CITY OF SANDERSVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2025

City of Sandersville, Georgia
Annual Financial Report
For The Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
City of Sandersville, Georgia

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Sandersville, Georgia, as of December 31, 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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 of Sandersville, Georgia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Sandersville, Georgia'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 of Sandersville, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the budgetary comparison for the General and ARPA Funds, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of Employer Contributions and the Schedule of Changes in the City's OPEB Liability & Related Notes (on pages 42- 46) 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 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.

Management has omitted management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sandersville, Georgia's basic financial statements The accompanying combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* the schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures of Federal Awards, the schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents 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 issued our report dated June 20, 2026 on our consideration of the City of Sandersville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Sandersville, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Sandersville, Georgia's internal control over financial reporting and compliance.

Wright & Wright, P.C.

Sandersville, Georgia
June 20, 2026

City of Sandersville, Georgia
Statement of Net Position
December 31, 2025

	Primary Government			Downtown Development Authority Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	$ 9,942,153	$ 8,868,412	$ 18,810,565	$ 165,891
Cash in Georgia Fund 1	-	30,311,337	30,311,337	-
Investments	-	3,723	3,723	-
Receivables:				
Accounts	1,984	11,518,528	11,520,512	363,811
Taxes	11,604	-	11,604	-
Intergovernmental	349,149	-	349,149	-
Internal balances	-	-	-	-
Inventories	55,773	949,961	1,005,734	-
Restricted cash	-	339,153	339,153	-
Prepaid expenses	-	-	-	-
Total Current Assets	10,360,663	51,991,114	62,351,777	529,702
Noncurrent Assets				
Right to use leased assets, amortized, net	673,101	-	673,101	-
Capital assets				
Nondepreciable	1,415,208	281,501	1,696,709	248,024
Construction in progress	2,931,881	271,190	3,203,071	-
Depreciable, net	9,685,297	23,149,424	32,834,721	-
Total Noncurrent Assets	14,705,487	23,702,115	38,407,602	248,024
Deferred outflows of resources				
Deferred outflows related to OPEB	60,574	-	60,574	-
Deferred outflows related to pensions	630,715	-	630,715	-
Total Assets and Deferred Outflows of Resources	25,757,439	75,693,229	101,450,668	777,726
Liabilities				
Current Liabilities				
Accounts payable	7,204	8,940,387	8,947,591	-
Sales taxes payable	51,521	865,739	917,260	-
Customer deposits	-	343,583	343,583	-
Intergovernmental payable	-	-	-	-
Unearned revenue	750,433	-	750,433	-
Leases, due in one year	178,130	-	178,130	-
Notes payable, current portion	201,418	430,895	632,313	-
Total Current Liabilities	1,188,706	10,580,604	11,769,310	-
Long-term Liabilities: (net of current portion)				
Notes payable	760,271	14,906,622	15,666,893	-
Leases	504,992	-	504,992	
Net OPEB liability	351,071	-	351,071	-
Net pension liability	2,604,896	-	2,604,896	-
Total Liabilities	5,409,936	25,487,226	30,897,162	-
Deferred inflows of resources:				
Deferred inflows related to OPEB	58,650	-	58,650	-
Deferred inflows related to pensions	-	-	-	-
Total Liabilities and deferred inflows of resources	5,468,586	25,487,226	30,955,812	-
Net Position				
Net investment in capital assets	13,060,676	8,364,598	21,425,274	-
Restricted for housing and development	604,772	-	604,772	-
Restricted for capital outlay	1,321,063	-	1,321,063	-
Restricted for public safety	4,906	-	4,906	-
Restricted for transportation	721,667	-	721,667	-
Restricted for debt service	-	339,153	339,153	-
Unrestricted	4,575,769	41,502,252	46,078,021	777,726
Total Net Position	$ 20,288,853	$ 50,206,003	$ 70,494,856	$ 777,726

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Activities
For the Year Ended December 31, 2025

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants	Program Revenues: Capital Grants	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	$ 1,450,526	$ 183,689	$ 81,956	$ -	$ (1,184,881)	$ -	$ (1,184,881)	$ -
Judicial	181,037	-	-	-	(181,037)	-	(181,037)	-
Public safety	4,098,503	70,999	371,737	-	(3,655,767)	-	(3,655,767)	-
Public works	2,393,132	-	506,095	1,357,111	(529,926)	-	(529,926)	-
Health and welfare	53,707	-	-	-	(53,707)	-	(53,707)	-
Culture and recreation	651,879	8,000	290,000	-	(353,879)	-	(353,879)	-
Housing and development	1,338,988	147,154	136,404	-	(1,055,430)	-	(1,055,430)	-
Interest	60,103	-	-	-	(60,103)	-	(60,103)	-
Total Governmental Activities	10,227,875	409,842	1,386,192	1,357,111	(7,074,730)	-	(7,074,730)	-
Business-type Activities:								
Water and sewerage	3,628,359	3,271,151	261,348	-	-	(95,860)	(95,860)	-
Electrical	102,592,533	110,801,425	930,362	-	-	9,139,254	9,139,254	-
Telecom	244,814	190,782	46,788	-	-	(7,244)	(7,244)	-
Solid waste	1,555,689	1,489,934	15,884	-	-	(49,871)	(49,871)	-
Total Business-type Activities:	108,021,395	115,753,292	1,254,382	-	-	8,986,279	8,986,279	-
Total - Primary Government	$ 118,249,270	$ 116,163,134	$ 2,640,574	$ 1,357,111	$ (7,074,730)	8,986,279	1,911,549	-
Component Unit								
Downtown Development Authority	$ 14,614	$ 1,439	$ -	$ -	$ -	-	-	(13,175)
		General Revenues						
		Property taxes levied for general government purposes			1,368,959	-	1,368,959	-
		Sales tax			2,228,997	-	2,228,997	-
		Insurance premium tax			632,257	-	632,257	-
		Franchise tax			5,128,727	-	5,128,727	-
		Alcohol tax			137,034	-	137,034	-
		Other taxes			341,425	-	341,425	-
		Gain (loss) on disposition of capital assets			16,340	(75,863)	(59,523)	-
		Investment earnings (loss)			-	919,219	919,219	1,169
		Miscellaneous			32,199	-	32,199	-
		Total General Revenues			9,885,938	843,356	10,729,294	1,169
		Transfers			960,776	(960,776)	-	-
		Total General Revenues and Transfers			10,846,714	(117,420)	10,729,294	1,169
		Change in Net Position			3,771,984	8,868,859	12,640,843	(12,006)
		Net Position Beginning of Year			16,516,869	41,337,144	57,854,013	789,732
		Net Position End of Year			$ 20,288,853	$ 50,206,003	$ 70,494,856	$ 777,726

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Balance Sheet
Governmental Funds
December 31, 2025

	General	TSPLOST Fund	ARPA Fund	2019 SPLOST	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 6,666,401	$ 693,382	$ 750,433	$ 1,223,819	$ 608,118	$ 9,942,153
Receivables:						
Accounts	1,984	-	-	-	-	1,984
Taxes	2,740	-	-	-	8,864	11,604
Intergovernmental	223,620	28,285	-	97,244	-	349,149
Interfund	100	-	-	-	-	100
Inventories	55,773	-	-	-	-	55,773
Prepaid expenses	-	-	-	-	-	-
Total Assets	$ 6,950,618	$ 721,667	$ 750,433	$ 1,321,063	$ 616,982	$ 10,360,763
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	$ -	$ -	$ -	$ -	$ 7,204	$ 7,204
Accrued expenditures	51,521	-	-	-	-	51,521
Interfund payable	-	-	-	-	100	100
Unearned revenue	-	-	750,433	-	-	750,433
Total Liabilities	51,521	-	750,433	-	7,304	809,258
Deferred Inflows of Resources						
- Property Taxes	2,740	-	-	-	-	2,740
Total Liabilities and Deferred Inflows of Resources	54,261	-	750,433	-	7,304	811,998
Fund Balances						
Nonspendable						
Inventory	55,773	-	-	-	-	55,773
Prepaid expenses	-	-	-	-	-	-
Restricted	-	721,667	-	1,321,063	609,678	2,652,408
Unassigned	6,840,584	-	-	-	-	6,840,584
Total Fund Balances	6,896,357	721,667	-	1,321,063	609,678	9,548,765
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,950,618	$ 721,667	$ 750,433	$ 1,321,063	$ 616,982	$ 10,360,763

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2025

Total Governmental Fund Balances		$ 9,548,765
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and leased assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		
Cost of capital assets and leased assets	$ 23,957,009	
Less accumulated depreciation	(9,251,522)	14,705,487
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Accounts receivable, net of allowance for doubtful accounts of $0		2,740
Net pension liability		(2,604,896)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore are not reported in the funds		630,715
Net OPEB liability		(351,071)
Deferred outflows and inflows of resources related to OPEBs are applicable to future periods and therefore are not reported in the funds		1,924
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:		
Leases payable		(683,122)
Financed purchases from direct borrowings		(961,689)
Net Position of Governmental Activities		$ 20,288,853

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General	TSPLOST Fund	ARPA Fund	2019 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 9,837,249	$ 228,145	$ -	$ -	$ 136,404	$ 10,201,798
Licenses and permits	183,689	-	-	-	-	183,689
Intergovernmental	563,452	277,950	290,000	1,332,111	25,000	2,488,513
Charges for services	18,502	-	-	-	490	18,992
Fines and forfeitures	68,626	-	-	-	-	68,626
Investment earnings	-	-	-	-	-	-
Miscellaneous	60,850	-	-	-	125	60,975
Total Revenues	10,732,368	506,095	290,000	1,332,111	162,019	13,022,593
Expenditures						
Current:						
General government	1,396,018	-	-	-	-	1,396,018
Judicial	181,037	-	-	-	-	181,037
Public safety	3,684,239	-	-	60,112	3,029	3,747,380
Public works	2,091,389	251,084	-	292,637	-	2,635,110
Health and welfare	39,133	-	-	-	-	39,133
Culture and recreation	58,552	-	290,000	300,000	-	648,552
Housing and development	1,272,382	-	-	-	66,606	1,338,988
Capital Outlay	-	87,474	-	945,785	25,000	1,058,259
Debt Service:						
Principal	99,995	-	-	192,173	-	292,168
Interest	26,833	-	-	33,270	-	60,103
Total Expenditures	8,849,578	338,558	290,000	1,823,977	94,635	11,396,748
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,882,790	167,537	-	(491,866)	67,384	1,625,845
Other Financing Sources (Uses)						
Proceeds from the disposition of capital assets	16,340	-	-	-	-	16,340
Proceeds from financed purchases from direct borrowings	-	-	-	-	-	-
Transfers in	1,039,276	-	-	-	-	1,039,276
Transfers (out)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,055,616	-	-	-	-	1,055,616
Net Change in Fund Balances	2,938,406	167,537	-	(491,866)	67,384	2,681,461
Fund Balances Beginning of Year	3,957,951	554,130	-	1,812,929	542,294	6,867,304
Fund Balances End of Year	$ 6,896,357	$ 721,667	$ -	$ 1,321,063	$ 609,678	$ 9,548,765

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2025

Net Changes In Fund Balances - Total Governmental Funds			$ 2,681,461
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded the capitalized capital outlay in the current period.			
	Depreciation expense	$ (937,506)	
	Amortization expense	(186,972)	
	Capital outlay	1,650,435	525,957
The book value of capital assets sold are reported on the government-wide statement of activities but not reported in the governmental fund's operating statement less book value of traded-in asset capitalized.			-
Capital assets received as contributions on the government-wide statement of activities but not reported on the governmental fund type operating statement.			-
Cost of benefits earned net of employee contribution			172,660
Property tax revenues in the government-wide statement of activities do not provide current financial resources are not reported as revenues in the governmental fund operating statement.			
	Liability @ 12/31/24	$ (2,590)	
	Liability @ 12/31/25	2,740	150
The issuance of long-term obligations provides current financial resources to governmental funds, while the repayment of the principal of long term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:			
	Issuance of leases	-	
	Issuance of long-term obligations	-	
	Repayment of leases	165,373	
	Repayment of long-term obligations	226,383	391,756
Change In Net Position of Governmental Activities			$ 3,771,984

