CITY OF CAIRO, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

CITY OF CAIRO
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FOR THE YEAR ENDED JUNE 30, 2022

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VALENTI, RACKLEY
& ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Cairo, Georgia

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of City of Cairo, Georgia ("the City") as of and for the year ended June 30, 2022, 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, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the 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 and the standards applicable to financial audits contained in *Governmental 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 ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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

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an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the pension related schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the other required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the One Percent Special Purpose Local Option Sales Tax (SPLOST) Project Cost Schedules, the One Percent Transportation Special Purpose Local Option Sales Tax (TSPLOST) Project Cost Schedule and the Community Development Block Grant (CDBG) Project Cost Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, the schedules of SPLOST Expenditures, the schedule of TSPLOST Expenditures, the schedule of CDBG expenditures, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, schedule of expenditures of federal awards and the schedules of SPLOST Expenditures and the schedule of TSPLOST Expenditures 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 February 13, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Respectfully submitted,

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

February 13, 2023

As management of the City of Cairo, Georgia, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with the City's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The City has $75.36 million in total assets of which $49.33 million are capital assets.
- The City has $17.99 million in total liabilities of which $10.58 million are long-term.
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $56.62 million (net assets). Of this amount, $7.7 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors while $42.40 million is invested in capital assets net of related debt.
- The City's total net assets increased by $3.9 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $4.7 million, a increase of $1.4 million in comparison with the prior year. This amount consists of $5.6 million reserved for specific projects and public services and an unreserved balance of $-1 million.
- At the end of the current fiscal year, unreserved fund balance for the general fund was $-1 million.
- The City's long-term debt decreased by $770 thousand during the current fiscal year as a result of scheduled principal payments and new debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (which serves as an introduction to the City's basic financial statements), the *basic financial statements*, and *supplementary information* that presents combining statements for non-major governmental funds and non-major enterprise funds as well as other selected information. The City's basic financial statements consist of three components: 1) Government-Wide financial statements, 2) Fund financial statements and 3) Notes to financial statements.

Government-Wide Financial Statements

The primary role of the Government-Wide financial statements is to demonstrate operational accountability. Operational accountability requires that a government demonstrate the extent to which it has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to do so.

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Cairo's finances, in a manner similar to a private-sector business. It provides both long-term and short-term information about the City's overall financial status. The *statement of net assets* and the *statement of activities* report information about the City as a whole and about its activities in a way that helps answer the question - is the City's financial health improving or deteriorating?

The *statement of net position* presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. The statement is a tool to measure the City's financial health or financial position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The reader would need to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's infrastructure to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities*). The governmental activities of the City include general government, public safety, public works, parks and recreation, community development, and interest on long-term debt. The business-type activities of the City include water and sewer, electric, gas, cable TV, solid waste, landfill, airport operations, telecommunications, and special facilities.

The government-wide financial statements include not only the City of Cairo itself (known as the *primary government*), but also a legally separate City of Cairo Development Authority, for which the City has some degree of financial accountability. Financial information for the *component unit* is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

The primary role of the Fund financial statements is to demonstrate fiscal accountability. Fiscal accountability requires that a government demonstrate compliance with public decisions concerning the raising and spending of public monies in the short term (usually one budgetary cycle or one year).

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows* of spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eight (8) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is the City's only major fund under General Acceptable Governmental Accounting Principles. Data from the other seven (7) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

The City maintains one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Electric Revenue Fund, Cable TV Fund, Solid Waste Fund, Airport Fund, Telecommunications Fund, Landfill Fund, Special Facilities Fund, and Gas Revenue Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, Electric Revenue Fund, and the Landfill Fund, all of which are considered to be major funds of the City. Conversely, the non-major enterprise funds are combined into single aggregated presentations in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Table 1 below summarizes the major features of the basic financial statements.

Table 1
Major Features of the Basic Financial Statements

		Fund Financial Statements	
	Government-wide Statements	**Governmental Funds**	**Proprietary Funds**
Scope	Entire City government (except fiduciary funds) and the City's component units	Activities of the City that are not proprietary or fiduciary	Activities of the City that are operated similar to private business
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenditures, and Changes in Net Position Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $56.62 million at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (65%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 2 below presents the City's condensed statement of net assets as of June 30, 2022 and 2021.

Table 2
Condensed Statement of Net Position

	Governmental Activities		Business – type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	$ 7,037,900	$ 4,188,160	$ 18,994,180	$ 17,490,652	$ 26,032,080	$ 21,678,812
Capital assets	14,147,526	15,661,822	35,184,516	33,134,908	49,332,042	48,796,730
Total assets	21,185,426	19,849,982	54,178,696	50,625.560	75,364,122	70,475,542
Deferred Outflow of Resources						
Deferred Outflows From Pensions	820,922	749,468	479,662	431,658	1,300,584	1,181,126
Liabilities						
Other liabilities	2,351,974	943,339	5,062,346	4,139,227	7,414,320	5,082,566
Long-term liabilities	527,992	2,021,625	10,051,010	11,576,941	10,579,002	13,598,566
Total liabilities	2,879,966	2,964,964	15,113,356	15,716,168	17,993,322	18,681,132
Deferred Inflow of Resources						
Resources Unavailable Proceeds						
Deferred Inflows From Pensions	1,296,925	174,620	757,786	100,683	2,054,711	275,303
Total Deferred Inflows	1,296,925	174,620	757,786	100,683	2,054,711	275,303
Net position						
Invested in capital assets, net of related debt	14,147,526	15,611,037	28,255,417	25,482,443	42,402,943	41,093,480
Restricted	5,161,946	3,760,919	1,320,045	1,320,045	6,481,991	5,080,964
Unrestricted	-1,480,015	-1,912,089	9,211,754	8,437,879	7,731,739	6,525,790
Total net position	$ 17,829,457	$ 17,459,867	$ 38,787,216	$ 35,240,367	$ 56,616,673	$ 52,700,234

Net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets exceeded liabilities by $56.61 million for 2022 as compared to $52.70 million for 2021, an increase of 7.432%. Of this amount $38.79 million came from business-type activities and $17.83 million came from governmental activities.

An additional portion of the City's net assets (11.45%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($7.7 million) may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase of $1.2 million or 18% from 2021.

For governmental activities, the City reported a balance of $-1.48 million in unrestricted net assets. This is a decrease of $-432 thousand from 2021. The business-type activities unrestricted net assets were $9.2 million, an increase of $774 thousand from 2021.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities.

Condensed Statement of Activities

Table 3 below presents the City's condensed statement of activities for the years ended 2021 and 2022. Over time, increases or decreases in net assets measure whether the City's financial position is improving or deteriorating.

Table 3
Condensed Statement of Activities

	Governmental Activities		Business – type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	$ 397,320	$ 306,886	$ 23,492,649	$ 23,417,312	$ 23,889,969	$ 23,724,198
Operating grants and contributions	1,775,480	490,445	-	-	1,775,480	490,445
Capital grants and contributions	3,163,213	2,327,149	567,705	273,443	3,730,918	2,600,592
General revenues:						
Property taxes	1,669,632	1,687,936	- -	- -	1,669,632	1,687,936
Local option sales taxes	1,170,073	1,293,405	- -	- -	1,170,073	1,293,405
Other taxes	1,261,825	1,274,941	- -	- -	1,261,825	1,274,941
Investment income	2,655	3,085	769,334	368,366	771,989	371,451
Gain (loss) on disposal of capital assets						
Other revenues	15,223	94,902	139,046	416,817	154,269	511,719
Total revenues	9,455,421	7,478,749	24,968,734	24,475,938	34,424,155	31,954,687
Expenses						
General government	1,344,791	1,894,610	- -	- -	1,344,791	1,894,610
Public safety	4,618,098	4,490,736	- -	- -	4,618,098	4,490,736
Public works	1,805,652	913,070	- -	- -	1,805,652	913,070
Parks, Culture & Cemetery	1,151,189	1,124,820	- -	- -	1,151,189	1,124,820
Housing and Development Community development	175,419	172,719	- -	- -	175,419	172,719
Interest - long-term debt	0	1,604	- -	- -		1,604
Water and sewer	- -	- -	4,425,054	4,328,641	4,425,054	4,328,641
Electric revenue	- -	- -	13,070,322	13,543,883	13,070,322	13,543,883
Gas revenue	- -	- -	1,502,628	984,709	1,502,628	984,709
Cable TV	- -	- -	43,920	13,981	43,920	13,981
Garbage and trash	- -	- -	1,589,130	1,533,900	1,589,130	1,533,900
Airport	- -	- -	135,774	175,838	135,774	175,838
Telecommunications	- -	- -				
Special Facilities			101,119			
Landfill	- -	- -	544,619	448,659	544,619	448,659

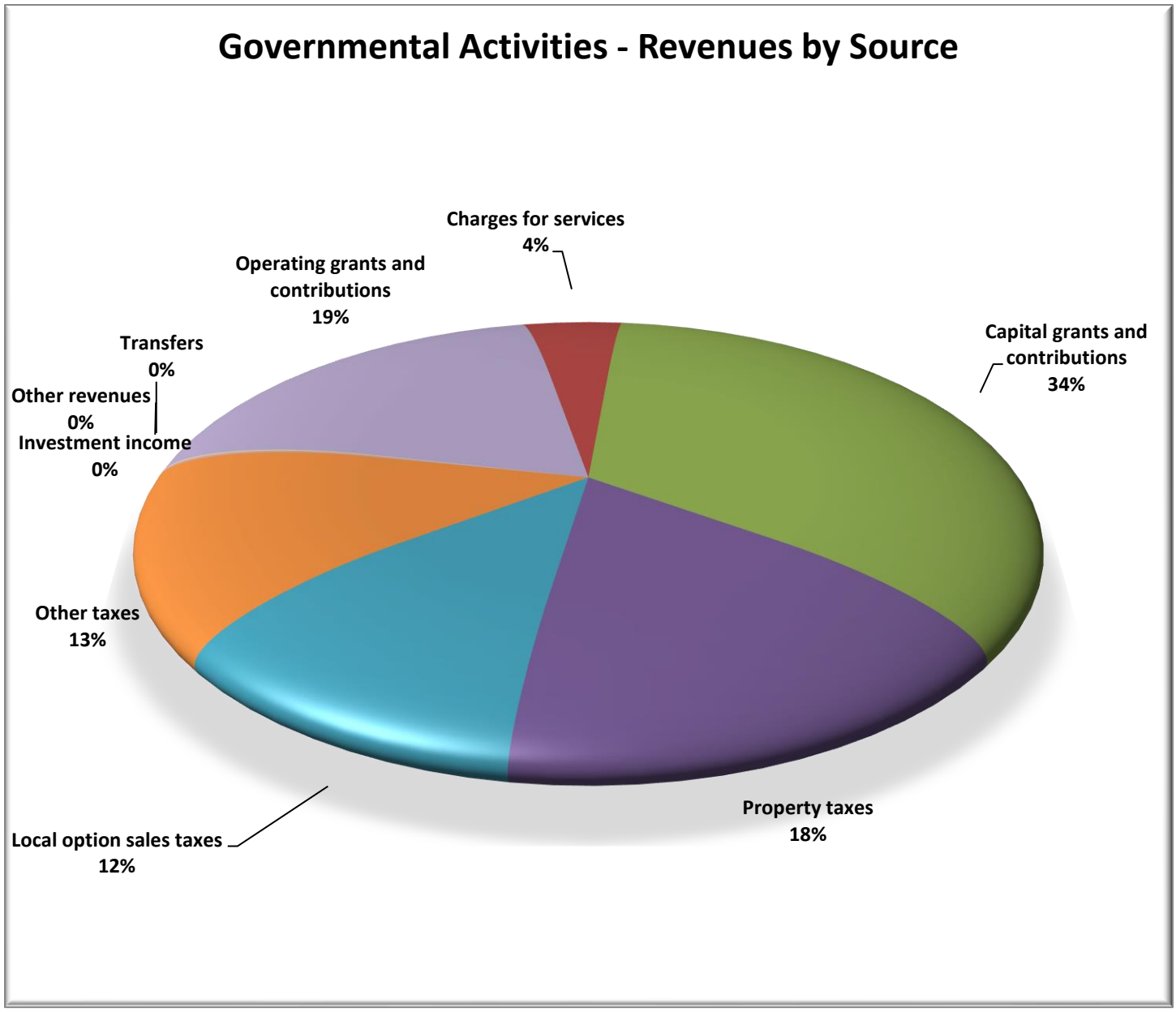
Total expenses	9,095,149	8,597,559	21,412,566	21,029,611	30,507,715	29,627,170
Increase (decrease) in net position before transfers	360,265	(1,118,810)	3,556,168	3,446,327	3,916,440	2.327,517
Transfers	9,319	3,552,348	(9,319)	(3,552,348)		
Change in net position	$ 369,591	$ 2,433,538	$ 3,546,849	$ (106,201)	$ 3,916,440	$ 2,327,517

Governmental activities during the fiscal year ended June 30, 2022 increased the City's net position by $369 thousand. Business-type activities during the same period increased the net position by $3.54 million. The net change in net position was an increase of $3.9 million. The Table above shows the revenue and expenses by activity for the total primary government. This Table shows total 2022 revenues from governmental activities at $9.45 million while expenses were $9.09 million. Business-type activities total revenues for 2022 were $24.9 million while expenses were $21.4 million. Transfers from business-type activities are a governmental activity revenue source at $9 thousand. The largest revenue source for governmental activities comes from Capital Grants and Contributions of $3.2 million which is 34% of the total governmental activity funding. The next largest revenue source for governmental activities comes from Capital Grants and Contributions of $3.16 million, which is 19% of the total governmental activity funding. Revenues from Property Taxes are the third largest governmental activity revenue source at $1.67 million or 18%. Business-type activities program revenues exceeded expenses by $3.5 million before internal transfers to support the governmental activities.

