CITY OF CAIRO, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

CITY OF CAIRO
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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, 2023, 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, 2023, 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 January 15, 2024, 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

January 15, 2024

CITY OF CAIRO
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	City of Cairo Development Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Cash	$ 328,555	$ 1,138,436	$ 1,466,991	$ -
Investments	-	6,844,901	6,844,901	-
Accounts receivable	580,779	3,349,539	3,930,318	-
Intergovernmental receivables	331	27,683	28,014	-
Inventories	47,604	1,139,785	1,187,389	-
Internal balances	648,551	(648,551)	-	-
Investment in SGGSA	-	2,143,346	2,143,346	-
Restricted cash	5,704,664	2,412,207	8,116,871	-
Restricted assets - certificate of deposit	230,450	600,000	830,450	-
Restricted investments	-	1,357,669	1,357,669	-
Program receivables	1,246,139	-	1,246,139	-
Lease receivable	136,330	-	136,330	
Other receivables	2,753	-	2,753	-
Capital assets:				
Land and other nondepreciable assets	573,498	2,112,609	2,686,107	-
Construction in progress	94,048	678,967	773,015	-
Other capital assets, net of accumulated depreciation	13,975,363	32,832,624	46,807,987	-
Total assets	23,569,065	53,989,215	77,558,280	-
Deferred outflows of resources related to pensions	1,854,222	1,099,816	2,954,038	-
Total assets and deferred outflows of resources	25,423,287	55,089,031	80,512,318	-

See accompanying notes to the basic financial statements.

CITY OF CAIRO
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	City of Cairo Development Authority
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Accounts payable	852,386	3,139,827	3,992,213	-
Accrued expenses	550,299	264,877	815,176	-
Customer deposits	-	792,023	792,023	-
Short-term debt	500,000	-	500,000	-
Long-term liabilities:				
Due within one year	-	1,499,913	1,499,913	-
Due in more than one year	-	4,739,579	4,739,579	-
Compensated absences	181,093	97,758	278,851	-
Unearned income	136,330	-	136,330	
Net pension liability	2,759,874	1,636,996	4,396,870	-
Landfill closure/post closure costs	-	4,533,258	4,533,258	-
Total liabilities	4,979,982	16,704,231	21,684,213	-
Deferred inflows of resources related to pensions	26,249	15,568	41,817	-
Total liabilities and deferred inflows of resources	5,006,231	16,719,799	21,726,030	-
NET POSITION				
Net investment in capital assets	14,642,909	29,384,708	44,027,617	-
Restricted for capital projects	3,915,489	-	3,915,489	-
Restricted for electric power generation	-	1,357,669	1,357,669	
Restricted for cemetery maintenance	44,686	-	44,686	
Restricted for tourism	97,872	-	97,872	
Restricted for public safety	-	-	-	
Restricted for ARPA purposes	1,151,991	-	1,151,991	
Restricted for revolving loan fund	1,694,159	-	1,694,159	
Unrestricted	(1,130,050)	7,626,855	6,496,806	-
Total net position	$ 20,417,056	$ 38,369,232	$ 58,786,288	$ -

See accompanying notes to the basic financial statements.

CITY OF CAIRO
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Function/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total	Net (Expense) Revenue and Changes in Net Position: Component Unit
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	$ 1,220,466	$ 114,955	$ 1,749,363	$ 2,703,680	$ 3,347,532		$ 3,347,532	
Public safety	5,329,305	192,821	-	-	(5,136,484)		(5,136,484)	
Public works	1,880,735	3,919	-	248,614	(1,628,202)		(1,628,202)	
Parks, culture, and cemetery	1,290,993	33,604	7,500	140,364	(1,109,525)		(1,109,525)	
Community development	250,049	-	8,500	36,160	(205,389)		(205,389)	
Interest on general long-term debt	5,086	-	-	-	(5,086)		(5,086)	
Total governmental activities	9,976,634	345,299	1,765,363	3,128,818	(4,737,154)		(4,737,154)	
Business-type activities:								
Water and sewer	4,779,451	3,336,387	-	306,335	-	(1,136,729)	(1,136,729)	
Electric revenue	14,481,294	15,513,690	-	-	-	1,032,396	1,032,396	
Gas revenue	1,450,734	1,492,902	-	-	-	42,168	42,168	
Cable TV	-	504,067	-	-	-	504,067	504,067	
Garbage and trash	1,766,596	1,597,777	-	-	-	(168,819)	(168,819)	
Airport	149,784	21,871	-	772,944	-	645,031	645,031	
Special facilities	114,510	86,400	-	-	-	(28,110)	(28,110)	
Landfill	799,797	166,020	-	-	-	(633,777)	(633,777)	
Total business-type activities	23,542,166	22,719,114	-	1,079,279	-	256,227	256,227	
Total primary government	$ 33,518,800	$23,064,413	$ 1,765,363	$ 4,208,097	(4,737,154)	256,227	(4,480,927)	
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, 2023

	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					1,787,632	-	1,787,632	-
Sales and use taxes					1,352,522	-	1,352,522	-
Other taxes					1,284,875	-	1,284,875	-
Investment earnings					56,672	526,806	583,478	-
Miscellaneous					40,281	1,601,754	1,642,035	-
Total general revenues					4,521,982	2,128,560	6,650,542	-
Transfers/Capital contributions					2,802,771	(2,802,771)	-	-
Total general revenues and transfers					7,324,753	(674,211)	6,650,542	-
Change in net position					2,587,599	(417,984)	2,169,615	-
Net position - beginning					17,829,457	38,787,216	56,616,673	-
Net position - ending					$ 20,417,056	$ 38,369,232	$ 58,786,288	-

See accompanying notes to the basic financial statements.

CITY OF CAIRO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 328,555	$ -	$ 328,555
Accounts receivable, net	362,757	218,023	580,780
Intergovernmental receivables	331	-	331
Inventories	47,604	-	47,604
Due from other funds	235,916	528,551	764,467
Restricted assets:			
Cash and cash equivalents	633,245	5,071,419	5,704,664
Certificate of deposit	230,450	-	230,450
Program receivables	-	1,246,139	1,246,139
Other receivables	2,753	-	2,753
Total assets	$1,841,611	$ 7,064,132	$ 8,905,743
LIABILITIES			
Accounts payable	$ 808,368	$ 44,019	$ 852,387
Accrued expenses	550,298	-	550,298
Short term debt	500,000	-	500,000
Due to other funds	-	115,916	115,916
Total liabilities	1,858,666	159,935	2,018,601
FUND BALANCES			
Nonspendable			
Inventories	47,604	-	47,604
Restricted for:			
Specific projects	-	6,761,639	6,761,639
Public Services	863,695	142,558	1,006,253
Unassigned - General Fund	(928,354)	-	(928,354)
Total fund balances	(17,055)	6,904,197	6,887,142
Total liabilities, deferred inflows of resources and fund balances	$1,841,611	$ 7,064,132	$ 8,905,743

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, 2023

Fund Balance - Total Governmental Funds		$ 6,887,142
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.		(181,095)
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	1,854,222
	Net pension liability	(2,759,874)
	Deferred inflows of resources	(26,249)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		14,642,910
Net position of governmental activities		$20,417,056