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 4,133,713	$ 3,061,576	$ 1,139,360	$ 533,763	$ 8,868,412
Cash in Georgia Fund I	852,352	29,458,985	-	-	30,311,337
Investments	-	3,723	-	-	3,723
Receivables					
Accounts	276,709	11,100,233	10,035	131,551	11,518,528
Interfund	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Restricted assets					
Cash	339,153	-	-	-	339,153
Inventory	192,479	747,661	9,821	-	949,961
Total Current Assets	5,794,406	44,372,178	1,159,216	665,314	51,991,114
Noncurrent Assets					
Capital assets					
Nondepreciable	227,880	53,621	-	-	281,501
Depreciable, net	20,154,846	2,910,540	62,752	21,286	23,149,424
Construction in progress	271,190	-	-	-	271,190
Total Noncurrent Assets	20,653,916	2,964,161	62,752	21,286	23,702,115
Total Assets	26,448,322	47,336,339	1,221,968	686,600	75,693,229
Liabilities					
Current Liabilities					
Accounts payable	-	8,930,946	-	1,491	8,932,437
Accrued expenses payable	7,950	-	-	-	7,950
Current portion of notes payable	430,895	-	-	-	430,895
Sales tax payable	-	865,739	-	-	865,739
Customer deposits	10,600	332,933	50	-	343,583
Interfund payable	-	-	-	-	-
Total Current Liabilities	449,445	10,129,618	50	1,491	10,580,604
Long-Term Liabilities (net of current portion)					
Due to electrical fund	-	-	-	-	-
Notes payable	14,906,622	-	-	-	14,906,622
Total Liabilities	15,356,067	10,129,618	50	1,491	25,487,226
Net Position					
Net investment in capital assets	5,316,399	2,964,161	62,752	21,286	8,364,598
Restricted for debt service	339,153	-	-	-	339,153
Unrestricted	5,436,703	34,242,560	1,159,166	663,823	41,502,252
Total Net Position	$ 11,092,255	$ 37,206,721	$ 1,221,918	$ 685,109	$ 50,206,003

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Operating Revenues					
Charges for services	$ 3,239,708	$ 110,792,475	$ 113,726	$ 1,489,934	$ 115,635,843
Miscellaneous	31,443	8,950	77,056	-	117,449
Total Operating Revenues	3,271,151	110,801,425	190,782	1,489,934	115,753,292
Operating Expenses					
Personal services - salaries	708,681	571,485	89,430	173,885	1,543,481
Personal services - benefits	345,062	193,491	31,647	73,602	643,802
Electricity purchased	-	96,001,511	-	-	96,001,511
Franchise fees	-	4,413,277	5,882	-	4,419,159
Purchased services	799,156	705,380	54,740	1,259,453	2,818,729
Materials and supplies	245,033	223,586	44,905	26,403	539,927
Miscellaneous	189,811	234,520	-	-	424,331
Depreciation	1,062,827	249,283	18,210	22,346	1,352,666
Total Operating Expenses	3,350,570	102,592,533	244,814	1,555,689	107,743,606
Operating Income (Loss)	(79,419)	8,208,892	(54,032)	(65,755)	8,009,686
Non-Operating Revenues (Expenses)					
Interest expense	(277,789)	-	-	-	(277,789)
FEMA grants	114,164	930,362	46,788	15,884	1,107,198
State grants	147,184	-	-	-	147,184
Loss on sale of capital assets	-	-	-	(75,863)	(75,863)
Change in fair market value of investments	-	-	-	-	-
Interest and dividend income	35,536	883,683	-	-	919,219
Total Non-Operating Revenues (Expenses)	19,095	1,814,045	46,788	(59,979)	1,819,949
Income (Loss) Before Contributions and Transfers In (Out)	(60,324)	10,022,937	(7,244)	(125,734)	9,829,635
Capital Contributions	78,500	-	-	-	78,500
Transfers In	-	-	-	-	-
Transfers Out	-	(1,039,276)	-	-	(1,039,276)
Change in Net Position	18,176	8,983,661	(7,244)	(125,734)	8,868,859
Net Position Beginning of Year	11,074,079	28,223,060	1,229,162	810,843	41,337,144
Net Position End of Year	$ 11,092,255	$ 37,206,721	$ 1,221,918	$ 685,109	$ 50,206,003

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Cash Flows from Operating Activities					
Cash received from customers	$ 3,313,410	$ 103,571,914	$ 190,324	$ 1,493,896	$ 108,569,544
Cash payments for personal services	(1,053,743)	(764,976)	(121,077)	(247,487)	(2,187,283)
Cash payments for goods and services	(1,253,782)	(99,843,704)	(105,527)	(1,285,266)	(102,488,279)
Other cash receipts (payments)	-	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	1,005,885	2,963,234	(36,280)	(38,857)	3,893,982
Cash Flows from Noncapital Financing Activities					
Operating grants received	261,348	930,362	46,788	15,884	1,254,382
Transfers in	-	-	-	-	-
Transfers out	-	(1,039,276)	-	-	(1,039,276)
Net Cash Provided by (Used in) Noncapital Financing Activities	261,348	(108,914)	46,788	15,884	215,106
Cash Flows from Capital and Related Financing Activities					
Proceeds from the sale of capital assets	-	-	-	93,888	93,888
Principal paid on notes and leases	(460,632)	-	-	-	(460,632)
Interest paid on notes and leases	(277,789)	-	-	-	(277,789)
Proceeds from notes payable	-	-	-	-	-
Payments for capital acquisitions	(443,168)	(441,024)	-	-	(884,192)
Net Cash (Used in) Capital and Related Financing Activities	(1,181,589)	(441,024)	-	93,888	(1,528,725)
Cash Flows from Investing Activities					
Net purchase of investments	-	-	-	-	-
Interest and dividend income	35,536	883,683			919,219
Investment earnings	-	-	-	-	-
Net Cash Provided by (Used in) Investing Activities	35,536	883,683	-	-	919,219
Net Increase (Decrease) in Cash and Cash Equivalents	121,180	3,296,979	10,508	70,915	3,499,582
Cash and Cash Equivalents Beginning of Year	5,204,038	29,223,582	1,128,852	462,848	36,019,320
Cash and Cash Equivalents End of Year	$ 5,325,218	$ 32,520,561	$ 1,139,360	$ 533,763	$ 39,518,902
Cash and Cash Equivalents	$ 4,133,713	$ 3,061,576	$ 1,139,360	$ 533,763	$ 8,868,412
Cash in Georgia Fund I	852,352	29,458,985	-	-	30,311,337
Restricted Cash	339,153	-	-	-	339,153
Total	$ 5,325,218	$ 32,520,561	$ 1,139,360	$ 533,763	$ 39,518,902

Noncash Capital Financing Activities:
Capital purchases for the Water & Sewerage System Fund of $78,500 were made through contributions from the 2019 SPLOST Fund

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	$ (79,419)	$ 8,208,892	$ (54,032)	$ (65,755)	$ 8,009,686
Adjustments					
Depreciation	1,062,827	249,283	18,210	22,346	1,352,666
(Increase) Decrease in Assets					
Accounts receivable	42,259	(7,229,511)	(458)	3,962	(7,183,748)
Inventory	(20,332)	45,115	-	-	24,783
Prepaid expenses	-	-	-	-	-
Interfund receivable	-	-	-	-	-
Increase (Decrease) in Liabilities					
Accounts payable	-	1,668,478	-	590	1,669,068
Accrued expenses	(104)	-	-	-	(104)
Sales tax payable	-	22,860	-	-	22,860
Interfund payable	-	-	-	-	-
Customer deposits payable	654	(1,883)	-	-	(1,229)
Net Cash Provided by (Used in) Operating Activities	$ 1,005,885	$ 2,963,234	$ (36,280)	$ (38,857)	$ 3,893,982

See accompanying notes to the basic financial statements

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The City of Sandersville, Georgia (the "City") was incorporated in 1890. The City operates under a council-mayor form of government and provides the following services: public safety, highways and streets, culture and recreation, public improvements, sanitation, and general and administrative services. In addition, the City operates a public utility (water and wastewater, electric, solid waste and telecom).

Note 1 - Summary of Significant Accounting Policies

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

The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The following separate entity is the discretely presented component unit of the City.

The City of Sandersville Downtown Development Authority (Development Authority) – The Development Authority is a public body, corporate and politic, and was created upon the adoption and approval of the Development Authorities Law of the State of Georgia. More specifically, the Development Authority was created by a resolution of the City Council of Sandersville on April 12, 2001, to promote the development of the downtown area of the City. The Mayor and City Council appoint all members of the Development Authority and one member of the City Council also serves as a member. No separate financial statements are issued for the Authority.

1-B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the City's general revenues, from business-type activities, generally financed in whole or in part with charges to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City at year-end.

Note 1 - Summary of Significant Accounting Policies (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted.*

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

The eight major individual funds, the general fund, the 2019 SPLOST fund, the ARPA fund, the TSPLOST fund, the water and sewer system fund, the electric fund, the telecom fund and the solid waste fund are reported in separate columns.

Fund Accounting - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following is the City's major governmental fund:

The General Fund – The general fund should be used to account for and report all financial resources not accounted for and reported in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of State of Georgia.

2019 SPLOST Fund – This fund accounts for the cost of certain capital improvement projects in the City that are financed with the 2019 Special Purpose Local Option Sales Tax (SPLOST) revenues to purchase equipment, and make improvements, purchase tools and equipment for public works, and other general government capital projects.

TSPLOST Fund - This fund accounts for the receipt and disbursement of Transportation Investment Act funds generated from a regional 1% sales tax to fund transportation projects and for the receipt and disbursement of Local Maintenance and Improvement Grant (LMIG) funds from the Georgia Department of Transportation.

Note 1 - Summary of Significant Accounting Policies (Continued)

ARPA Fund - The American Rescue Plan Act (ARPA) Grant Fund accounts for the receipt of funds to assist with recovery efforts as a result of the COVID-19 pandemic.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The City's four proprietary funds are classified as major enterprise funds.

The Water and Sewerage System Fund –This fund is used for the operation of the City's water and sewerage system which renders services to the residents and businesses located within the City.

The Electric Fund –This fund is used for the operation of the City's electric system which renders services to the residents and businesses located within the City.

The Telecom Fund –This fund is used for the operation of the City's non-voice telecommunications including internet access for the residents and businesses located within the City.

The Solid Waste Fund –This fund is used for the operation of the City's solid waste collection and disposal services for the residents and businesses located within the City.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase "available for exchange transactions" means expected to be received within sixty days of year-end.

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within sixty days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, investment earnings and federal and state grants.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities, and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible, where applicable. Unbilled utility charges are accrued as receivables and revenue at December 31, 2025.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4. Consumable Inventories

On the government-wide financial statements and in the enterprise fund financial, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

Note 1 - Summary of Significant Accounting Policies (Continued)

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed.

1-E-5 Prepaid Items

For prepaid expenditures in the government-wide and fund financial statements, the City reports the expenditures during the benefiting period.

1-E-6 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise fund's statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of fifteen hundred dollars within an estimated life of two years or more. The City began capitalizing its infrastructure in December 2002. The City capitalizes infrastructure retroactively to 1980. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by enterprise funds is capitalized. The total interest expense incurred by the City during the current fiscal year was $304,622. Of this amount, none was included as part of the cost of capital assets under construction in connection with public building construction projects.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Estimated Lives
Buildings and improvements	30 - 40 Years
Infrastruture	40 - 50 Years
Land improvements	8 - 20 Years
Machinery and equipment	5 - 25 Years

1-E-7 Leases

The City is a lessee for a noncancellable lease of vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Note 1 - Summary of Significant Accounting Policies (Continued)

Key estimates and judgments related to leases include how the City determines: 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease liabilities are reported with long-term debt on the Statement of Net Position.

1-E-8 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. Capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-9 Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the

fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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

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

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the approval of a motion. Only, the City Council may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. By motion, the City Council has authorized the City Administrator to assign fund balances.

Note 1 - Summary of Significant Accounting Policies (Continued)

- *Unassigned* - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds. Currently, the City only reports positive unassigned fund balance.

Net Position Flow Assumptions – In order to report net position as a restricted – net position and an unrestricted – net position in the government-wide and proprietary fund financial statements, the City has established a flow assumption policy. It is the City's policy to use restricted – net position first before using unrestricted – net position.

Fund Balance Flow Assumptions – It is the City's policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net position - Net position represent the difference between assets and liabilities. Net investment in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on the use either through

the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

1-E-10 Bond Premiums, Discounts, Issuance Costs and Bond Refunding Gains and Losses

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against the debt payable. On the government-wide and proprietary fund type statement of activities, debt premiums and discounts, are deferred and amortized over the life of the debt using the effective interest method.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (the old debt).

1-E-11 Restricted Assets

The Water and Sewer Fund and General Fund, based on certain debt covenants, are required to establish and maintain prescribed amounts of resources (consisting of cash) that can only be used to service outstanding debt. At December 31, 2025, these debt covenants were satisfied as the City held $222,031 and $49,505 in the Water and Sewer Fund and the General Fund, respectively, in restricted bank accounts.