Program Revenues and Expenses for Governmental Activities

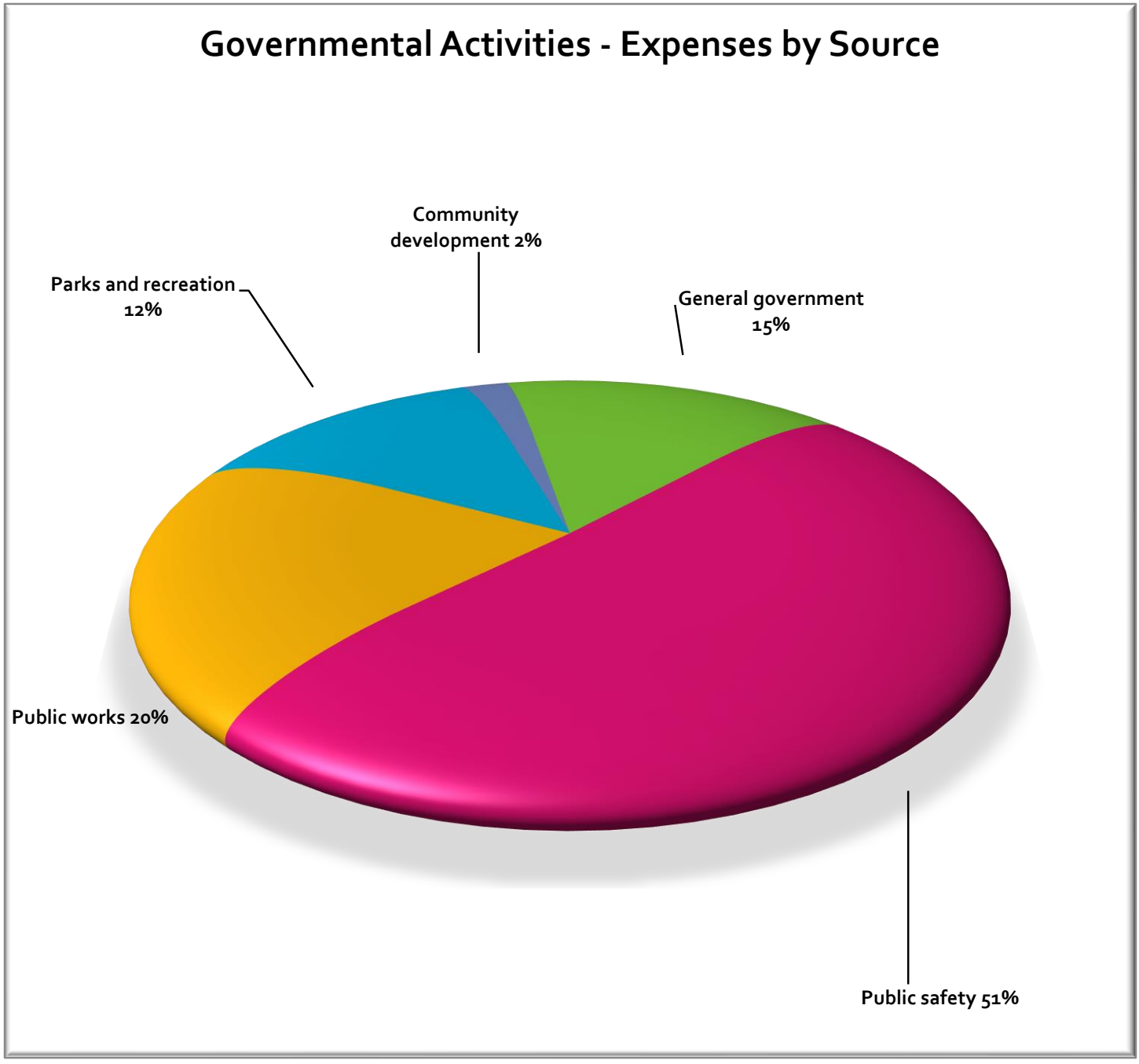
Governmental Activities - Revenues by Source

The following chart shows the governmental activities revenues by major source and includes revenues from transfers. It is easy to see from the chart that governmental activities are funded to a great degree through property taxes (17.64%) of the primary government. For the year ended June 30, 2022 these revenues were $1.67 million.



Governmental Activities – Expenses by Source

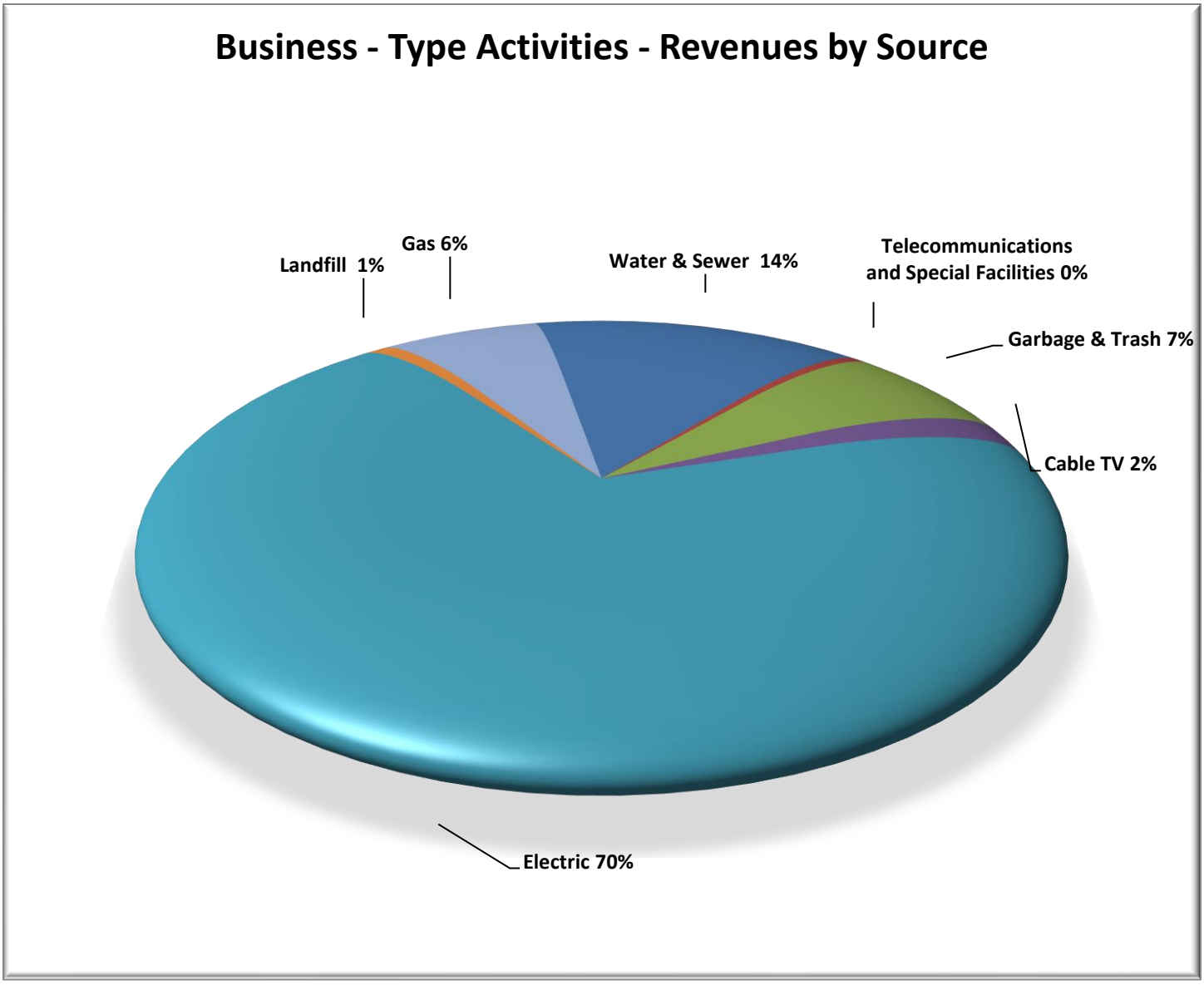
The following chart shows the governmental activities expenses by source. The City of Cairo spent the greatest amount of its available funding on Public Safety (51%). The next largest funding was required for Public Works (20%).



Program Revenues and Expenses for Business-Type Activities

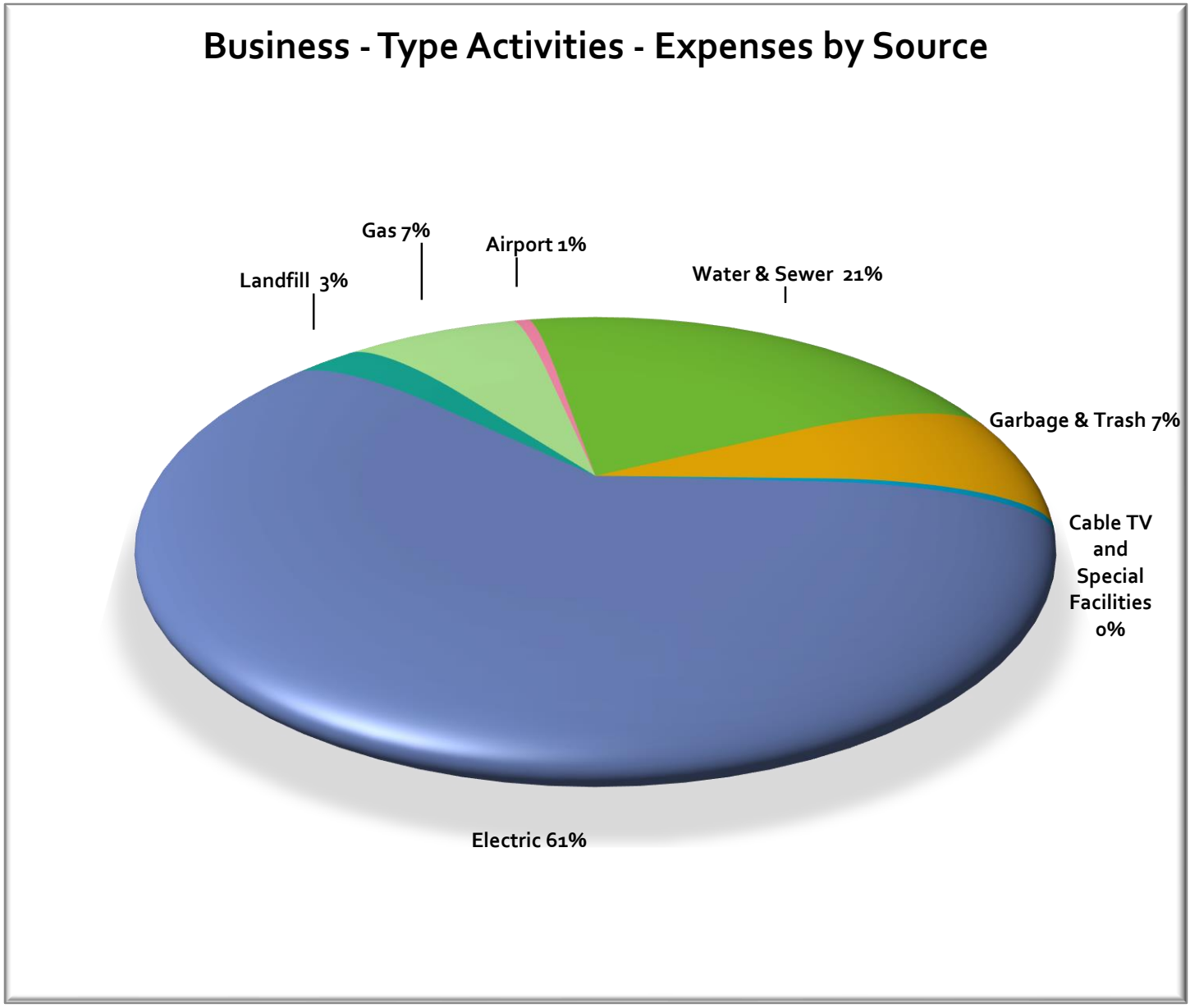
Business-Type Activities – Revenues by Source

The business-type activities largest revenue source is from the Electric Revenue Fund. More revenues (69%) or $16.4 million are generated by the Electric Revenue Fund than all other business-type activities combined at (31%) or $7.82 million.



Business-Type Activities – Expenses by Source

The Electric Revenue fund has the largest amount of expenses as expected at 61% or $13 million but generated profits of $4.07 million before its transfers to governmental activities.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The City of Cairo has two major governmental funds which are the General Fund and ARPA. At June 30, 2022, the General Fund had a fund balance of $-476 thousand. This is a decrease of $482 thousand from the beginning fund balance. At June 30, 2022, the ARPA Fund had a fund balance of $1.196 million.

The fund balances for the other governmental funds increased by $676 thousand. The final fund balance for these funds was $3.96 million at the end of the year.

Enterprise Funds

The Enterprise Funds, which include the City's Water and Sewer Fund, Electric Revenue Fund, Landfill, and the non-major enterprise funds consisting of the Solid Waste, Airport, Cable TV Fund, Telecommunications, Special Facilities Fund, and Gas Revenue Funds showed a combined cash balance of $3.19 million for the year ended 2022. This was an increase of $350 thousand from the previous year.

The Water and Sewer Fund had an ending cash balance of $170,543 at June 30, 2022. This was an increase of $35,492 from the previous year.

The Electric Fund had an ending cash balance of $337,641. This is an increase of $233,026 from the previous year.

The Landfill Fund had an ending cash balance of $2.11 million. This was an increase of $6,445 from the previous year.

The combined cash balance of the non-major enterprise funds at the end of the year was $570,140. This is an increase of $74,739 from the beginning cash balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

Generally, budget amendments fall into one of the following categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Amendments to the original budget for 2022 related to the transfer of budgeted amounts between departments and additional appropriations were due to elimination of interfund payables.

The actual revenues of the General Fund were more than final budgeted amounts by $319,611 for the year ended June 30, 2022. The major factor contributing to this difference was an increase in collections of property tax, insurance premium taxes and fines and forfeitures.

The actual expenditures of the General Fund were less than final budgeted amounts by $135,143 for the year ended June 30, 2022 . The major factor contributing to this difference was a decrease in actual expenditures in several departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30 2022, governmental activities and business-type activities had capital assets of $49.3 million (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment and recreation and park facilities.

The net capital assets from governmental activities decreased by $-1.51 million from the 2021 amount due to current year acquisitions net of depreciation costs. The net capital assets from business-type activities increased by $2.04 million from the prior year due to current year acquisitions net of depreciation costs.

Additional information on the City's capital assets can be found in Note 6 of the Notes to Financial Statements.

Long-term Debt

The City's total long-term debt consists of revenue bonds, capital leases, compensated absences and other long-term liabilities.

At June 30, 2022, the City had $527,992 of outstanding long-term liabilities related to governmental activities and $5.69 million of long-term liabilities related to business-type activities for a total of $6.2 million compared to the previous year's total of $9.21 million. This is a decrease of $2.9 million as a result of scheduled principal payments and new acquisitions.

Additional information on the City's long-term debt can be found in Note 8 of the Notes to Financial Statements.

FACTORS AFFECTING THE 2022 BUDGET

The Mayor and Council of the City of Cairo considered many factors when approving the City's 2022 budget and are very aware of present economic conditions and their effect on its citizens. The Mayor and Council chose to continue to use additional transfers from certain business-type activities to other business-type activities and to fund governmental activities and to use reserves and reductions in fund balances to fund operations and capital expenses in 2022 instead of increasing taxes or rates to provide the necessary funds required for the City's governmental and business-type activities.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions about this report or requests for additional information may be addressed to:

City Finance Department
City of Cairo
119 North Broad Street
Cairo, Georgia 31728

CITY OF CAIRO
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	City of Cairo Development Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Cash	$ 72,192	$ 478,291	$ 550,483	$ -
Investments	-	7,603,137	7,603,137	-
Accounts receivable	605,704	3,348,872	3,954,576	-
Intergovernmental receivables	20,587	47,954	68,541	-
Inventories	59,911	1,025,715	1,085,626	-
Internal balances	-	-	-	-
Investment in SGGSA	-	1,867,179	1,867,179	-
Restricted cash	4,886,252	2,709,048	7,595,300	-
Restricted assets - certificate of deposit	230,450	600,000	830,450	-
Restricted investments	-	1,313,984	1,313,984	-
Program receivables	1,160,839	-	1,160,839	-
Other receivables	1,965	-	1,965	-
Capital assets:				
Land and other nondepreciable assets	573,498	2,112,609	2,686,107	-
Construction in progress	179,757	1,952,589	2,132,346	-
Other capital assets, net of accumulated depreciation	13,394,271	31,119,318	44,513,589	-
Total assets	21,185,426	54,178,696	75,364,122	-
Deferred outflows of resources related to pensions	820,922	479,662	1,300,584	-
Total assets and deferred outflows of resources	22,006,348	54,658,358	76,664,706	-

See accompanying notes to the basic financial statements.

CITY OF CAIRO
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total	City of Cairo Development Authority
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Accounts payable	1,379,449	2,597,217	3,976,666	-
Accrued expenses	472,525	200,186	672,711	-
Customer deposits	-	743,804	743,804	-
Short-term debt	500,000	-	500,000	-
Long-term liabilities:				
Due within one year	-	1,521,139	1,521,139	-
Due in more than one year	-	5,412,210	5,412,210	-
Compensated absences	189,830	83,618	273,448	-
Net pension liability	338,162	197,587	535,749	-
Landfill closure/post closure costs	-	4,357,595	4,357,595	-
Total liabilities	2,879,966	15,113,356	17,993,322	-
Deferred inflows of resources related to pensions	1,296,925	757,786	2,054,711	-
Total liabilities and deferred inflows of resources	4,176,891	15,871,142	20,048,033	-
NET POSITION				
Net investment in capital assets	14,147,526	28,255,417	42,402,943	-
Restricted for capital projects	2,180,932	-	2,180,932	-
Restricted for electric power generation	-	1,320,045	1,320,045	
Restricted for cemetery maintenance	44,530	-	44,530	
Restricted for tourism	75,931	-	75,931	
Restricted for public safety	-	-	-	
Assigned for ARPA purposes	1,196,434	-	1,196,434	
Restricted for revolving loan fund	1,664,119	-	1,664,119	
Unrestricted	(3,255,495)	9,211,754	5,956,259	-
Total net position	$ 16,053,977	$ 38,787,216	$ 54,841,193	$ -

See accompanying notes to the basic financial statements.