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, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	$ 1,787,632	$ -	$ 1,787,632
Local option sales taxes	1,352,522	-	1,352,522
Other taxes	1,227,449	57,426	1,284,875
Licenses and permits	112,522	-	112,522
Fines and forfeitures	192,821	-	192,821
Charges for services	39,956	-	39,956
Investment income	9,765	46,905	56,670
Intergovernmental	319,531	4,575,574	4,895,105
Other revenues	39,359	-	39,359
Total revenues	5,081,557	4,679,905	9,761,462
EXPENDITURES			
Current:			
General government	1,175,026	-	1,175,026
Public safety	4,986,895	-	4,986,895
Public works	1,112,505	-	1,112,505
Parks, culture, and cemeteries	1,102,340	-	1,102,340
Community development/services	248,420	221	248,641
Capital outlays	45,700	2,304,726	2,350,426
Debt service:	5,086	610,442	615,528
Total expenditures	8,675,972	2,915,389	11,591,361
Excess (deficiency) of revenues over (under) expenditures	(3,594,415)	1,764,516	(1,829,899)
OTHER FINANCING SOURCES			
Transfers	3,950,991	80,124	4,031,115
Total other financing resources	3,950,991	80,124	4,031,115
Net change in fund balances	356,576	1,844,640	2,201,216
Fund balances - beginning, restated	(373,631)	5,059,557	4,685,926
Fund balances - ending	$ (17,055)	$ 6,904,197	$ 6,887,142

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, 2023

Net change in fund balances - total governmental funds	$	2,201,216
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay ($2,405,223) exceeded depreciation ($1,237,144), less capital contributions ($672,696) in the current period.		495,383
Transfer of capital assets from governmental funds to proprietary funds		-
Construction in progress in governmental funds in prior year transferred and capitalized in proprietary funds		-
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.		8,737
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 increased.		(117,737)
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.		-
Change in net position of governmental activities	$	2,587,599

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business Type Activities - Enterprise Funds					
	Water and Sewer Fund	Electric Revenue Fund	Landfill Fund	Airport Fund	Nonmajor Enterprise Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current assets:						
Cash and cash equivalents	$ 52,576	$ 353,867	$ 100	$ 592,957	$ 138,936	$ 1,138,436
Investments	-	6,844,901	-	-	-	6,844,901
Accounts receivable (net)	457,800	2,349,309	-	-	542,430	3,349,539
Intergovernmental receivables	-	-	-	27,683	-	27,683
Due from other funds	464,250	-	316,819	-	-	781,069
Inventory	170,720	845,546	-	-	123,519	1,139,785
Total current assets	1,145,346	10,393,623	316,919	620,640	804,885	13,281,413
Noncurrent assets:						
Investment in SGGSA	-	-	-	-	2,143,346	2,143,346
Restricted assets - cash	100,724	-	1,820,076	-	491,407	2,412,207
Restricted assets - certificate of deposit	-	-	600,000	-	-	600,000
Restricted assets - investments	-	1,357,669	-	-	-	1,357,669
Capital assets:						
Land	1,419,016	118,595	340,564	227,534	6,900	2,112,609
Construction in progress	626,886	-	-	52,081	-	678,967
Other capital assets, net of accumulated depreciation	26,054,608	1,626,566	846,934	2,856,739	1,447,777	32,832,624
Total noncurrent assets	28,201,234	3,102,830	3,607,574	3,136,354	4,089,430	42,137,422
Total assets	29,346,580	13,496,453	3,924,493	3,756,994	4,894,315	55,418,835
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	500,331	430,502	55,699	-	113,284	1,099,816
Total deferred outflows of resources	500,331	430,502	55,699	-	113,284	1,099,816
Total assets and deferred outflows of resources	$ 29,846,911	$ 13,926,955	$ 3,980,192	$ 3,756,994	$ 5,007,599	$ 56,518,651

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business Type Activities - Enterprise Funds					
	Water and Sewer Fund	Electric Revenue Fund	Landfill Fund	Airport Fund	Nonmajor Enterprise Funds	Total
LIABILITIES						
Current liabilities:						
Accounts payable	47,037	2,141,659	18,649	460	932,022	3,139,827
Accrued expenses	49,280	189,646	7,569	-	18,382	264,877
Current portion of long-term debt	601,557	-	33,356	-	-	634,913
Bonds payable, current	823,583	41,417	-	-	(1,400)	863,600
Customer deposits	-	793,423	-	-	-	793,423
Due to other funds	-	901,069	-	528,551	-	1,429,620
Total current liabilities	1,521,457	4,067,214	59,574	529,011	949,004	7,126,260
Noncurrent liabilities:						
Long-term debt, net of current portion	4,588,571	-	119,322	-	-	4,707,893
Bonds payable, net of current	30,728	958	-	-	-	31,686
Compensation absences	32,732	50,229	5,736	-	9,061	97,758
Net pension liability	744,706	640,771	82,904	-	168,615	1,636,996
Landfill closure/post closure costs	-	-	4,533,258	-	-	4,533,258
Total liabilities	6,918,194	4,759,172	4,800,794	529,011	1,126,680	18,133,851
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	7,083	6,094	788	-	1,603	15,568
Total deferred inflows of resources	7,083	6,094	788	-	1,603	15,568
Total liabilities and deferred inflows of resources	6,925,277	4,765,266	4,801,582	529,011	1,128,283	18,149,419
NET POSITION						
Net investment in capital assets	22,056,071	1,702,786	1,034,820	3,136,354	1,454,677	29,384,708
Restricted for electric power generation	-	1,357,669	-	-	-	1,357,669
Unrestricted (deficit)	865,563	6,101,234	(1,856,210)	91,629	2,424,639	7,626,855
Total net position	$ 22,921,634	$ 9,161,689	$ (821,390)	$ 3,227,983	$ 3,879,316	$ 38,369,232

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, 2023

	Business Type Activities - Enterprise Funds					
	Water and Sewer Fund	Electric Revenue Fund	Landfill Fund	Airport Fund	Nonmajor Enterprise Funds	Total
OPERATING REVENUES						
Utility revenue	$ 3,336,387	$ 15,513,690	$ -	$ -	$ 1,492,902	$ 20,342,979
Charges for services	-	-	166,020	21,871	2,188,244	2,376,135
Other revenues	118,453	1,433,141	16,359	-	33,801	1,601,754
Intergovernmental	306,335	-	-	772,944	-	1,079,279
Total operating revenues	3,761,175	16,946,831	182,379	794,815	3,714,947	25,400,147
OPERATING EXPENSES						
Salaries and wages	1,964,732	1,826,310	208,201	-	403,913	4,403,156
Operating, administrative, and maintenance	1,391,363	12,308,266	427,579	33,614	2,809,036	16,969,858
Depreciation	1,364,160	345,330	160,162	116,170	118,891	2,104,713
Total operating expenses	4,720,255	14,479,906	795,942	149,784	3,331,840	23,477,727
Operating income (loss)	(959,080)	2,466,925	(613,563)	645,031	383,107	1,922,420
NONOPERATING INCOME (EXPENSES)						
Interest income	2,676	266,967	19,029	2,376	458	291,506
Investment income	-	235,300	-	-	-	235,300
Interest expense	(59,196)	(1,388)	(3,855)	-	-	(64,439)
Income (loss) before transfers and capital contributions	(1,015,600)	2,967,804	(598,389)	647,407	383,565	2,384,787
Transfers	1,070,490	(4,967,144)	290,965	89,883	(559,752)	(4,075,558)
Capital contributions	711,301	-	-	485,087	76,399	1,272,787
Change in net position	766,191	(1,999,340)	(307,424)	1,222,377	(99,788)	(417,984)
Net position (deficit), beginning of year	22,155,443	11,161,029	(513,966)	2,005,606	3,979,104	38,787,216
Net position (deficit), end of year	$ 22,921,634	$ 9,161,689	$ (821,390)	$ 3,227,983	$ 3,879,316	$ 38,369,232

