	10 – 50

The City only reports infrastructure assets purchased subsequent to December 31, 2003.

K. Compensated Absences

The City's vacation hours accrue but are not allowed to be carried over after the employee's hire anniversary, vacation hours start over each year, but upon termination, the City will pay any unused vacation hours to employees. Therefore, vacation is short-term in nature. The sick pay accrues and is carried over each year up to 920 hours and will vest after ten years of employment. The City pays 25% of the total vested sick pay upon retirement or termination if the employee is vested. The City only pays the Medicare portion.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Accrued Liabilities and Long-Term Obligations (Continued)

However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Interfund Activity

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

N. Budgets and Budgetary Accounting

An annual operating budget is prepared for the General Fund, the Special Revenue Funds, and the Debt Service Fund. Budgets are prepared for the Capital Projects Funds on a project-length basis, which usually covers two or more fiscal years. The budget officer formulates and remits the budget to the Mayor and Council. After a review by the Mayor and Council and a public hearing, a final budget is approved when the budget resolution is adopted.

The City Clerk is delegated the authority, upon the direction of and approval by the Mayor and Council, to transfer sums from one budget line item to another. No increase in the overall budget for the City may be made without the approval of the Mayor and Council and amendment to the budget.

Governmental fund type budgets are adopted on a basis consistent with GAAP at the legal level of budgetary control which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as amended in December 2025. All annual appropriations lapse at year-end. The following funds had deficit fund balances as of year-end – Community Development Block Grant (“CDBG”) Fund - $85, Community Home Investment Program (“CHIP”) Fund - $50,160. These deficits are expected to be resolved through future revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. Only the City Council may modify or remove 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 Clerk and her designee to assign fund balances. Assignments may occur subsequent to fiscal year-end.

- ***Unassigned*** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (Continued)

Net Position – Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows in reporting which utilizes the economic resources measurement focus. 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 when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

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	$ (2,822)
Loss on refunding	4,275
Compensated absences payable	(473,474)
Bonds payable	(1,485,000)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (1,957,021)

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

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

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

Capital outlay	$ 3,789,877
Depreciation expense	(775,139)
Net adjustment to increase *net changes in fund balance - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 3,014,738

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

Principal payments: financed purchases	$ 17,266
Principal payments: bonds payable	360,000
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of* governmental activities	$ 377,266

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	$ (44,762)
Net pension liability	145,820
Amortization of loss on refunding	(2,109)
Accrued interest	684
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at changes in net position of governmental activities	$ 99,633

NOTE 3. CASH AND INVESTMENTS

Credit Risk. 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 local government investment pool ("Georgia Fund 1").

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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.

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 December 31, 2025, all of the deposits for the City were fully collateralized in accordance with the state statutes.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. At December 31, 2025, the City had no investments requiring disclosure within the fair value hierarchy.

Investments. The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States.

NOTE 4. TAX REVENUES

A. Property Taxes

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by a joint Board of Tax Assessors of Peach County.

Upon completion of all assessments and tax returns, the information is turned over to the Peach County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the mandated 40% of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The property tax calendar is as follows:

	Real/Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment Date	January 1	January 1
Levy Date	August 18	January 1
Due date and collection date	December 30	December 20

B. Hotel/Motel Excise Tax

A summary of the Hotel/Motel excise tax expenditures and receipts for the year ended December 31, 2025, are as follows:

Expenditures by Purpose	Amount	Hotel/Motel Tax Receipts	Percentage
Convention and Visitors Bureau	$ 230,910	$ 461,819	50%
General Fund	230,910	461,819	50%

NOTE 5. OTHER RECEIVABLES

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

A. Governmental Funds

	General	SPLOST 2021	TSPLOST 2022	Nonmajor Governmental Funds	Total
Receivables:					
Intergovernmental	$ 33	$ 411,900	$ -	$ -	$ 411,933
Accounts	31,857	-	-	50,000	81,857
Taxes	1,092,826	-	127,443	36,824	1,257,093
Gross receivables	1,124,716	411,900	127,443	86,824	1,750,883
Less allowance for uncollectibles	(65,533)	-	-	-	(65,533)
Net total receivables	$ 1,059,183	$ 411,900	$ 127,443	$ 86,824	$ 1,685,350

B. Proprietary Funds

	Water and Sewer	Natural Gas	Solid Waste	Total
Receivables:				
Accounts	$ 466,730	$ 22,123	$ 57,115	$ 545,968
Gross receivables	466,730	22,123	57,115	545,968
Less allowance for uncollectibles	(189,732)	(22,123)	(28,570)	(240,425)
Net total receivables	$ 276,998	$ -	$ 28,545	$ 305,543