1-E-12 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services. Operating expenses are necessary costs incurred to provide utility and solid waste services. All other revenues and expenses are classified as non-operating and include interest expense, operating grants, gains and the losses on the disposition of capital assets and earnings or losses on investments.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-13 Contributions of Capital

Contributions of capital reported in proprietary fund financial statements and the government-wide financial statements arise from outside contributions of capital assets (e.g. developers), and grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-14 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

1-E-15 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-16 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

1-E-17 Compensated Absences

The City provides compensated absences to eligible employees in accordance with its personnel policies. Compensated absences include leave for which employees may receive paid time off, cash payments, or other settlement upon use, termination, or retirement, subject to the provisions of the City's policies. In accordance with GASB Statement No. 101, *Compensated Absences*, the City recognizes a liability for compensated absences attributable to services already rendered when the leave accumulates and is more likely than not to be used for time off or otherwise paid or settled. The liability is measured using employees' pay rates in effect at December 31, 2025, including applicable salary-related payments, as applicable.

Compensated absence liabilities are reported in the government-wide and proprietary fund financial statements. In governmental funds, compensated absences are recognized only to the extent the liability has matured and is payable from current financial resources. Amounts not expected to be paid from current financial resources are reported as long-term obligations in the government-wide financial statements.

1-E-18 Subscription-Based Information Technology Arrangements

The City follows the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance for accounting and financial reporting for subscription-based information technology arrangements (SBITAs) of the City. The standard requires these arrangements to be recognized as an intangible asset and amortized over

the subscription term, among other provisions. As of December 31, 2025, the City evaluated its agreements and determined it had no SBITAs which met the criteria of recognition under GASB 96.

1-E-19 New Accounting Pronouncements

The City implemented GASB Statement No. 102, *Certain Risk Disclosures*, for the year ended December 31, 2025. Statement No. 102 requires disclosure of certain concentrations or constraints that make the City vulnerable to the risk of a substantial impact when the related disclosure criteria are met. Management evaluated the City's concentrations and constraints through the date the financial statements were issued and did not identify any items requiring additional disclosure under Statement No. 102. The implementation of Statement No. 102 did not have an effect on the amounts reported in the basic financial statements.

Note 2 – Stewardship, Compliance, and Accountability

2-A Budgetary Information – The City adopts an annual operating budget for the general fund, each special revenue and all enterprise funds. The City also adopts a project length budget for all capital projects funds.

All budgets are adopted on a basis consistent with GAAP, except the SPLOST capital projects fund, which is adopted on a project length basis, rather than an annual basis.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. The City Administrator may transfer appropriations between line items within a department. Any change in total to a fund or departmental appropriation within a fund requires approval of the Mayor and City Council, as a budget amendment. During 2025 the City's budget was amended two times.

All unexpended annual appropriations lapse at year-end.

2-B Excess of Expenditures over Appropriations

No City fund or department had expenditures in excess of appropriations for the year ended December 31, 2025.

Note 3 - Detailed Notes on All Funds

3-A Deposits

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered.

The City's bank balances of deposits as of December 31, 2025, are entirely insured or collateralized with securities held by the City's agent in the City's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

Investments – The fair value of investments of the City is as follows at December 31, 2025:

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based

Note 3 - Detailed Notes on All Funds (Continued)

on a $1.00 per share value. The fair value of the City's position in the pool is the same as the value of pool shares ($1 per share value). The regulatory oversight agency for Georgia Fund 1 is the Georgia Office of the State Treasurer.

Funds included in this Pool are not required to be collateralized.

The fair value of the City's position in the pool approximates the value of the City's pool shares. Credit risk, value, and interest risk at December 31, 2025 are as follows:
The City classifies its investments in Georgia Fund I as cash and cash equivalents.

Credit Risk	Value	Interest Risk
AAAf rated	$ 30,311,337	51 Days

3-B Receivables

Receivables at December 31, 2025, consisted of accounts (billings for user charges).

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. At December 31, 2025, allowances for uncollectible were reported as follows:

Water and sewerage fund (charges for services)	$133,351
Electric fund (charges for services)	579,387
Solid Waste (charges for services)	66,103
Telecom (charges for services)	259,284

In November 2021, the Sandersville Downtown Development Authority entered into a note agreement with a local restaurant to finance a portion of its construction and renovation costs. The total loan amount was $598,045 and is due in monthly payments of $4,984. The note bears 0% interest and is secured by the building and equipment. At December 31, 2025, the remaining balance due is $363,811.

3-C. Property Taxes

The City Council levied property taxes on December 5, 2024. Property taxes attach as an enforceable lien on property as of May 18, 2024. Property taxes were billed on January 5, 2025 and were payable on March 31, 2025.

The City is subject to tax abatements granted by the Development Authority of Washington County for the purpose of economic development and revitalization of employment in the area,

For the year ended December 31, 2025, the City had no property tax abatements.

3-D. Capital Assets
Capital asset activity for governmental activities for the year ended December 31, 2025, was as follows:

Note 3 - Detailed Notes on All Funds (Continued)

	Beginning Balance 1/1/2025	Additions	Deductions	Ending Balance 12/31/25
Governmental activities:				
Not being depreciated:				
Land	$ 1,415,208	$ -	$ -	$ 1,415,208
Construction-in-progress	2,316,086	615,795	-	2,931,881
Subtotal	3,731,294	615,795	-	4,347,089
Other capital assets:				
Buildings	5,348,166	56,019	-	5,404,185
Equipment	6,580,573	1,057,121	(369,588)	7,268,106
Software	257,398	-	-	257,398
Infrastructure	5,745,369	-	-	5,745,369
Subtotal	21,662,800	1,728,935	(369,588)	23,022,147
Accumulated depreciation:				
Buildings	2,688,077	163,557	-	2,851,634
Equipment	3,796,552	621,813	(291,088)	4,127,277
Software	217,005	-	-	217,005
Infrastructure	1,641,709	152,136	-	1,793,845
Subtotal	8,343,343	937,506	(291,088)	8,989,761
Net capital assets	$ 13,319,457	$ 791,429	$ (78,500)	$ 14,032,386

General government	$ 175,552
Public safety	433,863
Public works	310,190
Culture and recreation	3,327
Housing and development	14,574
Total governmental activities depreciation expense	$ 937,506

3-E. Leases

Leased asset activity for governmental activities for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Right-to-use leased assets, being amortized:				
Vehicles and equipment	$ 934,862	$ -	$ -	$ 934,862
Total	934,862	-	-	934,862
Accumulated depreciation:				
Vehicles and equipment	74,789	186,972	-	261,761
Total	74,789	186,972	-	261,761
Total capital assets, being depreciated, net	$ 860,073	$ (186,972)	$ -	$ 673,101

Note 3 - Detailed Notes on All Funds (Continued)

Capital asset activity for business-type activities for the year ended December 31, 2025, was as follows:

	Beginning Balance 1/1/2025	Additions	Deductions	Ending Balance 12/31/2025
Capital assets not being depreciated:				
Land	$ 281,501	$ -	$ -	$ 281,501
Construction-in-progress	197,334	73,856	-	271,190
Total capital assets not being depreciated	478,835	73,856	-	552,691
Other capital assets:				
Buildings	482,295	-	-	482,295
Machinery and equipment	5,428,864	592,219	(235,031)	5,786,052
Infrastructure	42,661,660	296,616	-	42,958,276
Total other capital assets	48,572,819	888,835	(235,031)	49,226,623
Total capital assets	49,051,654	962,691	(235,031)	49,779,314
Accumulated depreciation:				
Buildings	376,386	6,293	-	382,679
Machinery and equipment	2,970,774	347,481	(65,281)	3,252,974
Infrastructure	21,442,654	998,892	-	22,441,546
Total accumulated depreciation	24,789,814	1,352,666	(65,281)	26,077,199
Business-type activities capital assets, net	$ 24,261,840	$ (389,975)	$ (169,750)	$ 23,702,115

3-F Interfund Balances

Interfund Receivables/Payables – The following are interfund balances between funds:

At December 31, 2025, the CDBG 2021 Fund owed the General Fund $100.

Interfund balances at December 31, 2025, consisted of interfund loans between funds for cash flow purposes and for other budgeted purposes.

Note 3 - Detailed Notes on All Funds (Continued)

Interfund Transfers – Interfund transfers for the year ended December 31, 2025, consisted of the following:

	Transfers from:				
Transfers to:	Nonmajor Governmental	Water & Sewer	Electrical	Telecom	Total
General	$ -	$ -	$ 1,039,276	$ -	$ 1,039,276
Water & Sewer	-	-	-	-	-
Electric	-	-	-	-	-
Telecom	-	-	-	-	-
Solid Waste	-	-	-	-	-
	$ -	$ -	$ 1,039,276	$ -	$ 1,039,276

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations and to return money to the fund from which it was originally provided once a project is completed.

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-G Long-Term Debt

At December 31, 2025, the City has three loans outstanding with the Georgia Environmental Finance Authority (GEFA).

GEFA Loan–DW00023 – In October 2006, the City borrowed $758,724 at an interest rate of 3% for water distribution system upgrades. Quarterly principal and interest payments are $12,884 with a final maturity date of January 1, 2026.

Annual debt service requirements to amortize this loan as of December 31, 2025 follows:

Year	Principal	Interest	Total
2026	$ 12,787	$ 97	$ 12,884
	$ 12,787	$ 97	$ 12,884

GEFA Loan — 2010L06WJ – In November 2011, the City borrowed $1,195,000 at an interest rate of 3.81% for water distribution system upgrades. Monthly principal and interest payments are $7,122 with a final maturity date of November 1, 2031.

Annual debt service requirements to amortize this loan as of December 31, 2025 follows:

Note 3 - Detailed Notes on All Funds (Continued)

Year	Principal	Interest	Total
2026	$ 69,668	$ 15,801	$ 85,469
2027	72,370	13,099	85,469
2028	75,176	10,293	85,469
2029	78,090	7,379	85,469
2030	81,118	4,351	85,469
2031	69,994	1,228	71,222
	$ 446,416	$ 52,151	$ 498,567

GEFA Loan — CW15003 – In April 2017, the City borrowed $1,258,180 at an interest rate of 1.03% for sewer upgrades. Monthly principal and interest payments are $5,803 with a final maturity date of March 1, 2037.

Annual debt service requirements to amortize this loan as of December 31, 2025 follows:

Year	Principal	Interest	Total
2026	$ 62,314	$ 7,323	$ 69,637
2027	62,959	6,678	69,637
2028	63,610	6,027	69,637
2029	64,269	5,368	69,637
2030	64,934	4,703	69,637
2031 - 2035	334,890	13,295	348,185
2036 - 2037	86,465	594	87,059
	$ 739,441	$ 43,988	$ 783,429

Georgia Municipal Association – The City has two GMA loans. In September 2020, the City borrowed $194,950 at an interest rate of 3.05% for the lease purchase of a 2020 Freightliner Tymco 600 Streetsweeper for the Public Works Street Department. Payments are made in the amount of $2,965 monthly with a final maturity date of September 26, 2026.

Annual debt service requirements to amortize this loan as of December 31, 2025 follow:

Year	Principal	Interest	Total
2026	$ 26,350	$ 335	$ 26,685
	$ 26,350	$ 335	$ 26,685

In July 2021, the City borrowed $402,032 at an interest rate of 1.7% for the purchase of police cars. Payments are made quarterly in the amount of $21,000 through July 2026.

Annual debt service requirements to amortize this loan as of December 31, 2025 follow:

Note 3 - Detailed Notes on All Funds (Continued)

Year	Principal	Interest	Total
2026	$ 62,474	$ 526	$ 63,000
	$ 62,474	$ 526	$ 63,000

USDA Loan – In 2023, the City financed the purchase of a HME Ahrens aerial Fire Truck with a USDA loan in the amount of $1,191,200 with an interest rate of 3.25%. Payments are made in the amount of $11,787 monthly with a final maturity date of December 18, 2032.

Annual debt service requirements to amortize this loan as of December 31, 2025 follow:

Year	Principal	Interest	Total
2026	$ 112,594	$ 28,850	$ 141,444
2027	116,309	25,135	141,444
2028	120,146	21,298	141,444
2029	124,109	17,335	141,444
2030	128,203	13,241	141,444
2031 - 2032	271,504	13,655	285,159
	$ 872,865	$ 119,514	$ 992,379

USDA - In October 2021, the City closed on three USDA funded loans totaling $15,280,500 at an interest rate of 1.75% for the purpose of consolidating current water and sewer debt and to fund additional water and sewer expansion and upgrades including the reconstruction of the South Water Treatment Plant and the Davisboro Road Basin rehabilitation, the extension of water and sewer services on Anderson Drive, and the replacement of the sewer system on West Church, West Haynes and Cook Streets.

USDA Loan – Series 2021A- Payments are made in the amount of $28,986 monthly with a final maturity date of December 18, 2061.

Year	Principal	Interest	Total
2026	$ 187,159	$ 160,673	$ 347,832
2027	190,467	157,365	347,832
2028	193,834	153,998	347,832
2029	197,260	150,572	347,832
2030	200,746	147,086	347,832
2031 - 2035	1,058,223	680,937	1,739,160
2036 - 2040	1,155,105	584,055	1,739,160
2041 - 2045	1,260,860	478,300	1,739,160
2046 - 2050	1,376,294	362,866	1,739,160
2051 - 2055	1,502,298	236,862	1,739,160
2056 - 2060	1,639,837	99,323	1,739,160
2061	286,146	2,315	288,461
	$ 9,248,229	$ 3,214,352	$ 12,462,581

Note 3 - Detailed Notes on All Funds (Continued)

USDA Loan – Series 2021B- Payments are made in the amount of $8,112 monthly with a final maturity date of December 18, 2061.