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business Type Activities - Enterprise Funds					
	Water and Sewer Fund	Electric Revenue Fund	Landfill	Airport Fund	Nonmajor Enterprise Funds	Total
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts from customers	$ 3,721,085	$ 16,880,828	$ 182,379	$ 815,085	$ 3,852,522	$ 25,451,899
Grant	-	-	-	-	-	-
Payments to employees (or for their benefit) for services provided	(1,925,328)	(1,787,046)	(203,864)	-	(395,743)	(4,311,981)
Payments to suppliers for goods or services	(1,559,535)	(11,438,351)	(597,772)	(135,578)	(2,557,905)	(16,289,141)
Net cash provided (used) by operating activities	236,221	3,655,430	(619,257)	679,507	898,874	4,850,775
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers/capital contributions from other funds	1,781,791	-	-	574,971	63,679	2,420,441
Transfers to other funds	-	(4,967,144)	290,965	-	(547,032)	(5,223,211)
Net change in due from other funds	(144,250)	183,926	80,324	528,551	-	648,551
Net cash provided (used) by noncapital financing activities	1,637,541	(4,783,218)	371,289	1,103,522	(483,353)	(2,154,219)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(1,242,339)	(29,999)	-	(1,195,658)	(76,399)	(2,544,396)
Net proceeds from sale of capital assets	-	-	-	-		-
Proceeds from borrowing	835,146	-	-	-	-	835,146
Principal paid on capital debt	(1,427,292)	(41,417)	(56,045)	-	-	(1,524,754)
Interest paid on capital debt	(59,196)	(1,388)	(3,855)	-	-	(64,439)
Net cash provided (used) by noncapital financing activities	(1,893,681)	(72,804)	(59,900)	(1,195,658)	(76,399)	(3,298,443)
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment in SGGSA			-	-	(276,167)	(276,167)
Withdrawals from MEAG investment	-	1,211,464	-	-	-	1,211,464
Additions to MEAG investment		(496,913)	-	-	-	(496,913)
Interest/investment income	2,676	502,267	19,029	2,376	458	526,806
Net cash provided by investing activities	2,676	1,216,818	19,029	2,376	(275,709)	965,190
Net increase in cash	(17,243)	16,226	(288,839)	589,747	63,413	363,303
Balances - beginning	170,543	337,641	2,109,015	3,210	566,930	3,187,339
Balances - ending	$ 153,300	$ 353,867	$ 1,820,176	$ 592,957	$ 630,343	$ 3,550,642

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business Type Activities - Enterprise Funds					
	Water and Sewer Fund	Electric Revenue Fund	Landfill	Airport Fund	Nonmajor Enterprise Funds	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ (959,080)	$ 2,466,925	$ (613,563)	$ 645,031	$ 383,107	$ 1,922,420
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation expense	1,364,160	345,330	160,162	116,170	118,891	2,104,713
Change in assets and liabilities:						
Receivables, net	(40,091)	(115,622)	-	20,270	143,222	7,779
Customer deposits	-	49,619	-	-	(5,650)	43,969
Pension related balances	33,350	33,124	3,369	-	7,194	77,037
Accounts payable and accrued expenses	(151,863)	974,168	(170,193)	(101,964)	244,639	794,786
Prepaid expenses	-	-	-	-	-	-
Inventory	(16,309)	(104,254)	-	-	6,493	(114,070)
Compensated absences	6,054	6,140	968	-	978	14,140
Net cash provided by operating activities	$ 236,221	$ 3,655,430	$ (619,257)	679,507	898,874	4,850,775

Noncash activity. Capital assets with a cost of $27,899 were purchased by the SPLOST Fund and contributed to the Gas Fund. Capital assets with a cost of $56,416 was purchased by the Grant Capital Projects Fund and contributed to the Water and Sewer Fund. Capital assets with a cost of $48,500 were purchased by the TSPLOST fund and contributed to the Gas Fund and a cost of $485,087 were contributed to the Airport 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.

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 Airport Fund accounts for the operations and activities of the City's airport.

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, 2023, 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.

Accounting pronouncement adopted

Effective July 1, 2022, the City adopted Governmental Standards (GASB) Statement No. 87, *Leases*. The primary objective of this statement is to better meet the information needs of the users by improving accounting and financial reporting of leases by governments. This statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The adoption of this accounting principle did not require a restatement of the beginning balances.

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, 2023:

General Fund	(17,055)
Landfill Fund	(821,390)

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, 2023 in the amount of $6,844,901 and $1,357,669, 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, 2023, the City's investments in the MEAG Municipal Competitive Trust investment pool total $8,202,570.

As of June 30, 2023, the City's investments were classified as follows:

	Category			
	1	2	3	Fair Value
MEAG Municipal Competitive Trust Investment Pool	$ -	$ -	$ 8,202,570	$ 8,202,570
	$ -	$ -	$ 8,202,570	$ 8,202,570

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 2023, 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, 2023.

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, 2023, are as follows:

	General Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
Receivables:				
Accounts	$ 245,769	$ 218,023	$ 463,746	$ 2,400,263
Sales tax	116,988	-	-	-
Gross receivables	362,757	218,023	463,746	2,400,263
Less allowance for uncollectibles	-	-	5,946	50,954
	-	-	5,946	50,954
Total net receivables	$ 362,757	$ 218,023	$ 457,800	$ 2,349,309

	Landfill Fund	Airport Fund	Nonmajor Enterprise Funds	Total
Receivables:				
Accounts	$ -	$ -	$ 561,171	$ 3,888,972
Sales tax	-	-	-	116,988
Gross receivables	-	-	561,171	4,005,960
Less allowance for uncollectibles	-	-	18,741	75,641
	-	-	18,741	75,641
Total net receivables	$ -	$ -	$ 542,430	$ 3,930,319

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, 2023, is as follows:

	Interfund Balances		
	Receivables	Payables	Net
Governmental activities:			
General fund:			
Water and Sewer Fund Fund	$ -	$ -	$ -
Electric Revenue Fund	120,000	-	120,000
Landfill fund	-	-	-
Nonmajor Governmental funds	115,916	-	115,916
Nonmajor Governmental Funds:			-
General Fund	-	(115,916)	(115,916)
Electric Revenue Fund	-	-	-
Nonmajor Enterprise Funds	528,551	-	528,551
Total governmental activities	764,467	(115,916)	648,551
Business-type activities:			
Water and Sewer Fund:			
General fund	-	-	-
Electric Revenue Fund	464,250	-	464,250
Electric Revenue Fund:		-	-
General Fund	-	(120,000)	(120,000)
Landfill Fund	-	(316,819)	(316,819)
Water Fund	-	(464,250)	(464,250)
Landfill Fund:			
Electric Revenue Fund	316,819	-	316,819
General fund	-	-	-
Nonmajor Enterprise Funds			
Nonmajor Governmental Funds	-	(528,551)	(528,551)
Total business-type activities	781,069	(1,429,620)	(648,551)
Total	$ 1,545,536	$ (1,545,536)	$ -

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	$ 3,628,093		$ 3,628,093
Water and Sewer Fund	66,774		66,774
Landfill Fund		(26,639)	(26,639)
Nonmajor Governmental Funds		(140,324)	(140,324)
Nonmajor Enterprise Funds	423,087	-	423,087
Sub-total General Fund	4,117,954	(166,963)	3,950,991
Nonmajor Governmental Funds:			
General Fund	140,224		140,224
Water and Sewer Fund	-	(691,408)	(691,408)
Airport Fund	-	(485,087)	(485,087)
Nonmajor Governmental Funds	100	-	100
Nonmajor Enterprise Funds		(112,049)	(112,049)
Sub-total Nonmajor Governmental Funds	140,324	(1,288,544)	(1,148,220)
Total governmental activities	4,258,278	(1,455,507)	2,802,771