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2025, are as follows:

	Payable Fund							
Receivable Fund	General Fund	SPLOST 2012 Fund	SPLOST 2021 Fund	TSPLOST 2022 Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Solid Waste Fund	Total
General Fund	$ -	$ -	$ 10,740	$ 209,555	$ 115,474	$ 412,861	$ 445,297	$ 1,193,927
Nonmajor Governmental Funds	30	-	-	-	-	-	-	30
Water and Sewer Fund	-	-	-	-	-	-	-	-
Natural Gas Fund	672,682	-	-	-	-	-	-	672,682
Solid Waste Fund	-	-	-	-	-	356,452	-	356,452
Total	$ 672,712	$ -	$ 10,740	$ 209,555	$ 115,474	$ 769,313	$ 445,297	$ 2,223,091

These amounts represent short-term receivables and payables. The 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 for the year ended December 31, 2025, are as follows:

	Transfers Out		
Transfers In	General Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 230,910	$ 230,910
Nonmajor Governmental Funds	381,033	-	381,033
Total	$ 381,033	$ 230,910	$ 611,943

Transfers are used to: 1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, 2) close out funds no longer used by the City, and 3) use unrestrictive revenues collected in the General Fund and Enterprise Funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7. CAPITAL ASSETS

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

	(As restated) Beginning Balance	Increases	Decreases	Reclassifications and Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,689,003	$ 110,000	$ -	$ -	$ 1,799,003
Construction in progress	2,898,834	3,538,910	-	(1,093,379)	5,344,365
Total	4,587,837	3,648,910	-	(1,093,379)	7,143,368
Capital assets, being depreciated:					
Buildings and improvements	7,031,391	-	-	-	7,031,391
Infrastructure	7,075,433	-	-	1,093,379	8,168,812
Machinery and equipment	1,861,275	-	(153,408)	-	1,707,867
Vehicles	1,805,672	140,967	(62,929)	-	1,883,710
Intangible	123,642	-	-	-	123,642
Total	17,897,413	140,967	(216,337)	1,093,379	18,915,422
Less accumulated depreciation for:					
Buildings and improvements	(4,185,441)	(209,088)	-	-	(4,394,529)
Infrastructure	(3,851,108)	(270,182)	-	-	(4,121,290)
Machinery and equipment	(1,267,152)	(131,383)	153,408	-	(1,245,127)
Vehicles	(1,477,884)	(164,486)	62,929	-	(1,579,441)
Intangible	(123,640)	-	-	-	(123,640)
Total	(10,905,225)	(775,139)	216,337	-	(11,464,027)
Total assets, being depreciated, net	6,992,188	(634,172)	-	1,093,379	7,451,395
Governmental activities capital assets, net	$ 11,580,025	$ 3,014,738	$ -	$ -	$ 14,594,763

The beginning balances of the governmental capital assets have been restated to reflect additions to construction in progress. See Note 14, Restatement of Errors in Prior Year Reporting.

NOTE 7. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended December 31, 2025:

	Beginning Balance	Increases	Decreases	Reclassifications and Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 156,769	$ -	$ -	$ -	$ 156,769
Construction in progress	258,559	1,676,191	-	-	1,934,750
Total	415,328	1,676,191	-	-	2,091,519
Capital assets, being depreciated:					
Infrastructure	18,781,178	-	-	-	18,781,178
Equipment and vehicles	1,004,812	204,995	(118,339)	-	1,091,468
Intangibles	18,060	-	-	-	18,060
Total	19,804,050	204,995	(118,339)	-	19,890,706
Less accumulated depreciation for:					
Infrastructure	(8,048,781)	(578,402)	-	-	(8,627,183)
Equipment and vehicles	(821,567)	(68,403)	118,339	-	(771,631)
Intangibles	(18,060)	-	-	-	(18,060)
Total	(8,888,408)	(646,805)	118,339	-	(9,416,874)
Total assets, being depreciated, net	10,915,642	(441,810)	-	-	10,473,832
Business-type activities capital assets, net	$ 11,330,970	$ 1,234,381	$ -	$ -	$ 12,565,351

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

Governmental activities:	
General government	$ 214,383
Public safety	268,679
Public works	292,077
Total depreciation expense - governmental activities	$ 775,139
Business-type activities:	
Water and sewer	$ 646,805