Year	Principal	Interest	Total
2026	$ 52,371	$ 44,973	$ 97,344
2027	53,297	44,047	97,344
2028	54,239	43,105	97,344
2029	55,198	42,146	97,344
2030	56,174	41,170	97,344
2031 - 2035	296,120	190,600	486,720
2036 - 2040	323,237	163,483	486,720
2041 - 2045	352,837	133,883	486,720
2046 - 2050	385,148	101,572	486,720
2051 - 2055	420,418	66,302	486,720
2056 - 2060	458,916	27,804	486,720
2061	80,177	648	80,825
	$ 2,588,132	$ 899,733	$ 3,487,865

USDA Loan - Series 2021C - Payments are made in the amount of $7,217 monthly with a final maturity date of December 18, 2061.

Year	Principal	Interest	Total
2026	$ 46,596	$ 40,008	$ 86,604
2027	47,420	39,184	86,604
2028	48,258	38,346	86,604
2029	49,111	37,493	86,604
2030	49,979	36,625	86,604
2031 - 2035	263,462	169,558	433,020
2036 - 2040	287,586	145,434	433,020
2041 - 2045	313,919	119,101	433,020
2046 - 2050	342,661	90,359	433,020
2051 - 2055	374,039	58,981	433,020
2056 - 2060	408,286	24,734	433,020
2061	71,195	579	71,774
	$ 2,302,512	$ 800,402	$ 3,102,914

Leases – The City has entered into a lease agreement with Enterprise Fleet Management as lessee for financing vehicles. The leases have been recorded at the present value of the future minimum lease payments as of the date the vehicles are received. The City uses the implicit interest rate provided by Enterprise to compute the net present value which ranges from 6% - 7%. Lease terms are 5 years.

Note 3 - Detailed Notes on All Funds (Continued)

Lease payments to maturity for the governmental-activities leases are as follows:

Year	Principal	Interest	Total
2026	$ 178,130	$ 42,174	$ 220,304
2027	191,006	29,298	220,304
2028	204,813	15,491	220,304
2029	109,173	2,550	111,723
	$ 683,122	$ 89,513	$ 772,635

Long-term Debt Activity - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2025:

	Outstanding 1/1/2025	Additions	Reductions	Outstanding 12/31/25	Amounts Due in One Year	Long-term Portion
Business-Type Activities:						
GEFA loan - DW00-023	$ 62,993	$ -	$ 50,206	$ 12,787	$ 12,787	$ -
GEFA loan - 2010-L06WJ	513,485	-	67,069	446,416	69,668	376,748
GEFA loan - CW15003	801,117	-	61,676	739,441	62,314	677,127
USDA loans:						
2021A	9,432,470	-	184,241	9,248,229	187,159	9,061,070
2021B	2,639,697	-	51,565	2,588,132	52,371	2,535,761
2021C	2,348,387	-	45,875	2,302,512	46,596	2,255,916
	$ 15,798,149	$ -	$ 460,632	$ 15,337,517	$ 430,895	$ 14,906,622
Governmental-Type Activities:						
GMA loans	$ 205,120	$ -	$ 116,296	$ 88,824	$ 88,824	$ -
Leases	848,495	-	165,373	683,122	178,130	504,992
USDA loan	982,952	-	110,087	872,865	112,594	760,271
	$ 2,036,567	$ -	$ 391,756	$ 1,644,811	$ 379,548	$ 1,265,263

The City's GEFA loans and USDA loans payable are being repaid from the City's Water and Sewer fund. The City's Georgia Municipal Association loans and USDA firetruck loan are being repaid in the City's general fund.

Note 3 - Detailed Notes on All Funds (Continued)

3-H Pension

Plan Description - The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), a defined benefit plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. GMEBS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plan, adopted by a City Council Ordinance, established the benefit provisions and has the authority to amend these provisions through City ordinance. GMEBS issues a publicly available

financial report that includes financial statements and required supplementary information for the City. That report may be obtained by writing to:

Georgia Municipal Employees Benefit System
201 Pryor Street SW
Atlanta, Georgia 30303-3606
404/688-0472

All full-time City employees (i.e., 30 hours per week) are eligible to participate in the plan with benefits vesting after 5 years of service. The plans provide either:

- Normal retirement benefit, whereas the employee retires at age 65 with five years of service
- Early retirement benefit, whereas the employee may retire at age 55 or older with ten years of service

Employees who retire at or after age sixty-five with five years of credited service or after age fifty-five with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 to 1.75 percent of their average monthly earnings as defined in the plan for each year of credit service. The system also provides death and

disability benefits.

At July 1, 2025, the date of the most recent actuarial valuation, there were 204 participants consisting of the following:

Retired participants and beneficiaries	74
Vested former participants	41
Active Employees	86
Active Elected Officials	3

Funding Policy – The obligations to contribute for both the City and its employees are established by the City council through ordinance. The City is required to contribute 100% of the amounts necessary to fund the System using the actuarial basis specified by statute. The current contribution rate is 9.6% of annual covered payroll. City employees hired prior to March 1, 2017 are not required to contribute to GMEBS, however; employees hired or rehired after this date are required to contribute 2% of their earnings.

Contributions – The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standard law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets State minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For fiscal year 2025, the actuarially determined contribution rate was 9.6% of covered payroll.

For the year ended December 31, 2025, the City's recommended and actual contribution was $446,649 which was actuarially determined and is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The amount of employer contributions recognized in the actuarial report dated July 1, 2025 and included in the government-wide statement of activities amounted to $446,649.

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (a) - (b)
Balances at March 31, 2024*	$ 12,130,634	$ 9,677,719	$ 2,452,915
Changes for the year:			
Service cost	215,058	-	215,058
Interest	885,919	-	885,919
Differences between expected and actual experience	24,979	-	24,979
Contributions - employer	-	446,649	(446,649)
Contributions - employee	-	53,026	(53,026)
Net investment income	-	503,507	(503,507)
Benefit payments, including refunds of employee contributions	(666,472)	(666,472)	-
Administrative expense	-	(29,207)	29,207
Other	-	-	-
Net changes	459,484	307,503	151,981
Balances at March 31, 2025**	$ 12,590,118	$ 9,985,222	$ 2,604,896

* *Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2024 are used to measure TPL as of March 31, 2024. The balances as of March 31, 2024 constitute measurements of the NPL for the fiscal year ending December 31, 2024.*

** *Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2025 are used to measure TPL as of March 31, 2025. The balances as of March 31, 2025 constitute measurements of the NPL for the fiscal year ending December 31, 2025.*

Note 3 - Detailed Notes on All Funds (Continued)

Pension Expense for the Year Ended December 31, 2025

Service cost	$ 215,058
Interest on TPL	885,919
Employee contribution	(53,026)
Administrative expenses	29,207
Expected return on assets	(706,504)
Expensed portion of current year period differences between expected and actual experience in TPL	6,244
Expensed portion of cuurent year period assumption changes	-
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investment earnings	40,601
Current year recognition of deferred inflows and outflows established in prior years	(159,154)
Total expense	$ 258,345

Deferred Outflows/Inflows of Resources related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 399,845	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	230,870	-
Total	$ 630,715	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2026	$ 405,177
2027	296,685
2028	(111,746)
2029	40,599
	$ 630,715

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial Assumptions

Current Valuation Date	July 1, 2025
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed Level Dollar
Remaining Amortization Period	Varies by amortization base; the net effective amortization period is approximately 13 years.
Asset Valuation Method	Sum of actuarial value at beginning of year, the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus age and service based merit increases
Cost of Living Adjustments	N/A
Plan Termination Basis	4.15% (30-year Treasury Securities Rate as of August 2024, published in September 2024; 4.28% last year) .

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.60%
International equity	20%	7.03%
Global fixed income	5%	3.70%
Domestic fixed income	20%	2.70%
Real estate	10%	3.40%
Cash	0%	
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at the actuarially determined contribution rate. Based on

Note 3 - Detailed Notes on All Funds (Continued)

those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

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

The following presents the City's net pension liability 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 and 1 percentage point higher than the current rate:

1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
$ 4,114,208	$ 2,604,896	$ 1,340,504

3-I. Other Postemployment Benefits (OPEB)

In accordance with GASB 75 requirements, the City is required to attribute the cost of postretirement benefits to the time during which the employee is working for the employer. GASB 75 requires allocation of the costs of a postretirement benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 75 requirements have been implemented by the City for the year ended December 31, 2025. The City has elected not to establish a separate trust fund to account for other post-employment benefits, and has not funded the plan as of December 31, 2025.

The City provides postretirement life insurance benefits, as per the requirements of a resolution for certain retirees. The provisions and obligations to contribute are established and may be amended by the City Council. To be eligible to continue life benefits upon retirement, eligible employees must either have attained 55 with at least ten years of service or attain age 65 with at least five years of service with the City. Life insurance is provided to retirees in an amount of $10,000. These postretirement benefits are funded on a pay-as-you-go basis. In 2025, the net cost of premiums for providing postretirement benefits for retirees was $10,440.

Total OPEB Liability

The City's total OPEB liability of $351,071 was measured as of January 1, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Real wage growth	0.00%
Wage inflation	2.25%
Salary increases, including wage inflation	3.00% - 8.50%
Municipal Bond Index Rate:	
Prior measurement date	3.72%
Measurement date	3.26%

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer.

Mortality rates were based on the RP-2000 Combined Mortality Scale projected with Scale AA to 2021.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the January 1, 2024 valuation were based on the pension valuation prepared by Segal Consulting as of July 1, 2020.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, etc.) used in the January 1, 2024 valuation were based on a review of recent plan experience done concurrently with the January 1, 2024 valuation.

The actuarial valuation was prepared on the projected benefit basis, which is used to determine the present value of each member's expected benefit payable at retirement, disability or death.

The employer contributions required to support the benefits of the Plan are determined following a level funding approach.

The actuarial accrued liability and the normal contribution are determined using the "entry age normal" method.

The following schedule (derived from the most recent actuarial report) reflects membership for the OPEB Plan as of January 1, 2024.

Inactive members or beneficiaries currently receiving benefits	29
Inactive members entitled to but not yet receiving benefits	0
Active members	83
Total membership	112

Changes in the Total OPEB Liability

Total OPEB Liability at January 1, 2023	$	290,625
Changes for the year:		
Service cost		5,798
Interest		10,835
Difference between expected and actual results		30,951
Assumption change		23,302
Benefit payments		(10,440)
Other		-
Net changes		60,446
Total OPEB Liability at January 1, 2024	$	351,071

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.26%) or 1% higher (4.26%) than the current discount rate:

	1% Decrease (2.26%)	Current (3.26%)	1% Increase (4.26%)
Total OPEB Liability	$ 410,818	$ 351,071	$ 303,231

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected and actual experience	$ 13,929	$ -
Changes of assumptions or other inputs	46,645	58,650
Total	$ 60,574	$ 58,650

The net amount of the City's balances of deferred outflows and inflows that will be recognized in the City's OPEB expense is as follows:

Year ending December 31:	
2025	$ 11,991
2026	(2,612)
2027	(10,403)
2028	(5,090)
2029	8,038
Thereafter	-
	$ 1,924

The calculation of the OPEB Expense for the year ended December 31, 2024 is shown in the following table:

Service Cost at end of year	$ 5,798
Interest Cost	10,835
Recognized Liability Losses/(Gains)	-
Change of Assumptions	3,970
Employee Contributions	-
Expected Returin on OPEB Investments	-
Recognized Asset Losses/(Gains)	208
Administrative Expenses	-
Other Changes in Fiduciary Net Position	5,273
Total OPEB Expense	$ 26,084

Note 3 - Detailed Notes on All Funds (Continued)

3-J. Fund Equity

- *Non-spendable* – The following fund balances are non-spendable because they are not in spendable form:

General Fund:	
Inventory	$ 55,773

- *Restricted* – The following fund balances are legally restricted to specified purposes:

Nonmajor Governmental Funds:	
Hotel-Motel Tax	$ 604,772
Confiscated Assets	4,906
	$ 609,678
Major Capital Project Funds:	
TSPLOST Special Revenue Fund	$ 721,667
SPLOST 2019 Capital Projects Fund	1,321,063
	$ 2,042,730

3-K. Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2025 are as follows:

	Governmental Activities	Business Type Activities
Cost of capital assets	$ 23,957,009	$ 49,779,314
Less accumulated depreciation	9,251,522	26,077,199
Book value	14,705,487	23,702,115
Less capital related debt	1,644,811	15,337,517
Net investment in capital assets	$ 13,060,676	$ 8,364,598

Note 4 - Other Notes

4-A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for its property and liability insurance. The City manages its risk of potential loss from injuries to employees by participating in the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools. There have been no significant reductions in insurance coverage during the current year.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as

Note 4 – Other Notes (Continued)

possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is to allow the pools' agents and attorneys to represent them in investigation, settlement discussions and all levels of litigation arising out of any claim made against them within the scope of loss protection provided by the funds.