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

	Transfers/Capital Contributions		
	In	Out	Net
Business-type activities:			
Electric Revenue Fund:			
General Fund	-	(3,628,093)	(3,628,093)
Water & Sewer Fund	-	(1,157,157)	(1,157,157)
Landfill Fund	-	(264,326)	(264,326)
Airport Fund	-	(89,883)	(89,883)
Nonmajor Enterprise Funds	200,345	(28,029)	172,316
Sub-total Electric Revenue Fund	200,345	(5,167,488)	(4,967,143)
Water & Sewer Fund:			
General Fund	-	(66,774)	(66,774)
Electric Revenue Fund	1,157,157	-	1,157,157
Nonmajor Governmental Funds	691,408	-	691,408
Nonmajor Enterprise Funds	-	-	-
Sub-total Water and Sewer Fund	1,848,565	(66,774)	1,781,791
Landfill Fund			
Electric Revenue Fund	264,326	-	264,326
General Fund	26,639	-	26,639
Nonmajor Enterprise Funds	-	-	-
Sub-total Landfill Fund	290,965	-	290,965
Airport Fund			
Electric Revenue Fund	89,883	-	89,883
Nonmajor Governmental Funds	485,087	-	485,087
Nonmajor Enterprise Funds	-	-	-
Sub-total Landfill Fund	574,970	-	574,970
Nonmajor Enterprise Funds:			
General Fund		(423,087)	(423,087)
Nonmajor Governmental Funds	112,049		112,049
Water and Sewer Fund			-
Electric Revenue Fund	28,029	(200,345)	(172,316)
Landfill Fund			-
Nonmajor Enterprise Funds	-	-	-
Sub-total Nonmajor Enterprise Funds	140,078	(623,432)	(483,354)
Total business-type activities	3,054,923	(5,857,694)	(2,802,771)
Total	$ 7,313,201	$ (7,313,201)	-

NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity as of June 30, 2023:

	Beginning Balance	Additions	Retirements/ Deletions	Transfer In (Out)	Ending Balance
Governmental activities:					
Capital assets not being depreciated					
Land	$ 573,498	$ -	$ -	$ -	$ 573,498
Construction in progress	179,757	104,435	-	(190,144)	94,048
Total capital assets not being depreciated	753,255	104,435	-	(190,144)	667,546
Capital assets being depreciated					
Buildings	10,371,360	866,489	-	(294,944)	10,942,905
Infrastructure	12,217,182	994,407	-	(56,416)	13,155,173
Equipment and vehicles	5,802,298	385,099	-	(76,399)	6,110,998
Total assets being depreciated	28,390,840	2,245,995	-	(427,759)	30,209,076
Less accumulated depreciation for:					
Buildings	(2,988,659)	(153,793)	-	-	(3,142,452)
Infrastructure	(6,982,111)	(822,256)	-	-	(7,804,367)
Equipment and vehicles	(5,025,799)	(261,095)	-	-	(5,286,894)
Total accumulated depreciation	(14,996,569)	(1,237,144)	-	-	(16,233,713)
Total capital assets being depreciated, net	13,394,271	1,008,851	-	(427,759)	13,975,363
Governmental activities capital assets, net	$ 14,147,526	$ 1,113,286	$ -	$ (617,903)	$ 14,642,909

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	$ 2,112,608	$ -	$ -	$ -	$ 2,112,608
Construction in progress	1,952,588	668,580	-	(1,942,201)	678,967
Total capital assets not being depreciated	4,065,196	668,580	-	(1,942,201)	2,791,575
Capital assets being depreciated					
Buildings	49,575,744	969,225	-	474,701	51,019,670
Infrastructure, machinery and equipment	20,108,148	288,688	-	2,085,403	22,482,239
Total assets being depreciated	69,683,892	1,257,913	-	2,560,104	73,501,909
Less accumulated depreciation for:					
Buildings	(26,047,664)	(72,380)	-	-	(26,120,044)
Infrastructure, machinery and equipment	(12,516,910)	(2,032,333)	-	-	(14,549,243)
Total accumulated depreciation	(38,564,574)	(2,104,713)	-	-	(40,669,287)
Total capital assets being depreciated, net	31,119,318	(846,800)	-	2,560,104	32,832,622
Total business-type activities capital assets, net	$ 35,184,514	$ (178,220)	$ -	$ 617,903	$ 35,624,197

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to divisions as follows:

Governmental activities:	
General government	$ 31,223
Public safety	272,273
Public works	753,830
Parks and recreation	179,818
Total depreciation expense - governmental activities	$ 1,237,144
Business-type activities	
Water and sewer	$ 1,364,160
Electric	345,330
Cable TV	-
Garbage and trash	1,498
Airport	116,170
Telecomm	-
Landfill	160,162
Gas	71,088
Special Facilities Fund	46,305
Total depreciation expense - business-type activities	$ 2,104,713

Component Unit
The Downtown Development Authority of the city of Cairo, a discretely presented component unit, for the year ended June 30, 2023, had no capital asset activity for the year ended June 30, 2023.

NOTE 7 – SHORT-TERM DEBT

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

Balance - beginning of year	$ 500,000
Proceeds from loan	-
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, 2023, are as follows:

Enterprise Fund and Description	Original Amount	Interest Rate	Due Date	Amount
Water and Sewer and Electric Funds				
Combined Public Utility Refunding				
Revenue Bonds, Series 2014	$ 12,800,000	2.5-5.00%	2025	$ 885,000
Unamortized bond premium				11,685
Less current portion				(865,000)
				$ 31,685

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, 2023, is as follows:

	Water and Sewer and Electric Revenue Bond		
Year Ending June 30	Principal	Interest	Total
2024	885,000	11,685	896,685
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028-2032	-	-	-
2033-2037	-	-	-
Total	$ 885,000	$ 11,685	$ 896,685

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 $3,985,373 as of June 30, 2023. Closure and post-closure costs for trenches E, F & G, Construction and Demolition trenches, of $1,091,393 have been 50.2% accrued as of June 30, 2023, based on capacity utilized to date. The remaining life for trenches E, F & G have a remaining life of 11.81 years. The $4,533,258 reported as landfill closure and post-closure care liability, as of June 30, 2023, 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 $2,420,076. 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 $221,800 at June 30, 2023. Amortization for assets acquired under capital leases is included in depreciation expense in the amount of $40,520. Accumulated amortization for assets recorded under capital leases at June 30, 2023 was $645,162.

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments at June 30, 2023.

NOTE 8 – LONG-TERM DEBT (CONTINUED)

	Capital Lease					
	Governmental			Business-type activities		
Year Ending June 30	Principal	Interest	Total	Principal	Interest	Total
2024	$ -	$ -	$ -	$ 56,138	$ 6,222	$ 62,360
2025	-	-	-	41,803	3,521	45,324
2026	-	-	-	125,281	1,403	126,684
2027	-	-	-	6,184	32	6,216
2028-2032	-	-	-	-	-	-
2033-2037	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ 229,406	$ 11,178	$ 240,584

Notes Payable

Business-type Activities

The City has five 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. The loan is 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, 2023, $1,473,353 was owed on this loan and is reflected in long term debt. GEFA loan #5 is being used to finance sewer collection system improvements. Debt service on this loan will begin upon project completion. At June 30, 2023, $444,917 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, 2023, is as follows:

Maturities of business-type activities long-term debt are as follows:

	GEFA Notes Payable		
Year Ending June 30	Principal	Interest	Total
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	330,494	6,750	337,244
2029-2033	522,338	6,300	528,638
Total	$ 3,195,130	$ 86,371	$ 3,281,500

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, 2023, $2,210,021 had been drawn on this loan, $736,668 has been forgiven, and the net amount due of $1,473,353 is reflected in long term debt. The loan will be payable in 119 monthly payments, with interest of 0.62%. GEFA loan # 5 is for funding sewer collection system improvements to the City's sewer system. The total loan is for $800,000. As of June 30, 2023, $556,147 had been drawn on this loan, $111,230 has been forgiven, and the net amount due of $444,917 is reflected in long term debt.