NOTE 7. CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units

Activity for the Byron Development Authority for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Byron Development Authority				
Capital assets, not being depreciated:				
Land	$ 582,803	$ -	$ (20,000)	$ 562,803
Land improvements	972,498	-	-	972,498
Total	$ 1,555,301	$ -	$ (20,000)	$ 1,535,301

Activity for the Convention and Visitors Bureau for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Convention and Visitors Bureau				
Capital assets, not being depreciated:				
Land	$ 265,087	$ -	$ -	$ 265,087
Total	265,087	-	-	265,087
Capital assets, being depreciated:				
Buildings	145,935	-	-	145,935
Land improvements	15,600	-	-	15,600
Equipment	4,460	-	-	4,460
Total	165,995	-	-	165,995
Less accumulated depreciation for:				
Buildings	(23,537)	(4,865)	-	(28,402)
Land improvements	(2,166)	(1,040)	-	(3,206)
Equipment	(966)	(892)	-	(1,858)
Total	(26,669)	(6,797)	-	(33,466)
Total assets, being depreciated, net	139,326	(6,797)	-	132,529
Total	$ 404,413	$ (6,797)	$ -	$ 397,616

NOTE 8. LONG-TERM DEBT

A. Changes in Long-Term Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bond	$ 1,845,000	$ -	$ (360,000)	$ 1,485,000	$ 365,000
Financed purchases	17,266	-	(17,266)	-	-
Compensated absences	428,712	44,762	-	473,474	378,779
Net pension liability	2,504,359	1,684,441	(922,201)	3,266,599	-
Total Governmental-Type Activity Long-Term Debt	$ 4,795,337	$ 1,729,203	$ (1,299,467)	$ 5,225,073	$ 743,779
Business-type activities:					
Financed purchases	$ 4,793	$ -	$ (4,793)	$ -	$ -
GEFA notes payable	4,742,716	42,231	(289,948)	4,494,999	296,236
Compensated absences	53,761	-	(5,177)	48,584	38,867
Net pension liability	496,759	338,912	(182,268)	653,403	-
Total Business-Type Activity Long-Term Debt	$ 5,298,029	$ 381,143	$ (482,186)	$ 5,196,986	$ 335,103

For the governmental activities, the net pension liability is generally liquidated by the General Fund.

For business-type activities, the net pension liability is liquidated by the Water and Sewer Fund.

NOTE 8. LONG-TERM DEBT (CONTINUED)

B. Revenue Bonds – Governmental

During the year ended December 31, 2020, the City issued Series 2020 Revenue Refunding Bonds in the amount of $3,145,000. The bond proceeds were used to advance refund the outstanding balance of the 2007 Revenue Bonds and pay the costs to issue the Series 2020 Revenue Refunding Bonds. The refunding transaction resulted in an economic loss of $389,524. The Series 2020 bonds are payable in annual installments of $186,034 to $384,332 including principal and interest on November 1 each year over the term of the bonds.

The debt service requirements to maturity are as follows:

	Interest	Principal	Total
2026	16,929	365,000	381,929
2027	12,768	365,000	377,768
2028	8,607	375,000	383,607
2029	4,332	380,000	384,332
Total	$ 42,636	$ 1,485,000	$ 1,527,636

C. Notes Payable – Business-type

On September 26, 2007, the City entered into a contract with GEFA to provide financing to purchase a sewer lift station from Fort Valley. The total proceeds for the loan were $394,646. The loan is to be paid over a 20-year period starting November 1, 2007, on a monthly basis. Interest is at 4.2%.

On October 8, 2009, the City entered into a contract with GEFA for a Clean Water State Revolving Loan Fund grant/loan to provide financing for acquiring, constructing, and installing environmental facilities. The total proceeds for the loan were $697,365. The loan is to be paid over a 20-year period starting September 1, 2013, on a monthly basis. Interest is at 3.0%.

On November 17, 2014, the City entered into a contract with GEFA for a Clean Water State Revolving Loan Fund grant/loan to provide financing for the decommissioning of the City's wastewater treatment facility, construction of pump stations and force mains to transit sewage flows to Macon Water Authority's system, and all related appurtenances. The total proceeds for the loan were $2,419,020. The loan is to be paid over a 20-year period starting December 1, 2017, on a monthly basis. Interest is at 2.31%.