The funds are to defend and protect the members of the funds against any liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The Funds are to pay all costs assessed to its members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

Settled claims in the last three years have not exceeded coverage. The City also provides health insurance coverage for its employees through the Georgia Municipal Employees Benefit System (GMEBS).

4-B. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City was a defendant in several lawsuits at December 31, 2025. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

4-C. Joint Ventures

Under Georgia law, the City, in conjunction with other municipalities and counties in the middle Georgia area, is a member of the Central Savannah River Area Regional Commission (RC). Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes representation from each county and municipality of the area, as well as representatives from the private sector and other governmental entities. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements for the RC are available from:

Central Savannah River Area Regional Development Center
3626 Walton Way Extension # 3000
P.O. Box 2800
Augusta, GA 30914-2800

4-D. Hotel/Motel Taxes

The City levies a 5% lodging tax. A summary of the transactions in the hotel/motel tax fund for the year ended December 31, 2025 follows:

Fund balance, December 31, 2024	$	534,849
Add:		
Hotel/motel taxes and misc.		136,529
Less:		
Expenditures		66,606
Transfers to General Fund		-
Fund balance, December 31, 2025	$	604,772

Expenditures of $66,606 (49.0% of current year's receipts) were for promotion of tourism as required by OCGA 48-13-51.

Note 4 – Other Notes (Continued)

This complies with the expenditure requirements of OCGA 48-13-51.

4-E. Contract Commitment

The City has commitments for contracts with the following organizations.

Municipal Electric Authority of Georgia – The City has contracted for a period not to exceed 50 years, to purchase all of its electric power from the Municipal Electric Authority of Georgia (MEAG). MEAG agrees to provide the generating capacity necessary for reliable and economical power for the City's needs.

MEAG has issued bonds for the purpose of building generation, transmission, and telecommunications facilities. Each participant, such as the City, is contingently liable for their pro rata share of the bonds as a power purchase cost until they are retired. The City's contingent contractual obligation varies by individual MEAG project and totals $128,296,105 at December 31, 2025. The contingent obligations are general obligations of the City to which the City's full faith, credit and taxing powers are pledged.

On April 12, 1999 the City adopted the provisions of a Municipal Competitive Trust agreement with MEAG. Under the agreement, MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers (the participating Cities). The Trust was created to provide a means of accumulating funds to mitigate the expected differential between market rates for power and the associated costs of generating that power after the anticipated deregulation of the electric industry. The Trust provides for three types of accounts that are held by the trustee in the name of the City.

The flexible operating trust account includes funds that are available for withdrawal at the discretion of the City. This amount is included in investments and had a zero balance December 31, 2025. The two additional accounts created were the credit support operating trust account and the reserve funded debt trust account. The funds in the credit support operating trust account can only be used to offset rate increases exceeding certain criteria and for loans for capital improvements that will reduce future operating costs. There was a zero balance in this account as of December 31, 2025.

The funds in the reserve funded debt trust account can only be used for charges related to MEAG's bond obligations. There was a zero balance in this account at December 31, 2025. Due to the restrictions on the use of these two accounts, they are not presented on the comparative statement of net position.

In accordance with the First Amendment of the Municipal Competitive Trust, MEAG Power withdrew funds from the credit support operation account and the reserve funded debt account on behalf of the Participants for the purpose of lowering the annual generation charges for the period of January 1, 2009 through December 31, 2025. The annual amount for the City for 2025 was zero.

In accordance with the Second Amendment of the Municipal Competitive Trust, effective August 10, 2009, MEAG Power amended the restrictions and broadened the circumstances under which a Participant may withdraw funds from the New Generation Trust, which was established earlier in 2009 to provide for the future funding of the construction of new power generation facilities, including, but not limited to the Plant Vogtle expansion project. The voluntary funding of the New Generation Trust by Participants will improve the overall credit rating of MEAG Power in the municipal bond market, both now and in the future. The Generation Trust Account balance at December 31, 2025 was $3,723.

Note 5 – Subsequent Events

The City performed an evaluation of subsequent events through June 20, 2026, the date upon which the City's financial statements were available for issue. The City has not evaluated subsequent events after this date. No substantial events were identified that would have required a change to the financial statements or note disclosures in the notes to the financial statements.

City of Sandersville, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	$ 7,160,835	$ 9,315,397	$ 9,837,249	$ 521,852
Licenses and permits	166,060	166,060	183,689	17,629
Intergovernmental	1,026,277	1,068,542	563,452	(505,090)
Charges for services	26,050	26,050	18,502	(7,548)
Fines and forfeitures	80,000	80,000	68,626	(11,374)
Miscellaneous	17,400	17,400	60,850	43,450
Total Revenues	8,476,622	10,673,449	10,732,368	58,919
Expenditures				
Current:				
General government	1,741,327	1,490,027	1,396,018	94,009
Municipal Court	205,622	205,622	181,037	24,585
Public safety	3,739,913	3,739,913	3,684,239	55,674
Public works	2,583,745	2,543,745	2,091,389	452,356
Health and welfare	40,000	40,000	39,133	867
Culture and recreation	70,750	61,050	58,552	2,498
Housing and development	1,485,304	1,582,915	1,272,382	310,533
Debt Service:				
Principal	100,000	100,000	99,995	5
Interest and fiscal charges	27,000	27,000	26,833	167
Total Expenditures	9,993,661	9,790,272	8,849,578	940,694
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,517,039)	883,177	1,882,790	999,613
Other Financing Sources (Uses)				
Proceeds from the disposition of capital assets	15,000	15,000	16,340	1,340
Proceeds from financed purchases from direct borrowings	-	-	-	-
Transfers in	1,490,000	1,490,000	1,039,276	(450,724)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	1,505,000	1,505,000	1,055,616	(449,384)
Net Change in Fund Balances	$ (12,039)	$ 2,388,177	2,938,406	$ 550,229
Fund Balances Beginning of Year			3,957,951	
Fund Balances End of Year			$ 6,896,357	

City of Sandersville, Georgia
ARPA Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ -	$ 290,000	$ 290,000	$ -
Miscellaneous	-	-	-	-
Total Revenues	-	290,000	290,000	-
Expenditures				
Current:				
Recreation Improvements	-	290,000	290,000	-
Capital Outlay	-	-	-	-
Total Expenditures	-	290,000	290,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	$ -	$ -	-	$ -
Fund Balances Beginning of Year			-	
Fund Balances End of Year			$ -	

City of Sandersville, Georgia
Required Supplementary Information
Georgia Municipal Employees Benefit System
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Years Ended December 31,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service cost	$ 215,058	$ 194,346	$ 146,252	$ 148,704	$ 135,293	$ 128,692	$ 128,571	$ 144,127	$ 136,371	$ 127,807
Interest	885,919	812,499	688,707	681,160	654,531	630,779	602,417	562,396	561,884	532,346
Difference between expected and actual experience	24,979	588,326	347,782	(202,282)	41,873	251,511	92,968	286,477	(253,042)	128,906
Changes of assumptions	-	-	996,076	-	-	-	-	117,377	-	-
Changes of benefit terms	-	-	-	-	-	(104,687)	21,242	-	-	-
Benefit payments, including refunds of employee contributions	(666,472)	(574,251)	(522,499)	(523,090)	(444,992)	(451,586)	(482,737)	(444,154)	(433,043)	(382,805)
Net change in total pension liability	459,484	1,020,920	1,656,318	104,492	386,705	454,709	362,461	666,223	12,170	406,254
Total pension liability, beginning	12,130,634	11,109,714	9,453,396	9,348,904	8,962,199	8,507,490	8,145,029	7,478,806	7,466,636	7,060,382
Total pension liability, ending (a)	12,590,118	12,130,634	11,109,714	9,453,396	9,348,904	8,962,199	8,507,490	8,145,029	7,478,806	7,466,636
Plan Fiduciary Net Position:										
Contributions - employer	446,649	295,565	343,747	378,096	356,249	344,033	331,563	296,590	319,700	306,982
Contributions - employee	53,026	40,955	36,456	30,332	20,959	13,302	7,636	2,861	-	-
Net investment income	503,507	1,411,998	(626,037)	544,050	2,789,020	(467,650)	239,144	756,662	692,234	17,302
Benefit payments	(666,472)	(574,251)	(522,499)	(523,090)	(444,992)	(451,586)	(482,737)	(444,154)	(433,043)	(382,805)
Administrative expense	(29,207)	(18,508)	(21,636)	(24,993)	(19,034)	(27,607)	(19,456)	(16,967)	(17,456)	(11,934)
Other	-	-	-	-	-	-	-	-	-	-
Net change in fiduciary net position	307,503	1,155,759	(789,969)	404,395	2,702,202	(589,508)	76,150	594,992	561,435	(70,455)
Plan fiduciary net position, beginning	9,677,719	8,521,960	9,311,929	8,907,534	6,205,332	6,794,840	6,718,690	6,123,698	5,562,263	5,632,718
Plan fiduciary net position, ending (b)	9,985,222	9,677,719	8,521,960	9,311,929	8,907,534	6,205,332	6,794,840	6,718,690	6,123,698	5,562,263
Net pension liability, ending (a) - (b)	$2,604,896	$2,452,915	$2,587,754	$ 141,467	$ 441,370	$2,756,867	$1,712,650	$1,426,339	$1,355,108	$1,904,373
Plan's fiduciary net position as a % of the total pension liability	79.31%	79.78%	76.71%	98.50%	95.28%	69.24%	79.87%	82.49%	81.88%	74.49%
Covered-employee payroll	$4,659,578	$4,625,448	$4,304,221	$3,684,130	$3,805,087	$3,612,695	$3,288,568	$3,268,860	$3,333,519	$3,396,739
Net pension liability as a % of covered-employee payroll	55.90%	53.03%	60.12%	3.84%	11.60%	76.31%	52.08%	43.63%	40.65%	56.06%

City of Sandersville, Georgia
Required Supplementary Information
Georgia Municipal Employees Benefit System
Schedule of Contributions
For the Years Ended December 31,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 545,755	$ 552,452	$ 479,050	$ 290,416	$ 361,742	$ 377,442	$ 342,577	$ 295,112	$ 330,361	$ 316,146
Contributions in relation to the actuarially determined contribution	446,649	295,565	380,203	378,096	356,249	344,033	342,314	294,969	330,198	341,473
Contribution deficiency (excess)	$ 99,106	$ 256,887	$ 98,847	$ (87,680)	$ 5,493	$ 33,409	$ 263	$ 143	$ 163	$ (25,327)
City's covered payroll	$4,659,578	$4,625,448	$4,304,221	$3,684,130	$3,805,087	$3,612,695	$3,288,568	$3,268,860	$3,333,519	$3,396,739
Contributions as a % of covered payroll	9.59%	6.39%	8.83%	10.26%	9.36%	9.52%	10.41%	9.02%	9.91%	10.05%

City of Sandersville Georgia

Schedule of Changes in the City's OPEB Liability & Related Notes

For the Years Ended December 31,

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	5,798	9,098	9,587	7,760	5,733	6,659	6,106
Interest	10,835	7,713	8,515	9,773	9,421	8,471	8,191
Plan chage	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	30,951	(507)	(40,579)	(3,999)	52,838	2,172	2,806
Changes of assumptions or other inputs	23,302	(86,956)	3,732	37,080	64,163	(25,364)	13,273
Benefit payments	(10,440)	(8,004)	(8,004)	(6,931)	(7,656)	(7,308)	(7,656)
Net change in total OPEB liability	60,446	(78,656)	(26,749)	43,683	124,499	(15,370)	22,720
Total OPEB liability, beginning of year	290,625	369,281	396,030	352,347	227,848	243,218	220,498
Total OPEB liability, end of year	351,071	290,625	369,281	396,030	352,347	227,848	243,218
Covered-employee payroll	$ 4,535,296	$ 3,285,033	$ 3,285,033	$ 4,008,149	$ 4,008,149	$ 3,096,734	$ 3,096,734
Total OPEB liability as a % of covered-employee payroll	7.74%	8.85%	11.24%	9.88%	8.79%	7.36%	7.85%

Notes to the schedule

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

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 608,018	$ 100	$ 608,118
Receivables:			
Sales taxes	-	-	-
Hotel/motel taxes	8,864	-	8,864
Intergovernmental	-	-	-
Total Assets	$ 616,882	$ 100	$ 616,982
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 7,204	$ -	$ 7,204
Interfund payable	-	100	100
Unearned revenue	-	-	-
Total Liabilities	7,204	100	7,304
Fund Balances			
Restricted	609,678	-	609,678
Unassigned (deficit)	-	-	-
Total Fund Balances	609,678	-	609,678
Total Liabilities and Fund Balances	$ 616,882	$ 100	$ 616,982