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long term liabilities at June 30, 2023 were as follows:

Business-type activities:					
Capital Lease					
2012 CAT Dozer Dump Truck	38,424	-	(23,011)	15,413	15,413
Caterpillar 973D Track Loader	15,435	-	(15,435)	-	-
JD 700L Crawler	154,862	-	(17,597)	137,265	17,943
Kenworth T370 Dump Truck	98,807	-	(22,078)	76,729	22,781
GEFA #1	1,620,218	-	(309,295)	1,310,923	311,343
GEFA #2	468,010	-	(71,015)	396,995	71,371
GEFA #3	1,681,207	-	(193,995)	1,487,212	196,062
GEFA #4	1,083,124	390,229	-	1,473,353	-
GEFA #5	-	444,917		444,917	-
Total long-term debt	5,160,087	835,146	(652,426)	5,342,807	634,913
Water and sewer and Electric bonds:					
2014 Refunding	1,750,000	-	(865,000)	885,000	865,000
Unamortized bond premium	19,010	-	(7,325)	11,685	-
Total bonds	1,769,010	-	(872,325)	896,685	865,000
Total business-type activities	$ 6,929,097	$ 835,146	$(1,524,751)	$ 6,239,492	$ 1,499,913

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

Governmental activities:	
Debt Service	$ -
	$ -
Business-type activities:	
Water, sewer and sanitation	$ 59,196
Electric	1,388
Landfill	3,855
	$ 64,439

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, 2023 was restricted for the following purposes:

	Governmental Activities	Business-type Activities
Capital Projects	$ 3,915,489	$ -
EIP CDBG Revolving Loan Fund	1,694,159	-
Tourism, Conventions, Trade Shows	97,872	-
Cemetery Maintenance	44,686	-
Power Generation	-	1,357,669
Public Safety	-	-
Other (ARPA)	1,151,991	
	$ 6,904,197	$ 1,357,669

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, 2023, the following employees were covered by the benefits terms for the plan:

		Average			
Participants	Count	Age	Service	Pay	Benefits
Active	124	48.4	17	$ 46,569	N/A
Retired	67	72.5	N/A	N/A	$1,049
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, 2022, determined that for the fiscal year beginning July 1, 2022, employer contributions of 10.48% 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 $5,731,229.

NOTE 10 – PENSION PLAN (CONTINUED)

Actuarial Assumptions

The net pension liability was measured as of September 30, 2022 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, 2023 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%	6.40%
International equity	20%	6.80%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
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, 2023, were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2021*	$ 18,534,255	$ 17,998,506	$ 535,749
Changes for the year:			
Service costs	155,318	-	155,318
Interest	1,345,897	-	1,345,897
Difference between expected and actual experience	(5,641)	-	(5,641)
Contributions - employer	-	571,725	(571,725)
Net investment income	-	(2,908,400)	2,908,400
Benefit payments	(880,240)	(880,240)	-
Adminstrative expense	-	(28,873)	28,873
Other	-	-	-
Net changes	615,334	(3,245,788)	3,861,122
Balances at September 30, 2022**	$ 19,149,589	$ 14,752,718	$ 4,396,871

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	$ 6,791,440	$ 4,396,871	$ 2,384,475

NOTE 10 – PENSION PLAN (CONTINUED)

At June 30, 2023 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	$ 613,692	$ -
Differences between expected and actual experience	415,963	(41,817)
Changes in assumptions	44,650	-
Net differences between projected and actual earnings on pension plan investments	1,879,733	-
Total	$ 2,954,038	$ (41,817)

Deferred outflows of resources related to contributions made subsequent to the measurement date of September 30, 2022, in the amount of $613,692, will be recognized as a reduction in net pension liability in the year ended June 30, 2023. The remaining amount, $2,340,346, reported as deferred outflows related to pensions at June 30, 2023, will increase pension expense in the future as follows: $616,312 for 2024, $419,767 for 2025, $459,597 for 2026, and $844,670 for 2027.

Amounts recognized as deferred inflows of resources related to pensions at June 30, 2023, totaling $41,817, will increase (decrease) pension expense in the future as follows: $19,781 for 2024, $19,781 for 2025, $1,128 for 2026, and $1,127 for 2027.

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, 2021, with updated procedures used to roll forward the total pension liability to June 30, 2022. 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-2010 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, 2023, 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 $175,442 as of June 30, 2022.

Pension Expense:

For the year ended June 30, 2023, the city recognized pension expense related to the POABFG of $15,691 and revenue of $15,691 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, 2022 and the total pension liability used to calculate the nest pension liability was based on an actuarial valuation as of June 30, 2022. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	n/a
Investment rate of return	5.75%
Mortality rates	MP 2021 Scale

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
Domestic Fixed Income	34.50%	1.10%
Large Cap Equities	18.00%	4.93%
Small/MidCap Equities	10.50%	6.12%
Int'l Equities (Unhedged)	13.00%	5.46%
Emerging Int'l Equities	6.50%	9.30%
Private Equity	7.50%	9.75%
Real Estate (Core)	5.00%	5.86%
Real Assets (Liquid)	5.00%	5.61%
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, 2023, 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 $515,164 as of June 30, 2022.

Pension Expense:

For the year ended June 30, 2022, the City recognized pension expense related to the GFPF of $125,895 and revenue of $125,895 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, 2023, the City paid $12,088 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, 2022 in the amount of $532,332. The investment had a carrying value of $ 2,143,346 at June 30, 2023 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, 2023 through June 30, 2023. 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, 2023, $57,426 of hotel/motel tax was collected and $35,871 was spent. Management represents that 100% of the lodging tax funds spent

NOTE 14 – HOTEL/MOTEL TAX (CONTINUED)

during the year ended June 30, 2023 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, 2023.

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, 2023.

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	
	2023	2022
Unpaid claims, beginning of year	$ 269,035	$ 244,121
Incurred claims (including IBNRs)	2,287,352	2,286,763
Claim payments made	(2,261,849)	(2,261,849)
Unpaid claims, end of year	$ 294,538	$ 269,035

During the year ended June 30, 2023, 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; $1,211,464 was withdrawn during the year ended June 30, 2023. The balance in the flexible trust account, as of June 30, 2023, was $6,844,901 and has been recorded as an asset of the City.

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

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2023, was $1,357,669 and has been recorded as a restricted asset of the City.

NOTE 17 – ADJUSTMENTS TO PREVIOUSLY ISSUED FINANCIAL STATEMENTS

	Governmental Activities	Business-Type Activities	Total Primary Govt
Net Position at June 30, 2022, as Previously Reported	$ 4,685,926	$ 38,787,216	$ 43,473,142
Overstatement:			
Interfund	-	-	
Net increase/(decrease)	-	-	-
Net Position at June 30, 2022, Restated	$ 4,685,926	$ 38,787,216	$ 43,473,142
Change by fund:			
General Fund	$ 102,389	$ -	$ 102,389
SPLOST 2020 Fund	(102,389)	-	(102,389)
Increase/(decrease) in beginning fund balance/net position	$ -	$ -	$ -

