CITY OF CAIRO, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City, as of June 30, 2025, 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 April 20, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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

April 20, 2026

CITY OF CAIRO, GEORGIA
MANAGEMENT'S DISCUSSION & ANALYSIS

For the Fiscal Year Ended June 30, 2025

As management of the City of Cairo, Georgia, we present the following narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2025. This discussion is intended to provide context and insight into the financial statements that follow. Readers are encouraged to review this analysis in conjunction with the City's financial statements, which follow this narrative.

FINANCIAL SUMMARY

The City's overall financial position improved modestly during the fiscal year ended June 30, 2025, reflecting positive results in governmental activities partially offset by declines in business-type activities.

Key financial highlights for the year include:

- Total net position increased to $59.27 million, a net increase of approximately $1.10 million (1.89%) from the prior year, indicating overall improvement in the City's financial position.
- Governmental activities reported an increase in net position of $4.23 million (21.96%), driven primarily by capital project activity, continued investment in infrastructure, and stable revenue performance.
- Business-type activities reported a decrease in net position of $3.13 million (8.03%), primarily reflecting the planned use of investment reserves to support operations, along with ongoing operating costs and existing long-term obligations.
- Total liabilities decreased significantly by approximately $5.38 million (25.85%), driven primarily by a reduction in accounts payable—from $4.06 million to $1.91 million—reflecting the settlement of prior-year obligations, along with a significant decrease in net pension liability from $3.2 million to $1.4 million due to actuarial valuation changes. While the decline in accounts payable reflects improved timing of payments, the reduction in pension-related liabilities is subject to annual fluctuations and does not represent a structural change in long-term obligations.
- Governmental fund balances increased to $9.10 million, with approximately $8.97 million classified as restricted for specific purposes, including capital projects and other externally constrained uses, limiting availability for general operations.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

Government-Wide Financial Statements

The government-wide financial statements provide a broad overview of the City's financial position and results of operations, similar to a private-sector business.

The **Statement of Net Position** presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, changes in net position serve as a useful indicator of whether the City's financial condition is improving or deteriorating.

The **Statement of Activities** presents information showing how the City's net position changed during the fiscal year. All revenues and expenses are reported when the underlying event occurs, regardless of the timing of cash flows.

These statements distinguish between two primary activity types:

- **Governmental activities** - primarily supported by taxes and intergovernmental revenues
- **Business-type activities** - intended to recover all or a significant portion of their costs through user charges and fees

Together, these statements provide a comprehensive view of the City's financial position and operating results. The government-wide financial statements include the City of Cairo (the primary government) and its component unit, the City of Cairo Development Authority, which is presented separately.

Fund Financial Statements

Fund financial statements provide more detailed information about the City's financial position and demonstrate compliance with finance-related legal requirements. The City uses fund accounting to ensure that resources are properly segregated for specific purposes. Funds are categorized as either governmental or proprietary.

Governmental Funds

Governmental funds account for the City's basic services, including public safety, public works, and general administration. These statements focus on near-term inflows and outflows of spendable resources and the balances available at year-end. Because this focus differs from the government-wide statements, a reconciliation is provided to explain the differences between governmental fund results and governmental activities reported at the government-wide level.

The City reports its **General Fund and ARPA Fund as major funds**, with all other governmental funds presented in aggregate.

Proprietary Funds

Proprietary funds account for activities that operate similarly to private businesses, including the City's utility systems and other enterprise operations. These funds use the same accrual basis of accounting as the government-wide financial statements and provide more detailed information for each major enterprise fund.

The City's major enterprise funds include:

- Water and Sewer
- Electric
- Landfill

All other enterprise funds are reported as nonmajor funds.

Notes to the Financial Statements

The notes to the financial statements provide essential disclosures and additional detail necessary for a full understanding of the data presented in the government-wide and fund financial statements.

Summary of Financial Statement Structure

Table 1 below provides a summary comparison of the key features of the government-wide and fund financial statements. Understanding these distinctions is essential for interpreting the City's financial position and results across both short-term and long-term perspectives.

Table 1
Major Features of the Basic Financial Statements

Feature	Government-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City (primary government and component units)	Activities supported primarily by taxes and intergovernmental revenues	Activities that operate similar to private business (enterprise funds)
Statements Presented	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
Measurement Focus	Economic resources (long-term focus)	Current financial resources (short-term focus)	Economic resources (long-term focus)
Basis of Accounting	Accrual	Modified accrual	Accrual
Asset & Liability Information	All assets and liabilities, including capital assets and long-term obligations	Only short-term assets and liabilities; excludes capital assets and long-term debt	All assets and liabilities, including capital assets and long-term obligations
Inflow / Outflow Focus	All revenues and expenses, regardless of when cash is received or paid	Revenues when available and measurable; expenditures when incurred and payable	All revenues and expenses, regardless of when cash is received or paid

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section provides an analysis of the City's overall financial position and results of operations based on the government-wide financial statements.

Financial Position - Condensed Statement of Net Position

At June 30, 2025, the City's total net position was $59.27 million, an increase from $58.17 million in the prior year. Net position represents the difference between the City's total assets and deferred outflows of resources and its liabilities and deferred inflows of resources, and serves as a broad indicator of the City's overall financial condition.

Table 2 presents a condensed statement of net position for the City as of June 30, 2025 and 2024, including a comparative analysis of key financial components and percentage changes.

Table 2

Condensed Statement of Net Position

Governmental and Business-Type Activities

June 30, 2025 and 2024 (with Comparative Analysis)

	Governmental Activities			Business-Type Activities			Total		
	2025	**2024**	**% Δ**	**2025**	**2024**	**% Δ**	**2025**	**2024**	**% Δ**
Assets									
Current and other assets	$11,321,840	$9,917,322	14.16%	$13,959,225	$17,646,372	(20.90%)	$25,281,065	$27,563,694	(8.28%)
Capital assets	15,584,026	14,250,637	9.36%	33,947,501	35,699,393	(4.91%)	49,532,396	49,950,030	(0.84%)
Total assets	26,905,866	24,167,959	11.33%	47,906,726	53,345,765	(10.2%)	74,812,592	77,513,724	(3.48%)
Deferred Outflows (Pensions)	863,447	936,482	(7.80%)	539,151	571,953	(5.73%)	1,402,598	1,508,435	(7.02%)
Total assets & deferred outflows	$27,769,313	$25,104,441	10.62%	$48,445,877	$53,917,717	(10.15%)	$76,215,190	$79,022,158	(3.55%)
Liabilities									
Other liabilities	$1,228,248	$2,308,233	(46.79%)	$2,375,296	$4,748,849	(49.98%)	$3,603,544	$7,057,082	(48.94%)
Long-term liabilities	2,129,021	3,516,595	(39.46%)	9,694,827	10,231,922	(5.25%)	11,823,848	13,748,517	(14.00%)
Total liabilities	3,357,269	5,824,828	(42.36%)	12,070,123	14,980,774	(19.43%)	15,427,392	20,805,602	(25.85%)
Deferred Inflows (Pensions)	934,374	29,863	3,028.87%	583,438	18,238	3,099.02%	1,517,812	48,101	3,055.0%
Net Position									
Invested in capital assets, net of debt	15,584,026	14,250,637	9.36%	29,682,944	30,891,838	(3.91%)	45,266,970	45,142,475	0.28%
Restricted	8,992,427	6,986,014	28.72%	1,488,448	1,429,540	4.12%	10,480,875	8,416,554	24.53%
Unrestricted	(1,098,783)	(1,987,901)	44.73%	4,620,924	6,597,326	(29.96%)	3,522,141	4,609,423	(23.59%)
Total net position	23,477,670	19,249,750	21.96%	35,792,316	38,918,704	(8.03%)	59,269,986	58,168,454	1.89%
Total Liabilities, Deferred Inflows & Net Position	$27,769,313	$25,104,441	10.62%	$48,445,877	$53,917,717	(10.15%)	$76,215,190	$79,022,158	(3.55%)

Overall Financial Position

The City's overall financial position improved during the fiscal year, with total net position increasing by approximately $1.10 million (1.89%). This increase reflects a combination of continued investment in capital assets and a reduction in total liabilities across both governmental and business-type activities.

Total liabilities decreased by approximately $5.38 million (25.85%), driven primarily by reductions in other liabilities and improvements in short-term obligations across both governmental and business-type activities. In contrast, total assets and deferred outflows decreased modestly by $2.81 million (3.55%), largely due to declines in enterprise fund current assets and investment balances.

Key drivers of the change in net position include:

- **Reduction in liabilities (25.85%)**, particularly other and long-term obligations, which strengthened the City's overall financial position
- **Continued capital investment**, supporting infrastructure and service delivery across both governmental and enterprise operations
- **Growth in restricted resources (24.53%)**, primarily within governmental activities, reflecting increased funding for capital projects and other externally constrained purposes
- **Declines in business-type unrestricted net position (29.96%)**, driven by the use of reserves and ongoing operational and long-term obligations

Overall, the City remains in a stable financial position, supported by disciplined financial management, ongoing monitoring of liabilities, and a continued focus on maintaining adequate reserves.

Components of Net Position

The City's net position is reported in three components, each providing insight into the availability and use of financial resources:

- **Net investment in capital assets** represents the largest portion of total net position and reflects the City's investment in land, infrastructure, buildings, and equipment, net of related debt. These assets are essential for service delivery but are not available for spending.
- **Restricted net position** consists of resources that are constrained by external parties, constitutional provisions, or enabling legislation. These amounts are legally or contractually required to be used for specific purposes, such as capital projects, debt service, and special programs.
- **Unrestricted net position** represents the portion of net position that is available to meet the City's ongoing operational needs. While reported as unrestricted, a portion of these resources may be effectively committed to supporting working capital, addressing long-term obligations, and maintaining financial stability.

Understanding these components is critical to evaluating the City's financial flexibility, as not all reported net position is available for discretionary use.

Governmental Activities

Governmental activities reported total net position of $23.48 million at year-end, an increase of $4.23 million (21.96%), compared to $312 thousand from the prior year. Net investment in capital assets totaled $15.59 million, reflecting the City's continued investment in infrastructure and capital improvements. These assets support essential public services but are not liquid and therefore cannot be used to fund current operations. Restricted net position totaled approximately $8.99 million (28.72%), consisting primarily of resources constrained for:

- Capital projects
- Revolving loan programs
- Cemetery maintenance and tourism activities

These amounts are externally restricted and may only be used for their designated purposes. Governmental activities reported an **unrestricted net position deficit of approximately $(1.10) million**, an improvement of 44.73% from the prior year. This deficit is primarily attributable to:

- The recognition of long-term liabilities, including net pension obligations
- The City's investment in capital assets financed through current and prior resources
- The presence of restricted resources that are not available to offset general obligations

The deficit in unrestricted net position does not indicate an immediate liquidity concern, but rather reflects the long-term nature of certain obligations and the accounting treatment required under generally accepted accounting principles. Management continues to monitor the City's financial position and is focused on maintaining structural balance and improving unrestricted net position over time through disciplined budgeting and financial management practices.