CITY OF CAIRO
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Function/Programs:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	1,344,791	$ 134,431	$ -	$ 2,466,563	$ 1,256,203		$ 1,256,203	
Public safety	4,618,098	222,967	-	-	(4,395,131)		(4,395,131)	
Public works	1,805,652	1,310	-	-	(1,804,342)		(1,804,342)	
Parks, culture, and cemetery	1,151,189	38,612	-	-	(1,112,577)		(1,112,577)	
Community development	175,419	-	-	696,650	521,231		521,231	
Interest on general long-term debt	-	-	-	-	-		-	
Total governmental activities	9,095,149	397,320	-	3,163,213	(5,534,616)		(5,534,616)	
Business-type activities:								
Water and sewer	4,425,054	3,197,906	-	369,571	-	(857,577)	(857,577)	
Electric revenue	13,070,322	16,324,902	-	-	-	3,254,580	3,254,580	
Gas revenue	1,502,628	1,511,132	-	-	-	8,504	8,504	
Cable TV	43,920	467,158	-	-	-	423,238	423,238	
Garbage and trash	1,589,130	1,573,058	-	-	-	(16,072)	(16,072)	
Airport	135,774	21,698	-	198,134	-	84,058	84,058	
Special facilities	101,119	70,969	-	-	-	(30,150)	(30,150)	
Telecommunications	-	125,403	-	-	-	125,403	125,403	
Landfill	544,619	200,423	-	-	-	(344,196)	(344,196)	
Total business-type activities	21,412,566	23,492,649	-	567,705	-	2,647,788	2,647,788	
Total primary government	$ 30,507,715	$23,889,969	$ -	$ 3,730,918	(5,534,616)	2,647,788	(2,886,828)	
COMPONENT UNIT								
City of Cairo Development Authority	$ -	$ -	$ -	$ -				$ -

See accompanying notes to the basic financial statements.

CITY OF CAIRO
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

		Program Revenues			Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
General revenues:								
Taxes:								
Property taxes, levied for general purposes					1,669,632	-	1,669,632	-
Sales and use taxes					1,170,073	-	1,170,073	-
Other taxes					1,261,825	-	1,261,825	-
Investment earnings					2,655	769,334	771,989	-
Miscellaneous					15,223	139,046	154,269	-
Total general revenues					4,119,408	908,380	5,027,788	-
Transfers/Capital contributions					9,319	(9,319)	-	-
Total general revenues and transfers					4,128,727	899,061	5,027,788	-
Change in net position					(1,405,889)	3,546,849	2,140,960	-
Net position - beginning					17,459,866	35,240,367	52,700,233	-
Net position - ending					$ 16,053,977	$ 38,787,216	$ 54,841,193	-

See accompanying notes to the basic financial statements.

CITY OF CAIRO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Fund ARPA Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 72,192	$ -	$ -	$ 72,192
Accounts receivable, net	387,314	-	218,390	605,704
Intergovernmental receivables	331	-	20,256	20,587
Inventories	59,911	-	-	59,911
Due from other funds	115,916	-	(115,916)	-
Restricted assets:				
Cash and cash equivalents	271,868	1,468,241	3,146,143	4,886,252
Certificate of deposit	230,450	-	-	230,450
Program receivables	-	-	1,160,839	1,160,839
Other receivables	1,965	-	-	1,965
Total assets	$1,139,947	$ 1,468,241	$ 4,429,712	$ 7,037,900
LIABILITIES				
Accounts payable	$ 643,442	$ 271,807	$ 464,200	$ 1,379,449
Accrued expenses	472,525	-	-	472,525
Short term debt	500,000	-	-	500,000
Due to other funds	-	-	-	-
Total liabilities	1,615,967	271,807	464,200	2,351,974
FUND BALANCES				
Nonspendable				
Inventories	59,911	-	-	59,911
Restricted for:				
Specific projects	-	1,196,434	3,845,051	5,041,485
Public Services	502,318	-	120,461	622,779
Unassigned - General Fund	(1,038,249)	-		(1,038,249)
Total fund balances	(476,020)	1,196,434	3,965,512	4,685,926
Total liabilities, deferred inflows of resources and fund balances	$1,139,947	$ 1,468,241	$ 4,429,712	$ 7,037,900

See accompanying notes to the basic financial statements.

CITY OF CAIRO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund Balance - Total Governmental Funds	$ 4,685,926
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental funds only report liabilities that will be liquidated with current assets. Compensated absences payable, however, which will not be liquidated with current assets, are not liabilites of the governmental funds but are liabilities of the government-wide financial statements.	(189,832)
Long-term debt is not reported in governmental activities because it is not expected to be liquidated with expendable available financial resources but is reported in the government-wide financial statements.	-
Pension related assets and liabilities are not reported in the funds but are reported as assets and liabilities in the government-wide financial statements:	
Deferred outflows of resources	820,922
Net pension liability	(338,162)
Deferred inflows of resources	(1,296,925)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	14,147,528
Net position of governmental activities	$17,829,457

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund ARPA Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 1,669,632	$ -	$ -	$ 1,669,632
Local option sales taxes	1,170,073	-	-	1,170,073
Other taxes	1,205,630	-	56,195	1,261,825
Licenses and permits	131,928	-	-	131,928
Fines and forfeitures	222,967	-	-	222,967
Charges for services	42,424	-	-	42,424
Investment income	1,628	-	36,073	37,701
Intergovernmental	177,526	1,749,363	3,004,304	4,931,193
Other revenues	373,046	-	-	373,046
Total revenues	4,994,854	1,749,363	3,096,572	9,840,789
EXPENDITURES				
Current:				
General government	1,229,223	-	-	1,229,223
Public safety	4,638,999	-	-	4,638,999
Public works	996,814	-	-	996,814
Parks, culture, and cemeteries	1,036,982	-	-	1,036,982
Community development/services	210,964	-	24,820	235,784
Capital outlays	-	-	1,975,755	1,975,755
Debt service:	51,527	-	607,719	659,246
Total expenditures	8,164,509	-	2,608,294	10,772,803
Excess (deficiency) of revenues over (under) expenditures	(3,169,655)	1,749,363	488,277	(932,015)
OTHER FINANCING SOURCES				
Transfers	2,687,274	(552,929)	187,991	2,322,336
Total other financing resources	2,687,274	(552,929)	187,991	2,322,336
Net change in fund balances	(482,381)	1,196,434	676,268	1,390,321
Fund balances - beginning	6,361	-	3,289,244	3,295,605
Fund balances - ending	$ (476,020)	$ 1,196,434	$ 3,965,512	$ 4,685,926

See accompanying notes to the basic financial statements.

CITY OF CAIRO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds	$	1,390,321
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 depreciation ($1,202,413) exceeded capital outlay ($1,975,755), less capital contributions ($1,190,301) in the current period.		(416,959)
Transfer of capital assets from governmental funds to proprietary funds		(663,260)
Construction in progress in governmental funds in prior year transferred and capitalized in proprietary funds		(48,710)
Building in governmental funds sold in current year. Total proceeds were recorded in the governmental funds as income, but that income was reduced by the book value of the asset in the statement of activities		(385,370)
Governmental funds only report compensated absence expense if the expense has been paid in the current year or will be paid with current funds. However, on the statement of activities the change in the liability is reflected as program expense. This is the amount of the change in compensated absences payable from the beginning of the year to the end of the year.		(6,569)
Adjustments to pension expense as a result of changes in pension related expenses recorded in government-wide financial statements are not recorded in the funds. This the amount that pension expense was decreased.		449,351
Repayment of debt is a use of current financial resources in the governmental funds, but the repayment of debt decreaseses liabilities in the statement of activities.		50,785
Change in net position of governmental activities	$	369,589

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business Type Activities - Enterprise Funds				
	Water and Sewer Fund	Electric Revenue Fund	Landfill Fund	Nonmajor Enterprise Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current assets:					
Cash and cash equivalents	$ 61,817	$ 337,641	$ 100	78,733	$ 478,291
Investments	-	7,603,137	-	-	7,603,137
Accounts receivable (net)	417,708	2,233,687	10,436	687,041	3,348,872
Intergovernmental receivables	-	-	-	47,954	47,954
Due from other funds	320,000	-	397,143	-	717,143
Inventory	154,411	741,292	-	130,012	1,025,715
Total current assets	953,936	10,915,757	407,679	943,740	13,221,112
Noncurrent assets:					
Investment in SGGSA	-	-	-	1,867,179	1,867,179
Restricted assets - cash	108,726	-	2,108,915	491,407	2,709,048
Restricted assets - certificate of deposit	-	-	600,000	-	600,000
Restricted assets - investments	-	1,313,984	-	-	1,313,984
Capital assets:					
Land	1,419,016	118,595	340,564	234,434	2,112,609
Construction in progress	1,652,240	-	-	300,349	1,952,589
Other capital assets, net of accumulated depreciation	25,151,075	1,941,896	1,007,096	3,019,251	31,119,318
Total noncurrent assets	28,331,057	3,374,475	4,056,575	5,912,620	41,674,727
Total assets	29,284,993	14,290,232	4,464,254	6,856,360	54,895,839
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	219,919	184,760	24,829	50,154	479,662
Total deferred outflows of resources	219,919	184,760	24,829	50,154	479,662
Total assets and deferred outflows of resources	$ 29,504,912	$ 14,474,992	$ 4,489,083	$ 6,906,514	$ 55,375,501

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Water and Sewer Fund	Electric Revenue Fund	Landfill Fund	Nonmajor Enterprise Funds	Total
LIABILITIES					
Current liabilities:					
Accounts payable	199,922	1,228,379	377,561	791,355	2,597,217
Accrued expenses	48,257	128,757	4,950	18,222	200,186
Current portion of long-term debt	596,384	-	55,505	-	651,889
Bonds payable, current	823,583	41,417	-	4,250	869,250
Customer deposits	-	743,804	-	-	743,804
Due to other funds	-	717,143	-	-	717,143
Total current liabilities	1,668,146	2,859,500	438,016	813,827	5,779,489
Noncurrent liabilities:					
Long-term debt, net of current portion	4,354,982	-	153,217	-	4,508,199
Bonds payable, net of current	861,636	42,375	-	-	904,011
Compensation absences	26,678	44,089	4,768	8,083	83,618
Net pension liability	90,591	76,108	10,228	20,660	197,587
Landfill closure/post closure costs	-	-	4,357,595	-	4,357,595
Total liabilities	7,002,033	3,022,072	4,963,824	842,570	15,830,499
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	347,436	291,891	39,225	79,234	757,786
Total deferred inflows of resources	347,436	291,891	39,225	79,234	757,786
Total liabilities and deferred inflows of resources	7,349,469	3,313,963	5,003,049	921,804	16,588,285
NET POSITION					
Net investment in capital assets	21,585,746	1,976,699	1,138,938	3,554,034	28,255,417
Restricted for electric power generation	-	1,320,045	-	-	1,320,045
Unrestricted (deficit)	569,697	7,864,285	(1,652,904)	2,430,676	9,211,754
Total net position	$ 22,155,443	$ 11,161,029	$ (513,966)	$ 5,984,710	$ 38,787,216

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business Type Activities - Enterprise Funds				
	Water and Sewer Fund	Electric Revenue Fund	Landfill Fund	Nonmajor Enterprise Funds	Total
OPERATING REVENUES					
Utility revenue	$ 3,197,906	$ 16,324,902	$ -	$ 1,511,132	$ 21,033,940
Charges for services	-	-	200,423	2,258,286	2,458,709
Other revenues	26,027	57,722	24,074	31,223	139,046
Intergovernmental	369,571	-	-	198,134	567,705
Total operating revenues	3,593,504	16,382,624	224,497	3,998,775	24,199,400
OPERATING EXPENSES					
Salaries and wages	1,682,170	1,443,509	167,639	337,635	3,630,953
Operating, administrative, and maintenance	1,315,750	11,370,428	210,256	2,820,076	15,716,510
Depreciation	1,361,344	252,724	161,851	214,860	1,990,779
Total operating expenses	4,359,264	13,066,661	539,746	3,372,571	21,338,242
Operating income (loss)	(765,760)	3,315,963	(315,249)	626,204	2,861,158
NONOPERATING INCOME (EXPENSES)					
Interest income	189	18,576	6,445	20	25,230
Investment income	-	744,104	-	-	744,104
Interest expense	(65,790)	(3,661)	(4,873)	-	(74,324)
Income (loss) before transfers and capital contributions	(831,361)	4,074,982	(313,677)	626,224	3,556,168
Transfers	1,157,691	(3,231,757)	239,480	(487,749)	(2,322,335)
Capital contributions	1,559,756	-	-	753,260	2,313,016
Change in net position	1,886,086	843,225	(74,197)	891,735	3,546,849
Net position (deficit), beginning of year	20,269,357	10,317,804	(439,769)	5,092,975	35,240,367
Net position (deficit), end of year	$ 22,155,443	$ 11,161,029	$ (513,966)	$ 5,984,710	$ 38,787,216

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business Type Activities - Enterprise Funds				
	Water and Sewer Fund	Electric Revenue Fund	Landfill	Nonmajor Enterprise Funds	Total
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers	$ 3,589,150	$ 16,137,855	$ 225,247	$ 3,893,521	$ 23,845,773
Grant	-	-	-	-	-
Payments to employees (or for their benefit) for services provided	(1,794,538)	(1,534,631)	(181,490)	(364,316)	(3,874,975)
Payments to suppliers for goods or services	(1,196,986)	(11,150,297)	135,458	(2,593,157)	(14,804,982)
Net cash provided (used) by operating activities	597,626	3,452,926	179,215	936,048	5,165,815
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers/capital contributions from other funds	2,717,447	-	-	24,713	2,742,160
Transfers to other funds	-	(3,231,757)	239,480	(422,462)	(3,414,739)
Net change in due from other funds	(320,000)	268,724	51,276	-	-
Net cash provided (used) by noncapital financing activities	2,397,447	(2,963,033)	290,756	(397,749)	(672,579)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(2,343,505)	(400,280)	(332,906)	(303,531)	(3,380,222)
Net procceeds from sale of capital assets	-	-	-		-
Proceeds from borrowing	854,060	-	-	-	854,060
Principal paid on capital debt	(1,404,535)	(40,698)	(132,192)	-	(1,577,425)
Interest paid on capital debt	(65,790)	(3,661)	(4,873)	-	(74,324)
Net cash provided (used) by noncapital financing activities	(2,959,770)	(444,639)	(469,971)	(303,531)	(4,177,911)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in SGGSA			-	(160,046)	(160,046)
Withdrawals from MEAG investment	-	130,292	-	-	130,292
Additions to MEAG investment		(705,200)	-	-	(705,200)
Interest/investment income	189	762,680	6,445	19	769,333
Net cash provided by investing activities	189	187,772	6,445	(160,027)	34,379
Net increase in cash	35,492	233,026	6,445	74,741	349,704
Balances - beginning	135,051	104,615	2,102,570	495,401	2,837,637
Balances - ending	$ 170,543	$ 337,641	$ 2,109,015	$ 570,142	$ 3,187,341

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business Type Activities - Enterprise Funds				
	Water and Sewer Fund	Electric Revenue Fund	Landfill	Nonmajor Enterprise Funds	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	$ (765,760)	$ 3,315,963	$ (315,249)	$ 626,204	$ 2,861,158
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	1,361,344	252,724	161,851	214,860	1,990,779
Change in assets and liabilities:					
Receivables, net	(4,355)	(282,288)	750	(109,504)	(395,397)
Customer deposits	-	37,519	-	4,250	41,769
Pension related balances	(114,994)	(94,625)	(14,155)	(13,763)	(237,537)
Accounts payable and accrued expenses	138,366	196,604	345,319	253,784	934,073
Prepaid expenses	6,496	2,984	395	876	10,751
Inventory	(26,098)	20,542	-	(28,668)	(34,224)
Compensated absences	2,626	3,503	304	1,670	8,103
Net cash provided by operating activities	$ 597,626	$ 3,452,926	$ 179,215	949,709	5,179,476

Noncash activity. Capital assets with a cost of $133,649 were purchased by the SPLOST Fund and contributed to the Water and Sewer Fund. and a cost of $90,000 and contributed to the Gas Fund. Capital assets with a cost of $797,996 was purchased by the Grant Capital Projects Fund and contributed to the Water and Sewer Fund

See accompanying notes to the basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Cairo, Georgia (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The City of Cairo was incorporated in 1906. The City's charter provides for a Council-Mayor form of government. The city Manager is the head of the administrative branch of government and is responsible for the day-today operations of the city government. The legislative authority of the City is vested in the Mayor and five Council members with an appointed City Manager. The City provides the following services and operations as authorized by its charter: public safety (police and fire), public works, parks, culture and cemetery, airport, and public utilities (water and sewer, gas, electric, solid waste, landfill, cable TV, telephone, telecom, and internet services).