NOTE 18 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 15, 2024, 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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	$ 1,572,500	$ 1,572,500	$ 1,787,632	$ 215,132
Local option sales taxes	1,250,000	1,250,000	1,352,522	102,522
Other taxes	1,163,000	1,163,000	1,227,449	64,449
Licenses and permits	100,000	100,000	112,522	12,522
Fines and forfeitures	200,000	200,000	192,821	(7,179)
Charges for services	30,500	30,500	39,956	9,456
Investment income	-	-	9,765	9,765
Intergovernmental	175,000	175,000	319,531	144,531
Other revenues	9,000	9,000	39,359	30,359
Total revenues	4,500,000	4,500,000	5,081,557	581,557
Expenditures				
Current				
General government				
Mayor and council	113,848	113,848	96,183	(17,665)
City manager	294,058	294,058	296,768	2,710
Finance	214,705	214,705	240,932	26,227
Legal	26,003	26,003	32,332	6,329
Municipal court	40,353	40,353	36,894	(3,459)
Human resources	193,740	193,740	209,499	15,759
Clerk of council	268,816	268,816	276,712	7,896
General administration	14,500	14,500	16,506	2,006
Total general government	1,166,023	1,166,023	1,205,826	39,803
Public Safety				
Police	2,519,021	2,519,021	2,814,388	295,367
Fire	1,597,281	1,597,281	1,753,644	156,363
Code Enforcement	333,371	333,371	418,863	85,492
Total public safety	4,449,673	4,449,673	4,986,895	537,222
Public works				
Community service administration	292,816	292,816	337,111	44,295
Streets and sidewalks	592,666	592,666	520,898	(71,768)
Maintenance and shop	207,122	207,122	254,496	47,374
Total public works	1,092,604	1,092,604	1,112,505	19,901
Community services				
Community services	12,500	12,500	11,549	(951)
Economic development/assistance	247,306	247,306	244,571	(2,735)
Total community services	259,806	259,806	256,120	(3,686)

CITY OF CAIRO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Parks, culture, and cemeteries				
Swimming pool	55,880	55,880	60,836	4,956
Parks and cemetery	747,892	747,892	811,204	63,312
Library	237,500	237,500	237,500	-
Total parks and recreation	1,041,272	1,041,272	1,109,540	68,268
Debt service	-	-	5,086	5,086
Total expenditures	8,009,378	8,009,378	8,675,972	666,594
Excess (deficiency) of revenus over expenditures				
Other Financing Sources (Uses)				
Transfers	3,377,823	3,377,823	3,950,991	573,168
Total other financing sources (uses)	3,377,823	3,377,823	3,950,991	573,168
Net change in fund balances	(131,555)	(131,555)	356,576	488,131
Fund balances, beginning of year, restated	(373,631)	(373,631)	(373,631)	-
Fund balances, end of year	$ (505,186)	$ (505,186)	$ (17,055)	$ 488,131

CITY CAIRO
SCHEDULE OF CHANGES IN GMEBS NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS*
JUNE 30, 2023

Year Ended December 31	2023	2022	2021	2020	2019
Total Pension Liability					
Service cost	$ 155,318	$ 155,150	$ 154,971	$ 159,970	$ 151,970
Interest	1,345,897	1,281,721	1,217,950	1,186,966	1,102,373
Difference between expected and actual experience	(5,641)	309,358	306,035	(111,920)	463,975
Change in assumptions	-	-	-	-	-
Benefit payments	(880,240)	(872,186)	(756,706)	(594,490)	(602,335)
Other	-	-	-	133,952	
Net Change in total pension liability	615,334	874,043	922,250	774,478	1,115,983
Total Pension Liability					
Beginning	18,534,255	17,660,212	16,737,962	15,963,484	14,847,501
Ending	19,149,589	18,534,255	17,660,212	16,737,962	15,963,484
Plan fiduciary net position					
Contributions - employer	571,725	570,007	624,707	585,571	560,098
Net investment income	(2,908,400)	3,566,330	1,308,914	396,586	1,201,184
Benefit payments	(880,240)	(872,186)	(756,706)	(594,490)	(602,335)
Administrative expenses	(28,873)	(28,686)	(27,979)	(27,162)	(29,022)
Net change in plan fiduciary net position	(3,245,788)	3,235,465	1,148,936	360,505	1,129,925
Plan fiduciary net position					
Beginning	17,998,506	14,763,041	13,614,105	13,253,600	12,123,675
Ending	14,752,718	17,998,506	14,763,041	13,614,105	13,253,600
Net pension liability - ending	$4,396,871	$ 535,749	$ 2,897,171	$3,123,857	$ 2,709,884
Plan fiduciary net position as a % of total pension liability	77.04%	97.11%	83.59%	81.34%	83.02%
Covered-employee payroll	$5,774,496	$ 5,731,229	$ 5,527,430	$5,849,610	$ 5,927,296
Net pension liability as a % of covered employee payroll	76.14%	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, 2023

Year Ended December 31	2018	2017	2016	2015
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, 2023

Notes to Schedule

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

CITY OF CAIRO
SCHEDULE OF GMEBS RETIREMENT PLAN CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023

Year ended June 30	2023	2022	2021	2020	2019
Actuarially determined contribution	__**	$ 623,544	$ 621,826	$ 625,283	$ 577,629
Contribution in relation to the actuarially determined contribution	__**	$ 623,401	$ 622,114	$ 621,312	$ 575,876
Contribution deficiency (excess)	__**	$ 143	$ (288)	$ 3,971	$ 1,753
Covered-employee payroll	__**	$5,731,229	$5,527,430	$5,849,610	$5,927,296
Contribution as a % of covered employee payroll	__**	10.88%	11.26%	10.62%	9.72%

CITY OF CAIRO
SCHEDULE OF GMEBS RETIREMENT PLAN CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023

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 nine years are shown.

**2023 information will be determined after fiscal year end and will be included in the 2024 valuation report.

CITY OF CAIRO
SCHEDULE OF GFPF COLLECTIVE NET PENSION AND EMPLOYER LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	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%	0.00%
State of Georgia's proportionate share of the net pension liability (asset) associated with the City	$ 515,164	$ 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	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	n/a
Plan fiduciary net position as a percentage of the total pension liability (asset)	77.76%	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, 2023

	2023	2022	2021	2020	2019
City's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%
State of Georgia's proportionate share of the net pension liability (asset) associated with the City	$ 175,442	$ (2,556)	$ 10,549	$ (17,928)	$ (8,591)
City's covered-employee payroll	m/a	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 entity's porportionate share of collective	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability (asset)	80.74%	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, 2023

	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, 2023

	Capital Projects Funds				Special Revenue Funds			Permanent Fund		Total
	Grant Projects Fund	SFRF Fund	SPLOST 2020	TSPLOST 2020	EIP CDBG	ARPA Fund	Hotel/ Motel Tax	Forest Lawn Cemetery	Cemetery Perpetual Care	Nonmajor Governmental Funds
ASSETS										
Accounts receivable, net	$ -	$ -	$ 110,840	$ 105,641	$ 1,542	$ -	$ -	$ -	$ -	$ 218,023
Intergovernmental receivable	-	-	-	-	-	-	-	-	-	-
Restricted assets:										
Cash and cash equivalents	100	1,912,640	541,491	832,910	446,478	1,188,731	104,383	33,117	11,569	5,071,419
Program receivables	-	-	-	-	1,246,139	-	-	-	-	1,246,139
Due from other funds	-	-	-	528,551	-	-	-	-	-	528,551
Total assets	$ 100	$ 1,912,640	$ 652,331	$ 1,467,102	$ 1,694,159	$ 1,188,731	$ 104,383	33,117	11,569	$ 7,064,132
LIABILITIES AND FUND BALANCE										
Liabilities:										
Accounts payable	$ 439	-	$ -	$ 329	$ -	$ 36,740	$ 6,511	$ -	-	$ 44,019
Due to other funds	-	-	115,916	-	-	-	-	-	-	115,916
Total liabilities	439	-	115,916	329	-	36,740	6,511	-	-	159,935
Fund balance:										
Restricted for:										
Specific projects	(339)	1,912,640	536,415	1,466,773	1,694,159	1,151,991	-			6,761,639
Public services	-	-	-	-	-	-	97,872	33,117	11,569	142,558
Total fund balances	(339)	1,912,640	536,415	1,466,773	1,694,159	1,151,991	97,872	33,117	11,569	6,904,197
Total liabilities and fund balance	$ 100	$ 1,912,640	$ 652,331	$ 1,467,102	$ 1,694,159	$ 1,188,731	$ 104,383	33,117	11,569	$ 7,064,132