Business-Type Activities

Business-type activities reported total net position of $35.79 million at June 30, 2025, a decrease of $3.13 million (8.03%) from the prior year. Net investment in capital assets totaled $29.68 million, representing significant infrastructure and system investments in the City's enterprise operations, including utilities and related services. Restricted net position of $1.49 million (4.12%), primarily associated with resources restricted for electric power generation. These funds are subject to external constraints and are not available for general operational use. Unrestricted net position totaled approximately $4.62 million, a decrease of $1.98 million (29.96%) from the prior year. This decrease is primarily attributable to:

- The use of investment reserves to support operational needs during the fiscal year, as reflected in reduced investment balances
- Ongoing obligations, including landfill closure and post-closure costs, which represent a significant long-term liability within business-type activities

While business-type activities continue to report positive unrestricted net position, a portion of these resources is effectively committed to:

- Supporting ongoing operations
- Maintaining adequate working capital
- Addressing long-term environmental and infrastructure-related obligations

Management is actively evaluating reserve levels and implementing enhanced financial oversight to ensure that enterprise fund resources are managed in a manner that supports long-term financial sustainability and compliance with applicable requirements.

Results of Operations - Condensed Statement of Activities

For the fiscal year ended June 30, 2025, the City's total net position increased by approximately $1.10 million, compared to an increase of $663 thousand in the prior year. Changes in net position represent the difference between revenues and expenses and provide an indicator of whether current-year operations improved or weakened the City's overall financial position.

The Statement of Activities illustrates how current-year operations, including both program revenues and general revenues, contributed to changes in net position for governmental and business-type activities.

Table 3 presents a condensed statement of activities for the City for the fiscal years ended June 30, 2025 and 2024, including a comparative analysis of key revenue and expense components and the resulting changes in net position.

Table 3
Condensed Statement of Activities
Governmental and Business-Type Activities
June 30, 2025 and 2024 (with Comparative Analysis)

	Governmental Activities			Business-Type Activities			Total		
	2025	**2024**	**% Δ**	**2025**	**2024**	**% Δ**	**2025**	**2024**	**% Δ**
Revenues									
Program Revenues	$4,659,281	$5,212,371	(10.61%)	$25,338,478	$24,892,790	1.79%	$29,997,759	$30,105,161	(0.36%)
General Revenues	5,080,867	4,839,649	4.98%	819,667	1,126,704	(27.25%)	5,900,534	5,966,353	(1.10%)
Total Revenues	$9,740,148	$10,052,020	(3.10%)	$26,158,145	$26,019,494	0.53%	$35,898,293	$36,071,514	(0.48%)
Expenses									
Total expenses	$10,627,587	$10,949,631	(2.94%)	$24,169,174	$24,458,735	(1.18%)	$34,795,761	$35,408,366	(1.73%)
Excess (deficiency) before transfers	(887,439)	(897,611)	1.13%	1,988,971	1,560,759	27.43%	1,101,532	663,148	66.10%
Transfers (net)	5,115,359	1,210,448	322.61%	(5,115,359)	(1,210,448)	(322.61%)	-	-	-
Change in net position	$4,227,920	$312,837	1251.12%	($3,126,388)	$350,311	(992.62%)	$1,101,532	$663,148	66.10%

Overall Financial Performance

As shown in Table 3, the City's overall financial performance improved during fiscal year 2025, with total net position increasing by approximately $1.10 million, compared to an increase of $663 thousand in the prior year, representing a 66.10% increase.

Total revenues decreased slightly by 0.48%, from $36.07 million to $35.90 million, while total expenses decreased by 1.73%, from $35.41 million to $34.80 million. As a result, excess before transfers increased from $663 thousand to $1.10 million, reflecting improved operating performance across the City.

Governmental Activities

Governmental activities generated a deficiency before transfers of $(887,439), which is consistent with the nature of governmental operations, where program revenues do not fully recover the cost of services.

Program revenues totaled $4.66 million, a decrease of 10.61% from the prior year, while total expenses decreased by 2.94% to $10.63 million. This resulted in a net cost of services of approximately $5.97 million, which was funded primarily through general revenues.

General revenues increased by 4.98%, from $4.84 million to $5.08 million, driven by stable tax collections, including property taxes of $1.91 million, sales taxes of $1.44 million, and other taxes of $1.39 million.

Impact of Transfers

The primary driver of the increase in governmental net position was net transfers in of $5.12 million, compared to $1.21 million in the prior year, representing an increase of 322.61%. These transfers more than offset the operating deficit of $(887 thousand), resulting in a net increase in governmental net position of $4.23 million.

Key Insight

Governmental activities continue to rely on: General revenues to fund core services and transfers to support operations and capital needs. The current year reflects a significant increase in interfund support, which was the primary factor driving the improvement in governmental net position.

Business-Type Activities

Business-type activities reported a decrease in net position of $(3.13 million), compared to an increase of $350 thousand in the prior year. Business-type activities generated excess before transfers of $1.99 million, an increase of 27.43% from $1.56 million in the prior year, indicating improved operating performance.

Program revenues increased by 1.79%, from $24.89 million to $25.34 million, while total expenses decreased by 1.18%, from $24.46 million to $24.17 million.

These results indicate that enterprise operations are operationally self-supporting, generating sufficient revenues to cover expenses.

Impact of Transfers

Despite positive operating performance, business-type activities reported a decline in net position due to net transfers out of $5.12 million, compared to $1.21 million in the prior year. These transfers exceeded operating gains and resulted in an overall decrease in net position of $(3.13 million).

Key Insight

Despite positive operating results, business-type activities experienced a decline in net position due to a combination of transfers supporting governmental operations and other financial pressures. This dynamic highlights the distinction between operational performance and overall financial results within enterprise funds.

Management's Focus Going Forward

The City's financial results reflect two distinct trends:

- Governmental activities experienced a substantial increase in net position, driven primarily by increased transfers and stable general revenues
- Business-type activities generated positive operating results but experienced a decline in net position, due to increased transfers out

Overall, the City achieved a net increase in total net position of $1.10 million, supported by improved operating performance and significant interfund transfers. The City remains committed to:

- Maintaining adequate reserve levels across both governmental and business-type activities
- Strengthening internal controls and financial policies governing the use of restricted and unrestricted resources
- Aligning long-term obligations, including pension and landfill-related liabilities, with appropriate funding strategies

These efforts are intended to enhance financial stability, improve transparency, and support the City's ability to meet both current and future service obligations.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At June 30, 2025, the City's governmental funds reported combined ending fund balances of approximately $9.10 million, an increase from the prior year. Of this total, approximately $8.97 million is classified as restricted, reflecting resources that are legally or externally constrained for specific purposes.

The remaining fund balance is comprised of nonspendable, committed, assigned, and unassigned amounts, which provide varying degrees of flexibility for future spending.

Governmental fund balances represent the City's near-term financial position, focusing on resources available to fund current and future operations.

General Fund

The General Fund is the City's primary operating fund and serves as the central source of financing for governmental activities. At June 30, 2025, the General Fund reported an ending fund balance of approximately $632,022, including an unassigned fund balance of approximately $92,600. While this provides a level of financial stability, the relatively modest unassigned balance reflects ongoing fiscal pressures and limited flexibility to absorb unexpected costs or revenue shortfalls without reliance on budget adjustments or other financing sources.

Operating Performance

General Fund revenues were primarily derived from:

- Property taxes
- Sales and use taxes
- Other local taxes

These revenues remained relatively stable during the fiscal year, supporting essential services such as public safety, public works, and general government operations. Expenditures were controlled during the year, contributing to overall stability in fund balance despite increasing service demands.

Major Governmental Funds

In addition to the General Fund, the City reports the following major governmental fund:

ARPA Fund - The ARPA Fund is used to account for federal funding received under the American Rescue Plan Act. During the fiscal year, ARPA resources continued to be utilized for eligible projects and expenditures in accordance with federal guidelines. These funds are classified as restricted and may only be used for their intended purposes.

Nonmajor Governmental Fund

Nonmajor governmental funds include special revenue, capital project, and other funds used to account for resources restricted for specific purposes. These funds collectively contribute to the City's overall restricted fund balance and support activities such as:

- Capital improvements
- Grant-funded programs
- Special-purpose operations

Proprietary (Enterprise) Funds

The City's proprietary funds account for operations that are intended to be self-supporting through user charges and fees, including water and sewer, electric, gas, landfill, and other enterprise activities.

At June 30, 2025, enterprise funds reported positive operating results, with revenues exceeding expenses by approximately $1.99 million, indicating that operations are generally self-sustaining. Despite this positive operating performance, enterprise funds experienced an overall decrease in net position of approximately $(3.13 million). This decline was primarily attributable to net transfers out of approximately $5.12 million, which were used to support other City functions.

Key Enterprise Fund Observations

- The Electric Fund continues to serve as the primary revenue-generating enterprise, producing strong operating results
- The Water and Sewer Fund and Landfill Fund reported operating losses, reflecting ongoing infrastructure and environmental cost pressures
- Other enterprise operations generated modest positive or negative results, indicating variability across business-type activities

Financial Considerations

While enterprise funds are operating on a generally self-supporting basis, the use of enterprise resources to support governmental activities reduces overall financial flexibility and may impact long-term sustainability.

Management continues to evaluate:

- Rate structures and cost recovery
- Reserve levels
- Long-term capital and environmental obligations

to ensure that enterprise operations remain financially stable and aligned with policy objectives.

Budgetary Highlights

The City adopts an annual budget for the General Fund, which serves as the primary tool for financial planning and control. During fiscal year 2025, budget amendments were made to reflect changes in revenues, expenditures, and operational needs.

As a result of these adjustments, actual revenues and expenditures were consistent with the final amended budget. Final budgeted revenues totaled $5.77 million, which aligned with actual revenues of $5.77 million. Similarly, final budgeted expenditures totaled $9.21 million, consistent with actual expenditures of $9.21 million.

The General Fund reported a net increase in fund balance of approximately $734 thousand, driven primarily by transfers in of $4.17 million, which were used to support operations and capital-related activities.

Overall, the City maintained budgetary compliance, with adjustments made as necessary to ensure alignment between actual results and the adopted budget. The most significant adjustments occurred in public safety and public works, reflecting operational and service delivery needs.

Fund Balance Considerations

The City's governmental fund balance structure reflects a high level of restricted resources, limiting flexibility for general operations. While total fund balance increased during the fiscal year, the relatively small unassigned portion indicates that:

- Available discretionary resources remain limited
- Continued focus on revenue stability and expenditure control is necessary

Management continues to evaluate fund balance levels to ensure alignment with financial policies, operational needs, and long-term sustainability objectives.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the City reported total capital assets of approximately $49.53 million (net of depreciation), a slight decrease of 0.84% from the prior year. Capital assets include:

- Land
- Buildings and improvements
- Infrastructure (roads, water/sewer systems, etc.)
- Machinery and equipment

Governmental activities reported capital assets of $15.58 million, an increase of 9.36%, reflecting continued investment in infrastructure and capital improvements, particularly within public works and capital project activity.

Business-type activities reported capital assets of $33.95 million, a decrease of 4.91%, primarily due to depreciation exceeding current-year capital additions in certain enterprise operations.

Capital Investment Trends

The City continues to prioritize investment in infrastructure to support service delivery and long-term community needs. Capital activity during the fiscal year included:

- Ongoing infrastructure improvements
- Capital projects funded through grants and restricted resources
- Maintenance and replacement of equipment and facilities

These investments are essential to maintaining the City's service capacity and supporting future growth.

Long-Term Debt and Liabilities

At June 30, 2025, the City reported total long-term liabilities of approximately $11.82 million, a decrease of 14.00% from the prior year.

Governmental activities reported long-term liabilities of $2.13 million, a decrease of 39.46%, reflecting reductions in outstanding obligations.