City of Sandersville, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds - By Fund Type

For the Year Ended December 31, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Hotel/motel taxes	$ 136,404	$ -	$ 136,404
Sales taxes	-	-	-
Intergovernmental	-	25,000	25,000
Fines and forfeitures	490	-	490
Investment earnings	-	-	-
Miscellaneous	125	-	125
Total Revenues	137,019	25,000	162,019
Expenditures			
Current:			
Public safety	3,029	-	3,029
Public works	-	-	-
Health and welfare	-	-	-
Housing and development	66,606		66,606
Capital Outlay	-	25,000	25,000
Total Expenditures	69,635	25,000	94,635
Excess of Revenues Over Expenditures	67,384	-	67,384
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	67,384	-	67,384
Fund Balances (Deficits) Beginning of Year	542,294	-	542,294
Fund Balances End of Year	$ 609,678	$ -	$ 609,678

City of Sandersville, Georgia
General Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 6,666,401	$ 3,792,086
Receivables (net, where applicable):		
Property taxes	2,740	2,590
Accounts	1,984	1,817
Interfund	100	118
Intergovernmental	223,620	140,768
Inventories	55,773	76,649
Prepaid expenses	-	-
Total Assets	$ 6,950,618	$ 4,014,028
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Accrued expenditures	51,521	53,487
Unearned revenue	-	-
Interfund payable	-	-
Total Liabilities	51,521	53,487
Deferred Inflows of Resources		
Property Taxes	2,740	2,590
Total Liabilities and Deferred Inflows of Resources	54,261	56,077
Fund Balances		
Restricted	-	-
Nonspendable	55,773	76,649
Unassigned	6,840,584	3,881,302
Total Fund Balances	6,896,357	3,957,951
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,950,618	$ 4,014,028

City of Sandersville, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2025 and 2024

	2025	2024
Revenues		
Taxes	$ 9,837,249	$ 7,699,621
Licenses and permits	183,689	195,947
Intergovernmental	563,452	608,657
Charges for services	18,502	20,511
Fines and forfeitures	68,626	81,258
Miscellaneous	60,850	42,738
Total Revenues	10,732,368	8,648,732
Expenditures		
Current:		
General government	1,396,018	1,253,732
Municipal Court	181,037	157,431
Public safety	3,684,239	3,532,885
Public works	2,091,389	2,438,308
Health and welfare	39,133	38,138
Culture and recreation	58,552	51,301
Housing and development	1,272,382	541,814
Debt Service:		
Principal payments	99,995	98,637
Interest and fiscal charges	26,833	28,190
Total Expenditures	8,849,578	8,140,436
Deficiency of Revenues (Under) Expenditures	1,882,790	508,296
Other Financing Sources (Uses)		
Proceeds from the disposition of capital assets	16,340	37,252
Proceeds from financed purchases from direct borrowings	-	-
Transfers in	1,039,276	15,000
Transfers out	-	-
Total Other Financing Sources (Uses)	1,055,616	52,252
Net Change in Fund Balances	2,938,406	560,548
Fund Balances Beginning of Year	3,957,951	3,397,403
Fund Balances End of Year	$ 6,896,357	$ 3,957,951

City of Sandersville, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
Real and personal property taxes				
General property tax - current	$ 1,275,000	$ 1,275,000	$ 1,290,503	$ 15,503
Motor vehicle property tax - current	58,000	58,000	63,041	5,041
Motor vehicle title adv tax	235,000	235,000	253,170	18,170
Mobile home - personal property	8,200	8,200	8,362	162
Public utility taxes	80,000	80,000	78,306	(1,694)
Real estate transfer taxes	4,000	4,000	4,656	656
Intangible taxes	7,300	7,300	6,176	(1,124)
Other	-	-	-	-
Penalties and interest on taxes	7,800	7,800	6,020	(1,780)
Total real and personal property taxes	1,675,300	1,675,300	1,710,234	34,934
Selective taxes:				
Sales tax	1,600,000	1,600,000	1,820,894	220,894
Floating local option sales tax	-	340,811	408,103	67,292
Franchise tax	3,240,535	5,054,286	5,128,727	74,441
Alcoholic beverage tax	130,000	130,000	137,034	7,034
Insurance premium tax	515,000	515,000	632,257	117,257
Total selective taxes	5,485,535	7,640,097	8,127,015	486,918
Licenses and permits:				
Alcoholic beverages	27,770	27,770	33,200	5,430
General business license	31,600	31,600	33,989	2,389
General business license - insurance	15,470	15,470	14,075	(1,395)
Financial institutions	65,000	65,000	70,524	5,524
Building structure and equipment permit	10,000	10,000	18,026	8,026
Permits	5,120	5,120	2,855	(2,265)
Other	10,800	10,800	10,888	88
Business license penalties	300	300	132	(168)
Total licenses and permits:	166,060	166,060	183,689	17,629
Intergovernmental				
State grant	-	-	2,829	2,829
FEMA Disaster Grant	500,000	542,265	39,436	(502,829)
Forest land protection grant	450	450	-	(450)
GMA health grant	4,000	4,000	8,000	4,000
GMA safety liability grant	7,200	7,200	-	(7,200)
County reimbursement - public safety	200,951	200,951	200,951	-
County reimbursement - animal control	161,751	161,751	159,317	(2,434)
County development authority	146,160	146,160	147,154	994
Housing authority - payments in lieu of taxes	5,765	5,765	5,765	-
Total intergovernmental	1,026,277	1,068,542	563,452	(505,090)
Fines and forfeitures:				
Court fines	80,000	80,000	68,626	(11,374)
Charges for services:				
General government	10,300	10,300	5,150	(5,150)
Animal control	5,000	5,000	3,469	(1,531)
Public safety	1,550	1,550	1,883	333
Sale of cemetery lots	9,200	9,200	8,000	(1,200)
Total charges for services	26,050	26,050	18,502	(7,548)
Miscellaneous:				
Private donations	12,500	12,500	28,776	16,276
Miscellaneous	4,900	4,900	32,074	27,174
Total miscellaneous	17,400	17,400	60,850	43,450
Total revenues	8,476,622	10,673,449	10,732,368	58,919
Other financing sources:				
Transfers in	1,490,000	1,490,000	1,039,276	(450,724)
Proceeds from financed purchases from direct borrowings	-	-	-	-
Proceeds from the disposition of capital assets	15,000	15,000	16,340	1,340
Total revenues and other financing sources	$ 9,981,622	$ 12,178,449	$ 11,787,984	$ (390,465)

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government				
Governing body:				
Personal services	$ 111,281	$ 111,281	$ 107,224	$ 4,057
Purchased services	56,802	52,102	65,727	(13,625)
Supplies	850	850	3,348	(2,498)
Miscellaneous	500	500	194	306
Total governing body	169,433	164,733	176,493	(11,760)
General administration				
Personal services	926,487	926,487	979,617	(53,130)
Purchased services	165,255	165,255	101,350	63,905
Supplies	14,850	14,850	25,209	(10,359)
Miscellaneous	127,700	74,100	18,200	55,900
Capital Outlays	328,300	135,300	85,849	49,451
Total general administration	1,562,592	1,315,992	1,210,225	105,767
General administration fees:				
Miscellaneous	9,302	9,302	9,300	2
Total general government	1,741,327	1,490,027	1,396,018	94,009
Municipal court				
Personal services	155,732	155,732	137,229	18,503
Purchased services	12,890	12,890	43,055	(30,165)
Supplies	800	800	753	47
Capital Outlay	6,400	6,400	-	6,400
Miscellaneous	29,800	29,800	-	29,800
Total municipal court	205,622	205,622	181,037	24,585
Public safety:				
Police:				
Personal services	1,943,387	1,943,387	1,890,640	52,747
Purchased services	215,800	215,800	222,948	(7,148)
Supplies	95,650	95,650	130,614	(34,964)
Miscellaneous	1,000	1,000	520	480
Capital outlay	-	-	-	-
Total police	2,255,837	2,255,837	2,244,722	11,115
Total carried forward	4,202,786	3,951,486	3,821,777	129,709

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	$ 4,202,786	$ 3,951,486	$ 3,821,777	$ 129,709
Fire:				
Personal services	911,787	911,787	947,372	(35,585)
Purchased services	90,540	90,540	63,699	26,841
Supplies	39,400	39,400	41,097	(1,697)
Miscellaneous	1,000	1,000	464	536
Capital outlay	35,500	35,500	25,187	10,313
Total fire	1,078,227	1,078,227	1,077,819	408
Animal control:				
Personal services	218,199	218,199	176,520	41,679
Purchased services	23,900	23,900	20,987	2,913
Supplies	6,250	6,250	6,634	(384)
Miscellaneous	500	500	174	326
Capital outlay	-	-	-	-
Total animal control	248,849	248,849	204,315	44,534
EMA/E-911 Fee	157,000	157,000	157,383	(383)
Total public safety	3,739,913	3,739,913	3,684,239	55,674
Public works:				
Public works - operations:				
Personal services	294,342	294,342	189,998	104,344
Purchased services	29,925	29,925	34,750	(4,825)
Supplies	3,650	3,650	1,989	1,661
Miscellaneous	500	500	-	500
Capital outlays	2,000	2,000	-	2,000
Total - public works - operations	330,417	330,417	226,737	103,680
Street department				
Personal services	$ 528,408	528,408	529,601	(1,193)
Purchased services	160,850	160,850	125,409	35,441
Supplies	89,600	89,600	88,889	711
Miscellaneous	1,000	1,000	50	950
Street repairs	70,000	70,000	22,839	47,161
Capital outlays	750,000	750,000	494,614	255,386
Total street department	1,599,858	1,599,858	1,261,402	338,456
Total carried forward	7,617,137	7,365,837	6,749,433	616,404

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total brought forward	$ 7,617,137	$ 7,365,837	$ 6,749,433	$ 616,404
Fleet maintenance				
Personal services	54,888	54,888	57,864	(2,976)
Purchased services	8,390	8,390	6,647	1,743
Supplies	13,475	13,475	13,029	446
Miscellaneous	500	500	-	500
Capital Outlays	41,500	1,500	-	1,500
Total fleet maintenance	118,753	78,753	77,540	1,213
Parks and Cemetery				
Personal services	408,117	408,117	408,714	(597)
Purchased services	102,200	102,200	89,301	12,899
Supplies	21,400	21,400	27,295	(5,895)
Capital outlay	500	500	-	500
Miscellaneous	2,500	2,500	400	2,100
Total parks and cemetery	534,717	534,717	525,710	9,007
Total public works	2,583,745	2,543,745	2,091,389	452,356
Health and welfare				
Payments for senior center	40,000	40,000	39,133	867
Culture and recreation				
Disc Golf				
Personal services	-	-	-	-
Purchased services	4,200	4,200	2,942	1,258
Supplies	6,050	1,850	1,405	445
Capital outlay	-	-	-	-
Miscellaneous	5,500	-	-	-
Total disc golf	15,750	6,050	4,347	1,703
Parks:				
Payments to DAR	2,000	2,000	2,000	-
Forestry and nursery:				
Payments to Tree City	1,000	1,000	205	795
Total carried forward	8,329,357	8,028,357	7,398,368	629,989

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	8,329,357	8,028,357	7,398,368	629,989
Libraries:				
Payment to Rosa M. Tarbutton Library	52,000	52,000	52,000	-
Total culture and recreation	70,750	61,050	58,552	2,498
Housing and development:				
Planning and zoning				
Personal services	131,957	138,987	139,622	(635)
Purchased services	19,950	23,302	22,446	856
Supplies	1,800	1,800	5,374	(3,574)
Capital outlay	500	500	-	500
Miscellaneous	3,000	3,000	-	3,000
Total planning and zoning	157,207	167,589	167,442	147
Economic development and assistance				
Personal services	77,322	77,322	76,956	366
Purchased services	23,575	78,529	73,472	5,057
Supplies	13,200	13,200	25,784	(12,584)
Capital outlay	43,000	67,951	65,024	2,927
UGA Archway	15,000	15,000	15,000	-
Historical society	22,000	22,000	22,000	-
Downtown development authority	60,000	60,000	-	60,000
Downtown tourism	-	-	-	-
Economic development	25,000	25,000	-	25,000
Public facilities authority	-	7,324	7,324	-
Linton Park contribution	1,000,000	1,000,000	770,380	229,620
Payment to WACO airport	19,000	19,000	19,000	-
Payment to WACO chamber of commerce	30,000	30,000	30,000	-
Total economic development and assistance	1,328,097	1,415,326	1,104,940	310,386
Total housing and development	1,485,304	1,582,915	1,272,382	310,533
Debt Service:				
Principal	100,000	100,000	99,995	5
Interest and fiscal charges	27,000	27,000	26,833	167
Total Debt Service	127,000	127,000	126,828	172
Total Expenditures	9,993,661	9,790,272	8,849,578	940,694
Other financing Uses:				
Transfers out	-	-	-	-
Total Expenditures and Transfers	$ 9,993,661	$ 9,790,272	$ 8,849,578	$ 940,694