CITY OF CAIRO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Capital Projects Funds				Special Revenue Funds			Permanent Fund		Total
	Grant Projects Fund	SFRF Fund	SPLOST 2020	TSPLOST 2020	EIP CDBG	ARPA Fund	Hotel/ Motel Tax	Forest Lawn Cemetery	Cemetery Perpetual Care	Nonmajor Governmental Funds
REVENUES										
Taxes	$ -	$ -	$ -	$ -	$ -	-	$ 57,426	$ -	$ -	$ 57,426
Intergovernmental	56,204	228,569	1,336,025	1,205,414	-	1,749,362	-	-	-	4,575,574
Investment income	-	-	2,962	13,361	30,040	-	386	144	12	46,905
Other revenues	-	-	-	-	-	-	-	-	-	-
Total revenues	56,204	228,569	1,338,987	1,218,775	30,040	1,749,362	57,812	144	12	4,679,905
EXPENDITURES										
Current:										
Public works	-	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	221	-	-	221
Public safety	-	-	-	-	-	-	-	-	-	-
Capital outlay	115,623	34,304	793,089	1,361,710	-	-	-	-	-	2,304,726
Debt service	-	-	610,442	-	-	-	-	-	-	610,442
Total expenditures	115,623	34,304	1,403,531	1,361,710	-	-	221	-	-	2,915,389
Excess (deficiency) of revenues over (under) expenditures	(59,419)	194,265	(64,544)	(142,935)	30,040	1,749,362	57,591	144	12	1,764,516
OTHER FINANCING SOURCES (USES)										
Transfers	50,980	1,718,375	140,224	-	-	(1,793,805)	(35,650)	-	-	80,124
Total other financing sources (uses)	50,980	1,718,375	140,224	-	-	(1,793,805)	(35,650)	-	-	80,124
Net change in fund balances	(8,439)	1,912,640	75,680	(142,935)	30,040	(44,443)	21,941	144	12	1,844,640
Fund balances - beginning, restated	8,100	-	460,735	1,609,708	1,664,119	1,196,434	75,931	32,973	11,557	5,059,557
Fund balances - ending	$ (339)	$1,912,640	$ 536,415	$ 1,466,773	$ 1,694,159	$1,151,991	$ 97,872	$ 33,117	$ 11,569	6,904,197

CITY OF CAIRO
BUDGETARY COMPARISON SCHEDULE – EIP CDBG REVOLVING LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Amounts (Budgetary Basis)	Variance with Final Budget
Budgetary fund balance, July 1	$ 1,664,119	$1,664,119	$ -
Resources (inflows):			
Investment income	-	-	-
Other income	26,657	35,090	8,433
Amounts available for appropriation	1,690,776	1,699,209	8,433
Charges to appropriation (outflows):			
Contingency	26,657	30,040	3,383
Total charges to appropriations	26,657	30,040	3,383
Budgetary fund balance, June 30	$ 1,664,119	$1,669,169	$ 5,050

CITY OF CAIRO
BUDGETARY COMPARISON SCHEDULE – HOTEL/MOTEL TAX
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Budgetary fund balance, July 1	$ 75,931	$ 75,931	$ -
Resources (inflows):			
Taxes	80,000	57,426	(22,574)
Investment income	-	386	386
Amounts available for appropriation	155,931	133,743	(22,188)
Charges to appropriation (outflows):			
Contributions to RCC	-	-	-
Other/Transfers	80,000	35,871	(44,129)
Total charges to appropriations	80,000	35,871	(44,129)
Budgetary fund balance, June 30	$ 75,931	$ 97,872	$ 21,941

CITY OF CAIRO
BUDGETARY COMPARISON SCHEDULE – ARPA
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Budgetary fund balance, July 1	$ 1,196,434	$1,196,434	$ -
Resources (inflows):			
Intergovernmental revenue	1,749,363	1,749,363	-
Investment income	-	-	-
Amounts available for appropriation	2,945,797	2,945,797	-
Charges to appropriation (outflows):			
Contributions to RCC	-		-
Other	-	-	-
Total charges to appropriations	-	-	-
Other financing sources (uses)			
Transfers	(2,642,000)	(1,793,805)	848,195
Budgetary fund balance, June 30	$ 303,797	$1,151,992	$ 848,195

CITY OF CAIRO
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2023

	CNS Fund	Garbage and Trash Fund	Special Facilities Fund	Gas Fund	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ -	$ -	$ 138,936	$ -	$ 138,936
Accounts receivable, net	157,282	235,131	22,111	127,906	542,430
Intergovernmental receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
Inventories	-	-	-	123,519	123,519
Prepaid expense	-	-	-	-	-
Total current assets	157,282	235,131	161,047	251,425	804,885
Noncurrent assets:					
Investment in SGGSA	2,143,346	-	-	-	2,143,346
Restricted assets - cash	-	491,407	-	-	491,407
Restricted assets - CD	-	-	-	-	-
Capital assets:					
Land	-	6,400	-	500	6,900
Construction in progress	-	-	-	-	-
Other capital assets, net of accumulated depreciation	-	-	573,628	874,149	1,447,777
Total noncurrent assets	2,143,346	497,807	573,628	874,649	4,089,430
Total assets	2,300,628	732,938	734,675	1,126,074	4,894,315
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	-	5,396	-	107,888	113,284
Total deferred inflows of resources	-	5,396	-	107,888	113,284
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 2,300,628	$ 738,334	$ 734,675	$ 1,233,962	$ 5,007,599

CITY OF CAIRO
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2023

	Business Type Activities - Enterprise Funds				
	Cable Fund	Garbage and Trash Fund	Special Facilities Fund	Gas Fund	Total
LIABILITIES					
Current liabilities payable from current assets:					
Accounts payable	$ 288,449	$ 603,741	$ 808	$ 39,024	$ 932,022
Accrued expenses	1,023	-	-	17,359	18,382
Current portion of long-term debt	-	-	-	-	-
Customer deposits	-	-	(1,400)	-	(1,400)
Due to other funds	-	-	-	-	-
Total current liabilities payable from current assets	289,472	$ 603,741	(592)	56,383	$ 949,004
Long-term liabilities:					
Long-term debt, net of current portion	-	-	-	-	-
Compensated absences	-	-	-	9,061	9,061
Net pension liability	-	8,031	-	160,584	168,615
Other long-term liabilities	-	-	-	-	-
Total long-term liabilities	-	8,031	-	169,645	177,676
Total liabilities	289,472	611,772	(592)	226,028	1,126,680
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	-	76	-	1,527	1,603
Total deferred inflows of resources	-	76	-	1,527	1,603
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	289,472	611,848	(592)	227,555	1,128,283
NET POSITION:					
Net investment in capital assets	-	6,400	573,628	874,649	1,454,677
Restricted	-	-	-	-	-
Unrestricted	2,011,156	120,086	161,639	131,758	2,424,639
Total net position	$ 2,011,156	$ 126,486	$ 735,267	$ 1,006,407	$ 3,879,316