Business-type activities reported long-term liabilities of $9.69 million, a decrease of 5.25%, representing the majority of the City's long-term obligations.

Debt Structure and Obligations

Long-term liabilities include:

- Bonds and notes payable
- Compensated absences
- Net pension liabilities
- Landfill closure and post-closure obligations

The City continues to manage its debt obligations through scheduled repayments and ongoing monitoring of liability levels.

Key Financial Considerations

The reduction in long-term liabilities reflects continued progress in managing the City's debt position and reducing outstanding obligations. However, certain long-term commitments remain significant, including:

- Pension-related liabilities
- Environmental obligations associated with landfill closure and post-closure care

These obligations are long-term in nature and require continued planning and resource allocation.

Management's Strategy

The City remains committed to sound financial management and responsible budgeting practices. Additional information on the City's capital assets and long-term debt can be found in the notes to the financial statements.

CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS

Subsequent to fiscal year-end and through the date of this report, the City has identified several factors that are expected to impact ongoing financial operations and future budgetary planning:

- **Landfill Fund Reimbursement**
  The City has identified approximately $1.8 million in prior-period interfund receivables from the landfill fund to utility operations. Management is currently evaluating and developing a plan to reimburse these amounts to the landfill fund in order to strengthen its financial position and support long-term environmental obligations.
- **Franchise Revenue Interruption**
  The City has been notified by SGGSA that franchise revenue distributions are not expected to be received for a two-year period. This development has been incorporated into current financial planning and will impact general revenue availability.
- **Property Tax Rate**
  The City maintained its rollback millage rate and did not implement a property tax increase for the current budget year. While this approach supports taxpayer stability, it limits growth in general fund revenues.
- **Expiration of ARPA Funding**
  The City has fully allocated available American Rescue Plan Act (ARPA) funding and does not anticipate receiving additional federal funding under this program. As a result, prior reliance on these one-time resources for capital and operational support has been eliminated.
- **Increase in Liability Insurance Costs**
  The City has experienced increases in liability insurance premiums during the current fiscal year, which are expected to continue impacting operating expenditures.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This report is intended to provide a general overview of the City of Cairo's financial condition for citizens, taxpayers, investors, and other interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Finance Department, City of Cairo, Georgia, at 119 N Broad St. Cairo GA 39828, or by phone at 229-377-1722.

CITY OF CAIRO
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	City of Cairo Development Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Cash	$ 122,592	$ 550,799	$ 673,391	$ -
Investments	-	3,987,356	3,987,356	-
Accounts receivable	638,673	3,888,064	4,526,737	-
Intergovernmental receivables	139,092	20,897	159,989	-
Inventories	36,573	1,175,489	1,212,062	-
Prepaid expenses	-	-	-	
Internal balances	413,270	(413,270)	-	-
Investment in SGGSA	-	2,525,687	2,525,687	-
Restricted cash	8,602,722	135,755	8,738,477	-
Restricted assets - certificate of deposit	230,450	600,000	830,450	-
Restricted investments	-	1,488,448	1,488,448	-
Program receivables	1,078,277	-	1,078,277	-
Lease receivable	60,191	-	60,191	
Other receivables	-	-	-	-
Capital assets:				
Land and other nondepreciable assets	578,131	2,112,608	2,690,739	-
Construction in progress	2,947,465	509,719	3,457,184	-
Other capital assets, net of accumulated depreciation	12,058,430	31,325,174	43,383,604	-
Total assets	26,905,866	47,906,726	74,812,592	-
Deferred outflows of resources related to pensions	863,447	539,151	1,402,598	-
Total assets and deferred outflows of resources	27,769,313	48,445,877	76,215,190	-

See accompanying notes to the basic financial statements.

CITY OF CAIRO
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	City of Cairo Development Authority
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Accounts payable	561,608	1,351,406	1,913,014	-
Accrued expenses	666,640	118,469	785,109	-
Customer deposits	-	905,421	905,421	-
Short-term debt	-	-	-	-
Long-term liabilities:				
Due within one year	-	745,109	745,109	-
Due in more than one year	-	3,519,448	3,519,448	-
Compensated absences	251,475	111,959	363,434	-
Unearned income	993,024	-	993,024	
Net pension liability	884,522	552,311	1,436,833	-
Landfill closure/post closure costs	-	4,766,000	4,766,000	-
Total liabilities	3,357,269	12,070,123	15,427,392	-
Deferred inflows of resources related to pensions	934,374	583,438	1,517,812	-
Total liabilities and deferred inflows of resources	4,291,643	12,653,561	16,945,204	-
NET POSITION				
Net investment in capital assets	15,584,026	29,682,944	45,266,970	-
Restricted for capital projects	6,607,694	-	6,607,694	-
Restricted for electric power generation	-	1,488,448	1,488,448	
Restricted for cemetery maintenance	557,369	-	557,369	
Restricted for tourism	74,817	-	74,817	
Restricted for other public services	-	-	-	
Restricted for revolving loan fund	1,752,547	-	1,752,547	
Unrestricted	(1,098,783)	4,620,924	3,522,141	-
Total net position	$ 23,477,670	$ 35,792,316	$ 59,269,986	$ -

See accompanying notes to the basic financial statements.

CITY OF CAIRO
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

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	Primary Government: Business-type Activities	Primary Government: Total	Component Unit
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	$ 1,335,939	$ 113,881	$ 253,981	$ -	$ (968,077)		$ (968,077)	
Public safety	5,815,424	167,952	-	185,395	(5,462,077)		(5,462,077)	
Public works	1,906,465	39,821	-	3,527,985	1,661,341		1,661,341	
Parks, culture, and cemetery	1,288,148	37,100	-	185,395	(1,065,653)		(1,065,653)	
Community development	269,972	-	17,000	130,771	(122,201)		(122,201)	
Interest on general short-term debt	11,639	-	-	-	(11,639)		(11,639)	
Total governmental activities	10,627,587	358,754	270,981	4,029,546	(5,968,306)		(5,968,306)	
Business-type activities:								
Water and sewer	4,586,592	3,453,505	-	31,679	-	(1,101,408)	(1,101,408)	
Electric revenue	15,571,890	17,976,385	-	-	-	2,404,495	2,404,495	
Gas revenue	1,356,334	1,468,762	-	-	-	112,428	112,428	
Cable TV	5,384	128,199	-	-	-	122,815	122,815	
Garbage and trash	1,660,589	1,859,025	-	-	-	198,436	198,436	
Airport	215,082	27,734	-	122,589	-	(64,759)	(64,759)	
Special facilities	103,213	64,250	-	-	-	(38,963)	(38,963)	
Landfill	670,090	206,350	-	-	-	(463,740)	(463,740)	
Total business-type activities	24,169,174	25,184,210	-	154,268	-	1,169,304	1,169,304	
Total primary government	$ 34,796,761	$ 25,542,964	$ 270,981	$ 4,183,814	(5,968,306)	1,169,304	(4,799,002)	
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, 2025

		Program Revenues			Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
General revenues:								
Taxes:								
Property taxes, levied for general purposes					1,910,209	-	1,910,209	-
Sales and use taxes					1,444,422	-	1,444,422	-
Other taxes					1,386,498	-	1,386,498	-
Investment earnings					40,954	373,560	414,514	-
Miscellaneous					298,784	446,107	744,891	-
Total general revenues					5,080,867	819,667	5,900,534	-
Transfers/Capital contributions					5,115,359	(5,115,359)	-	-
Total general revenues and transfers					10,196,226	(4,295,692)	5,900,534	-
Change in net position					4,227,920	(3,126,388)	1,101,532	-
Net position - beginning					19,249,750	38,918,704	58,168,454	-
Net position - ending					$ 23,477,670	$ 35,792,316	$ 59,269,986	-

See accompanying notes to the basic financial statements.

CITY OF CAIRO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund ARPA Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 122,592	$ -	$ -	$ 122,592
Accounts receivable, net	403,825	-	234,848	638,673
Intergovernmental receivables	-	-	139,092	139,092
Inventories	36,573	-	-	36,573
Prepaid expenses	-	-	-	-
Due from other funds	582,180	-	-	582,180
Restricted assets:				
Cash and cash equivalents	272,399	932,833	7,397,490	8,602,722
Certificate of deposit	230,450	-	-	230,450
Program receivables	-	-	1,078,277	1,078,277
Other receivables	-	-	-	-
Total assets	$1,648,019	$ 932,833	$ 8,849,707	$ 11,430,559
LIABILITIES				
Accounts payable	$ 349,356	$ -	$ 212,254	$ 561,610
Accrued expenses	666,641	-	-	666,641
Short term debt	-	-	-	-
Unearned revenue	-	932,833	-	932,833
Due to other funds	-	-	168,910	168,910
Total liabilities	1,015,997	932,833	381,164	2,329,994
FUND BALANCES				
Nonspendable				
Inventories	36,573	-	-	36,573
Restricted for:				
Specific projects	-	-	8,360,241	8,360,241
Public Services	502,849	-	108,302	611,151
Unassigned - General Fund	92,600	-	-	92,600
Total fund balances	632,022	-	8,468,543	9,100,565
Total liabilities, deferred inflows of resources and fund balances	$1,648,019	$ 932,833	$ 8,849,707	$ 11,430,559

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, 2025

Fund Balance - Total Governmental Funds		$ 9,100,565
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.		(251,472)
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	863,447
	Net pension liability	(884,522)
	Deferred inflows of resources	(934,374)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		15,584,026
Net position of governmental activities		$ 23,477,670

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, 2025

	General Fund	Special Revenue Fund ARPA Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 1,910,209	$ -	$ -	$ 1,910,209
Local option sales taxes	1,444,422	-	-	1,444,422
Other taxes	1,329,802	-	56,696	1,386,498
Licenses and permits	111,689	-	-	111,689
Fines and forfeitures	344,456	-	-	344,456
Charges for services	79,113	-	-	79,113
Investment income	12,743	26,208	116,211	155,162
Intergovernmental	421,402	227,774	3,538,862	4,188,038
Other revenues	120,560	-	-	120,560
Total revenues	5,774,396	253,982	3,711,769	9,740,147
EXPENDITURES				
Current:				
General government	1,327,205	-	-	1,327,205
Public safety	5,285,106	-	-	5,285,106
Public works	1,175,780	-	20	1,175,800
Parks, culture, and cemeteries	1,149,793	-	-	1,149,793
Community development/services	257,232	-	-	257,232
Capital outlays	-	-	2,916,566	2,916,566
Debt service:	11,639	-	593,357	604,996
Total expenditures	9,206,755	-	3,509,943	12,716,698
Excess (deficiency) of revenues over (under) expenditures	(3,432,359)	253,982	201,826	(2,976,551)
OTHER FINANCING SOURCES				
Transfers	4,166,594	(253,982)	1,803,587	5,716,199
Total other financing resources	4,166,594	(253,982)	1,803,587	5,716,199
Net change in fund balances	734,235	-	2,005,413	2,739,648
Fund balances - beginning	(102,213)	-	6,463,130	6,360,917
Fund balances - ending	$ 632,022	$ -	$ 8,468,543	$ 9,100,565

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, 2025

Net change in fund balances - total governmental funds	$	2,739,648
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 ($2,688,379) exceeded depreciation ($1,354,990)		1,333,389
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.		-
Adjustments to pension expense as a result of changes in pension related expenses recorded in government-wide financial statements are not recorded in the funds. This the amount that pension expense was decreased.		154,883
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	$	4,227,920