NOTE 8. LONG-TERM DEBT (CONTINUED)

C. Notes Payable – Business-type (Continued)

On October 1, 2015, the City entered into a contract with GEFA for a Clean Water State Revolving Loan Fund grant/loan to provide financing for the rehabilitation of the City's sewer collection system. The total proceeds for the loan were $92,963. The loan is to be paid over a 20-year period starting May 1, 2017, on a monthly basis. Interest is at 1.03%.

On November 19, 2018, the City entered into a contract with GEFA for a Clean Water State Revolving Loan Fund grant/loan to provide financing for the rehabilitation of the City's sewer collection system. The total loan proceeds were $2,469,928 and is payable to GEFA. The loan is to be paid over a 20-year period starting December 1, 2023. Interest is at 1.25%.

On January 20, 2023, the City entered into a contract with GEFA for a Clean Water State Revolving Loan Fund grant/loan to provide financing for the rehabilitation of the City's sewer collection system. The City may draw down funds up to $2,000,000. As of December 31, 2025, $176,774 has been drawn down. Interest is at 0.13%. Repayments will be determined when construction is complete, and all draws have been made. As such, the balance at December 31, 2025 has been excluded from the maturity schedule below.

The annual requirements to amortize the notes at December 31, 2025, are as follows:

	Notes Payable		
	Interest	Principal	Total
2026	$ 75,705	$ 296,236	$ 371,941
2027	69,256	300,217	369,473
2028	63,323	279,022	342,345
2029	57,833	284,512	342,345
2030	52,223	290,122	342,345
2031 – 2035	174,821	1,451,817	1,626,638
2036 – 2040	56,353	1,016,555	1,072,908
2041 – 2043	7,539	399,744	407,283
Total	$ 557,053	$ 4,318,225	$ 4,875,278

NOTE 8. LONG-TERM DEBT (CONTINUED)

D. Discretely Presented Component Units

In 2024, the Convention and Visitors Bureau obtained a loan with Colony Bank to finance the purchase of land and a building for operations. The total proceeds for the loan were $190,995. The loan is to be paid over a five-year period starting June 25, 2024, on a monthly basis. Interest is at 4.6%. The balance of the loan as of December 31, 2025, and the debt service requirements to maturity are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	$ 220,306	$ -	$ (12,535)	$ 207,771	$ 10,685

	Interest	Principal	Total
2026	$ 11,673	$ 10,685	$ 22,358
2027	11,050	11,308	22,358
2028	10,421	11,937	22,358
2029	4,924	173,841	178,765
Total	$ 38,068	$ 207,771	$ 245,839

NOTE 9. RELATED ORGANIZATIONS

The Housing Authority of the City is considered a related organization based upon the criteria in GASB Statement 14. The Housing Authority is a legally separate entity having a board composed of members appointed originally by the City. The City is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City is a related organization.

NOTE 10. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City's pension 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, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Plan Membership

As of July 1, 2025, the date of the most recent actuarial valuation, there were 128 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefits	32
Inactive plan members entitled to but not receiving benefits	32
Active plan members	64
	128

C. 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 December 31, 2025, the City's contribution rate was 19.7% of annual payroll. City contributions to the Plan were $642,614 for the year ended December 31, 2025.

D. Net Pension Liability of the City

The City’s net pension liability was measured as of March 31, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2025.

Actuarial Assumptions. The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25% plus service based merit increases
Cost of living adjustments	2.25% for all Class 1 and 2.10% for Class 2
Investment rate of return	7.375% Ongoing basis, based on long-term expected rate of return of pension plan investments

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Net Pension Liability of the City (Continued)

Actuarial Assumptions (Continued). Mortality rates were based on the gender-distinct Pri-2012 head-count weighted Employee Mortality Table with rates multiplied by 1.25.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.60 %
International equity	20	7.03
Real estate	10	3.40
Global fixed income	5	3.70
Domestic fixed income	20	2.70
Total	100 %	

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

E. Discount Rate

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

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

F. Changes in the Net Pension Liability of the City

The changes in the components of the net pension liability of the City for the year ended December 31, 2025, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2024	$ 13,942,239	$ 10,941,121	$ 3,001,118
Changes for the year:			
Service cost	218,527	-	218,527
Interest	1,015,498	-	1,015,498
Differences between expected and actual experience	770,922	-	770,922
Contributions - employer	-	538,044	(538,044)
Net investment income	-	566,425	(566,425)
Benefit payments, including refunds of employee contributions	(782,590)	(782,590)	-
Administrative expense	-	(18,406)	18,406
Net changes	1,222,357	303,473	918,884
Balances at December 31, 2025	$ 15,164,596	$ 11,244,594	$ 3,920,002

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.