City of Sandersville, Georgia
Comparative Balance Sheet
ARPA Fund
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 750,433	$ 1,040,433
Intergovernmental receivable	-	-
Total Assets	$ 750,433	$ 1,040,433
Liabilities and Fund Balances		
Liabilities		
Unearned revenues	$ 750,433	$ 1,040,433
Fund Balances		
Restricted	-	-
Total Liabilities and Fund Balances	$ 750,433	$ 1,040,433

City of Sandersville, Georgia

Schedule of Revenues and Changes in Fund Balances - Budget and Actual

ARPA Fund

For the Year Ended December 31, 2025

(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Intergovernmental	$ -	$ 290,000	$ 290,000	$ -	$ -
Miscellaneous	-	-	-	-	-
Total Revenues	-	290,000	290,000	-	-
Expenditures:					
Recreation Improvements	-	290,000	290,000	-	-
Capital Outlays	-	-	-	-	-
Total Expenditures	-	290,000	290,000	-	-
Excess of Revenues Over Expenditure	-	-	-	-	-
Other Financing (Uses)					
Transfers out	-	-	-	-	-
Net Change in Fund Balances	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025

	Hotel-Motel Tax	Confiscated Assets	Total Nonmajor Special Revenue Funds
Assets			
Cash and cash equivalents	$ 595,908	$ 12,110	$ 608,018
Intergovernmental receivable	-	-	-
Taxes receivable	8,864	-	8,864
Total Assets	$ 604,772	$ 12,110	$ 616,882
Liabilities			
Account payables	-	7,204	7,204
Fund Balances			
Restricted	$ 604,772	$ 4,906	$ 609,678
Unassigned (deficit)	-	-	-
Total Liabilities and Fund Balances	$ 604,772	$ 12,110	$ 616,882

City of Sandersville, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

	Hotel-Motel Tax	Confiscated Assets	Total Nonmajor Special Revenue Funds
Revenues			
Taxes	$ 136,404	$ -	$ 136,404
Fines and forfeitures	-	490	490
Intergovernmental	-	-	-
Miscellaneous	125	-	125
Total Revenues	136,529	490	137,019
Expenditures			
Current:			
Public safety	-	3,029	3,029
Housing and development	66,606	-	66,606
Capital Outlay	-	-	-
Total Expenditures	66,606	3,029	69,635
Excess of Revenues Over Expenditures	69,923	(2,539)	67,384
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Net Change in Fund Balances	69,923	(2,539)	67,384
Fund Balances Beginning of Year	534,849	7,445	542,294
Fund Balances End of Year	$ 604,772	$ 4,906	$ 609,678

City of Sandersville, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 595,908	$ 528,302
Hotel/motel taxes receivable	8,864	6,547
Total Assets	$ 604,772	$ 534,849
Fund Balances		
Restricted for housing and development	$ 604,772	$ 534,849

City of Sandersville, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
Hotel/Motel Tax Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Hotel/motel taxes	$ 125,000	$ 125,000	$ 136,404	$ 11,404	$ 112,175
Miscellaneous	75	75	125	50	50
Total Revenues	125,075	125,075	136,529	11,454	112,225
Expenditures					
Current:					
Housing and development	125,075	125,075	66,606	58,469	44,850
Excess of Revenues Over Expenditures	-	-	69,923	69,923	67,375
Other Financing (Uses)					
Transfers out	-	-	-	-	(15,000)
Net Change in Fund Balances	$ -	$ -	69,923	$ 69,923	52,375
Fund Balances Beginning of Year			534,849		482,474
Fund Balances End of Year			$ 604,772		$ 534,849

City of Sandersville, Georgia
Comparative Balance Sheet
Confiscated Assets Fund
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 12,110	$ 14,040
Intergovernmental receivable	-	-
Total Assets	$ 12,110	$ 14,040
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 7,204	$ 6,595
Fund Balances		
Restricted for public safety	4,906	7,445
Total Liabilities and Fund Balances	$ 12,110	$ 14,040

City of Sandersville, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
Confiscated Assets Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Fines and forfeitures	$ 3,600	$ 3,600	$ 490	$ (3,110)	$ 1,100
Miscellaneous	-	-	-	-	-
Total Revenues	3,600	3,600	490	(3,110)	1,100
Expenditures					
Current:					
Public Safety	3,600	3,600	3,029	571	4,180
Capital Outlay	-	-	-	-	-
Total Expenditures	3,600	3,600	3,029	571	4,180
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(2,539)	(2,539)	(3,080)
Other Financing Uses					
Transfers Out	-	-	-	-	-
Net Change in Fund Balances	$ -	$ -	(2,539)	$ (2,539)	(3,080)
Fund Balances Beginning of Year			7,445		10,525
Fund Balances End of Year			$ 4,906		$ 7,445

City of Sandersville, Georgia
Comparative Balance Sheet
T-SPLOST Fund
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 693,382	$ 482,864
Intergovernmental receivable	28,285	71,266
Total Assets	$ 721,667	$ 554,130
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Unearned revenue	-	-
Total Liabilities	-	-
Fund Balances		
Restricted for transportation	721,667	554,130
Total Fund Balances	721,667	554,130
Total Liabilities and Fund Balances	$ 721,667	$ 554,130

City of Sandersville, Georgia
Comparitve Statement of Expenditures
and Changes in Fund Balance
T-SPLOST Fund
December 31, 2025 and 2024

	2025	2024
Revenues:		
Sales Tax	$ 228,145	$ 219,811
Intergovernmental revenue	277,950	234,406
Total Revenues	506,095	454,217
Expenditures		
Public works	251,084	-
Capital Outlays	87,474	135,558
Total Expenditures	338,558	135,558
Excess (Deficiency) of Revenues Over (Under) Expenditures	167,537	318,659
Other Financing Sources		
Transfers out	-	-
Fund Balances Beginning of Year	554,130	235,471
Fund Balances End of Year	$ 721,667	$ 554,130

City of Sandersville, Georgia
Comparative Balance Sheet
2019 SPLOST Fund
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 1,223,819	$ 1,730,222
Receivables:		
Intergovernmental	97,244	82,707
Total Assets	$ 1,321,063	$ 1,812,929
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Interfund payable	-	-
Total Liabilities	-	-
Fund Balances		
Restricted for capital purchases	1,321,063	1,812,929
Liabilities and Fund Balances	$ 1,321,063	$ 1,812,929

City of Sandersville, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
2019 SPLOST Fund
For the Years Ended December 31, 2025 and 2024

	2025	2024
Revenues		
Intergovernmental	$ 1,332,111	$ 1,055,195
Expenditures		
Current:		
Public safety	$ 60,112	$ -
Public works	292,637	-
Culture and recreation	300,000	-
Debt Service:		
Principal	192,173	186,239
Interest	33,270	39,204
Capital Outlay	945,785	370,364
Total Expenditures	1,823,977	595,807
Excess (Deficiency) of Revenues Over (Under) Expenditures	(491,866)	459,388
Other Financing Sources		
Transfers in	-	-
Net Change in Fund Balances	(491,866)	459,388
Fund Balances Beginning of Year	1,812,929	1,353,541
Fund Balances End of Year	$ 1,321,063	$ 1,812,929

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2025

	CDBG 2021	Total Nonmajor Capital Projects Funds
Assets		
Cash and cash equivalents	$ 100	$ 100
Receivables:		
Intergovernmental	-	-
Sales taxes	-	-
Total Assets	$ 100	$ 100
Liabilities		
Accounts payable	$ -	$ -
Interfund payable	100	100
Unearned revenue	-	-
Total Liabilities	100	100
Fund Balances		
Restricted for transportation	-	-
Unassigned (deficit)	-	-
Total Liabilities and Fund Balances	$ 100	$ 100

City of Sandersville, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2025

	CDBG 2021	Total Nonmajor Capital Projects Funds
Revenues:		
Sales taxes	$ -	$ -
Intergovernmental	25,000	25,000
Total Revenues	25,000	25,000
Expenditures		
Current:		
Public works	-	-
Housing and development	-	-
Capital Outlay	25,000	25,000
Total Expenditures	25,000	25,000
Excess of Revenues Over Expenditures	-	-
Other Financing Sources (Uses)		
Transfers in	-	-
Transfers out	-	-
Total Other Financing Sources (Uses)	-	-
Net Change in Fund Balances	-	-
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ -	$ -

City of Sandersville, Georgia
Comparative Balance Sheet
CDBG 2021 Fund
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 100	$ 100
Intergovernmental receivable	-	-
Total Assets	$ 100	$ 100
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Interfund payable	100	100
Total Liabilities	100	100
Fund Balances		
Restricted	-	-
Unassigned (deficit)	-	-
Total Fund Balances	-	-
Total Liabilities and Fund Balances	$ 100	$ 100

City of Sandersville, Georgia
Comparitive Statement of Revenues and Changes in Fund Balances
CDBG 2021 Fund
For the Years Ended December 31, 2025 and 2024

	2025	2024
Revenues:		
Intergovernmental	$ 25,000	$ 690,000
Expenditures		
Housing and development	-	-
Capital Outlays	25,000	690,000
Total Expenditures	25,000	690,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Other Financing Sources		
Transfer in	-	-
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ -	$ -

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water and Sewerage Fund
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets:		
Cash and cash equivalents	$ 4,133,713	$ 3,764,621
Investments	852,352	816,816
Receivable:		
Accounts (net)	276,709	318,968
Interfund	-	-
Prepaid expenses	-	-
Restricted assets:		
Cash	339,153	622,601
Inventories	192,479	172,147
Total Current Assets	5,794,406	5,695,153
Noncurrent Assets:		
Capital assets:		
Nondepreciable	227,880	227,880
Depreciable, net	20,154,846	20,769,861
Construction in progress	271,190	197,334
Total Noncurrent Assets	20,653,916	21,195,075
Total Assets	26,448,322	26,890,228
Liabilities		
Current Liabilities:		
Accounts payable	-	-
Accrued expenses payable	7,950	8,054
Loans payable	430,895	460,078
Customer deposits held	10,600	9,946
Total Current Liabilities	449,445	478,078
Long-term Liabilities (net of current portion):		
Loans payable	14,906,622	15,338,071
Total Liabilities	15,356,067	15,816,149
Net Position		
Net investment in capital assets	5,316,399	5,396,926
Restricted for debt service	339,153	622,601
Unrestricted	5,436,703	5,054,552
Total Net Position	$ 11,092,255	$ 11,074,079

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues		
Charges for services	$ 3,239,708	$ 3,264,342
Miscellaneous	31,443	79,823
Total Operating Revenues	3,271,151	3,344,165
Operating Expenses		
Personal services - salaries	708,681	617,780
Personal services - benefits	345,062	279,337
Purchased services	799,156	375,800
Materials and supplies	245,033	199,523
Miscellaneous	189,811	102,558
Depreciation	1,062,827	1,037,927
Total Operating Expenses	3,350,570	2,612,925
Operating Income	(79,419)	731,240
Non-Operating Revenues (Expenses)		
Interest and dividend income	35,536	41,375
State grants	147,184	-
FEMA grants	114,164	-
Interest and fiscal charges	(277,789)	(288,898)
Total Non-Operating Revenues (Expenses)	19,095	(247,523)
Income Before Contributions and Transfers In (Out)	(60,324)	483,717
Contributions	78,500	-
Transfer In	-	-
Transfers Out	-	-
Change in Net Position	18,176	483,717
Net Position Beginning of Year	11,074,079	10,590,362
Net Position End of Year	$ 11,092,255	$ 11,074,079

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2025 and 2024

	2025	2024
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 3,313,410	$ 3,331,436
Cash payments to employees for services	(1,053,743)	(897,117)
Cash payments for goods and services	(1,253,782)	(804,487)
Other cash receipts (payments)	-	-
Net Cash Provided by (Used in) Operating Activities	1,005,885	1,629,832
Cash Flows from Noncapital Financing Activities		
Operating grants received	261,348	-
Transfers in	-	-
Transfers out	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	261,348	-
Cash Flows from Capital and Related Financing Activities		
Principal paid on notes	(460,632)	(560,141)
Interest paid on notes	(277,789)	(288,898)
Proceeds from notes payable	-	-
Acquisition of capital assets	(443,168)	(807,091)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,181,589)	(1,656,130)
Cash Flows from Investing Activities		
Interest and dividend income	35,536	41,375
Investment earnings	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	121,180	15,077
Cash and Cash Equivalents Beginning of Year	5,204,038	5,188,961
Cash and Cash Equivalents End of Year	$ 5,325,218	$ 5,204,038
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 4,133,713	$ 3,764,621
Cash in Georgia Fund I	852,352	816,816
Restricted cash	339,153	622,601
Total Cash and Cash Equivalents	$ 5,325,218	$ 5,204,038