The financial reporting entity has been determined by management in accordance with accounting principles generally accepted in the Unites States of America to be the City of Cairo (the primary government) and its component unit. A component unit is a legally separate organization for which the primary government is financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the government for financial reporting purposes, management has considered all component units.

The criteria used to determine financial accountability are the ability of the primary government to appoint a voting majority of the organization's governing body, and effectively impose its will on the organization. Also, if there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government, financial accountability would exist. Based upon the application of these criteria, the following is a brief review of the component unit included in the City's reporting unit as a discretely presented component unit.

City of Cairo Development Authority
The City of Cairo Development Authority (the Authority) plans and develops the downtown area of the City in order to attract new business and residences. The Mayor and Council elect all three members of the Authority's Board and the City possesses the authority to review, approve and revise the Authority's budget and governs collection and disbursement of its funds. The Authority is reported as a discretely presented component unit in the government-wide financial statements. Separate financial statements are not issued.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Changes in Net Position) report information on all non-fiduciary activities of the primary government and its component unit. 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. Likewise, the primary government is reported separately from certain legally component units for which the primary government is accountable.

The Statement of Activities demonstrates the degree to which 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 customers or applicants 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 or other items are 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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government – Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type activities for the City.

These statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Accordingly, all the City's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function, and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

function. 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. Internally dedicated resources are reported as general resources rather than as program revenues. Likewise, general revenues include all taxes.

Certain eliminations have been made as prescribed by GASB Statement of Accounting Standards No. 34, with regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however those transactions between governmental and business-type activities have not been eliminated. Governmental activities, which are normally 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.

Fund Financial Statements

Governmental Fund financial statements include a Balance sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The City considers revenues to be available if they are collected within sixty days after year end. Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, and investment income. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

The *General Fund* is the principal fund of the City and is used to account for all activities not otherwise accounted for by a specific fund.

The *ARPA Fund* accounts for revenue and expenditures of funds received under the American Rescue Plan Act.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the city reports the following governmental fund types:

Capital Projects Funds are used to account for financial resources for the acquisition or construction of major capital facilities and improvements other than those financed by Proprietary Funds.

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Funds are reported using the *economic sources measurement focus* and the *accrual basis of accounting* and are used to account for activities similar to those found in the private sector, where the determination of net income is necessary to useful to sound financial administration. Goods or services from such activities can be provided to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Enterprise Funds account for activities that are usually self-sustaining, principally through user charges for services rendered.

The City reports the following major enterprise funds:

The Water and Sewer Fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The Electric Revenue Fund accounts for the provision of electrical services to the residents of the City. All activities necessary to provide such service are accounted for in this fund.

The Landfill Fund accounts for the operations and activities of the City landfill.

Component Units: All component units are reported using the *economic resources measurement focus basis* and the *accrual basis of accounting.* Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When fund balance resources are available for a specific purpose in more than one classification, it is the City's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Budgets
Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America except that encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to restrict, commit or assign that portion of the applicable appropriation, is not employed by the City.

Cash and Cash Equivalents
Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less.

Investments
State Statues authorize the City and the Authority to invest in obligations of the State of Georgia, obligations issued by the United States Government, obligations fully insured or guaranteed by the United States Government or by a government agency of the United States, obligations of any corporation of the United States Government, prime bankers' acceptances, the local government's investment pool established by Georgia Law, repurchase agreements, and obligations of other political sub-divisions of the State of Georgia Law, repurchase agreements, and obligations of other political sub-divisions of the State of Georgia, and, additionally, certificates of deposits, NOW accounts, and money market accounts of banks, which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such investment shall be secured by direct obligations of the State of Georgia or the United States, which are of a par value equal to one hundred ten percent (110%) of funds on deposit at the institution.

Investments for the City and its component unit are reported at fair value.

Intergovernmental Receivables
Intergovernmental Receivables and Due from Other Governments represent funds to be received from other local governments, state grant in aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

All trade and property tax receivables have been reduced to their estimated net realizable value and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories
Inventory in enterprise funds is valued at the lower of cost or market, using the first-in, first-out method. Inventory in the General Fund is valued at cost and consists of expendable supplies held for consumption. The City accounts for inventory on the purchase basis.

Prepaid items
Certain payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements of the enterprise funds.

Interfund Receivables/Payables
Outstanding balances between funds at the end of the fiscal year are referred to as either "Due From Other Funds" or "Due To 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".

Restricted Assets
Certain assets of the City and the Authority are subject to restrictions imposed by parties outside the government (such as creditors, grantors, contributors, and laws or regulations of other governments). The City would typically use restricted assets first, as appropriate opportunities arise, but reserve the right to selectively defer the use, thereof, to a future project or replacement equipment acquisition.

Capital Assets
Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City's policy has set the capitalization threshold at $5,000 for reported capital assets and infrastructure assets. All capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation is provided on the straight-line method over the following estimated useful lives:

Governmental Assets	
Buildings and improvements	10-30 years
Machinery and equipment	3-10 years
Infrastructure	20-50 years
Business-type Assets	
Buildings and improvements	10-50 years
Machinery and equipment	3-10 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources
In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of the net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expense) until then.

Deferred Inflows of Resources
In addition to liabilities, the City will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds and government-wide statement of net position report unavailable revenues from property taxes, grants and fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

Long-Term Obligations
In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method, which is not significantly different than the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the issue is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

Beginning with fiscal year 2011, the City implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that re not in spendable from (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a formal action of the City Council through adoption of a resolution. Only the City Council may modify or rescind the commitment;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the City to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Fund and Capital Projects Funds. Encumbrances outstanding at year end are reported as restrictions of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Projects Funds which are continuing. Encumbrances do not represent GAAP expenditures. At June 30, 2022, there were no encumbrances outstanding.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

NOTE 2 – BUDGETS AND BUDETARY ACCOUNTING

Budget Process

The annual budget document is the financial plan for the operation of the City. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the City's financial position. An annual operating budget is adopted for the General Fund and Enterprise Funds. The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

1) City departments submit budget requests to the City Manager.
2) Proposed budgets are reviewed and prepared by the City Manager for submission to the Mayor and the City Council.
3) Public hearings on the proposed budgets are held.
4) The budget is legally adopted by the Mayor and the City Council.
5) All budget revisions much be approved as required by Georgia law and administrative policy. Revisions that alter the total expenditures of any department of fund must be approved by the City Council.
6) Formal budgetary integration is employed as a management control device during the year for the General Fund and the Enterprise Funds.
7) Budgets for the General Fund and the Enterprise Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 2 – BUDGETS AND BUDETARY ACCOUNTING (CONTINUED)

Original budgeted amounts for the year ended June 30, 2022, were adopted by the City Council on June 14, 2021.

Capital Projects Budget

The construction of certain major capital facilities and improvements, accounted for by the City in the capital projects funds, are subject to budgetary control on a project basis. The budgets are approved by the City Council and are generally subject to specific provisions of voter referendums, State Statutes, and/or grant agreements. Appropriations for a specific project do not lapse until completion of the project.

Deficit Fund Balances/Net Position in Individual Funds

The following funds had deficit balances in net position as of June 30, 2022:

General Fund	(476,020)
Landfill Fund	(513,966)

The fund deficits above are expected to be reduced through increased user charges and transfers from reserve and utility funds.

NOTE 3 – INVESTMENTS

Investments

Municipal Competitive Trust
The Municipal Electric Authority of Georgia (MEAG) formed a Trust, known as the "Municipal Competitive Trust", for the benefit of its participants, (which includes the City of Cairo, Georgia, along with forty-eight (48) other Cities and Counties). The Competitive Trust has been funded with certain monies, which have been accumulated in MEAG Power reserves, which were released following a successful effort to obtain bondholder consent to amend the Project One and General Resolution Projects Resolutions. Surety bonds were substituted for the debt service reserves, to preserve the security of the bondholders, thus, allowing the accumulated debt service reserves to be transferred to the Competitive Trust. Funds in the Competitive Trust will be invested and re-invested and will be available to reduce future power supply costs of the participants to meet retail competition. Discretionary funds from the participants were deposited in the Flexible Trust Account, which is part of the Municipal Competitive Trust, established by MEAG and represents an involuntary participation external investment pool that is not registered with the S.E.C. as an investment company. The City of Cairo, Georgia has recorded the investments in the Flexible Operations Trust Account and in the Generation Trust Account in the Electric Fund at fair market

NOTE 3 – INVESTMENTS (CONTINUED)

value at June 30, 2022 in the amount of $7,603,137 and $1,313,984, respectively. Fair market value is determined based on the fair value of the underlying portfolio, calculated daily, with earnings distributed monthly. The fair value of the position in the external investment pool is the same as the value of the pool shares. The Municipal Competitive Trust permits the investment of funds in direct obligations of the United States Government, certain government agencies, if guaranteed by the United State Government, direct and general obligations of States, certain Federal agency discount notes and repurchase agreements collateralized by securities, which would otherwise be permissible under the laws of the State of Georgia and municipal bonds.

Under the above parameters, investments are made in mortgage and derivative securities. These securities principally include agency-issued mortgages, collateralized mortgage obligations, principle-only strips and interest only securities that are required to repay on hundred percent (100%) of their principal investment at maturity. The yield on derivative securities is based on cash flows received, as determined by a specific formula or index and/or cash flows from principal repayments on underlying mortgages. Therefore, the rate of return and market value of these securities may be sensitive to changes in their respective index or formula and/or in pre-payment on mortgages, which may result from changing interest rates.

MEAG Power and, therefore, the City of Cairo, Georgia, to the extent of its portion of the Flexible Trust Account, are exposed to credit and market risk, relating to its investments. Credit risk arises when an entity is unable to recover its investments, either by an inability to withdraw the funds through non-performance of a counter party or an inability to recover collateral. Market risk could affect the investments adversely when either the value of items purchased or the value of underlying collateral declines.

Derivative Financial Instruments
Derivative financial instruments are used principally in the management of interest rate exposure and include interest rate swap transactions. Derivative financial instruments are not held or issued for trading purposes. The counter parties to derivative transactions are major financial institutions, with either high investment grade credit ratings or agreements to collateralize their net position.

Swap transactions are accrued to interest expense for the difference between the agreed upon fixed and floating rates. Options are recorded at fair value, based on the estimated amount that would be received or paid to terminate the options at the reporting date, based on broker quotes. Options are revalued and marked to market.

MEAG Power and the City's portion of the Flexible Trust Account will be exposed to less variable rate exposure if the counter party to the swap transaction defaults or if the swap if terminated. Any termination of the swap agreements may also result in MEAG Power, through the appropriate trust account, making or receiving a settlement payment.

NOTE 3 – INVESTMENTS (CONTINUED)

Classification of Investments
Investments are categorized into three categories of credit risk:

1) Insured or registered, or securities held by the City or Authority or their agent in the name of the City of Authority.
2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City of Authority's name.
3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the City or Authority's name.

On June 30, 2022, the City's investments in the MEAG Municipal Competitive Trust investment pool total $8,917,120.

As of June 30, 2022, the City's investments were classified as follows:

	Category			
	1	2	3	Fair Value
MEAG Municipal Competitive Trust Investment Pool	$ -	$ -	$ 8,917,120	$ 8,917,120
	$ -	$ -	$ 8,917,120	$ 8,917,120

NOTE 4 – RECEIVABLES AND TAX REVENUE

Property Tax

Property taxes are levied in October based on property values assessed as of January 1. The billing representing the current year tax levy is mailed on October 20th. The billings are considered past due sixty (60) days after the billing date and penalties and interest are assessed. The applicable property is subject to lien after the billings are ninety (90) days delinquent.

The tax rate levied during fiscal year 2022, for the City's operations was 7.721 mills (mill equals $1 per thousand dollars of assessed value).

The City maintains no allowance for uncollectible property taxes on June 30, 2022.

Sales Tax

The City received a 1% Local Option Sales Tax (LOST), and a 1% Special Purpose Local Option Sales Tax (SPLOST) and a 1% Transportation Special Purpose Local Option Sales Tax (TSPLOST). The proceeds from SPLOST are restricted to financing various capital projects. The SPLOST programs are administered by Grady County, Georgia. The proceeds from TSPLOST are restricted to financing transportation projects.

NOTE 4 – RECEIVABLES AND TAX REVENUE (CONTINUED)

Receivables

Receivables as of June 30, 2022, are as follows:

	General Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
Receivables:				
Accounts	$ 273,837	$ 218,390	$ 517,905	$2,478,966
Sales tax	113,477	-	-	-
Gross receivables	387,314	218,390	517,905	2,478,966
Less allowance for uncollectibles	-	-	100,197	245,279
	-	-	100,197	245,279
Total net receivables	$ 387,314	$ 218,390	$ 417,708	$2,233,687

	Landfill Fund	Nonmajor Enterprise Funds	Total
Receivables:			
Accounts	$ 10,436	$ 792,664	$4,292,198
Sales tax	-	-	113,477
Gross receivables	10,436	792,664	4,405,675
Less allowance for uncollectibles	-	105,623	451,099
	-	105,623	451,099
Total net receivables	$ 10,436	$ 687,041	$3,954,576

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

Interfund Receivables and Payables

Interfund receivables and payables result from cash flow needs among funds as well as temporary differences related to payroll and other expenses paid through one fund but related to others.