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

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

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 5,811,142	$ 3,920,002	$ 2,340,298

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

G. 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 March 31, 2025, and the current sharing pattern of costs between employer and employee.

H. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2025, the City recognized pension expense of $471,050. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 882,095	$ -
Net difference between projected and actual earnings on pension plan investments	268,762	-
City contributions subsequent to the measurement date	481,961	-
Total	$ 1,632,818	$ -

City contributions subsequent to the measurement date of $481,961 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2026	$ 534,079
2027	510,108
2028	60,513
2029	46,157
Total	$ 1,150,857

NOTE 11. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the middle Georgia area, is a member of the Middle Georgia Regional Commission ("RC") and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated ("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 a regional commission. For the year ended December 31, 2025, the City paid dues of $10,395. Separate financial statements may be obtained from:

Middle Georgia Regional Commission
3661 Eisenhower Pkwy., Ste. MB102
Macon, Georgia 31206

The City joined Mid-State Energy Commission ("MSEC") in November 2008. MSEC was established to provide maintenance and related services for a natural gas transmission line serving the cities of Perry, Warner Robins, Hawkinsville, Cochran and their customers. A board of directors, composed of one member from each of the cities, manages MSEC.

MSEC's major source of revenue consists of reimbursements for operating expense and capital outlays from member cities. MSEC's financial records are maintained on a fiscal year ending December 31 of each year. A separately issued financial report is available and may be obtained from:

Mid-State Energy Commission
200 Dunbar Road
Byron, GA 31008

As of December 31, 2025, the City has an approximate 8% equity interest in MSEC. This equity interest is recorded in the proprietary funds' Statement of Net Position.

NOTE 12. RISK MANAGEMENT

The City of Byron is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City carries commercial insurance in amounts deemed prudent by City management. Commercial insurance is carried for coverage of property, errors and omissions, professional liability and injuries to employees.

There have been no significant reductions of insurance coverage from coverage in the prior year and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of any expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

As of December 31, 2025 the City has no commitments relative to construction projects.

During the course of normal operations of the City, various claims and lawsuits arise. The City attorney has advised that there are no potential liabilities that will impair the City's financial position as of the date of this audit report.

NOTE 14. RESTATEMENT OF ERRORS IN PRIOR YEAR REPORTING

Government-wide Level Restatement

The City has determined that a restatement of the beginning net position for governmental activities is required as of January 1, 2025. During the current fiscal year, it was determined that several multi-year capital projects had been initiated in prior periods; however, the associated costs were not properly captured or maintained within the City's capital asset management system. Management was able to provide a corrected listing, which reflected material adjustments to beginning balances for non-depreciable capital assets.

	Governmental Activities
Net position, governmental activities, as previously reported	$ 24,254,135
Adjustment to non-depreciable capital assets	1,234,237
Net position, governmental activities, as restated	$ 25,488,372

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BYRON, GEORGIA

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

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	**$ 218,527**	$ 187,560	$ 143,604	$ 147,808	$ 142,081
Interest on total pension liability	**1,015,498**	918,317	881,995	863,200	833,624
Differences between expected and actual experience	**770,922**	473,686	167,643	(18,600)	148,998
Changes of assumptions	**-**	-	-	-	-
Benefit payments, including refunds of employee contributions	**(782,590)**	(759,907)	(729,490)	(737,222)	(721,562)
Other	**-**	478,430	-	-	-
Net change in total pension liability	**1,222,357**	1,298,086	463,752	255,186	403,141
Total pension liability - beginning	**13,942,239**	12,644,153	12,180,401	11,925,215	11,522,074
Total pension liability - ending (a)	**15,164,596**	13,942,239	12,644,153	12,180,401	11,925,215
Plan fiduciary net position					
Contributions - employer	**538,044**	477,871	499,712	511,763	511,222
Net investment income	**566,425**	1,592,350	(714,685)	625,823	3,240,981
Benefit payments, including refunds of employee contributions	**(782,590)**	(759,907)	(729,490)	(737,222)	(721,562)
Administrative expenses	**(18,406)**	(16,393)	(23,649)	(17,383)	(16,898)
Net change in plan fiduciary net position	**303,473**	1,293,921	(968,112)	382,981	3,013,743
Plan fiduciary net position - beginning	**10,941,121**	9,647,200	10,615,312	10,232,331	7,218,588
Plan fiduciary net position - ending (b)	**11,244,594**	10,941,121	9,647,200	10,615,312	10,232,331
City's net pension liability (a) - (b)	**$ 3,920,002**	$ 3,001,118	$ 2,996,953	$ 1,565,089	$ 1,692,884
Plan fiduciary net position as a percentage of the total pension liability	**74.2%**	78.5%	76.3%	87.2%	85.8%
Covered payroll	**$ 3,235,292**	$ 2,764,329	$ 2,997,409	$ 2,144,096	$ 2,273,842
City's net pension liability as a percentage of covered payroll	**121.16%**	108.57%	99.98%	73.00%	74.45%