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business Type Activities - Enterprise Funds				
	Water and Sewer Fund	Electric Revenue Fund	Landfill Fund	Nonmajor Enterprise Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current assets:					
Cash and cash equivalents	$ 29,146	$ 294,016	$ 100	$ 227,537	$ 550,799
Investments	-	3,987,356	-	-	3,987,356
Accounts receivable (net)	542,958	2,854,364	-	490,742	3,888,064
Intergovernmental receivables	-	-	-	20,897	20,897
Due from other funds	554,250	51,276	1,863,436	477,772	2,946,734
Prepaid expenses	-	-	-	-	-
Inventory	151,746	937,282	-	86,461	1,175,489
Total current assets	1,278,100	8,124,294	1,863,536	1,303,409	12,569,339
Noncurrent assets:					
Investment in SGGSA	-	-	-	2,525,687	2,525,687
Restricted assets - cash	34,830	-	34,296	66,629	135,755
Restricted assets - certificate of deposit	-	-	600,000	-	600,000
Restricted assets - investments	-	1,488,448	-	-	1,488,448
Capital assets:					
Land	1,419,015	118,595	340,564	234,434	2,112,608
Construction in progress	375,058	-	-	134,661	509,719
Other capital assets, net of accumulated depreciation	25,560,999	1,043,838	501,550	4,218,787	31,325,174
Total noncurrent assets	27,389,902	2,650,881	1,476,410	7,180,198	38,697,391
Total assets	28,668,002	10,775,175	3,339,946	8,483,607	51,266,730
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	234,289	231,575	24,707	48,580	539,151
Total deferred outflows of resources	234,289	231,575	24,707	48,580	539,151
Total assets and deferred outflows of resources	$ 28,902,291	$ 11,006,750	$ 3,364,653	$ 8,532,187	$ 51,805,881

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business Type Activities - Enterprise Funds				
	Water and Sewer Fund	Electric Revenue Fund	Landfill Fund	Nonmajor Enterprise Funds	Total
LIABILITIES					
Current liabilities:					
Accounts payable	17,269	1,133,904	7,565	192,668	1,351,406
Accrued expenses	41,652	62,797	5,815	8,205	118,469
Current portion of long-term debt	644,084	-	101,025	-	745,109
Bonds payable, current	-	-	-	-	-
Customer deposits	-	894,021	-	11,400	905,421
Due to other funds	36,264	2,898,962	424,778	-	3,360,004
Total current liabilities	739,269	4,989,684	539,183	212,273	6,480,409
Noncurrent liabilities:					
Long-term debt, net of current portion	3,519,448	-	-	-	3,519,448
Bonds payable, net of current	-	-	-	-	-
Compensation absences	33,994	55,501	10,343	12,121	111,959
Net pension liability	240,008	237,227	25,310	49,766	552,311
Landfill closure/post closure costs	-	-	4,766,000	-	4,766,000
Total liabilities	4,532,719	5,282,412	5,340,836	274,160	15,430,127
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	253,534	250,597	26,737	52,570	583,438
Total deferred inflows of resources	253,534	250,597	26,737	52,570	583,438
Total liabilities and deferred inflows of resources	4,786,253	5,533,009	5,367,573	326,730	16,013,565
NET POSITION					
Net investment in capital assets	23,191,540	1,162,433	741,089	4,587,882	29,682,944
Restricted for electric power generation	-	1,488,448	-	-	1,488,448
Unrestricted (deficit)	924,498	2,822,860	(2,744,009)	3,617,575	4,620,924
Total net position	$ 24,116,038	$ 5,473,741	$ (2,002,920)	$ 8,205,457	$ 35,792,316

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, 2025

	Business Type Activities - Enterprise Funds				
	Water and Sewer Fund	Electric Revenue Fund	Landfill Fund	Nonmajor Enterprise Funds	Total
OPERATING REVENUES					
Utility revenue	$ 3,453,505	$ 17,976,385	$ -	$ 1,468,762	$ 22,898,652
Charges for services	-	-	206,350	2,079,208	2,285,558
Other revenues	8,706	270,975	21,005	145,421	446,107
Intergovernmental	31,679	-	-	122,589	154,268
Total operating revenues	3,493,890	18,247,360	227,355	3,815,980	25,784,585
OPERATING EXPENSES					
Salaries and wages	1,840,126	2,252,314	218,725	414,843	4,726,008
Operating, administrative, and maintenance	1,265,568	13,049,111	300,457	2,624,040	17,239,176
Depreciation	1,450,984	270,485	148,744	301,719	2,171,932
Total operating expenses	4,556,678	15,571,910	667,926	3,340,602	24,137,116
Operating income (loss)	(1,062,788)	2,675,450	(440,571)	475,378	1,647,469
NONOPERATING INCOME (EXPENSES)					
Interest income	2,893	297,183	25,465	1,106	326,647
Investment income	-	46,913	-	-	46,913
Interest expense	(29,914)	20	(2,164)	-	(32,058)
Income (loss) before transfers and capital contributions	(1,089,809)	3,019,566	(417,270)	476,484	1,988,971
Transfers	10,670	(5,699,557)	244,836	(272,148)	(5,716,199)
Capital contributions	593,356	-	-	7,484	600,840
Change in net position	(485,783)	(2,679,991)	(172,434)	211,820	(3,126,388)
Net position (deficit), beginning of year	24,601,821	8,153,732	(1,830,486)	7,993,637	38,918,704
Net position (deficit), end of year	$ 24,116,038	$ 5,473,741	$ (2,002,920)	$ 8,205,457	$ 35,792,316

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business Type Activities - Enterprise Funds				
	Water and Sewer Fund	Electric Revenue Fund	Landfill	Nonmajor Enterprise Funds	Total
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers	$ 3,482,648	$ 18,017,941	$ 227,355	$ 3,985,935	$ 25,713,879
Grant	-	-	-	-	-
Payments to employees (or for their benefit) for services provided	(1,884,421)	(2,276,796)	(222,756)	(423,566)	(4,807,539)
Payments to suppliers for goods or services	(1,721,989)	(13,213,353)	(665,620)	(3,152,566)	(18,753,528)
Net cash provided (used) by operating activities	(123,762)	2,527,792	(661,021)	409,803	2,152,812
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers/capital contributions from other funds	604,026	-	-	143,360	747,386
Transfers to other funds	-	(5,699,557)	244,836	(408,024)	(5,862,745)
Net change in due from other funds	36,264	-	424,778	(424,778)	36,264
Net cash provided (used) by noncapital financing activities	640,290	(5,699,557)	669,614	(689,442)	(5,079,095)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(292,987)	-	-	(127,028)	(420,015)
Net proceeds from sale of capital assets	-	-	-		-
Proceeds from borrowing	95,419	-	-	-	95,419
Principal paid on capital debt	(620,123)	-	(18,297)	-	(638,420)
Interest paid on capital debt	(29,914)	20	(2,164)	-	(32,058)
Net cash provided (used) by noncapital financing activities	(847,605)	20	(20,461)	(127,028)	(995,074)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in SGGSA			-	(23,291)	(23,291)
Withdrawals from MEAG investment	-	3,750,000	-	-	3,750,000
Additions to MEAG investment		(1,063,698)	-	-	(1,063,698)
Interest/investment income	2,893	344,096	25,465	1,106	373,560
Net cash provided by investing activities	2,893	3,030,398	25,465	(22,185)	3,036,571
Net increase in cash	(328,184)	(141,347)	13,597	(428,852)	(884,786)
Balances - beginning	392,160	435,363	20,799	723,018	1,571,340
Balances - ending	$ 63,976	$ 294,016	$ 34,396	$ 294,166	$ 686,554

See accompanying notes to the basic financial statements.

CITY OF CAIRO
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business Type Activities - Enterprise Funds				
	Water and Sewer Fund	Electric Revenue Fund	Landfill	Nonmajor Enterprise Funds	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	$ (1,062,788)	$ 2,675,450	$ (440,571)	$ 475,378	$ 1,647,469
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	1,450,984	270,485	148,744	301,719	2,171,932
Change in assets and liabilities:					
Receivables, net	(50,356)	(311,028)	-	163,904	(197,480)
Intergovernmental receivables	39,114	-			39,114
Customer deposits	-	81,610	-	6,050	87,660
Pension related balances	(44,295)	(24,482)	(4,031)	(8,721)	(81,529)
Accounts payable and accrued expenses	(533,621)	(261,053)	(369,055)	(612,054)	(1,775,784)
Prepaid expenses	22,940	15,910	3,892	5,544	48,286
Inventory	54,260	80,900	-	77,983	213,143
Compensated absences	-	-	-	-	-
Net cash provided by operating activities	$ (123,762)	$ 2,527,792	$ (661,021)	409,803	2,152,812

Noncash activity.

Capital assets with a cost of $7,484 were purchased by the TSPLOST Fund and 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the city reports the following governmental fund types:

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

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

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

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

The City reports the following major enterprise funds:

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Interfund Receivables/Payables
Outstanding balances between funds at the end of the fiscal year are referred to as either "Due From Other Funds" or "Due To Other Funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "Internal Balances".

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

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

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

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

Encumbrances

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Projects Funds which are continuing. Encumbrances do not represent GAAP expenditures. At June 30, 2025, 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, Special Revenue Funds, 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, 2025 were adopted by the City Council on June 27, 2024.

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, 2025:

Landfill Fund	(2,002,920)

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

NOTE 3 – INVESTMENTS (CONTINUED)

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 value at June 30, 2025 in the amount of $3,987,356 and $1,488,448, 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.

NOTE 3 – INVESTMENTS (CONTINUED)

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 is terminated. Any termination of the swap agreements may also result in MEAG Power, through the appropriate trust account, making or receiving a settlement payment.

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 or Authority.
2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City or 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, 2025, the City's investments in the MEAG Municipal Competitive Trust investment pool total $5,475,804.

As of June 30, 2025, the City's investments were classified as follows:

	Category			
	1	2	3	Fair Value
MEAG Municipal Competitive Trust Investment Pool	$ -	$ -	$ 5,475,804	$ 5,475,804
	$ -	$ -	$ 5,475,804	$ 5,475,804

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 2025, for the City's operations was 5.856 mills (mill equals $1 per thousand dollars of assessed value).

The City maintains no allowance for uncollectible property taxes on June 30, 2025.