The composition of interfund receivables and payables as of June 30, 2022, is as follows:

	Interfund Balances		
	Receivables	Payables	Net
Governmental activities:			
General fund:			
Water and Sewer Fund Fund	$ -	$ -	$ -
Electric Revenue Fund	-	-	-
Landfill fund	-	-	-
Nonmajor Enterprise Funds	-	-	-
Nonmajor Governmental funds	115,916	-	115,916
Nonmajor Governmental Funds:			-
General Fund	-	(115,916)	(115,916)
Electric Revenue Fund	-	-	-
Total governmental activities	115,916	(115,916)	-
Business-type activities:			
Water and Sewer Fund:			
General fund	-	-	-
Electric Revenue Fund	320,000	-	320,000
Electric Revenue Fund:		-	-
General Fund	-	-	-
Landfill Fund	-	(397,143)	(397,143)
Water Fund	-	(320,000)	(320,000)
Landfill Fund:			
Electric Revenue Fund	397,143	-	397,143
General fund	-	-	-
Nonmajor Enterprise Funds:		-	-
General Fund	-	-	-
Electric Revenue Fund	-	-	-
Total business-type activities	717,143	(717,143)	-
Total	$ 833,059	$ (833,059)	$ -

Interfund activities are reported as loans, as services provided, reimbursements or transfers. Quasi - external transactions are accounted for as revenues, expenditures or expenses. Transactions that

NOTE 5 –INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS (CONTINUED)

constitute reimbursement to a fund for expenditure/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Interfund Transfers

Interfund transfers are used to move revenues from the fund that Statute or budget requires to collect them to the fund that the Statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund and Enterprise Funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers and capital contributions consist of the following:

	Transfers/Capital Contributions		
	In	Out	Net
Governmental activities:			
General Fund:			
Electric Revenue Fund	$ 2,088,776	$ -	$ 2,088,776
Water and Sewer Fund	-	-	-
Landfill Fund	-	-	-
ARPA Fund	178,155		178,155
Nonmajor Governmental Funds	-	-	-
Nonmajor Enterprise Funds	350,499	(683,417)	(332,918)
Sub-total General Fund	2,617,430	(683,417)	1,934,013
ARPA Fund:			
General Fund	-	(178,155)	(178,155)
Water and Sewer Fund	-	(128,851)	(128,851)
Nonmajor Governmental Funds	-	(245,923)	(245,923)
Sub-total ARPA Fund	-	(552,929)	(552,929)
Nonmajor Governmental Funds:			
General Fund	-	-	-
ARPA Fund	245,923	-	245,923
Water and Sewer Fund		(1,559,756)	(1,559,756)
Nonmajor Enterprise Funds	-	(57,932)	(57,932)
Sub-total Nonmajor Governmental Funds	245,923	(1,617,688)	(1,371,765)
Total governmental activities	2,863,353	(2,854,034)	9,319

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS (CONTINUED)

	In	Out	Net
Business-type activities:			
Electric Revenue Fund:			
General Fund	-	(2,088,776)	(2,088,776)
Water & Sewer Fund	-	(903,501)	(903,501)
Landfill Fund	-	(239,480)	(239,480)
Nonmajor Enterprise Funds	-	-	-
Sub-total Electric Revenue Fund	-	(3,231,757)	(3,231,757)
Water & Sewer Fund:			
General Fund	-	-	-
ARPA Fund	128,851	-	128,851
Electric Revenue Fund	903,501	-	903,501
Nonmajor Governmental Funds	1,559,756	-	1,559,756
Nonmajor Enterprise Funds	125,339	-	125,339
Sub-total Water and Sewer Fund	2,717,447	-	2,717,447
Landfill Fund			
Electric Revenue Fund	239,480	-	239,480
General Fund	-	-	-
Nonmajor Enterprise Funds	-	-	-
Sub-total Landfill Fund	239,480	-	239,480
Nonmajor Enterprise Funds:			
General Fund	683,417	(350,499)	332,918
Nonmajor Governmental Funds	57,932	-	57,932
Water and Sewer Fund	-	(125,339)	(125,339)
Electric Revenue Fund	-	-	-
Landfill Fund	-	-	-
Nonmajor Enterprise Funds	-	-	-
Sub-total Nonmajor Enterprise Funds	741,349	(475,838)	265,511
Total business-type activities	3,698,276	(3,707,595)	(9,319)
Total	$ 6,561,629	$ (6,561,629)	-

NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity as of June 30, 2022:

	Beginning Balance	Additions	Retirements/ Deletions	Transfer In (Out)	Ending Balance
Governmental activities:					
Capital assets not being depreciated					
Land	$ 560,443	$ 13,055	$ -	$ -	$ 573,498
Construction in progress	290,069	145,997	-	(256,309)	179,757
Total capital assets not being depreciated	850,512	159,052	-	(256,309)	753,255
Capital assets being depreciated					
Buildings	11,984,712	-	(507,301)	(1,106,051)	10,371,360
Infrastructure	11,624,881	407,663	-	184,638	12,217,182
Equipment and vehicles	5,597,048	185,486	-	19,764	5,802,298
Total assets being depreciated	29,206,641	593,149	(507,301)	(901,649)	28,390,840
Less accumulated depreciation for:					
Buildings	(3,438,063)	(151,771)	121,931	479,244	(2,988,659)
Infrastructure	(6,155,762)	(826,349)	-	-	(6,982,111)
Equipment and vehicles	(4,801,506)	(224,293)	-	-	(5,025,799)
Total accumulated depreciation	(14,395,331)	(1,202,413)	121,931	479,244	(14,996,569)
Total capital assets being depreciated, net	14,811,310	(609,264)	(385,370)	(422,405)	13,394,271
Governmental activities capital assets, net	$ 15,661,822	$ (450,212)	$ (385,370)	$ (678,714)	$ 14,147,526

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Retirements/ Deletions	Transfer In (Out)	Ending Balance
Business-type activities:					
Capital assets not being depreciated					
Land and improvements	$ 2,087,652	$ 24,956	$ -	$ -	$ 2,112,608
Construction in progress	773,113	1,344,037	-	(164,562)	1,952,588
Total capital assets not being depreciated	2,860,765	1,368,993	-	(164,562)	4,065,196
Capital assets being depreciated					
Buildings	48,433,240	36,453	-	1,106,051	49,575,744
Infrastructure, machinery and equipment	17,935,455	2,123,983	-	48,710	20,108,148
Total assets being depreciated	66,368,695	2,123,983	-	1,154,761	69,683,892
Less accumulated depreciation for:					
Buildings	(25,501,652)	(66,768)	-	(479,244)	(26,047,664)
Infrastructure, machinery and equipment	(10,592,900)	(1,924,010)	-	-	(12,516,910)
Total accumulated depreciation	(36,094,552)	(1,990,778)	-	(479,244)	(38,564,574)
Total capital assets being depreciated, net	30,274,143	133,205	-	675,517	31,119,318
Total business-type activities capital assets, net	$ 33,134,908	$ 1,502,198	$ -	$ 510,955	$ 35,184,514

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to divisions as follows:

Governmental activities:	
General government	$ 39,766
Public safety	263,775
Public works	751,164
Parks and recreation	147,708
Total depreciation expense - governmental activities	$ 1,202,413
Business-type activities	
Water and sewer	$ 1,361,344
Electric	252,724
Cable TV	-
Garbage and trash	5,129
Airport	102,608
Telecomm	-
Landfill	161,851
Gas	63,795
Special Facilities Fund	43,328
Total depreciation expense - business-type activities	$ 1,990,779

Component Unit
The Downtown Development Authority of the city of Cairo, a discretely presented component unit, for the year ended June 30, 2022, had no capital asset activity for the year ended June 30, 2022.

NOTE 7 – SHORT-TERM DEBT

Changes in short-term debt used for temporary cash flow needs:

Balance - beginning of year	$ -
Proceeds from loan	500,000
Repayments	-
Balance - end of year	$ 500,000

NOTE 8 – LONG-TERM DEBT

Revenue Bonds

The City issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. The City's enterprise funds' revenue bonds outstanding at June 30, 2022, are as follows:

Water and Sewer and Electric Funds				
Combined Public Utility Refunding				
Revenue Bonds, Series 2014	$ 12,800,000	2.5-5.00%	2024	$ 1,750,000
			Unamortized bond premium	19,010
			Less current portion	(865,000)
				$ 904,010

The City of Cairo Combined Public Utility Refunding Revenue Bonds, Series 2014 were issued December 11, 2014, in the amount of $7,300,000 to provide funds to repay the City of Cairo Combined Public Utility Revenue Refunding and Improvement Bonds, Series 2004. These bonds will be repaid from the revenues and earnings derived from the City's ownership and operation of the water and sewerage system, the electric power distribution system and the natural gas distribution system.

The annual debt service requirement to maturity of the Series 2014 bonds at June 30, 2022, is as follows:

2023	865,000	38,500	903,500
2024	885,000	19,470	904,470
2025	-	-	-
2026	-	-	-
2027-2031	-	-	-
2032-2036	-	-	-
2037-2041	-	-	-
Total	$ 1,750,000	$ 57,970	$ 1,807,970

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Closure and Post-Closure Care Liability

State and Federal laws and regulations require the City to place a final cover on its landfill site when it discontinues accepting waste, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although, closure and post-closure care costs are paid only near or after the date that the landfill discontinues accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date based on cost estimates provided by an engineer/expert. The remaining accrued liability for closure and post-closure costs for trenches A, B, C & D, Garbage and Trash trenches, which are now closed, were $3,922,232 as of June 30, 2022. Closure and post-closure costs for trenches E, F & G, Construction and Demolition trenches, of $935,804 have been 47% accrued as of June 30, 2022, based on capacity utilized to date. The remaining life for trenches E, F & G have a remaining life of 11.19 years. The $4,357,595 reported as landfill closure and post-closure care liability, as of June 30, 2022, represents the cumulative amount accrued. These estimated closure and post-closure costs were obtained from an outside consulting/engineering firm and have been adjusted for inflation. The City has accumulated and designated cash and certificates of deposit for use in paying closure and post-closure costs in the amount of $3,200,321. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The financial assurance requirements are being met through the maintenance of cash and cash equivalents balances and financial ratios.

Capital Leases

The City has entered into various other lease agreements as lessee for financing the acquisition of vehicles and equipment. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present values of the future minimum least payments as of the date of inception. Equipment acquired under capital leases has a net book value of $366,156 at June 30, 2022. Amortization for assets acquired under capital leases is included in depreciation expense in the amount of $121,387. Accumulated amortization for assets recorded under capital leases at June 30, 2022 was $605,162.

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments at June 30, 2022.

NOTE 8 – LONG-TERM DEBT (CONTINUED)

	Capital Lease					
	Governmental			Business-type activities		
Year Ending June 30	Principal	Interest	Total	Principal	Interest	Total
2023	$ -	$ -	$ -	$ 77,583	$ 7,174	$ 84,757
2024	-	-	-	56,677	6,222	62,898
2025	-	-	-	41,803	3,521	45,325
2026	-	-	-	125,281	1,403	126,685
2027-2031	-	-	-	6,184	32	6,216
2032-2036	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ 307,528	$ 18,353	$ 325,881

Notes Payable

Business-type Activities

The City has four notes payable to the Georgia Environmental Finance Authority Drinking Water State Revolving Fund. Note #1 was for the construction of two deep water supply wells, an arsenic removal system, and the construction of a new water treatment plant in the amount of $3,586,710, payable beginning in August 2017 in 120 monthly installments through July 2027, with interest at 0.66% and had a $500,000 loan forgiveness. Note #2 was for the installation of advanced metering infrastructure and the retrofitting of existing meters used to operate water and sewer services in the amount of $1,189,645 payable beginning in May 2018 in 120 monthly installments through May 2028, with interest at 0.50%, with loan forgiveness of $475,858. The loan agreement contains restrictive covenants, certain of which require, among other things, a minimum ratio, as defined, of fixed charges coverage. GEFA loan # 3 is for funding an arsenic removal system, three high service pumps and other improvements to the City's water treatment facility. The total loan is for $2,500,000 with $500,000 of that amount was forgiven upon completion of the project. As of June 30, 2022, $1,681,207 was owed on this loan and is reflected in long term debt. The loan will be payable in 120 monthly payments, with interest at 1.06%. GEFA loan #4 is being used to finance water system improvements. Debt service on this loan will begin upon project completion. At June 30, 2022, $1,083,124 was owed on this loan and is reflected in long term debt.

NOTE 8 – LONG-TERM DEBT (CONTINUED)

The annual debt service to maturity of GEFA notes # 1, #2, and #3 at June 30, 2022, is as follows:

Maturities of business-type activities long-term debt are a

	GEFA Notes Payable		
Year Ending June 30	Principal	Interest	Total
2023	$ 574,306	$ 28,817	$ 603,123
2024	578,776	24,347	603,123
2025	583,283	19,840	603,123
2026	587,828	15,295	603,123
2027	592,411	13,839	606,250
2028-2032	852,832	13,050	865,882
Total	$ 3,769,435	$ 115,187	$ 3,884,622

GEFA loan # 4 is for funding water system improvements to the City's water treatment facility. The total loan is for $2,250,000. As of June 30, 2022, $1,624,686 had been drawn on this loan, $541,562 has been forgiven, and the net amount due of $1,083,124 is reflected in long term debt. The loan will be payable in 119 monthly payments, with interest of 0.62%

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long term liabilities at June 30, 2022 were as follows:

	Beginning Balance	Additions	Repayments	Ending Balance	Due in One Year
Governmental activities:					
Capital Lease					
DOL Building	$ 50,785	$ -	$ (50,785)	$ -	$ -
Total governmental activities	$ 50,785	$ -	$ (50,785)	$ -	$ -
Business-type activities:					
Capital Lease					
2012 CAT Dozer Dump Truck	62,497	-	(24,073)	38,424	22,472
Caterpillar 973D Track Loader	106,296	-	(90,861)	15,435	15,435
JD 700L Crawler	172,119	-	(17,257)	154,862	17,597
Kenworth T370 Dump Truck	-	114,917	(16,110)	154,862	22,078
GEFA #1	1,927,481	-	(307,263)	1,620,218	309,295
GEFA #2	538,671	-	(70,661)	468,010	71,015
GEFA #3	1,873,158	-	(191,951)	1,681,207	193,995
GEFA #4	343,981	739,143	-	1,083,124	-
Total long-term debt	5,024,203	854,060	(718,176)	5,216,142	651,887
Water and sewer and Electric bonds:					
2014 Refunding	2,600,000	-	(850,000)	1,750,000	865,000
Unamortized bond premium	28,262	-	(9,252)	19,010	-
Total bonds	2,628,262	-	(859,252)	1,769,010	865,000
Total business-type activities	$ 7,652,465	$ 854,060	$ (1,577,428)	$ 6,985,152	$ 1,516,887

Total interest cost incurred in the current year was as follows:

Governmental activities:	
Debt Service	$ 754
	$ 754
Business-type activities:	
Water, sewer and sanitation	$ 112,886
Electric	3,661
Landfill	4,873
	$ 121,420

NOTE 9 – RESTRICTIONS OF FUND BALANCES

In the government fund financial statements, fund balances consist of restricted, committed, and unassigned amounts. Restrictions of fund balances represent that portion which is not appropriable for expenditure or is legally segregated for a specific future use. Committed fund balances represent amounts constrained to a specific purpose by formal action of the City Council. The remaining portion is unassigned.

In the proprietary fund financial statements, fund balances consist of restricted and unrestricted amounts. Restrictions of fund balances represent that portion which is not appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unrestricted.

Net position as of June 30, 2022 was restricted for the following purposes:

	Governmental Activities	Business-type Activities
Capital Projects	$ 2,180,932	$ -
EIP CDBG Revolving Loan Fund	1,664,119	-
Tourism, Conventions, Trade Shows	75,931	-
Cemetery Maintenance	44,530	-
Power Generation	-	1,320,045
Public Safety	-	-
Other (ARPA)	1,196,432	
	$ 5,161,944	$ 1,320,045

NOTE 10 – PENSION PLAN

City of Cairo Retirement Plan

Plan Description

The City's defined benefit pension plan, City of Cairo Retirement Plan (CCRP), provides retirement and disability benefits, and death benefits to plan members and beneficiaries. CCRP is affiliated with the Georgia Municipal Employees' Benefit System; an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Constitution of the State of Georgia enables the governing authority of the City, the City Council, to establish and amend the benefit provisions of the plans that participate in CCRP. The Georgia Municipal Employees' Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for CCRP. That report may be obtained by writing to the Georgia Municipal Employees' Benefit System, 201 Pryor Street, Southwest, Atlanta, Georgia 30303.