2020	2019	2018	2017	2016
$ 153,340	$ 173,428	$ 205,512	$ 184,872	$ 186,196
829,265	804,946	774,843	729,258	702,621
362,414	81,577	379,428	299,967	32,255
(362,578)	-	-	-	-
(727,797)	(703,411)	(650,673)	(601,139)	(553,600)
-	-	(121,533)	-	-
254,644	356,540	587,577	612,958	367,472
11,267,430	10,910,890	10,323,313	9,710,355	9,342,883
11,522,074	11,267,430	10,910,890	10,323,313	9,710,355
526,411	553,040	423,002	448,951	413,318
(538,969)	281,093	891,341	817,970	19,036
(727,797)	(703,411)	(650,673)	(601,139)	(553,600)
(19,718)	(17,516)	(16,874)	(17,247)	(12,429)
(760,073)	113,206	646,796	648,535	(133,675)
7,978,661	7,865,455	7,218,659	6,570,124	6,703,799
7,218,588	7,978,661	7,865,455	7,218,659	6,570,124
$ 4,303,486	$ 3,288,769	$ 3,045,435	$ 3,104,654	$ 3,140,231
62.7%	70.8%	72.1%	69.9%	67.7%
$ 2,222,519	$ 2,111,702	$ 2,226,407	$ 2,249,854	$ 2,150,136
193.63%	155.74%	136.79%	137.99%	146.05%

CITY OF BYRON, GEORGIA

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

	2025	2024	2023	2022	2021
Actuarially determined contribution	**$ 642,614**	$ 503,187	$ 468,165	$ 503,661	$ 514,464
Contributions in relation to the actuarially determined contribution	**642,614**	503,187	474,198	506,736	514,464
Contribution deficiency (excess)	**$ -**	$ -	$ (6,033)	$ (3,075)	$ -
Covered payroll	**$ 3,256,716**	$ 3,401,270	$ 2,997,409	$ 2,551,478	$ 2,207,793
Contributions as a percentage of covered payroll	**19.7%**	14.8%	15.8%	19.9%	23.3%

Notes to the Schedule

Valuation date	July 1, 2025
Cost method	Projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The acutarial value is adjusted, if necessary, to be within 20% of market value.
Assumed rate of return on investments	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	2.25% for Class 1 and 2.10% for Class 2
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.

2020	2019	2018	2017	2016
$ 510,141	$ 530,301	$ 504,558	$ 451,879	$ 447,975
510,141	531,451	504,558	451,879	447,975
$ -	$ (1,150)	$ -	$ -	$ -
$ 2,257,985	$ 2,090,801	$ 2,176,310	$ 2,226,452	$ 2,200,590
22.6%	25.4%	23.2%	20.3%	20.4%

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Law Enforcement Confiscation Fund – This fund is used to account for funds confiscated from criminal activity and their expenditures in compliance with State and Federal laws.

Community Development Block Grant ("CDBG") Fund – This fund is used to account for proceeds and expenditures of the CDBG received from the Georgia Department of Community Affairs.

Community Home Investment Program ("CHIP") Fund – This fund is used to account for proceeds and expenditures of the CHIP received from the Georgia Department of Community Affairs.

CAPITAL PROJECTS FUNDS

Special Purpose Local Option Sales Tax ("SPLOST") 2008 Fund – This fund is used to account for capital expenditures paid with the SPLOST.

Capital Improvements Fund – This fund is used to account for the purchase or construction of major capital facilities or equipment for the City.

DEBT SERVICE FUND

Debt Service Fund – This fund is used to account for debt service expenditure requirements of the City.