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, 2025, are as follows:

	General Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
Receivables:				
Accounts	$ 282,158	$ 234,848	$ 549,865	$ 2,872,018
Sales tax	121,667	-	-	-
Gross receivables	403,825	234,848	549,865	2,872,018
Less allowance for uncollectibles	-	-	6,907	17,654
	-	-	6,907	17,654
Total net receivables	$ 403,825	$ 234,848	$ 542,958	$ 2,854,364

	Landfill Fund	Nonmajor Enterprise Funds	Total
Receivables:			
Accounts	$ -	$ 497,926	$ 4,436,815
Sales tax	-	-	121,667
Gross receivables	-	497,926	4,558,482
Less allowance for uncollectibles	-	7,184	31,745
	-	7,184	31,745
Total net receivables	$ -	$ 490,742	$ 4,526,737

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, 2025, is as follows:

	Interfund Balances		
	Receivables	Payables	Net
Governmental activities:			
General fund:			
Water and Sewer Fund Fund	$ 156,264	$ -	$ 156,264
Electric Revenue Fund	310,000	-	310,000
Landfill fund	-	-	-
Nonmajor Governmental funds	115,916	-	115,916
Nonmajor Governmental Funds:			-
General Fund	-	(115,916)	(115,916)
Electric Revenue Fund	-	-	-
Nonmajor Enterprise Funds	-	(52,994)	(52,994)
Total governmental activities	582,180	(168,910)	413,270
Business-type activities:			
Water and Sewer Fund:			
General fund	-	(156,264)	(156,264)
Electric Revenue Fund	674,250	-	674,250
Electric Revenue Fund:		-	-
General Fund	-	(310,000)	(310,000)
Landfill Fund	-	(1,863,436)	(1,863,436)
Water Fund	-	(674,250)	(674,250)
Landfill Fund:			
Electric Revenue Fund	1,863,436	-	1,863,436
Nonmajor Enterprise Funds	-	(424,778)	(424,778)
Nonmajor Enterprise Funds			
Nonmajor Governmental Funds	52,994	-	52,994
Nonmajor Governmental Funds	424,778	-	424,778
Total business-type activities	3,015,458	(3,428,728)	(413,270)
Total	$ 3,597,638	$ (3,597,638)	$ -

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		
	In	Out	Net
Governmental activities:			
General Fund:			
Electric Revenue Fund	$ 3,202,831		$ 3,202,831
Water and Sewer Fund	575,043		575,043
Landfill Fund	152,936	-	152,936
Nonmajor Governmental Funds	-	(200,890)	(200,890)
Nonmajor Enterprise Funds	436,674	-	436,674
Sub-total General Fund	4,367,484	(200,890)	4,166,594
ARPA Fund:			
Water and Sewer Fund	-	(253,982)	(253,982)
Sub-total ARPA Fund	-	(253,982)	(253,982)
Nonmajor Governmental Funds:			
General Fund	200,890	-	200,890
Water and Sewer Fund	80,247	-	80,247
Electric Fund	1,556,365	-	1,556,365
Nonmajor Enterprise Funds	-	(33,915)	(33,915)
Sub-total Nonmajor Governmental Funds	1,837,502	(33,915)	1,803,587
Total governmental activities	6,204,986	(488,787)	5,716,199

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

	Transfers		
	In	Out	Net
Business-type activities:			
Electric Revenue Fund:			
General Fund	-	(3,202,831)	(3,202,831)
Nonmajor Governmental Funds	-	(1,556,365)	(1,556,365)
Water & Sewer Fund	-	(424,064)	(424,064)
Landfill Fund	-	(397,772)	(397,772)
Nonmajor Enterprise Funds	-	(118,525)	(118,525)
Sub-total Electric Revenue Fund	-	(5,699,557)	(5,699,557)
Water & Sewer Fund:			
General Fund	-	(575,043)	(575,043)
ARPA Fund	253,982	-	253,982
Nonmajor Governmental Funds	-	(80,247)	(80,247)
Electric Revenue Fund	424,064	-	424,064
Nonmajor Enterprise Funds	-	(12,086)	(12,086)
Sub-total Water and Sewer Fund	678,046	(667,376)	10,670
Landfill Fund			
Electric Revenue Fund	397,772	-	397,772
General Fund	-	(152,936)	(152,936)
Nonmajor Enterprise Funds	-	-	-
Sub-total Landfill Fund	397,772	(152,936)	244,836
Nonmajor Enterprise Funds:			
General Fund		(436,674)	(436,674)
Nonmajor Governmental Funds	33,915	-	33,915
Water and Sewer Fund	12,086	-	12,086
Electric Revenue Fund	118,525	-	118,525
Landfill Fund	-	-	-
Sub-total Nonmajor Enterprise Funds	164,526	(436,674)	(272,148)
Total business-type activities	1,240,344	(6,956,543)	(5,716,199)
Total	$ 7,445,330	$ (7,445,330)	-

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

	Capital Contributions		
	In	Out	Net
Governmental activities:			
Nonmajor Governmental Funds:			
Water and Sewer Fund	-	(593,356)	(593,356)
Nonmajor Enterprise Funds	-	(7,484)	(7,484)
Total governmental-type activities	-	(600,840)	(600,840)
Business-type activities:			
Water & Sewer Fund:			
Nonmajor Governmental Funds	593,356	-	593,356
Sub-total Water and Sewer Fund	593,356	-	593,356
Nonmajor Enterprise Funds:			
Nonmajor Governmental Funds	7,484	-	7,484
Sub-total Nonmajor Enterprise Funds	7,484	-	7,484
Total business-type activities	600,840	-	600,840
Total	$ 600,840	$ (600,840)	-

NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity as of June 30, 2025:

	Beginning Balance	Additions	Retirements/ Deletions	Transfer In (Out)	Ending Balance
Governmental activities:					
Capital assets not being depreciated					
Land	$ 578,131	$ -	$ -	$ -	$ 578,131
Construction in progress	587,733	2,367,216	-	(7,484)	2,947,465
Total capital assets not being depreciated	1,165,864	2,367,216	-	(7,484)	3,525,596
Capital assets being depreciated					
Buildings	10,985,635	-	-	-	10,985,635
Infrastructure	13,221,054	-	-	-	13,221,054
Equipment and vehicles	6,530,578	328,647	-	-	6,859,225
Total assets being depreciated	30,737,267	328,647	-	-	31,065,914
Less accumulated depreciation for:					
Buildings	(3,400,311)	(256,150)	-	-	(3,656,461)
Infrastructure	(8,645,127)	(737,107)	-	-	(9,382,234)
Equipment and vehicles	(5,607,056)	(361,733)	-	-	(5,968,789)
Total accumulated depreciation	(17,652,494)	(1,354,990)	-	-	(19,007,484)
Total capital assets being depreciated, net	13,084,773	(1,026,343)	-	-	12,058,430
Governmental activities capital assets, net	$ 14,250,637	$ 1,340,873	$ -	$ (7,484)	$ 15,584,026

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	89,678	412,557	-	7,484	509,719
Total capital assets not being depreciated	2,202,286	412,557	-	7,484	2,622,327
Capital assets being depreciated					
Buildings	51,119,252	-	-	-	51,119,252
Infrastructure	14,515,313	-	-	-	14,515,313
Machinery, vehicles and equipment	10,858,623	-	-	-	10,858,623
Total assets being depreciated	76,493,188	-	-	-	76,493,188
Less accumulated depreciation for:					
Buildings	(26,239,465)	(1,087,014)	-	-	(27,326,479)
Infrastructure	(8,379,369)	(691,225)	-	-	(9,070,594)
Machinery, vehicles and equipment	(8,377,248)	(393,693)	-	-	(8,770,941)
Total accumulated depreciation	(42,996,082)	(2,171,932)	-	-	(45,168,014)
Total capital assets being depreciated, net	33,497,106	(2,171,932)	-	-	31,325,174
Total business-type activities capital assets, net	$ 35,699,392	$ (1,759,375)	$ -	$ 7,484	$ 33,947,501

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to divisions as follows:

Governmental activities:	
General government	$ 29,829
Public safety	484,690
Public works	673,269
Parks and recreation	152,786
Economic development	14,416
Total depreciation expense - governmental activities	$ 1,354,990
Business-type activities	
Water and sewer	$ 1,450,984
Electric	270,485
Cable TV	-
Garbage and trash	-
Airport	184,553
Telecomm	-
Landfill	148,744
Gas	72,797
Special Facilities Fund	44,369
Total depreciation expense - business-type activities	$ 2,171,932

Component Unit
The Downtown Development Authority of the city of Cairo, a discretely presented component unit, for the year ended June 30, 2025, had no capital asset activity for the year ended June 30, 2025.

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	(500,000)
Balance - end of year	$ -

NOTE 8 – LONG-TERM DEBT

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 $4,827,542 as of June 30, 2025. Closure and post-closure costs for trenches E, F & G, Construction and Demolition trenches, of $1,091,393 have been 57.8% accrued as of June 30, 2025, based on capacity utilized to date. The remaining life for trenches E, F & G have a remaining life of 9.42 years. The $4,766,000 reported as landfill closure and post-closure care liability, as of June 30, 2025, 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 $634,296. In prior years, the City utilized a portion of financial resources accumulated for landfill closure and post-closure care costs for other governmental purposes. Amounts to be repaid to the landfill fund have been recorded as interfund receivables, totaling approximately $1,863,436, from the Electric fund. The City continues to meet applicable state financial assurance requirements. The City Council has expressed its intent to replenish these resources over time through repayment of these interfund balances and future budgetary appropriations, as necessary.

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.

Finance 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 finance 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 finance leases has a net book value of $44,280 at June 30, 2025. Amortization for assets acquired under finance leases is included in depreciation expense in the amount of $56,338. Accumulated amortization for assets recorded under finance leases at June 30, 2025 was $273,237.

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments at June 30, 2025.

NOTE 8 – LONG-TERM DEBT (CONTINUED)

	Finance Lease					
	Governmental			Business-type activities		
Year Ending June 30	Principal	Interest	Total	Principal	Interest	Total
2026	$ -	$ -	$ -	$ 125,281	$ 1,404	$ 126,685
2027	-	-	-	6,184	32	6,216
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031-2035	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ 131,465	$ 1,436	$ 132,901

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, 2025, $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. The total loan is for $800,000 with $160,000 of that amount forgiven. The loan in payable in 240 monthly payments with interest at 0.00%.

NOTE 8 – LONG-TERM DEBT (CONTINUED)

The annual debt service to maturity of GEFA notes # 1, #2, #3 and #5 at June 30, 2025, is as follows:

	GEFA Notes Payable		
Year Ending June 30	Principal	Interest	Total
2026	$ 619,828	$ 15,295	$ 635,123
2027	624,411	10,712	635,123
2028	362,494	6,750	369,244
2029	275,272	4,200	279,472
2030	240,931	-	240,931
2031-2035	230,137	1,607	231,744
2036-2040	160,000	-	160,000
2041-2045	146,665	-	146,665
Total	$ 2,659,738	$ 38,564	$ 2,698,302

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, 2025, $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%.

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long term liabilities at June 30, 2025 were as follows:

	Beginning Balance	Additions	Repayments	Ending Balance	Due in One Year
Business-type activities:					
Finance Lease					
JD 700L Crawler	119,322	-	(18,297)	101,025	101,025
Kenworth T370 Dump Truck	53,948	-	(23,508)	30,440	24,256
GEFA #1	999,580	-	(313,404)	686,176	315,478
GEFA #2	325,624	-	(71,729)	253,895	72,089
GEFA #3	1,291,150	-	(198,150)	1,093,000	200,261
GEFA #4	1,473,353	-	-	1,473,353	-
GEFA #5	544,577	119,279	(37,189)	626,667	32,000
Total long-term debt	4,807,554	119,279	(662,277)	4,264,556	745,109
Total business-type activities	$ 4,807,554	$ 119,279	$ (662,277)	$ 4,264,556	$ 745,109

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

Business-type activities:	
Water, sewer and sanitation (net of bond premium amortization)	$ 29,914
Electric	-
Landfill	2,164
	$ 32,078

Repayment of $23,856 for GEFA loan #5 is a result of principal forgiveness with a corresponding amount recorded as revenue on the Statement of Revenues, Expenses, and Changes in Net Position.