CITY OF CAIRO
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business Type Activities - Enterprise Funds				
	Cable Fund	Garbage and Trash Fund	Special Facilities Fund	Gas Fund	Total
OPERATING REVENUES					
Utility revenues	$ -	$ -	$ -	$ 1,492,902	$ 1,492,902
Charges for services	504,067	1,597,777	86,400	-	2,188,244
Other revenues	-	24,826	8,500	475	33,801
Intergovernmental	-	-	-	-	-
Total operating revenues	504,067	1,622,603	94,900	1,493,377	3,714,947
OPERATING EXPENSES					
Salaries and wages	-	-	-	403,913	403,913
Operating, administrative, and maintenance	-	1,765,098	68,205	975,733	2,809,036
Depreciation	-	1,498	46,305	71,088	118,891
Total operating expenses	-	1,766,596	114,510	1,450,734	3,331,840
Operating income (loss)	504,067	(143,993)	(19,610)	42,643	383,107
NONOPERATING REVENUE (EXPENSES)					
Interest income	-	-	458	-	458
Interest expense	-	-	-	-	-
Total nonoperating revenue (expenses)	-	-	458	-	458
Income (loss) before transfers	504,067	(143,993)	(19,152)	42,643	383,565
Transfers	(350,850)	(175,411)	63,679	(97,170)	(559,752)
Capital contributions	-	-	-	76,399	76,399
Change in net position	153,217	(319,404)	44,527	21,872	(99,788)
Net position, beginning of year	1,857,939	445,890	690,740	984,535	3,979,104
Net position, end of year	$ 2,011,156	$ 126,486	$ 735,267	$ 1,006,407	$ 3,879,316

CITY OF CAIRO
STATEMENTS OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business Type Activities - Enterprise Funds				
	Cable Fund	Garbage and Trash Fund	Special Facilities Fund	Gas Fund	Total
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers	$ 660,573	$1,594,165	$ 67,139	$1,530,645	$3,852,522
Grant	-	-	-	-	-
Payments to employees (or for their benefit) for services provided	-	333	-	(396,076)	(395,743)
Payments to suppliers for goods or services	(33,556)	(1,419,087)	(67,863)	(1,037,399)	(2,557,905)
Net cash provided (used) by operating activities	627,017	175,411	(724)	97,170	898,874
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-		63,679		63,679
Transfers to other funds	(350,850)	(175,411)	-	(20,771)	(547,032)
Net change in due from other funds	-	-	-	-	-
Liabilities assumed by other funds		-	-	-	-
Net cash provided (used) by noncapital financing activities	(350,850)	(175,411)	63,679	(20,771)	(483,353)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	-	-	-	(76,399)	(76,399)
Proceeds from borrowing	-	-	-	-	-
Principal paid on capital debt	-	-	-	-	-
Interest paid on capital debt	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-	(76,399)	(76,399)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in SGGSA	(276,167)	-	-	-	(276,167)
Interest income	-	-	458	-	458
Net cash provided by investing activities	(276,167)	-	458	-	(275,709)
Net increase in cash	-	-	63,413	-	63,413
Balances - beginning	-	491,407	75,523	-	566,930
Balances - ending	-	491,407	138,936	-	630,343

CITY OF CAIRO
STATEMENTS OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

	Business Type Activities - Enterprise Funds				
	Cable Fund	Garbage and Trash Fund	Special Facilities Fund	Gas Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	504,067	(143,993)	(19,610)	42,643	383,107
Adjustments to reconcile operating income to net cash provided by operating activities:					-
Non cash contributions expensed	-	-	-	-	-
Depreciation expense	-	1,498	46,305	71,088	118,891
Change in assets and liabilities:					
Receivables, net	156,506	(28,439)	(22,111)	37,266	143,222
Prepaid expense	-	-	-	-	-
Customer deposits	-	-	(5,650)	-	(5,650)
Compensated absences	-	-	-	978	978
Pension related balances	-	333	-	6,861	7,194
Accounts payable and accrued expenses	(33,556)	346,012	342	(68,159)	244,639
Inventory	-	-	-	6,493	6,493
Net cash provided by operating activities	627,017	175,411	(724)	97,170	898,874

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, 2023

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	$ 705,000	$ 266,989	$ 971,989	None
	A-21A-00	$ 45,000	$ 45,000	$ -	$ 45,000	
		$ 750,000	$ 750,000	$ 266,989	$ 1,016,989	

CITY OF CAIRO
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE
GRANT AWARD #22P-X-065-2-6269
FOR THE YEAR ENDED JUNE 30, 2023

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)
Sewer Facilities	P-03J-02	$ 929,955	$ 20,045	$ -	$ 20,045	None
Administration	A-21A-00	$ 60,000		$ 37,999	$ 37,999	
Engineering Sidewalks	T-03L-00	$ 10,045		$ 236	$ 236	
		$ 1,000,000	$ 20,045	$ 38,236	$ 58,281	

CITY OF CAIRO
ONE PERCENT SPECIAL PURPOSE SALES TAX
PROJECT COST SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023

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	$ 91,126	$ -	$ 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	508,234	336,598	844,832	
Buildings and parks capital improvements	900,000	663,550	456,490	1,120,040	
Debt reduction	1,812,000	854,109	610,443	1,464,552	
Totals	$ 6,912,000	$ 2,153,618	$ 1,403,531	$ 3,557,149	51.46%

CITY OF CAIRO
ONE PERCENT TRANSPORTATION SPECIAL PURPOSE SALES TAX
PROJECT COST SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023

Project	Original Estimated Cost	Expenditures			Estimated Percent Completed
		Prior Years	Current Period	Total	
TSPLOST - 2020 Issue					
Expenditures:					
Transportation projects	$ 5,148,353	$ 328,290	$ 1,361,711	$1,690,001	
Totals	$ 5,148,353	$ 328,290	$ 1,361,711	$1,690,001	32.83%

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, 2023

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	-	20,045
Grants	14.218	CDBG -- 22p-x-065-2-6269	-	56,416
Total Community Development Block Grants/Entitlement Grants			-	**76,461**
Clean Water State Revolving Fund Cluster				
United States Environmental Protection Agency				
Pass-Through Programs From State of Georgia				
Capitalization Grants for Clean Water State Revolving Fund	66.458	GEFA loan --CWDRA20014	-	556,147
Total US Environmental Protection Agency			-	**556,147**
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	-	585,335
Total US Environmental Protection Agency			-	**585,335**
Other Programs				
Department of Transportation:				
Pass-Through Programs From:				
State of Georgia				
Airport Improvement Program	20.106	Fuel -- AP021-9046-22(131)	-	85,164
Airport Improvement Program	20.106	Terminal -- AP022-9052-25(131)	-	35,490
Airport Improvement Program	20.106	Runway Rehab - APO23-9058-23 (131)	-	34,536
Total Department of Transportation			-	**155,190**
Department of Housing and Urban Development				
Rural Housing and Economic Development	14.25	RLF--RLF1	-	534,021
Total Department of Homeland Security			-	**534,021**
Department of the Treausry				
Coronavirus State and Local Fiscal Recovery Funds (Single or Program-specific Audit)	21.027	ARPA	-	75,530
Total Department of the Treasury			-	**75,530**
Total Other Programs			-	**764,741**
TOTAL - ALL PROGRAMS			$ -	$ **1,982,684**

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, 2023. 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, 2023, the City had $5,113,400 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, 2023	$1,246,139
Loans written off during the year	-
Cash and investment balance at June 30, 2023	446,478
Current year expenditures (cash basis)	-
Subtotal	1,692,617
At applicable rate **	31.55%
*Expenditures of federal awards	$ 534,021

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

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, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated January 15, 2024.

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 2023-001, 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

January 15, 2024

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, 2023. 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, 2023.

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

January 15, 2024

CITY OF CAIRO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

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)?	X	yes		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, 2023

Identification of major program

CFDA Number(s)	Name of Federal Program or Cluster
66.458	U. S. Environmental Protection Agency, Capitalization Grants for Clean Water State Revolving Fund
14.25	Department of Housing and Urban Development, Revolving Loan Fund

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

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