All full-time City employees are eligible to participate in the Plan upon employment inception. Benefits vest after ten years of service for employees. Employee participants become eligible to retire at age 65 with 5 years of participation in the Plan. Employee participants become eligible for early retirement at age 55 with 10 years of participation in the plan. City officials are eligible for retirement benefits at age 65. Vesting is immediate for City officials. The normal retirement benefit payable for life is based on a formula using 1.00% to 1.75% of average monthly compensation and years of service, as defined in the plan.

Employees Covered

As of January 1, 2022, the following employees were covered by the benefits terms for the plan:

		Average			
Participants	Count	Age	Service	Pay	Benefits
Active	130	47.1	16.2	$ 44,086	N/A
Retired	77	72.6	N/A	N/A	$914
Disabled	0	N/A	N/A	N/A	N/A

Contributions

The City is required to contribute at an actuarially determined rate in accordance with Section 47-20 of the Georgia Code, which sets forth the minimum funding standards for state and local government pension plans. Plan participants are not required to contribute to the Plan. The Constitution of the State of Georgia enables the governing authority of the City, the City Council, to establish and amend the contribution rates for the City and its plan participants. Contributions are determined using the projected unit credit cost method and assets are valued using market related value.

The most current valuation, dated January 1, 2021, determined that for the fiscal year beginning July 1, 2021, employer contributions of 11.16% of covered payroll are required to meet the current cost of the Plan. These contributions rates are based on an estimated total covered annual payroll of $5,527,430.

NOTE 10 – PENSION PLAN (CONTINUED)

Actuarial Assumptions

The net pension liability was measured as of September 30, 2021 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of that date.

The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	N/A
Salary increases	2.25% plus service-based merit increases
Investment rate of return	7.375%

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

The mortality and economic actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through 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 investments 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 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45%	6.55%
International equity	20%	7.30%
Domestic fixed income	20%	4.00%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
Cash	0%	
Total	100%	

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 employer contributions will be made based on rates determined by the plan Actuary. 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.

NOTE 10 – PENSION PLAN (CONTINUED)

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

Changes in the net pension liability for the year ended June 30, 2022, were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2020*	$ 17,660,212	$ 14,763,041	$ 2,897,171
Changes for the year:			
Service costs	155,150	-	155,150
Interest	1,281,721	-	1,281,721
Difference between expected and actual experience	309,358	-	309,358
Contributions - employer	-	570,007	(570,007)
Net investment income	-	3,566,330	(3,566,330)
Benefit payments	(872,186)	(872,186)	-
Adminstrative expense	-	(28,686)	28,686
Other	-	-	-
Net changes	874,043	3,235,465	(2,361,422)
Balances at September 30, 2021**	$ 18,534,255	$ 17,998,506	$ 535,749

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

The following table 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 higher (8.375%) than the current rate.

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Net pension liability	$ 2,847,775	$ 535,749	$ (1,405,889)

NOTE 10 – PENSION PLAN (CONTINUED)

At June 30, 2022 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 Resources
Pension contributions subsequent to measurement date	$ 561,622	$ -
Differences between expected and actual experience	645,113	(55,959)
Changes in assumptions	93,849	-
Net differences between projected and actual earnings on pension plan investments	-	(1,998,753)
Total	$ 1,300,584	$ (2,054,712)

Deferred outflows of resources related to contributions made subsequent to the measurement date of September 30, 2021, in the amount of $561,622, will be recognized as a reduction in net pension liability in the year ended June 30, 2022. The remaining amount, $738,962, reported as deferred outflows related to pensions at June 30, 2022, will increase pension expense in the future as follows: $269,421 for 2023, $212,532 for 2024, $135,203 for 2025, and $112,878 for 2026.

Amounts recognized as deferred inflows of resources related to pensions at June 30, 2022, totaling $2,054,712, will increase (decrease) pension expense in the future as follows: $518,459 for 2023, $459,543 for 2024, $578,759 for 2025, and $497,951 for 2026.

Peace Officers' Annuity and Benefit Fund of Georgia

Plan Description:

The Peace Officers' Annuity and Benefit Fund of Georgia (POABFG) is a cost-sharing multiple employer-defined benefit created in 1950 by the General Assembly of Georgia to provide retirement benefits to peace officers. Members of the POABFG are employed by units of government throughout the State of Georgia. The employers of the POABFG's members do not make contributions to the POABFG. The State of Georgia provides non-employer contributions to the POABFG through the collection of court fines and forfeitures. Detailed information about the benefits provided to members is available in the separately issued POABFG financial report which is publicly available.

Actuarial Assumptions:

The collective total pension liability was determined by an actuarial valuation as of June 30, 2020, with updated procedures used to roll forward the total pension liability to June 30, 2021. The roll forward calculation adds the normal cost (also called service costs), subtracts the actual benefit payments and

NOTE 10 – PENSION PLAN (CONTINUED)

refunds for the plan year, and then applies the discount rate for the year. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	n/a
Investment rate of return	6.50%, net of pension plan investment expense, including inflation
Mortality rates	PUB-2019 Mortality Table

The long-term expected rate of return on pension plan investments was calculated by the POABFG's investment manager as 6.50% using a building block method in which best estimate ranges of expected future real rates of return (expected nominal 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 then adding expected inflation and the impact of rebalancing and diversification. The POABFG's administrator determined that 6.50% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation by the POABFG's investment manager.

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumes revenues will remain level. 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 periods of projected benefits payments to determine the total pension liability.

Net Pension Liability:

At June 30, 2022, the City did not have a liability for a proportionate share of the net pension liability (asset) of the POABFG because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability (asset) associated with the City was $2,556 as of June 30, 2021.

Pension Expense:

For the year ended June 30, 2022, the city recognized pension expense related to the POABFG of $97,635 and revenue of $97,635 for support provided by the State of Georgia.

Georgia Firefighter's Pension Fund

Plan Description:

The Georgia Firefighter's Pension Fund (GFPF) is a cost-sharing multiple-employer defined benefit created by the General Assembly of Georgia to provide retirement benefits to firefighters. Members of the GFPF are employed by units of government throughout the state of Georgia. Detailed information

NOTE 10 – PENSION PLAN (CONTINUED)

about the benefits provided to members is available in the separately issued GFPF financial report which is publicly available.

Actuarial Assumptions:

The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the nest pension liability was based on an actuarial valuation as of June 30, 2021. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	n/a
Investment rate of return	5.75%
Mortality rates	RP-2000, Combined

The long-term expected rate of return on pension plan investments was determined by using a building-block method in which best-estimate arithmetic expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These assumptions are converted into nominal assumptions by adding inflation, and then combined by weighting them by the target asset allocation percentages. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
IG Corp Credit	12.00%	1.69%
MBS	12.00%	0.28%
Core Bonds	10.50%	0.58%
Large Cap Equities	15.50%	5.18%
Small/MidCap Equities	15.50%	6.11%
Int'l Equities (Unhedged)	13.00%	5.84%
Emerging Int'l Equities	6.50%	9.37%
Private Equity	5.00%	10.18%
Real Estate (Core)	5.00%	4.30%
Real Assets (Liquid)	5.00%	4.21%
Total	100.00%	

The discount rate used to measure the total pension liability was 5.75%. 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions,

NOTE 10 – PENSION PLAN (CONTINUED)

the pension plans' 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 periods of projected benefit payments to determine the total pension liability.

Net Pension Liability:

At June 30, 2022, the City did not have a liability for proportionate share of the net pension liability of the GFPF because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability associated with the City was $73,196 as of June 30, 2021.

Pension Expense:

For the year ended June 30, 2021, the City recognized pension expense related to the GFPF of $43,825 and revenue of $43,825 for support provided by the State of Georgia.

NOTE 11 – JOINT VENTURES

Southwest Georgia Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the eight county Southwest Georgia area, is a member of the Southwest Georgia Regional Commission (Commission) and is required to pay annual dues thereto. During the year ended June 30, 2022, the City paid $10,072 in such dues.

Membership in the Commission is required by the Official Code of Georgia Annotated (OCGA), Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Commission. Separate financial statements may be obtained from:

Southwest Georgia Regional Commission
P.O. Box 346
Camilla, Georgia 31730

South Georgia Governmental Services Authority

The South Georgia Governmental Services Authority (SGGSA) was created by the South Georgia Governmental Services Authority Act (State of Georgia, House Bill 879) in March of 2001 for the purpose of providing governmental, proprietary and administrative services and facilities to the Cities of Cairo, Camilla, Moultrie, and Thomasville and other subdivisions, agencies and authorities within is area of operation. The SGGSA provides video, internet, telephony and telecom services under the trade name

NOTE 11 – JOINT VENTURES (CONTINUED)

"CNSNext". Cairo is a member of the SGGSA along with the cities of Thomasville, Moultrie and Camilla, GA. SGGSA is accounted for as a joint venture with equity interests by the members, therefore the City of Cairo's investment in the SGGSA is accounted for using the equity method and is recorded in the Cable and Telecom enterprise funds. The fiscal year of the SGGSA ends December 31. These financial statements include Cairo's share of SGGSA net income for the SGGSA fiscal year ended December 31, 2021 in the amount of $582,153. The investment had a carrying value of $ 1,867,179 at June 30, 2022 which is the amount of Cairo's share of book value of the entity plus or minus capital contributions made or distributions received from January 1, 2022 through June 30, 2022. The SGGSA board is made up of eight members, two appointed by each participating city for four-year terms.

Separate financial statements may be obtained from:

South Georgia Governmental Services Authority
P.O. Box 1676
Thomasville, GA 31799

City of Cairo's Sanitary Landfill

On February 10, 1992, the City of Cairo, Georgia entered into an agreement with Grady County, Georgia and the City of Whigham, Georgia to deposit solid wasted collected in the sanitary landfill operated by Cairo, Georgia. The agreement provides that each party will equitably share in the cost of the operation of the landfill. The agreement also provides that the City of Cairo will establish a sinking fund to meet future capital needs or expenditures that may be required to comply with local, state, or federal laws (i.e., ground water monitoring costs and other post-closure costs). Should the City of Cairo incur any unexpected costs or additional requirements associated with post-closure costs in excess of the sinking/reserve funds retained, each party will make a contribution toward the additional costs in the percentage that shall equal the percentage of the total waste deposited at the landfill by the parties over the term of this agreement. The City of Whigham and Grady County shall not be required to make contributions toward additional costs that are due solely to the negligent act or intentional wrongful act of the City of Cairo in the administration of the landfill.

NOTE 11 – JOINT VENTURES (CONTINUED)

Each year, the City of Cairo provides to the City of Whigham and Grady County information regarding the operation of the landfill during the previous year. If it is determined that the funds collected to not meet the cost of the operation of the landfill and the sinking/reserve fund requirements, each party will make a contribution toward the deficit in a percentage that equals the percentage of the total waste deposited at the landfill by the parties. If it is determined that the funds collected exceed the cost of the operation of the landfill, the excess is transferred to the sinking/reserve fund and each party is given credit in an amount based upon the percentage of waste deposited at the landfill by the parties toward any future deficit.

Any excess that is accumulated over the term of the agreement is considered to be jointly owned by all parties based on the percentage of waste deposited at the landfill over the term of the agreement and will be disbursed at such time as there are no required costs to monitor the landfill.

Separate Financial Statements are not prepared or issued for the Landfill Joint Venture.

NOTE 12 – JOINTLY GOVERNED ORGANIZATION

The City of Cairo entered into an agreement with the City of Whigham and Grady County, Georgia, to establish a joint development authority. The purpose of the Grady County Joint Development Authority is to facilitate economic development within Grady County, by coordinating the efforts of elected officials, the Cairo-Grady Chamber of Commerce, private organizations and citizens, and state and local organizations and businesses located both within and outside of Grady County to foster economic growth and improve the welfare of all citizens of Grady County.

The business of the Grady County Joint Development Authority is conducted and managed by its Board of Directors, which consists of seven members. The members are selected by the Grady County Board of Commissioners (3), the City of Cairo (3), and the City of Whigham (1), for such terms as the governing bodies shall determine.

NOTE 13 – RELATED ORGANIZATION

The City Council appoints Board members to the Housing Authority and the Library Board. However, the City has no further accountability for these organizations.

NOTE 14 – HOTEL/MOTEL TAX

The City has levied a 5% lodging tax. For the year ended June 30, 2022, $56,195 of hotel/motel tax was collected and $24,820 was spent. Management represents that 100% of the lodging tax funds spent

NOTE 14 – HOTEL/MOTEL TAX (CONTINUED)

during the year ended June 30, 2022 were used for the promotion of tourism, conventions, or trade shows.

NOTE 15 – RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and General Liability and Worker's Compensation

The City has joined together with other municipalities in the State, as part of the Georgia-Interlocal Risk Management Agency (GIRMA) Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Worker's Compensation Fund, a public entity risk pool, currently operating as common risk management and insurance programs for member local governments. GIRMA exists by authority of the Official Code of Georgia Annotated O.C.G.A. 36-85-1. GIRMA is an unincorporated nonprofit instrumentality of its member governments. GIRMA establishes and administers one or more groups of self-insurance funds and risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of City government.

GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

The Georgia Municipal Association Group Self-Insurance Worker's Compensation Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings, which may, at any time, be instituted against them on account of injuries or death within the preview of the Worker's Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation, therefore, although such suits, other proceedings, allegations or demands may be wholly groundless, false or fraudulent. Worker's Compensation Insurance is provided by BITCO Insurance Company as of January 1, 2022.

As part of this risk pools, the City is obligated to pay all contributions and assessments, as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible and, in accordance with any coverage descriptions issue, all incidents, which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the Government within the scope of loss protection furnished by the funds. The fund is to pay all costs taxed against members in any legal proceedings, defended by members, all interest accruing after judgment, and all expenses incurred for investigation, negotiation or defense.

The City of Cairo retains the first $5,000 and $2,500 of each risk of loss in the form of a deductible for property and liability and worker's compensation, respectively. The City is not aware of any claims that the City is liable, for which, were outstanding and unpaid, as of June 30, 2022.

NOTE 15 – RISK MANAGEMENT (CONTINUED)

The City of Cairo is self-insured for group medical benefits up to $50,000 annually per participant. The self-insurance program is administered by a third party insurance service company. Administrative costs are allocated among the General Fund and Proprietary Funds. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic social factors. The liability for claims payable is reported in the General Fund. The change in the balance of claim liabilities during the past two years is as follows:

	Year Ended June 30	
	2022	2021
Unpaid claims, beginning of year	$ 244,121	$ 393,990
Incurred claims (including IBNRs)	2,286,763	1,529,544
Claim payments made	(2,261,849)	(1,679,413)
Unpaid claims, end of year	$ 269,035	$ 244,121

During the year ended June 30, 2022, there were no significant reductions in insurance coverage from the prior year and there have been no settlements exceeding insurance coverage for the past three years.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in a number of legal matters, which either have or could result in litigation. The City has accrued amounts related to litigation where an outcome unfavorable to the City is probable and the amount can be estimated. In the opinion of the City attorney, the ultimate outcome of these contingencies will not have a material impact on the financial position of the City.

Grants from Governments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The City expects such disallowed amounts, if any, would not have a material impact on the financial position of the City.

Agreements with the Municipal Electric Authority of Georgia

The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by State law, MEAG establishes rates and charges so as to produce revenues sufficient to cover

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

its costs, including debt services, but it may not operate any of its projects for profit, unless any such profits incur at the benefit of the public.

On October 1, 1975, the City of Cairo entered into a contract with MEAG and as an electric utility participant in MEAG is obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG.

In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement share of the output and services of generating units acquired or constructed by MEAG. The City's guarantee of MEAG debt totals $124,615,249 at June 30, 2022. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage.

On April 26, 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (Trust). The Trust was created by MEAG, in anticipation of future deregulation of the electric industry, which will provide customers with a choice among electric suppliers for their retail electric power supply. This is expected to include customers assigned to electrical systems of political subdivisions, which are wholesale power customers of MEAG, such as the City of Cairo. MEAG expects that after such legislation is effective, market rates for power will result, which will likely be lower for some period of time than the costs of power generated by MEAG facilities. The purpose of the Trust is to provide a means for MEAG and its wholesale customers who elect to become beneficiaries of the Trust to mitigate the change to full competition as a result of anticipated deregulation.