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, 2025 was restricted for the following purposes:

	Governmental Activities	Business-type Activities
Capital Projects	$ 6,607,694	$ -
EIP CDBG Revolving Loan Fund	1,752,547	-
Tourism, Conventions, Trade Shows	74,817	-
Cemetery Maintenance	557,369	-
Power Generation	-	1,488,448
Other Public Services	-	-
Public Safety	-	-
Other (ARPA)	-	
	$ 8,992,427	$ 1,488,448

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, 2025, the following employees were covered by the benefits terms for the plan:

		Average			
Participants	Count	Age	Service	Pay	Benefits
Active	96	50.2	19	$ 57,780	N/A
Retired	69	72.6	N/A	N/A	$1,156
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, 2025, determined that for the fiscal year beginning July 1, 2025, employer contributions of 11.78% 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 $5,546,885.

NOTE 10 – PENSION PLAN (CONTINUED)

Actuarial Assumptions

The net pension liability was measured as of September 30, 2024 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, 2025 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%	6.60%
International equity	20%	7.03%
Domestic fixed income	20%	2.70%
Real estate	10%	3.40%
Global fixed income	5%	3.70%
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, 2025, were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2023*	$ 19,663,871	$ 16,415,079	$ 3,248,792
Changes for the year:			
Service costs	147,155	-	147,155
Interest	1,421,968	-	1,421,968
Difference between expected and actual experience	966,263	-	966,263
Contributions - employer	-	505,039	(505,039)
Net investment income	-	3,868,246	(3,868,246)
Benefit payments	(1,060,205)	(1,060,205)	-
Adminstrative expense	-	(25,939)	25,939
Other	-	-	-
Net changes	1,475,181	3,287,141	(1,811,960)
Balances at September 30, 2024**	$ 21,139,052	$ 19,702,220	$ 1,436,832

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	$ 4,024,584	$ 1,436,832	$ (747,199)

NOTE 10 – PENSION PLAN (CONTINUED)

At June 30, 2025 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows Resources
Pension contributions subsequent to measurement date	$ 565,022	$ -
Differences between expected and actual experience	837,576	(21,804)
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	-	(1,496,008)
Total	$ 1,402,598	$ (1,517,812)

Deferred outflows of resources related to contributions made subsequent to the measurement date of September 30, 2024, in the amount of $565,022, will be recognized as a reduction in net pension liability in the year ended June 30, 2025. The remaining amount, $837,576, reported as deferred outflows related to pensions at June 30, 2025, will increase pension expense in the future as follows: $354,444 for 2026, $241,566 for 2027, and $241,566 for 2028.

Amounts recognized as deferred inflows of resources related to pensions at June 30, 2025, totaling $1,517,812, will increase (decrease) pension expense in the future as follows: $378,120 for 2026, ($119,831) for 2027, $723,711 for 2028, and $535,812 for 2029.

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.

NOTE 10 – PENSION PLAN (CONTINUED)

Actuarial Assumptions:

The collective total pension liability was determined by an actuarial valuation as of June 30, 2023, with updated procedures used to roll forward the total pension liability to June 30, 2024. The roll forward calculation adds the normal cost (also called service costs), subtracts the actual benefit payments and 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, 2025, 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 $110,104 as of June 30, 2024.

Pension Expense:

For the year ended June 30, 2025, the city recognized pension expense related to the POABFG of $20,205 and revenue of $20,205 for support provided by the State of Georgia.

NOTE 10 – PENSION PLAN (CONTINUED)

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 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, 2024 and the total pension liability used to calculate the nest pension liability was based on an actuarial valuation as of June 30, 2024. 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%	2.35%
Large Cap Equities	18.00%	5.26%
Small/MidCap Equities	10.50%	6.46%
Int'l Equities (Unhedged)	13.00%	5.31%
Emerging Int'l Equities	6.50%	9.60%
Private Equity	7.50%	10.01%
Real Estate (Core)	5.00%	6.52%
Real Assets (Liquid)	5.00%	6.60%
Total	100.00%	

NOTE 10 – PENSION PLAN (CONTINUED)

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, 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, 2025, 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 $314,495 as of June 30, 2024.

Pension Expense:

For the year ended June 30, 2025, the City recognized pension expense related to the GFPF of $83,309 and revenue of $83,309 for support provided by the State of Georgia.

Defined Contribution Plan

Plan Description:

The City sponsors a single-employer defined contribution pension plan, the City of Cairo 401(a) Plan (the "Plan"), which provides retirement benefits to eligible employees. The Plan was established under the authority of the City Council and is administered by Georgia Municipal Association, Inc. The Plan is governed by the provisions of the Internal Revenue Code Section 401(a).

Eligibility and Contributions

Employees may elect for the City to pay deferred compensation at the same rate as current employees of the City of Cairo of Employee's annual base salary into the City's 401(a) Plan. The City contributes 6%.

Pension Expense:

For the year ended June 30, 2025, employee contributions totaled $10,750, and employer contributions totaled $10,500.

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, 2025, the City paid $25,201 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 "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, 2024 in the amount of $204,735. The investment had a carrying value of $ 2,525,687 at June 30, 2025 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, 2025 through June 30, 2025. 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

NOTE 11 – JOINT VENTURES (CONTINUED)

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.

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, 2025, $56,696 of hotel/motel tax was collected and $71,641 was spent. Management represents that 100% of the lodging tax funds spent during the year ended June 30, 2025 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.

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

NOTE 15 – RISK MANAGEMENT (CONTINUED)

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, 2025.

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	
	2025	2024
Unpaid claims, beginning of year	$ 560,812	$ 294,538
Incurred claims (including IBNRs)	2,264,375	1,656,479
Claim payments made	(2,371,104)	(1,390,205)
Unpaid claims, end of year	$ 454,083	$ 560,812

During the year ended June 30, 2025, 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. In the opinion of Management and the City attorney, the ultimate outcome of these contingencies will not have a material impact on the financial position of the City.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 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 $134,602,620 at June 30, 2025. 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:

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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; $3,750,000 was withdrawn during the year ended June 30, 2025. The balance in the flexible trust account, as of June 30, 2025, was $3,987,356 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 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, 2025, was $1,488,448 and has been recorded as a restricted asset of the City.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 20, 2026, 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, 2025

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
Revenues				
Property taxes	$ 1,651,687	$ 1,910,209	$ 1,910,209	$ -
Local option sales taxes	1,250,000	1,444,422	1,444,422	-
Other taxes	1,343,000	1,329,802	1,329,802	-
Licenses and permits	77,000	111,689	111,689	-
Fines and forfeitures	180,000	344,456	344,456	-
Charges for services	71,000	79,113	79,113	-
Investment income	10,000	12,743	12,743	-
Intergovernmental	175,000	421,402	421,402	-
Other revenues	135,630	120,560	120,560	-
Total revenues	4,893,317	5,774,396	5,774,396	-
Expenditures				
Current				
General government				
Mayor and council	109,253	144,297	144,297	-
City manager	293,549	304,323	304,323	-
Finance	273,395	319,434	319,434	-
Legal	22,741	29,890	29,890	-
Municipal court	67,672	58,755	58,755	-
Human resources	125,373	126,297	126,297	-
Clerk of council	249,816	316,446	316,446	-
General administration	19,860	27,763	27,763	-
Total general government	1,161,659	1,327,205	1,327,205	-
Public Safety				
Police	2,932,928	3,024,454	3,024,454	-
Fire	1,865,071	1,808,344	1,808,344	-
Code Enforcement	401,493	452,308	452,308	-
Total public safety	5,199,492	5,285,106	5,285,106	-
Public works				
Community service administration	327,709	341,657	341,657	-
Streets and sidewalks	519,889	537,845	537,845	-
Maintenance and shop	267,621	296,278	296,278	-
Total public works	1,115,219	1,175,780	1,175,780	-
Community services				
Community services	6,860	42,230	42,230	-
Economic development/assistance	261,436	215,002	215,002	-
Total community services	268,296	257,232	257,232	-

CITY OF CAIRO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
Parks, culture, and cemeteries				
Swimming pool	61,224	42,511	42,511	-
Parks and cemetery	867,737	869,782	869,782	-
Library	237,500	237,500	237,500	-
Total parks and recreation	1,166,461	1,149,793	1,149,793	-
Debt service	12,863	11,639	11,639	-
Total expenditures	8,923,990	9,206,755	9,206,755	-
Excess (deficiency) of revenus over expenditures				
Other Financing Sources (Uses)				
Transfers	4,030,673	4,166,594	4,166,594	-
Total other financing sources (uses)	4,030,673	4,166,594	4,166,594	-
Net change in fund balances	-	734,235	734,235	-
Fund balances, beginning of year	(102,213)	(102,213)	(102,213)	-
Fund balances, end of year	$ (102,213)	$ 632,022	$ 632,022	$ -

CITY OF CAIRO
BUDGETARY COMPARISON SCHEDULE – ARPA FUND
JUNE 30, 2025

	Budgeted Amounts Original and Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Budgetary fund balance, July 1	$ -	$ -	$ -
Resources (inflows):			
Intergovernmental revenue	1,145,000	227,774	(917,226)
Investment income	12,000	26,208	14,208
Amounts available for appropriation	1,157,000	253,982	(903,018)
Charges to appropriation (outflows):			
Contributions to RCC	-		-
Other	1,145,000	-	(1,145,000)
Total charges to appropriations	1,145,000	-	(1,145,000)
Other financing sources (uses)			
Transfers	-	(253,982)	(253,982)
Budgetary fund balance, June 30	$ 12,000	$ -	$ (12,000)

Note A – EXPENDITURES OVER APPROPRIATIONS:

None

CITY CAIRO
SCHEDULE OF CHANGES IN GMEBS NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS
JUNE 30, 2025

	2025	2024	2023	2022	2021
Year Ended December 31					
Total Pension Liability					
Service cost	$ 147,155	$ 159,933	$ 155,318	$ 155,150	$ 154,971
Interest	1,421,968	1,387,193	1,345,897	1,281,721	1,217,950
Difference between expected and actual experience	966,263	(32,582)	(5,641)	309,358	306,035
Change in assumptions	-	-	-	-	-
Benefit payments	(1,060,205)	(1,000,262)	(880,240)	(872,186)	(756,706)
Other	-	-	-	-	-
Net Change in total pension liability	1,475,181	514,282	615,334	874,043	922,250
Total Pension Liability					
Beginning	19,663,871	19,149,589	18,534,255	17,660,212	16,737,962
Ending	21,139,052	19,663,871	19,149,589	18,534,255	17,660,212
Plan fiduciary net position					
Contributions - employer	505,039	708,308	571,725	570,007	624,707
Net investment income	3,868,246	1,983,100	(2,908,400)	3,566,330	1,308,914
Benefit payments	(1,060,205)	(1,000,262)	(880,240)	(872,186)	(756,706)
Administrative expenses	(25,939)	(28,785)	(28,873)	(28,686)	(27,979)
Net change in plan fiduciary net position	3,287,141	1,662,361	(3,245,788)	3,235,465	1,148,936
Plan fiduciary net position					
Beginning	16,415,079	14,752,718	17,998,506	14,763,041	13,614,105
Ending	19,702,220	16,415,079	14,752,718	17,998,506	14,763,041
Net pension liability - ending	$ 1,436,832	$ 3,248,792	$ 4,396,871	$ 535,749	$ 2,897,171
Plan fiduciary net position as a % of total pension liability	93.20%	83.48%	77.04%	97.11%	83.59%
Covered-employee payroll	$ 5,546,885	$ 5,388,122	$ 5,774,496	$ 5,731,229	$ 5,527,430
Net pension liability as a % of covered employee payroll	25.90%	60.30%	76.14%	9.35%	52.4%