CITY OF BYRON, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Special Revenue Funds			
	Hotel/Motel Tax Fund	Law Enforcement Confiscation Fund	CDBG Fund	CHIP Fund
ASSETS				
Cash and cash equivalents	$ -	$ 51,629	$ -	$ -
Accounts receivable	-	-	-	50,000
Taxes receivable	36,824	-	-	-
Due from other funds	-	-	-	-
Total assets	$ 36,824	$ 51,629	$ -	$ 50,000
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	$ 18,411	$ -	$ -	$ -
Due to other funds	18,109	47,120	85	50,160
Total liabilities	36,520	47,120	85	50,160
Deferred Inflows of Resources				
Unavailable revenue - grant revenue	-	-	-	50,000
Total deferred inflows of resources	-	-	-	50,000
Fund Balances (Deficit)				
Restricted:				
Public safety	-	4,509	-	-
Capital projects	-	-	-	-
Housing and development	304	-	-	-
Unassigned	-		(85)	(50,160)
Total fund balances (Deficit)	304	4,509	(85)	(50,160)
Total liabilities fund balances	$ 36,824	$ 51,629	$ -	$ 50,000

Capital Projects Funds		Debt Service Fund	Total
SPLOST 2008 Fund	Capital Improvements Fund	Debt Service Fund	Nonmajor Governmental Funds
$ 83,352	$ 484,866	$ -	$ 619,847
-	-	-	50,000
-	-	-	36,824
-	30	-	30
$ 83,352	$ 484,896	$ -	$ 706,701
$ -	$ -	$ -	$ 18,411
-	-	-	115,474
-	-	-	133,885
-	-	-	50,000
-	-	-	50,000
-	-	-	4,509
83,352	484,896	-	568,248
-	-	-	304
-	-	-	(50,245)
83,352	484,896	-	522,816
$ 83,352	$ 484,896	$ -	$ 706,701

CITY OF BYRON, GEORGIA

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

	Special Revenue Funds			
	Hotel/Motel Tax Fund	Law Enforcement Confiscation Fund	CDBG Fund	CHIP Fund
Revenues				
Other taxes	$ 461,819	$ -	$ -	$ -
Intergovernmental	-	-	-	147,355
Fines and forfeitures	-	57,150	-	-
Interest income	-	1,769	-	-
Total revenues	461,819	58,919	-	147,355
Expenditures				
Current:				
Public safety	-	51,334	-	-
Housing and development	230,910	-	-	197,355
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	230,910	51,334	-	197,355
Excess (deficiency) of revenues over (under) expenditures	230,909	7,585	-	(50,000)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(230,910)	-	-	-
Total other financing sources (uses)	(230,910)	-	-	-
Net change in fund balances (deficit)	(1)	7,585	-	(50,000)
Fund balances (deficit), beginning of year	305	(3,076)	(85)	(160)
Fund balances (deficit), end of year	$ 304	$ 4,509	$ (85)	$ (50,160)

Capital Projects Funds		Debt Service Fund	Total
SPLOST 2008 Fund	Capital Improvements Fund	Debt Service Fund	Nonmajor Governmental Funds
$ -	$ -	-	$ 461,819
-	-	-	147,355
-	-	-	57,150
2,325	13,527	-	17,621
2,325	13,527	-	683,945
-	-	-	51,334
-	-	-	428,265
-	-	360,000	360,000
-	-	21,033	21,033
-	-	381,033	860,632
2,325	13,527	(381,033)	(176,687)
-	-	381,033	381,033
-	-	-	(230,910)
-	-	381,033	150,123
2,325	13,527	-	(26,564)
81,027	471,369	-	549,380
$ 83,352	$ 484,896	$ -	$ 522,816

CITY OF BYRON, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST 2008
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, streets and bridges	$ 1,566,000	$ 1,636,814	$ 1,636,814	$ -	$ 1,636,814	100.00%
Cultural, historical and recreational facilities	75,000	21,205	21,205	-	21,205	100.00%
Water and sewer improvements	1,044,000	1,045,399	970,399	-	970,399	92.83%
Bond interest and costs of issuance	390,000	-	-	-	-	0.00%
Totals	$ 3,075,000	$ 2,703,418	$ 2,628,418	$ -	$ 2,628,418	97.23%

CITY OF BYRON, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST 2012
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, streets, bridges and drainage	$ 2,815,575	$ 2,683,799	$ 2,802,529	$ -	$ 2,802,529	104.42%
Government buildings and solid waste facilities and equipment	32,550	32,550	-	-	-	0.00%
Water and sewer improvements	651,000	782,776	799,424	110,985	910,409	116.31%
Cultural, historical and recreational facilities	32,550	32,550	38,217	-	38,217	117.41%
Public safety facilities and equipment	374,325	374,325	441,101	-	441,101	117.84%
Totals	$ 3,906,000	$ 3,906,000	$ 4,081,271	$ 110,985	$ 4,192,256	107.33%