The Trust creates an account for the City of Cairo and within the account, created the following subaccounts, in which the City of Cairo participates:

Flexible Operating Trust Account

The MEAG trust agreement also created a flexible trust account. The City has a right to withdraw these funds at will; $744,104 was withdrawn during the year ended June 30, 2022. The balance in the flexible trust account, as of June 30, 2022, was $7,603,137 and has been recorded as an asset of the City.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Generation Trust Account

This subaccount may be funded by contributions by the City from any of its own funds that it has available for such purposes, including funds contained within the City's Flexible Operating Trust Account. The trustee is required to pay all or any portion of such amounts contained in the City's New Generation and Capacity Funding Account as directed in writing by the City for any of the following purposes: (1) to be applied as a credit against the City's obligation share of costs in connection with Plant Vogtle Units 3 and 4; (2) to be applied as credit against the City's obligation share of any other future generation project costs created by MEAG; (3) to be applied as a credit against any capital contributions committed to by Cairo in the event that MEAG provides the City with the Option of paying interest expense incurred in connections with the construction of any generation project prior to its commercial operation date; (4) to be applied as a credit against capacity charges incurred by the City in connection with power purchase agreements entered into by MEAG for the purpose of meeting the supplemental power needs of the City; and (5) as a payment to MEAG to mitigate that portion of any budgeted Bulk Power Supply cost increases incurred by the City which exceeds the City's prior year budgeted Bulk Power Supply costs by greater than 12%. The balance in the New Generation Trust Account, as of June 30, 2022, was $1,313,984 and has been recorded as a restricted asset of the City.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 13, 2023, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAIRO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance
	Original	Final	Actual Amounts	with Final Budget
Revenues				
Property taxes	$ 1,577,300	$ 1,577,300	$ 1,669,632	$ 92,332
Local option sales taxes	1,000,000	1,156,093	1,170,073	13,980
Other taxes	1,163,000	1,163,000	1,205,630	42,630
Licenses and permits	105,000	105,000	131,928	26,928
Fines and forfeitures	150,000	150,000	222,967	72,967
Charges for services	41,360	41,360	42,424	1,064
Investment income	7,500	7,500	1,628	(5,872)
Intergovernmental	454,990	454,990	177,526	(277,464)
Other revenues	20,000	20,000	373,046	353,046
Total revenues	4,519,150	4,675,243	4,994,854	319,611
Expenditures				
Current				
General government				
Mayor and council	113,485	106,405	106,396	(9)
City manager	312,914	339,551	338,562	(989)
Finance	220,324	230,924	230,900	(24)
Legal	23,242	23,242	22,780	(462)
Municipal court	39,548	31,888	31,793	(95)
Human resources	182,418	212,418	211,508	(910)
Clerk of council	239,893	274,422	274,422	-
General administration	14,000	12,863	12,862	(1)
Total general government	1,145,824	1,231,713	1,229,223	(2,490)
Public Safety				
Police	2,379,498	2,632,013	2,632,013	-
Fire	1,586,531	1,678,996	1,667,634	(11,362)
Code Enforcement	321,767	339,353	339,352	(1)
Total public safety	4,287,796	4,650,362	4,638,999	(11,363)
Public works				
Community service administration	280,260	304,281	304,281	-
Streets and sidewalks	743,937	473,537	472,784	(753)
Maintenance and shop	225,499	219,999	219,749	(250)
Total public works	1,249,696	997,817	996,814	(1,003)
Community services				
Community services	9,300	9,908	9,908	-
Economic development/assistance	209,162	316,974	201,056	(115,918)
Total community services	218,462	326,882	210,964	(115,918)

CITY OF CAIRO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance
	Original	Final	Actual Amounts	with Final Budget
Parks, culture, and cemeteries				
Swimming pool	50,905	48,405	47,918	(487)
Parks and cemetery	898,544	755,524	751,564	(3,960)
Library	237,500	237,500	237,500	-
Total parks and recreation	1,186,949	1,041,429	1,036,982	(4,447)
Debt service	51,449	51,449	51,527	78
Total expenditures	8,140,176	8,299,652	8,164,509	(135,143)
Excess (deficiency) of revenus over expenditures				
Other Financing Sources (Uses)				
Transfers	3,669,054	3,669,054	2,687,274	(981,780)
Total other financing sources (uses)	3,669,054	3,669,054	2,687,274	(981,780)
Net change in fund balances	48,028	44,645	(482,381)	(527,026)
Fund balances, beginning of year	6,361	6,361	6,361	-
Fund balances, end of year	$ 54,389	$ 51,006	$ (476,020)	$ (527,026)

CITY CAIRO
SCHEDULE OF CHANGES IN GMEBS NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS*
JUNE 30, 2022

	2022	2021	2020	2019
Year Ended December 31				
Total Pension Liability				
Service cost	$ 155,150	$ 154,971	$ 159,970	$ 151,970
Interest	1,281,721	1,217,950	1,186,966	1,102,373
Difference between expected and actual experience	309,358	306,035	(111,920)	463,975
Change in assumptions	-	-	-	-
Benefit payments	(872,186)	(756,706)	(594,490)	(602,335)
Other	-	-	133,952	
Net Change in total pension liability	874,043	922,250	774,478	1,115,983
Total Pension Liability				
Beginning	17,660,212	16,737,962	15,963,484	14,847,501
Ending	18,534,255	17,660,212	16,737,962	15,963,484
Plan fiduciary net position				
Contributions - employer	570,007	624,707	585,571	560,098
Net investment income	3,566,330	1,308,914	396,586	1,201,184
Benefit payments	(872,186)	(756,706)	(594,490)	(602,335)
Administrative expenses	(28,686)	(27,979)	(27,162)	(29,022)
Net change in plan fiduciary net position	3,235,465	1,148,936	360,505	1,129,925
Plan fiduciary net position				
Beginning	14,763,041	13,614,105	13,253,600	12,123,675
Ending	17,998,506	14,763,041	13,614,105	13,253,600
Net pension liability - ending	$ 535,749	$ 2,897,171	$ 3,123,857	$ 2,709,884
Plan fiduciary net position as a % of total pension liability	97.11%	83.59%	81.34%	83.02%
Covered-employee payroll	$ 5,731,229	$ 5,527,430	$ 5,849,610	$ 5,927,296
Net pension liability as a % of covered employee payroll	9.35%	52.41%	53.4%	45.7%

CITY CAIRO
SCHEDULE OF CHANGES IN GMEBS NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS*
JUNE 30, 2022

	2018	2017	2016	2015
Year Ended December 31				
Total Pension Liability				
Service cost	$ 168,373	$ 174,922	$ 177,591	$ 198,883
Interest	1,053,016	1,023,837	965,009	951,060
Difference between expected and actual experience	180,089	(226,192)	192,509	(180,743)
Change in assumptions	161,242	-	-	-
Benefit payments	(605,034)	(587,096)	(564,988)	(537,999)
Other	-	-	-	(237,714)
Net Change in total pension liability	957,686	385,471	770,121	193,487
Total Pension Liability				
Beginning	13,889,815	13,504,344	12,734,223	12,540,736
Ending	14,847,501	13,889,815	13,504,344	12,734,223
Plan fiduciary net position				
Contributions - employer	558,838	695,554	801,187	670,804
Net investment income	1,589,743	1,059,026	95,823	928,602
Benefit payments	(605,034)	(587,096)	(564,988)	(537,999)
Administrative expenses	(30,660)	(17,949)	(20,550)	(16,360)
Net change in plan fiduciary net position	1,512,887	1,149,535	311,472	1,045,047
Plan fiduciary net position				
Beginning	10,610,788	9,461,253	9,149,781	8,104,734
Ending	12,123,675	10,610,788	9,461,253	9,149,781
Net pension liability - ending	$ 2,723,826	$ 3,279,027	$ 4,043,091	$ 3,584,442
Plan fiduciary net position as a % of total pension liability	81.70%	76.40%	70.10%	71.90%
Covered-employee payroll	$ 5,605,431	$ 5,432,291	$ 5,511,469	$ 5,239,696
Net pension liability as a % of covered employee payroll	48.6%	60.4%	73.4%	68.4%

CITY CAIRO
SCHEDULE OF CHANGES IN GMEBS NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN YEARS*
JUNE 30, 2022

Notes to Schedule

*Year 2015 was the 1st year of implementation; therefore, only eight years are shown.

CITY OF CAIRO
SCHEDULE OF GMEBS RETIREMENT PLAN CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2022

Year ended June 30	2022	2021	2020	2019
Actuarially determined contribution	__**	$ 621,826	$ 625,283	$ 577,629
Contribution in relation to the actuarially determined contribution	__**	$ 622,114	$ 621,312	$ 575,876
Contribution deficiency (excess)	__**	$ (288)	$ 3,971	$ 1,753
Covered-employee payroll	__**	$5,527,430	$5,849,610	$5,927,296
Contribution as a % of covered employee payroll	__**	11.26%	10.62%	9.72%

CITY OF CAIRO
SCHEDULE OF GMEBS RETIREMENT PLAN CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2022

Year ended June 30	2018	2017	2016	2015
Actuarially determined contribution	$ 556,592	$ 621,430	$ 648,236	$ 756,161
Contribution in relation to the actuarially determined contribution	$ 561,995	$ 623,664	$ 657,230	803,655
Contribution deficiency (excess)	$ (5,403)	$ (2,234)	$ (8,994)	(47,494)
Covered-employee payroll	$5,605,431	$ 5,432,291	$5,511,469	5,239,696
Contribution as a % of covered employee payroll	10.03%	11.48%	11.92%	15.34%

Notes to Schedule of Contribution – see Note 9 for details

*Year 2015 was the first year of implementation, therefore, only seven years are shown.

**2022 information will be determined after fiscal year end and will be included in the 2023 valuation report.

CITY OF CAIRO
SCHEDULE OF GFPF COLLECTIVE NET PENSION AND EMPLOYER LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State of Georgia's proportionate share of the net pension liability (asset) associated with	$ 73,196	$ 434,540	$ 375,292	$ 393,285	$ 356,549	$ 444,377	$ 339,941	$ 171,704
City's covered-employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll entity's porportionate share of collective	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.77%	80.82%	84.67%	83.95%	83.74%	79.03%	83.06%	89.72%

**The State makes all contributions to the plan on behalf of employees of the participating employers. The proportionate share percentage has been determined based on these contributions.

CITY OF CAIRO
SCHEDULE OF POABF NET PENSION AND EMPLOYER LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019
City's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%
State of Georgia's proportionate share of the net pension liability (asset) associated with the City	$ (2,556)	$ 10,549	$ (17,928)	$ (8,591)
City's covered-employee payroll	m/a	m/a	n/a	n/a
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	n/a	n/a	n/a	n/a
entity's porportionate share of collective				
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.33%	98.36%	102.93%	101.79%

CITY OF CAIRO
SCHEDULE OF POABF NET PENSION AND EMPLOYER LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2022

	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%
State of Georgia's proportionate share of the net pension liability (asset) associated with the City	$ (6,483)	$ 31,453	$ 6,615	$ (15,636)
City's covered-employee payroll	n/a	n/a	n/a	n/a
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll entity's porportionate share of collective	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.62%	92.18%	98.28%	103.75%

Notes to the Schedule:

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

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF CAIRO
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2022

	Capital Projects Funds			Special Revenue Funds		Permanent Fund		Total
	Grant Projects Fund	SPLOST 2020	TSPLOST 2020	EIP CDBG	Hotel/ Motel Tax	Forest Lawn Cemetery	Cemetery Perpetual Care	Nonmajor Governmental Funds
ASSETS								
Accounts receivable, net	$ -	$ 114,435	$ 102,413	$ 1,542	$ -	$ -	$ -	$ 218,390
Intergovernmental receivable	20,256	-	-	-	-	-	-	20,256
Restricted assets:								
Cash and cash equivalents	100	1,016,549	1,507,295	501,738	75,931	32,973	11,557	3,146,143
Program receivables	-	-	-	1,160,839	-	-	-	1,160,839
Due from other funds	-	(115,916)	-	-	-	-	-	(115,916)
Total assets	$ 20,356	$ 1,015,068	$ 1,609,708	$ 1,664,119	$ 75,931	32,973	11,557	$ 4,429,712
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	$ 12,256	$ 451,944	$ -	-	$ -	$ -	-	$ 464,200
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	12,256	451,944	-	-	-	-	-	464,200
Fund balance:								
Restricted for:								
Specific projects	8,100	563,124	1,609,708	1,664,119	-			3,845,051
Public services	-	-	-	-	75,931	32,973	11,557	120,461
Total fund balances	8,100	563,124	1,609,708	1,664,119	75,931	32,973	11,557	3,965,512
Total liabilities and fund balance	$ 20,356	$ 1,015,068	$ 1,609,708	$ 1,664,119	$ 75,931	32,973	11,557	$ 4,429,712

CITY OF CAIRO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Capital Projects Funds			Special Revenue Funds		Permanent Fund		Total
	Grant Projects Fund	SPLOST 2020	TSPLOST 2020	EIP CDBG	Hotel/ Motel Tax	Forest Lawn Cemetery	Cemetery Perpetual Care	Nonmajor Governmental Funds
REVENUES								
Taxes	$ -	$ -	$ -	$ -	$ 56,195	$ -	$ -	$ 56,195
Intergovernmental	696,650	1,264,564	1,043,090	-	-	-	-	3,004,304
Investment income	-	427	484	35,090	40	17	15	36,073
Other revenues	-	-	-	-	-	-	-	-
Total revenues	696,650	1,264,991	1,043,574	35,090	56,235	17	15	3,096,572
EXPENDITURES								
Current:								
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	24,820	-	-	24,820
Public safety	-	-	-	-	-	-	-	-
Capital outlay	942,572	926,443	106,740	-	-	-	-	1,975,755
Debt service	-	607,719	-	-	-	-	-	607,719
Total expenditures	942,572	1,534,162	106,740	-	24,820	-	-	2,608,294
Excess (deficiency) of revenues over (under) expenditures	(245,923)	(269,171)	936,834	35,090	31,415	17	15	488,277
OTHER FINANCING SOURCES (USES)								
Transfers	245,923	-	-	-	(57,932)	-	-	187,991
Total other financing sources (uses)	245,923	-	-	-	(57,932)	-	-	187,991
Net change in fund balances	0	(269,171)	936,834	35,090	(26,517)	17	15	676,268
Fund balances - beginning	8,100	832,295	672,874	1,629,029	102,448	32,956	11,542	3,289,244
Fund balances - ending	$ 8,100	$ 563,124	$ 1,609,708	$ 1,664,119	$ 75,931	$ 32,973	$ 11,557	3,965,512

CITY OF CAIRO
BUDGETARY COMPARISON SCHEDULE – EIP CDBG REVOLVING LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts Original and Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Budgetary fund balance, July 1	$ 1,629,029	$1,629,029	$ -
Resources (inflows):			
Investment income	-	-	-
Other income	29,075	35,090	6,015
Amounts available for appropriation	1,658,104	1,664,119	6,015
Charges to appropriation (outflows):			
Contingency	29,075	-	(29,075)
Total charges to appropriations	29,075	-	(29,075)
Budgetary fund balance, June 30	$ 1,629,029	$1,664,119	$ 35,090