CITY CAIRO
SCHEDULE OF CHANGES IN GMEBS NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN YEARS
JUNE 30, 2025

	2020	2019	2018	2017	2016
Year Ended December 31					
Total Pension Liability					
Service cost	$ 159,970	$ 151,970	$ 168,373	$ 174,922	$ 177,591
Interest	1,186,966	1,102,373	1,053,016	1,023,837	965,009
Difference between expected and actual experience	(111,920)	463,975	180,089	(226,192)	192,509
Change in assumptions	-	-	161,242	-	-
Benefit payments	(594,490)	(602,335)	(605,034)	(587,096)	(564,988)
Other	133,952	-	-	-	-
Net Change in total pension liability	774,478	1,115,983	957,686	385,471	770,121
Total Pension Liability					
Beginning	15,963,484	14,847,501	13,889,815	13,504,344	12,734,223
Ending	16,737,962	15,963,484	14,847,501	13,889,815	13,504,344
Plan fiduciary net position					
Contributions - employer	585,571	560,098	558,838	695,554	801,187
Net investment income	396,586	1,201,184	1,589,743	1,059,026	95,823
Benefit payments	(594,490)	(602,335)	(605,034)	(587,096)	(564,988)
Administrative expenses	(27,162)	(29,022)	(30,660)	(17,949)	(20,550)
Net change in plan fiduciary net position	360,505	1,129,925	1,512,887	1,149,535	311,472
Plan fiduciary net position					
Beginning	13,253,600	12,123,675	10,610,788	9,461,253	9,149,781
Ending	13,614,105	13,253,600	12,123,675	10,610,788	9,461,253
Net pension liability - ending	$ 3,123,857	$ 2,709,884	$ 2,723,826	$ 3,279,027	$ 4,043,091
Plan fiduciary net position as a % of total pension liability	81.34%	83.02%	81.70%	76.40%	70.10%
Covered-employee payroll	$ 5,849,610	$ 5,927,296	$ 5,605,431	$ 5,432,291	$ 5,511,469
Net pension liability as a % of covered employee payroll	53.4%	45.7%	48.6%	60.4%	73.4%

CITY OF CAIRO
SCHEDULE OF GMEBS RETIREMENT PLAN CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2025

Year ended June 30	2025	2024	2023	2022	2021
Actuarially determined contribution	__**	604,547	$ 607,550	$ 623,544	$ 621,826
Contribution in relation to the actuarially determined contribution	__**	605,298	$ 507,624	$ 623,401	$ 622,114
Contribution deficiency (excess)	__**	(751)	$ 99,926	$ 143	$ (288)
Covered-employee payroll	__**	5,388,122	$ 5,774,496	$ 5,731,229	$ 5,527,430
Contribution as a % of covered employee payroll	__**	11.23%	8.79%	10.88%	11.26%

CITY OF CAIRO
SCHEDULE OF GMEBS RETIREMENT PLAN CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2025

Year ended June 30	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 625,283	$ 577,629	$ 556,592	$ 621,430	$ 648,236
Contribution in relation to the actuarially determined contribution	$ 621,312	$ 575,876	$ 561,995	$ 623,664	657,230
Contribution deficiency (excess)	$ 3,971	$ 1,753	$ (5,403)	$ (2,234)	(8,994)
Covered-employee payroll	$ 5,849,610	$ 5,927,296	$ 5,605,431	$ 5,432,291	5,511,469
Contribution as a % of covered employee payroll	10.62%	9.72%	10.03%	11.48%	11.92%

Notes to Schedule of Contribution – see Note 9 for details

**2025 information will be determined after fiscal year end and will be included in the 2025 valuation report.

CITY OF CAIRO
SCHEDULE OF GFPF COLLECTIVE NET PENSION AND EMPLOYER LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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%	0.00%
State of Georgia's proportionate share of the net pension liability (asset) associated with the City	$ 314,495	$ 458,992	$ 515,164	$ 73,196	$ 434,540	$ 375,292	$ 393,285	$ 356,549	$ 444,377	$ 339,941
City's covered-employee payroll	n/a	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	n/a
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.28%	81.44%	77.76%	96.77%	80.82%	84.67%	83.95%	83.74%	79.03%	83.06%

**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, 2025

	2025	2024	2023	2022	2021
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	$ 110,104	$ 141,291	$ 175,442	$ (2,556)	$ 10,549
City's covered-employee payroll	m/a	m/a	m/a	m/a	n/a
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	n/a	n/a	n/a	n/a	n/a
entity's porportionate share of collective					
Plan fiduciary net position as a percentage of the total pension liability (asset)	88.99%	85.04%	80.74%	100.33%	98.36%

CITY OF CAIRO
SCHEDULE OF POABF NET PENSION AND EMPLOYER LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2020	2019	2018	2017	2016
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	$ (17,928)	$ (8,591)	$ (6,483)	$ 31,453	$ 6,615
City's covered-employee payroll	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
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.93%	101.79%	101.62%	92.18%	98.28%

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF CAIRO
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2025

	Capital Projects Funds				Special Revenue Funds		Permanent Fund		Total
	Grant Projects Fund	SFRF Fund	SPLOST 2020	TSPLOST 2020	EIP CDBG	Hotel/ Motel Tax	Forest Lawn Cemetery	Cemetery Perpetual Care	Nonmajor Governmental Funds
ASSETS									
Accounts receivable, net	$ -	$ -	$ 120,602	$ 110,134	$ -	$ 4,112	$ -	$ -	$ 234,848
Intergovernmental receivable	139,092	-	-	-	-	-	-	-	139,092
Restricted assets:									
Cash and cash equivalents	1,500,180	1,573,979	1,057,710	2,487,161	674,270	70,705	33,485	-	7,397,490
Program receivables	-	-	-	-	1,078,277	-	-	-	1,078,277
Due from other funds	-	-	-	-	-	-	-	-	-
Total assets	$ 1,639,272	$ 1,573,979	$ 1,178,312	$ 2,597,295	$ 1,752,547	$ 74,817	33,485	-	$ 8,849,707
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable	$ 139,092	-	$ -	$ 73,162	$ -	$ -	$ -	-	$ 212,254
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	115,916	52,994	-	-	-	-	168,910
Total liabilities	139,092	-	115,916	126,156	-	-	-	-	381,164
Fund balance:									
Restricted for:									
Specific projects	1,500,180	1,573,979	1,062,396	2,471,139	1,752,547	-			8,360,241
Public services	-	-	-	-	-	74,817	33,485	-	108,302
Total fund balances	1,500,180	1,573,979	1,062,396	2,471,139	1,752,547	74,817	33,485	-	8,468,543
Total liabilities and fund balance	$ 1,639,272	$ 1,573,979	$ 1,178,312	$ 2,597,295	$ 1,752,547	$ 74,817	33,485	-	$ 8,849,707

CITY OF CAIRO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Capital Projects Funds				Special Revenue Funds		Permanent Fund		Total
	Grant Projects Fund	SFRF Fund	SPLOST 2020	TSPLOST 2020	EIP CDBG	Hotel/ Motel Tax	Forest Lawn Cemetery	Cemetery Perpetual Care	Nonmajor Governmental Funds
REVENUES									
Taxes	$ -	$ -	$ -	$ -	$ -	$ 56,696	$ -	$ -	$ 56,696
Intergovernmental	805,041	-	1,426,113	1,307,708	-	-	-	-	3,538,862
Investment income	5	36,871	10,720	40,418	27,617	411	169	-	116,211
Other revenues	-	-	-	-	-	-	-	-	-
Total revenues	805,046	36,871	1,436,833	1,348,126	27,617	57,107	169	-	3,711,769
EXPENDITURES									
Current:									
Public works	20	-	-	-	-	-	-	-	20
Community development	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Capital outlay	1,043,562	9,028	500,326	1,363,650	-	-	-	-	2,916,566
Debt service	-	-	593,357	-	-	-	-	-	593,357
Total expenditures	1,043,582	9,028	1,093,683	1,363,650	-	-	-	-	3,509,943
Excess (deficiency) of revenues over (under) expenditures	(238,536)	27,843	343,150	(15,524)	27,617	57,107	169	-	201,826
OTHER FINANCING SOURCES (USES)									
Transfers	1,738,616	80,247	-	56,365	-	(71,641)	-	-	1,803,587
Total other financing sources (uses)	1,738,616	80,247	-	56,365	-	(71,641)	-	-	1,803,587
Net change in fund balances	1,500,080	108,090	343,150	40,841	27,617	(14,534)	169	-	2,005,413
Fund balances - beginning	100	1,465,889	719,246	2,430,298	1,724,930	89,351	33,316	-	6,463,130
Fund balances - ending	$ 1,500,180	$ 1,573,979	$ 1,062,396	$ 2,471,139	$ 1,752,547	$ 74,817	$ 33,485	$ -	8,468,543

CITY OF CAIRO
BUDGETARY COMPARISON SCHEDULE – EIP CDBG REVOLVING LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Budgetary fund balance, July 1	$ 1,724,930	$ 1,724,930	$ 1,724,930	$ -
Resources (inflows):				
Investment income	40	40	-	(40)
Other income	29,500	29,500	27,617	(1,883)
Amounts available for appropriation	1,754,470	1,754,470	1,752,547	(1,923)
Charges to appropriation (outflows):				
Contingency	29,540	29,540	-	(29,540)
Total charges to appropriations	29,540	29,540	-	(29,540)
Budgetary fund balance, June 30	$ 1,724,930	$ 1,724,930	$ 1,752,547	$ 27,617

CITY OF CAIRO
BUDGETARY COMPARISON SCHEDULE – HOTEL/MOTEL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts Original and Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Budgetary fund balance, July 1	$ 89,351	$ 89,351	$ -
Resources (inflows):			
Taxes	58,075	56,696	(1,379)
Investment income	730	411	(319)
Amounts available for appropriation	148,156	146,458	(1,698)
Charges to appropriation (outflows):			
Contributions to RCC	20,000	-	(20,000)
Other	200	-	(200)
Total charges to appropriations	20,000	-	(20,000)
Other financing sources (uses)			
Transfers	-	(71,641)	(71,641)
Budgetary fund balance, June 30	$ 128,156	$ 74,817	$ 18,302

CITY OF CAIRO
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2025

	Business Type Activities - Enterprise Funds					
	CNS Fund	Garbage and Trash Fund	Airport Fund	Special Facilities Fund	Gas Fund	Total
ASSETS						
Current assets:						
Cash and cash equivalents	$ -	$ -	$ 26,593	$ 200,944	$ -	$ 227,537
Accounts receivable, net	-	283,735	6,375	45,300	155,332	490,742
Intergovernmental receivables	20,897	-	-	-	-	20,897
Due from other funds	-	424,778	52,994	-	-	477,772
Inventories	-	-	-	-	86,461	86,461
Prepaid expense	-	-	-	-	-	-
Total current assets	20,897	708,513	85,962	246,244	241,793	1,303,409
Noncurrent assets:						
Investment in SGGSA	2,525,687	-	-	-	-	2,525,687
Restricted assets - cash	-	66,629	-	-	-	66,629
Restricted assets - CD	-	-	-	-	-	-
Capital assets:						
Land	-	6,400	227,534	-	500	234,434
Construction in progress	-	-	134,161	-	500	134,661
Other capital assets, net of accumulated depreciation	-	-	3,017,057	477,204	724,526	4,218,787
Total noncurrent assets	2,525,687	73,029	3,378,752	477,204	725,526	7,180,198
Total assets	2,546,584	781,542	3,464,714	723,448	967,319	8,483,607
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	-	-	-	-	48,580	48,580
Total deferred inflows of resources	-	-	-	-	48,580	48,580
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 2,546,584	$ 781,542	$ 3,464,714	$ 723,448	$ 1,015,899	$ 8,532,187