CITY OF BYRON, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST 2021
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, streets, bridges and drainage	$ 1,000,000	$ 1,000,000	$ -	$ 36,082	$ 36,082	3.61%
Government buildings and solid waste facilities and equipment	200,000	200,000	118,914	16,150	135,064	67.53%
Water and sewer improvements	1,900,000	1,900,000	746,346	1,354,827	2,101,173	110.59%
Cultural, historical and recreational facilities	20,000	20,000	54,851	-	54,851	274.26%
Public safety facilities and equipment	800,000	800,000	353,806	-	353,806	44.23%
Totals	$ 3,920,000	$ 3,920,000	$ 1,273,917	$ 1,407,059	$ 2,680,976	68.39%

CITY OF BYRON, GEORGIA

SCHEDULE OF EXPENDITURES OF
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - TSPLOST 2022
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roadway improvements	$ 3,892,571	$ 3,892,571	$ 927,187	$ 2,327,370	$ 3,254,557	83.61%
Stormwater improvements	531,049	531,049	-	11,500	11,500	2.17%
Intersection improvements	228,480	228,480	199,560	28,920	228,480	100.00%
Totals	$ 4,652,100	$ 4,652,100	$ 1,126,747	$ 2,367,790	$ 3,494,537	75.12%

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Honorable Mayor and Members
of the City Council
City of Byron, Georgia
Byron, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Byron, Georgia ("the City"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 22, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

City's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Mauldin & Jenkins, LLC

Macon, Georgia
June 22, 2026

CITY OF BYRON, GEORGIA

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

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP.	Unmodified	
Internal control over financial reporting: Material weaknesses identified?	X Yes	____ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes	X None Reported
Noncompliance material to financial statements noted?	____ Yes	X None Reported

Federal Awards

There was not an audit of major federal award programs as of December 31, 2025 due to the total amount expended being less than $1,000,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2025 - 001. Restatement – Proper Recognition of Non-Depreciable Capital Asset

Criteria: Internal controls should be in place to ensure non-depreciable capital assets are accurately identified, tracked, and recorded in accordance with generally accepted accounting principals ("GAAP"). Costs incurred for multi-year projects should be capitalized as construction in progress until the assets are substantially complete and placed into service.

Condition: During the prior year, the City did not properly record non-depreciable capital assets at the government-wide level. The City also did not properly account for non-depreciable capital asset activity during the current year, resulting in multiple entries

Context: We addressed the matter with the City to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2025.

Effect: A prior period restatement was required to record non-depreciable capital assets and net position at the government-wide level as of December 31, 2025. This adjustment was as follows:

- Government-wide Level (governmental activities) – prior period restatement to increase non-depreciable capital assets and net position by $1,234,237.

CITY OF BYRON, GEORGIA

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2025 - 001. Restatement – Proper Recognition of Non-Depreciable Capital Asset (Continued)

Effect (Continued):
A current year adjustment was required to record capital asset activity at the fund level as of December 31, 2025. These adjustments were as follows:

- TSPLOST 2022 Fund – current period adjustment to increase retainage payable and construction in progress in the amount of $10,424.
- Water & Sewer Fund – current period adjustment to increase retainage payable and construction in progress - meter equipment in the amount of $58,554.
- SPLOST 2021 Fund – current year adjustment to increase accounts payable and infrastructure expenditure in the amount of $61,790.

Recommendation: We recommend that the City carefully review non-depreciable capital assets to ensure transactions are reported in accordance with GAAP.

Views of Responsible Official and Planned Corrective Action: The City agrees with the recommendation and will implement and improve policies and procedures in an effort to eliminate errors and identify deficiencies from both operational and financial perspectives.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

CITY OF BYRON, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

2024 - 001. Accounting and Reporting of Expenditures/Expenses and Accrued Liabilities

Criteria: Generally accepted accounting principles ("GAAP") require expenditures/expenses to be recognized in the accounting period in which services are provided. As a part of these processes, the City should review all expenditure/expense transactions to determine reporting in the proper period.

Condition: The City did not properly adjust payables in the Convention & Visitor's Bureau ("CVB") as of December 31, 2024. Additionally, the City did not properly adjust accrued liabilities in the General Fund as of December 31, 2024.

Status: Resolved.