CITY OF CAIRO
BUDGETARY COMPARISON SCHEDULE – HOTEL/MOTEL TAX
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts Original and Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Budgetary fund balance, July 1	$ 102,448	$ 102,448	$ -
Resources (inflows):			
Taxes	49,010	56,195	7,185
Investment income	-	40	40
Amounts available for appropriation	151,458	158,683	7,225
Charges to appropriation (outflows):			
Contributions to RCC	-		-
Other	49,010	24,820	(24,190)
Total charges to appropriations	49,010	24,820	(24,190)
Other financing sources (uses)			
Transfers	-	(57,932)	(57,932)
Budgetary fund balance, June 30	$ 102,448	$ 75,931	$ (26,517)

CITY OF CAIRO
BUDGETARY COMPARISON SCHEDULE – ARPA
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts Original and Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Budgetary fund balance, July 1	$ -	$ -	$ -
Resources (inflows):			
Intergovernmental revenue	1,749,363	1,749,363	-
Investment income	-	-	-
Amounts available for appropriation	1,749,363	1,749,363	-
Charges to appropriation (outflows):			
Contributions to RCC	-		-
Other	205,100	-	(205,100)
Total charges to appropriations	205,100	-	(205,100)
Other financing sources (uses)			
Transfers	(1,544,263)	(552,929)	991,334
Budgetary fund balance, June 30	$ -	$ 1,196,434	$ 1,196,434

CITY OF CAIRO
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2022

	Business Type Activities - Enterprise Funds						
	Cable Fund	Garbage and Trash Fund	Airport Fund	Telecomm Fund	Special Facilities Fund	Gas Fund	Total
ASSETS							
Current assets:							
Cash and cash equivalents	$ -	$ -	$ 3,210	$ -	$ 75,523	$ -	$ 78,733
Accounts receivable, net	229,280	206,692	1,389	84,508	-	165,172	687,041
Intergovernmental receivables	-	-	47,954	-	-	-	47,954
Due from other funds	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	130,012	130,012
Prepaid expense	-	-	-	-	-	-	-
Total current assets	229,280	206,692	52,553	84,508	75,523	295,184	943,740
Noncurrent assets:							
Investment in SGGSA	1,164,093	-	-	703,086	-	-	1,867,179
Restricted assets - cash	-	491,407	-	-	-	-	491,407
Restricted assets - CD	-	-	-	-	-	-	-
Capital assets:				-			
Land	-	6,400	227,534	-	-	500	234,434
Construction in progress	-	-	300,349	-	-	-	300,349
Other capital assets, net of accumulated depreciation	-	1,498	1,528,983	-	619,932	868,838	3,019,251
Total noncurrent assets	1,164,093	499,305	2,056,866	703,086	619,932	869,338	5,912,620
Total assets	1,393,373	705,997	2,109,419	787,594	695,455	1,164,522	6,856,360
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows from pensions	-	2,399	-	-	-	47,755	50,154
Total deferred inflows of resources	-	2,399	-	-	-	47,755	50,154
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,393,373	$ 708,396	$ 2,109,419	$ 787,594	$ 695,455	$ 1,212,277	$ 6,906,514

CITY OF CAIRO
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2022

	Business Type Activities - Enterprise Funds						
	Cable Fund	Garbage and Trash Fund	Airport Fund	Telecomm Fund	Special Facilities Fund	Gas Fund	Total
LIABILITIES							
Current liabilities payable from current assets:							
Accounts payable	$ 251,698	$ 257,730	$ 103,813	$ 69,035	$ 465	$ 108,614	$ 791,355
Accrued expenses	815	-	-	1,480	-	15,928	18,223
Current portion of long-term debt	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	4,250	-	4,250
Due to other funds	-	-	-	-	-	-	-
Total current liabilities payable from current assets	252,513	$ 257,730	$ 103,813	$ 70,515	4,715	124,542	$ 813,828
Long-term liabilities:							
Long-term debt, net of current portion	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	8,083	8,083
Net pension liability	-	988	-	-	-	19,672	20,660
Other long-term liabilities	-	-	-	-	-	-	-
Total long-term liabilities	-	988	-	-	-	27,755	28,743
Total liabilities	252,513	258,718	103,813	70,515	4,715	152,297	842,571
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows from pensions	-	3,789	-	-	-	75,445	79,234
Total deferred inflows of resources	-	3,789	-	-	-	75,445	79,234
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	252,513	262,507	103,813	70,515	4,715	227,742	921,805
NET POSITION:							
Net investment in capital assets	-	7,898	2,056,866	-	619,932	869,338	3,554,034
Restricted	-	-	-	-	-	-	-
Unrestricted	1,140,860	437,992	(51,260)	717,079	70,808	115,197	2,430,676
Total net position	$ 1,140,860	$ 445,890	$ 2,005,606	$ 717,079	$ 690,740	$ 984,535	$ 5,984,710

CITY OF CAIRO
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business Type Activities - Enterprise Funds						
	Cable Fund	Garbage and Trash Fund	Airport Fund	Telecomm Fund	Special Facilities Fund	Gas Fund	Total
OPERATING REVENUES							
Utility revenues	$ -	$ -	$ -	$ -	$ -	$ 1,511,132	$ 1,511,132
Charges for services	467,158	1,573,058	21,698	125,403	70,969	-	2,258,286
Other revenues	-	24,430	-	1,674	1,001	4,118	31,223
Intergovernmental	-	-	198,134	-	-	-	198,134
Total operating revenues	467,158	1,597,488	219,832	127,077	71,970	1,515,250	3,998,775
OPERATING EXPENSES							
Salaries and wages	-	-	-	-	-	337,635	337,635
Operating, administrative, and maintenance	43,920	1,584,001	33,166	-	57,791	1,101,198	2,820,076
Depreciation	-	5,129	102,608	-	43,328	63,795	214,860
Total operating expenses	43,920	1,589,130	135,774	-	101,119	1,502,628	3,372,571
Operating income (loss)	423,238	8,358	84,058	127,077	(29,149)	12,622	626,204
NONOPERATING REVENUE (EXPENSES)							
Interest income	-	-	1	-	19	-	20
Interest expense	-	-	-	-	-	-	-
Total nonoperating revenue (expenses)	-	-	1	-	19	-	20
Income (loss) before transfers	423,238	8,358	84,059	127,077	(29,130)	12,622	626,224
Transfers	(293,328)	(125,338)	(31,897)	(76,496)	56,610	(17,300)	(487,749)
Capital contributions	-	-	-	-	663,260	90,000	753,260
Change in net position	129,910	(116,980)	52,162	50,581	690,740	85,322	891,735
Net position, beginning of year	1,010,950	562,870	1,953,444	666,498	-	899,213	5,092,975
Net position, end of year	$ 1,140,860	$ 445,890	$ 2,005,606	$ 717,079	$ 690,740	$ 984,535	$ 5,984,710

CITY OF CAIRO
STATEMENTS OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business Type Activities - Enterprise Funds						
	Cable Fund	Garbage and Trash Fund	Airport Fund	Telecomm Fund	Special Facilities Fund	Gas Fund	Total
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts from customers	$ 474,389	$1,582,446	$ 173,451	$ 125,901	$ 76,220	$1,461,114	$3,893,521
Grant	-	-	-	-	-	-	-
Payments to employees (or for their benefit) for services provided	-	(2,258)	-	-	-	(362,058)	(364,316)
Payments to suppliers for goods or services	(62,549)	(1,454,850)	69,668	(7,871)	(57,326)	(1,080,229)	(2,593,157)
Net cash provided (used) by operating activities	411,840	125,338	243,119	118,030	18,894	18,827	936,048
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	-		(31,897)	-	56,610		24,713
Transfers to other funds	(293,328)	(125,338)	-	(76,496)	-	72,700	(422,462)
Net change in due from other funds	-	-		-	-	-	-
Liabilities assumed by other funds		-		-	-	-	-
Net cash provided (used) by noncapital financing activities	(293,328)	(125,338)	(31,897)	(76,496)	56,610	72,700	(397,749)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchases of capital assets	-	-	(212,004)	-	-	(91,527)	(303,531)
Proceeds from borrowing	-	-	-	-	-	-	-
Principal paid on capital debt	-	-	-	-	-	-	-
Interest paid on capital debt	-	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	(212,004)	-	-	(91,527)	(303,531)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment in SGGSA	(118,512)	-	-	(41,534)	-	-	(160,046)
Interest income	-	-	-	-	19	-	19
Net cash provided by investing activities	(118,512)	-	-	(41,534)	19	-	(160,027)
Net increase in cash	-	-	(782)	-	75,523	-	74,741
Balances - beginning	-	491,407	3,994	-	-	-	495,401
Balances - ending	-	491,407	3,212	-	75,523	-	570,142

CITY OF CAIRO
STATEMENTS OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

	Business Type Activities - Enterprise Funds						
	Cable Fund	Garbage and Trash Fund	Airport Fund	Telecomm Fund	Special Facilities Fund	Gas Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating income (loss)	423,238	8,358	84,058	127,077	(29,149)	12,622	626,204
Adjustments to reconcile operating income to net cash provided by operating activities:							-
Non cash contributions expensed	-	-	-	-	-	-	-
Depreciation expense	-	5,129	102,608	-	43,328	63,795	214,860
Change in assets and liabilities:							
Receivables, net	7,231	(15,040)	(46,381)	(1,176)	-	(54,138)	(109,504)
Prepaid expense	-	-	-	-	-	876	876
Customer deposits	-	-	-	-	4,250	-	4,250
Compensated absences	-	-	-	-	-	1,670	1,670
Pension related balances	-	(2,260)	-	-	-	(11,503)	(13,763)
Accounts payable and accrued expenses	(18,629)	129,152	102,834	(7,871)	(465)	48,763	253,784
Inventory	-	-	-	-	-	(28,668)	(28,668)
Net cash provided by operating activities	411,840	125,339	243,119	118,030	17,964	33,417	949,709

Noncash: Assets with a book value of $663,259 were transferred from the General fixed assets to the Special Facilities Fund (Community Center).

STATE COMPLIANCE SECTION

CITY OF CAIRO
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE
GRANT AWARD #19P-X-065-2-6115
FOR THE YEAR ENDED JUNE 30, 2022

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulated CDBG Expenditures To Date	Accumulated Expenditures to Date (Other Funds)	Grand Total of Expenditures To Date	Questioned Costs (if Applicable)
Water facilities	P-03J-01	$ 705,000	$ 669,649	$ 245,923	$ 915,572	None
	A-21A-00	$ 45,000	$ 45,000	$ -	$ 45,000	
		$ 750,000	$ 714,649	$ 245,923	$ 960,572	

CITY OF CAIRO
ONE PERCENT SPECIAL PURPOSE SALES TAX
PROJECT COST SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Period	Expenditures Total	Estimated Percent Completed
SPLOST - 2020 Issue					
Referendum Expenditures:					
Streets, sidewalks, curbs, gutters and drainage	$ 300,000	$ 78,071	$ 13,055	$ 91,126	
Drinking water capital improvements	2,000,000	36,599	-	36,599	
Waste water treatment capital improvements	1,000,000	-	-	-	
Equipment purchases	900,000	99,099	409,135	508,234	
Buildings and parks capital improvements	900,000	159,297	504,253	663,550	
Debt reduction	1,812,000	246,391	607,718	854,109	
Totals	$ 6,912,000	$ 619,457	$ 1,534,161	$ 2,153,618	31.16%

Prepared on the modified accrual basis of accounting.

CITY OF CAIRO
ONE PERCENT TRANSPORTATION SPECIAL PURPOSE SALES TAX
PROJECT COST SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Period	Expenditures Total	Estimated Percent Completed
TSPLOST - 2020 Issue					
Expenditures:					
Transportation projects	$ 5,148,353	$ 221,550	$ 106,740	$ 328,290	
Totals	$ 5,148,353	$ 221,550	$ 106,740	$ 328,290	6.38%

Prepared on the modified accrual basis of accounting.

FEDERAL COMPLIANCE SECTION

CITY OF CAIRO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA #	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
CDBG - Entitlement Grants-Cluster				
Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants	14.218	CDBG -- 19p-x-065-2-6115	-	696,649
Total Community Development Block Grants/Entitlement Grants			**-**	**696,649**
Drinking Water State Revolving Fund Cluster				
United States Environmental Protection Agency				
Pass-Through Programs From State of Georgia				
Capitalization Grants for Drinking Water State Revolving Fund	66.468	GEFA loan --DW2019017	-	1,108,714
Total US Environmental Protection Agency			**-**	**1,108,714**
Other Programs				
Department of Homeland Security				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA	-	64,733
Total Department of Homeland Security			**-**	**64,733**
Department of Transportation:				
Pass-Through Programs From:				
State of Georgia				
Airport Improvement Program	20.106	Fuel -- AP021-9046-22(131)	-	170,587
Airport Improvement Program	20.106	Terminal -- AP022-9052-25(131)	-	38,319
Total Department of Transportation			**-**	**208,906**
Department of Housing and Urban Development				
Rural Housing and Economic Development	14.25	RLF--RLF1	-	514,171
Total Department of Homeland Security			**-**	**514,171**
Department of the Treausry				
Coronavirus Relief Fund	21.019	Airport	-	9,000
Coronavirus State and Local Fiscal Recovery Funds (Single or Program-specific Audit)	21.027	ARPA	-	552,929
Total Department of the Treasury			**-**	**561,929**
Total Other Programs			**-**	**1,349,739**
TOTAL - ALL PROGRAMS			**$ -**	**$ 3,155,102**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in the prior years. The City has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – LOANS AND LOAN GUARANTEE PROGRAMS

At June 30, 2022, the City had $4,852,559 outstanding in loan guarantee programs relating to Capitalization Grants for Drinking Water State Revolving Funds through the United States Environmental Protection Agency passed through the Georgia Environmental Finance Authority. These funds are payable to the Georgia Environmental Finance Authority.

Expenditures of federal awards for revolving loan funds are calculated as follows:

Notes receivable balance at June 30, 2021	$ 1,297,517
Loans written off during the year	-
Cash and investment balance at June 30, 2021	332,184
Current year expenditures (cash basis)	-
Subtotal	1,629,701
At applicable rate **	31.55%
*Expenditures of federal awards	$ 514,171

** [original federal funding)/sum of RLF assets]

VALENTI, RACKLEY & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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 City Council
City of Cairo, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cairo, Georgia ("the City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated February 13, 2023.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a material weakness.

Compliance and Other Matters

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

The City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

February 13, 2023

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

To the Honorable Mayor and City Council
City of Cairo, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Cairo, Georgia's ("the City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over

compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Respectfully submitted,

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

February 13, 2023

CITY OF CAIRO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting

Material weakness(es) identified?	X	yes		no
Significant deficiencies identified that are not considered to be material weakness(es)?		yes	X	none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?		yes	X	no
Significant deficiencies identified that are not considered to be material weakness(es)?		yes	X	none reported

Type of auditor's report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

CITY OF CAIRO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Identification of major program

CFDA Number(s)	Name of Federal Program or Cluster
66.468	U. S. Environmental Protection Agency, Capitalization Grants for Drinking Water State Revolving Fund
20.106	Department of Transportation, Airport Improvement Program

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

Auditee qualified as a low-risk auditee? _____ yes X no

CITY OF CAIRO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

2022-001

Criteria: Accounting duties should be segregated between employees so that the responsibility for authorizing transactions, recording transactions, and maintaining custody of assets are assigned to different personnel, thereby strengthening internal controls.

Condition: Certain accounting duties are not segregated such as authorization of disbursements and recording in general ledger, bank reconciliation preparation and recording in general ledger, deposit preparation and recording in general ledger.

Cause: Due to the size of the City and budget constraints, it has not been financially feasible to hire sufficient staff to provide for optimum segregation of accounting duties.

Effect: Risk of material errors in accounting and reporting and fraud is increased versus an environment where adequate segregation of duties exists.

Recommendation: Continue to practice mitigating controls such as review and oversight of accounting function by management and/or governance.

Management Response: Management concurs with this finding. See management's Corrective Action Plan separately submitted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF CAIRO
STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

Audit Reference Number	
2021-001	Uncorrected in current year and recited as 2022-001.