CITY OF CAIRO
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2025

	Business Type Activities - Enterprise Funds					
	CNS Fund	Garbage and Trash Fund	Airport Fund	Special Facilities Fund	Gas Fund	Total
LIABILITIES						
Current liabilities payable from current assets:						
Accounts payable	$ -	$ 134,454	$ (623)	$ 3,896	$ 54,941	$ 192,668
Accrued expenses	-	-	-	-	8,205	8,205
Current portion of long-term debt	-	-	-	-	-	-
Customer deposits	-	-	-	11,400	-	11,400
Due to other funds	-	-	-	-	-	-
Total current liabilities payable from current assets	-	$ 134,454	$ (623)	15,296	63,146	$ 212,273
Long-term liabilities:						
Long-term debt, net of current portion	-	-	-	-	-	-
Compensated absences	-	-	-	-	12,121	12,121
Net pension liability	-	-	-	-	49,766	49,766
Other long-term liabilities	-	-	-	-	-	-
Total long-term liabilities	-	-	-	-	61,887	61,887
Total liabilities	-	134,454	(623)	15,296	125,033	274,160
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	-	-	-	-	52,570	52,570
Total deferred inflows of resources	-	-	-	-	52,570	52,570
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	-	134,454	(623)	15,296	177,603	326,730
NET POSITION:						
Net investment in capital assets	-	6,400	3,378,752	477,204	725,526	4,587,882
Restricted	-	-	-	-	-	-
Unrestricted	2,546,584	640,688	86,585	230,948	112,770	3,617,575
Total net position	$ 2,546,584	$ 647,088	$ 3,465,337	$ 708,152	$ 838,296	$ 8,205,457

CITY OF CAIRO
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business Type Activities - Enterprise Funds					
	CNS Fund	Garbage and Trash Fund	Airport Fund	Special Facilities Fund	Gas Fund	Total
OPERATING REVENUES						
Utility revenues	$ -	$ -	$ -	$ -	$ 1,468,762	$ 1,468,762
Charges for services	128,199	1,859,025	27,734	64,250	-	2,079,208
Other revenues	22,928	10,159	-	-	112,334	145,421
Intergovernmental	-	-	122,589	-	-	122,589
Total operating revenues	151,127	1,869,184	150,323	64,250	1,581,096	3,815,980
OPERATING EXPENSES						
Salaries and wages	-	-	-	-	414,843	414,843
Operating, administrative, and maintenance	5,384	1,660,589	30,529	58,844	868,694	2,624,040
Depreciation	-	-	184,553	44,369	72,797	301,719
Total operating expenses	5,384	1,660,589	215,082	103,213	1,356,334	3,340,602
Operating income (loss)	145,743	208,595	(64,759)	(38,963)	224,762	475,378
NONOPERATING REVENUE (EXPENSES)						
Interest income	-	-	190	916	-	1,106
Interest expense	-	-	-	-	-	-
Total nonoperating revenue (expenses)	-	-	190	916	-	1,106
Income (loss) before transfers	145,743	208,595	(64,569)	(38,047)	224,762	476,484
Transfers	(75,962)	130,437	(10,847)	12,923	(328,699)	(272,148)
Capital contributions	-	-	7,484	-	-	7,484
Change in net position	69,781	339,032	(67,932)	(25,124)	(103,937)	211,820
Net position, beginning of year	2,476,803	308,056	3,533,269	733,276	942,233	7,993,637
Net position, end of year	$ 2,546,584	$ 647,088	$ 3,465,337	$ 708,152	$ 838,296	$ 8,205,457

CITY OF CAIRO
STATEMENTS OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business Type Activities - Enterprise Funds					
	CNS Fund	Garbage and Trash Fund	Airport Fund	Special Facilities Fund	Gas Fund	Total
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts from customers	$ 365,013	$ 1,849,394	$ 151,833	$ 57,341	$ 1,562,354	$ 3,985,935
Grant	-	-	-	-	-	-
Payments to employees (or for their benefit) for services provided	-	-	-	-	(423,566)	(423,566)
Payments to suppliers for goods or services	(265,760)	(1,979,831)	(38,585)	(58,301)	(810,089)	(3,152,566)
Net cash provided (used) by operating activities	99,253	(130,437)	113,248	(960)	328,699	409,803
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	130,437	-	12,923		143,360
Transfers to other funds	(75,962)	-	(3,363)	-	(328,699)	(408,024)
Net change in due from other funds	-	(424,778)	-	-	-	(424,778)
Liabilities assumed by other funds		-	-	-	-	-
Net cash provided (used) by noncapital financing activities	(75,962)	(294,341)	(3,363)	12,923	(328,699)	(689,442)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	-	-	(127,028)	-	-	(127,028)
Proceeds from borrowing	-	-	-	-	-	-
Principal paid on capital debt	-	-	-	-	-	-
Interest paid on capital debt	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	(127,028)	-	-	(127,028)
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment in SGGSA	(23,291)	-	-	-	-	(23,291)
Interest income	-	-	190	916	-	1,106
Net cash provided by investing activities	(23,291)	-	190	916	-	(22,185)
Net increase in cash	-	(424,778)	(16,953)	12,879	-	(428,852)
Balances - beginning	-	491,407	43,546	188,065	-	723,018
Balances - ending	-	66,629	26,593	200,944	-	294,166

CITY OF CAIRO
STATEMENTS OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

	Business Type Activities - Enterprise Funds					
	CNS Fund	Garbage and Trash Fund	Airport Fund	Special Facilities Fund	Gas Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	145,743	208,595	(64,759)	(38,963)	224,762	475,378
Adjustments to reconcile operating income to net cash provided by operating activities:						-
Non cash contributions expensed	-	-	-	-	-	-
Depreciation expense	-	-	184,553	44,369	72,797	301,719
Change in assets and liabilities:						
Receivables, net	213,886	(19,791)	1,510	(12,957)	(18,744)	163,904
Prepaid expense	-	-	1,175	758	3,611	5,544
Customer deposits	-	-	-	6,050	-	6,050
Compensated absences	-	-	-	-	-	-
Pension related balances	-	-	-	-	(8,721)	(8,721)
Accounts payable and accrued expenses	(260,376)	(319,241)	(9,231)	(217)	(22,989)	(612,054)
Inventory	-	-	-	-	77,983	77,983
Net cash provided by operating activities	99,253	(130,437)	113,248	(960)	328,699	409,803

STATE COMPLIANCE SECTION

CITY OF CAIRO
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE
GRANT AWARD #22P-X-065-2-6269
FOR THE YEAR ENDED JUNE 30, 2025

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	$ 911,855	$ 12,000	$ 923,855	None
Administration	A-21A-00	$ 60,000	$ 60,000	$ -	$ 60,000	
Engineering Sidewalks	T-03L-00	$ 10,045	$ 10,045	$ 121,100	$ 131,145	
		$ 1,000,000	$ 981,900	$ 133,100	$ 1,115,000	

CITY OF CAIRO
ONE PERCENT SPECIAL PURPOSE SALES TAX
PROJECT COST SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

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	1,353,520	478,307	1,831,827	
Buildings and parks capital improvements	900,000	1,168,390	22,019	1,190,409	
Debt reduction	1,812,000	2,120,710	593,356	2,714,066	
Totals	$ 6,912,000	$ 4,770,345	$ 1,093,682	$ 5,864,027	84.84%

Prepared on the modified accrual basis of accounting.

CITY OF CAIRO
ONE PERCENT TRANSPORTATION SPECIAL PURPOSE SALES TAX
PROJECT COST SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Period	Expenditures Total	Estimated Percent Completed
TSPLOST - 2020 Issue					
Expenditures:					
Transportation projects	$ 5,148,353	$ 2,027,094	$ 1,363,650	$ 3,390,744	
Totals	$ 5,148,353	$ 2,027,094	$ 1,363,650	$ 3,390,744	65.86%

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, 2025

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL ALN	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 -- 22p-x-065-2-6269	-	622,536
Total Community Development Block Grants/Entitlement Grants			**-**	**622,536**
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	-	119,279
Drinking Water Grants for Clean Water	66.442	GEFA - DWLSL2022027	-	182,505
Total US Environmental Protection Agency			**-**	**301,784**
Other Programs				
Department of Transportation:				
Pass-Through Programs From:				
State of Georgia				
Airport Improvement Program	20.106	APO24-9074-27 (131)	-	117,127
Total Department of Transportation			**-**	**117,127**
Department of Housing and Urban Development				
Rural Housing and Economic Development	14.250	RLF--RLF1	-	552,929
Total Department of Homeland Security			**-**	**552,929**
Department of the Treausry				
Coronavirus State and Local Fiscal Recovery Funds				
(Single or Program-specific Audit)	21.027	ARPA	-	253,982
Total Department of the Treasury			**-**	**253,982**
Total Other Programs			**-**	**924,038**
TOTAL - ALL PROGRAMS			**$ -**	**$ 1,848,358**

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, 2025. 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, 2025, the City had $4,133,090 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, 2025	$ 1,078,277
Loans written off during the year	-
Cash and investment balance at June 30, 2024	674,270
Current year expenditures (cash basis)	-
Subtotal	1,752,547
At applicable rate **	31.55%
*Expenditures of federal awards	$ 552,929

VALENTI, RACKLEY & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cairo, Georgia ("the City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated April 20, 2026.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards,* described in the accompanying schedule of findings and questioned costs as item 2025-001.

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

April 20, 2026

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

Opinion on Each Major Federal Program

We have audited the City of Cairo, Georgia's ("the City") compliance with the types of compliance requirements identified as subject to audit 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, 2025. The City's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2025.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 & Associates, LLC
Certified Public Accountants

April 20, 2026

CITY OF CAIRO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

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?	_____	yes	X	no
Significant deficiencies identified that are not considered to be material weakness(es)?	_____	yes	X	none reported
Noncompliance material to financial statements noted?	X	yes	_____	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, 2025

Identification of major program

CFDA Number(s)	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants

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

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

CITY OF CAIRO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

2025-001

Criteria: Local Maintenance and Improvement Grant (LMIG) funds are legally restricted to use for eligible public road and transportation infrastructure projects.

Condition: Funds in excess of eligible expenditures in the amount of $735,147.24 were transferred out of LMIG funds during the year ended June 30, 2025.

Cause: The error resulted from inadequate identification of restricted funds within pooled cash accounts, combined with turnover in key financial personnel. Specifically, LMIG funds were not clearly distinguished from unrestricted resources in the general ledger or bank account structure. During the transition to the new CFO, this lack of clarity led to the misinterpretation of the account as available general fund savings, resulting in improper transfers for non-allowable expenditures. The error was subsequently identified and corrected by management prior to issuance of the financial statements.

Effect: Restricted LMIG funds were temporarily used for unallowable purposes, resulting in noncompliance with use of restricted LMIG funds.

Recommendation: Management has taken corrective action to address the issue, including strengthening the identification, tracking, and oversight of restricted funds. The City should continue to maintain and consistently apply these enhanced controls.

Management Response: See management's Corrective Action Plan.

CITY OF CAIRO
STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

Audit Reference Number	
2024-001	Corrected in current year
2024-002	Corrected in current year