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2025 and 2024

(continued)

	2025	2024
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ (79,419)	$ 731,240
Adjustments:		
Depreciation and amortization	1,062,827	1,037,927
Loss on sale of capital assets	-	-
(Increase) Decrease in Assets:		
Accounts receivable	42,259	(12,729)
Inventories	(20,332)	(122,072)
Prepaid expenses	-	-
Interfund receivable	-	-
Increase (Decrease) in Liabilities:		
Accounts payable	-	(4,913)
Accrued expenses payable	(104)	104
Customer deposits payable	654	275
Net Cash Provided by (Used in) Operating Activities	$ 1,005,885	$ 1,629,832

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Electrical Fund
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets:		
Cash and cash equivalents	$ 3,061,576	$ 10,648,280
Cash in Georgia Fund I	29,458,985	18,575,302
Investments	3,723	3,723
Receivable:		
Accounts (net)	11,100,233	3,870,722
Interfund	-	-
Intergovernmental	-	-
Inventories	747,661	792,776
Total Current Assets	44,372,178	33,890,803
Noncurrent Assets:		
Capital assets:		
Nondepreciable	53,621	53,621
Depreciable, net	2,910,540	2,718,799
Construction in progress	-	-
Total Noncurrent Assets	2,964,161	2,772,420
Total Assets	47,336,339	36,663,223
Liabilities		
Current Liabilities:		
Accounts payable	8,930,946	7,262,468
Accrued expenses payable	-	-
Sales tax payable	865,739	842,879
Interfund payable	-	-
Customer deposits payable	332,933	334,816
Total Current Liabilities	10,129,618	8,440,163
Net Position		
Investment in capital assets	2,964,161	2,772,420
Unrestricted	34,242,560	25,450,640
Total Net Position	$ 37,206,721	$ 28,223,060

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues		
Charges for services	$ 110,792,475	$ 70,539,358
Miscellaneous	8,950	203,666
Total Operating Revenues	110,801,425	70,743,024
Operating Expenses		
Personal services - salaries	571,485	616,593
Personal services - benefits	193,491	187,934
Electricity purchased	96,001,511	67,021,433
Purchased services	705,380	1,272,695
Franchise fee	4,413,277	2,814,885
Materials and supplies	223,586	233,576
Miscellaneous	234,520	121,098
Depreciation	249,283	220,095
Total Operating Expenses	102,592,533	72,488,309
Operating Income (Loss)	8,208,892	(1,745,285)
Non-Operating Revenues (Expenses)		
Interest and dividend income	883,683	858,581
FEMA Disaster Grant	930,362	-
Total Non-Operating Revenues (Expenses)	1,814,045	858,581
Income (Loss) Before Contributions and Transfers In (Out)	10,022,937	(886,704)
Transfers In	-	-
Transfers Out	(1,039,276)	-
Change in Net Position	8,983,661	(886,704)
Net Position Beginning of Year	28,223,060	29,109,764
Net Position End of Year	$ 37,206,721	$ 28,223,060

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2025 and 2024

	2025	2024
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 103,571,914	$ 69,910,635
Cash payments to employees for services	(764,976)	(804,527)
Cash payments for goods and services	(99,843,704)	(66,714,161)
Other cash receipts (payments)	-	-
Net Cash Provided by (Used in) Operating Activities	2,963,234	2,391,947
Cash Flows from Noncapital Financing Activities		
Operating grants received	930,362	-
Interfund receivable	-	-
Interfund payable	-	-
Transfers in (out)	(1,039,276)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(108,914)	-
Cash Flows from Capital and Related Financing Activities		
Capital grants	-	-
Property contributed to DDA	-	-
Acquisition of capital assets	(441,024)	(165,287)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(441,024)	(165,287)
Cash Flows from Investing Activities		
Investment earnings (loss)	-	-
Interest and dividend income	883,683	858,428
Net (purchase) sale of investments	-	-
Cash Flows from Investing Activities	883,683	858,428
Net Increase (Decrease) in Cash and Cash Equivalents	3,296,979	3,085,088
Cash and Cash Equivalents Beginning of Year	29,223,582	26,138,494
Cash and Cash Equivalents End of Year	$ 32,520,561	$ 29,223,582
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 3,061,576	$ 10,648,280
Cash in Georgia Fund I	29,458,985	18,575,302
Total Cash and Cash Equivalents	$ 32,520,561	$ 29,223,582

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2025 and 2024

(continued)

	2025	2024
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ 8,208,892	$ (1,745,285)
Adjustments:		
Depreciation	249,283	220,095
Loss on sale of capital assets	-	-
(Increase) Decrease in Assets:		
Accounts receivable	(7,229,511)	(832,389)
Inventories	45,115	(11,124)
Intergovernmental receivable	-	-
Interfund receivable	-	-
Increase (Decrease) in Liabilities:		
Accounts payable	1,668,478	7,171,396
Accrued expenses payable	-	-
Sales tax payable	22,860	530,366
Interfund payable	-	-
Customer deposits	(1,883)	(2,941,112)
Net Cash Provided by (Used in) Operating Activities	$ 2,963,234	$ 2,391,947

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Telecom Fund
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,139,360	$ 1,128,852
Receivable:		
Accounts (net)	10,035	9,577
Interfund	-	-
Prepaid expenses	-	-
Inventory	9,821	9,821
Total Current Assets	1,159,216	1,148,250
Noncurrent Assets:		
Capital assets:		
Depreciable, net	62,752	80,962
Construction in progress	-	-
Total Assets	1,221,968	1,229,212
Liabilities		
Current Liabilities:		
Accounts payable	-	-
Accrued expenses payable	-	-
Customer deposits payable	50	50
Interfund payable	-	-
Total Current Liabilities	50	50
Long-term Liabilities (net of current portion):		
Due to electrical fund	-	-
Total Liabilities	50	50
Net Position		
Net investment in capital assets	62,752	80,962
Unrestricted	1,159,166	1,148,200
Total Net Position	$ 1,221,918	$ 1,229,162

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues		
Charges for services	$ 113,726	$ 115,193
Miscellaneous	77,056	-
Total Operating Revenues	190,782	115,193
Operating Expenses		
Personal services - salaries	89,430	83,849
Personal services - benefits	31,647	25,643
Franchise fee	5,882	5,676
Purchased services	54,740	105,667
Materials and supplies	44,905	39,058
Depreciation	18,210	34,657
Miscellaneous	-	-
Total Operating Expenses	244,814	294,550
Operating Income (Loss)	(54,032)	(179,357)
Non-Operating Revenues (Expenses)		
FEMA Disaster Grant	46,788	-
Loss on sale of capital assets	-	-
Total Non-Operating Revenues	46,788	-
Income (Loss) Before Contributions and Transfers In (Out)	(7,244)	(179,357)
Capital Contributions	-	-
Transfers In	-	-
Transfers Out	-	-
Change in Net Position	(7,244)	(179,357)
Net Position Beginning of Year	1,229,162	1,408,519
Net Position End of Year	$ 1,221,918	$ 1,229,162

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2025 and 2024

	2025	2024
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 190,324	$ 117,439
Cash payments to employees for services	(121,077)	(109,492)
Cash payments for goods and services	(105,527)	(150,401)
Net Cash Provided by (Used in) Operating Activities	(36,280)	(142,454)
Cash Flows from Noncapital Financing Activities		
Operating grants received	46,788	-
Transfers in (out)	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	46,788	-
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	-	(52,595)
Net Increase (Decrease) in Cash and Cash Equivalents	10,508	(195,049)
Cash and Cash Equivalents Beginning of Year	1,128,852	1,323,901
Cash and Cash Equivalents End of Year	$ 1,139,360	$ 1,128,852
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 1,139,360	$ 1,128,852

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2025 and 2024

(continued)

	2025	2024
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ (54,032)	$ (179,357)
Adjustments:		
Depreciation	18,210	34,657
Loss on disposal of fixed assets	-	-
(Increase) Decrease in Assets:		
Accounts receivable	(458)	2,246
Inventories	-	-
Interfund receivable	-	-
Increase (Decrease) in Liabilities:		
Accounts payable	-	-
Accrued expenses payable	-	-
Interfund payable	-	-
Net Cash Provided by (Used in) Operating Activities	$ (36,280)	$ (142,454)

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Solid Waste Fund
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets:		
Cash and cash equivalents	$ 533,763	$ 462,848
Accounts receivable (net)	131,551	135,513
Prepaid expenses	-	-
Total Current Assets	665,314	598,361
Noncurrent Assets:		
Capital assets:		
Depreciable, net	21,286	213,383
Total Assets	686,600	811,744
Liabilities		
Current Liabilities:		
Accounts payable	1,491	901
Current portion of notes payable	-	-
Interfund payable	-	-
Total Current Liabilities	1,491	901
Noncurrent Liabilities		
Notes Payable, net of current portion	-	-
Total Liabilities	1,491	901
Net Position		
Net investment in capital assets	21,286	213,383
Unrestricted	663,823	597,460
Total Net Position	$ 685,109	$ 810,843

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues		
Charges for services	$ 1,489,934	$ 1,468,896
Miscellaneous	-	-
Total Operating Revenues	1,489,934	1,468,896
Operating Expenses		
Personal services - salaries	173,885	160,648
Personal services - benefits	73,602	61,494
Purchased services	1,259,453	1,128,102
Materials and supplies	26,403	19,045
Depreciation	22,346	25,395
Miscellaneous	-	225
Total Operating Expenses	1,555,689	1,394,909
Operating Income (Loss)	(65,755)	73,987
Non-Operating Revenues (Expenses)		
FEMA Disaster Grant	15,884	-
Loss on sale of capital assets	(75,863)	-
Total Non-Operating Revenues	(59,979)	-
Income (Loss) Before Contributions and Transfers In (Out)	(125,734)	73,987
Transfers In (Out)	-	-
Capital Contributions	-	203,700
Change in Net Position	(125,734)	277,687
Net Position Beginning of Year	810,843	533,156
Net Position End of Year	$ 685,109	$ 810,843

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2025 and 2024

	2025	2024
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 1,493,896	$ 1,464,366
Cash payments to employees for services	(247,487)	(222,142)
Cash payments for goods and services	(1,285,266)	(1,148,328)
Net Cash Provided by (Used in) Operating Activities	(38,857)	93,896
Cash Flows from Noncapital Financing Activities		
Operating grants received	15,884	-
Transfers in (out)	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	15,884	-
Cash Flows from Capital and Related Financing Activities		
Principal paid on notes	-	-
Interest paid on notes	-	-
Proceeds from the sale of capital assets	93,888	
Payments for capital acquisitions	-	-
Net Cash (Used in) Capital and Related Financing Activities	93,888	-
Net Increase (Decrease) in Cash and Cash Equivalents	70,915	93,896
Cash and Cash Equivalents Beginning of Year	462,848	368,952
Cash and Cash Equivalents End of Year	$ 533,763	$ 462,848
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 533,763	$ 462,848

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2025 and 2024

(continued)

	2025	2024
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ (65,755)	$ 73,987
Adjustments:		
Depreciation	22,346	25,395
(Increase) Decrease in Assets:		
Accounts receivable	3,962	(4,530)
Prepaid expenses	-	-
Increase (Decrease) in Liabilities:		
Accounts payable	590	(956)
Interfund payable	-	-
Net Cash Provided by (Used in) Operating Activities	$ (38,857)	$ 93,896

City of Sandersville, Georgia
Community Development Block Grant (CDBG) 2021 Fund
CDBG No. 21p-x-150-2-6186
Schedule of Source and Application of Funds
For the Year Ended December 31, 2025

SOURCE OF FUNDS:		
CDBG Funds drawn down by recipient (Cumulative)		$ 715,000
APPLICATION OF FUNDS:		
Acquisition and construction costs for street & drainage improvements	$ 692,227	
Engineering	12,773	
Administration	45,000	750,000
SOURCE OF FUNDS IN EXCESS OF (LESS THAN) APPLICATION		$ (35,000)

City of Sandersville, Georgia
Community Development Block Grant (CDBG) 2021 Fund
CDBG No. 21p-x-150-2-6186
Schedule of Project Costs - Budget to Actual
For the Year Ended December 31, 2025

	Total Budgeted Costs (Revised) For CDBG	Costs Prior to Year Ended 12/31/25	Actual Current Year Costs	Total Project Costs To Date	(Over) Under Budget
Construction cost for drainage improvements	$ 692,227	$ 677,227	$ -	$ 677,227	$ 15,000
Engineering	12,773	12,773	-	12,773	-
Administration	45,000	-	25,000	25,000	20,000
Total	$ 750,000	$ 690,000	$ 25,000	$ 715,000	$ 35,000

City of Sandersville, Georgia
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended December 31, 2025

Project	Original Estimated Cost	Revised Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Completion
2019 Tax:						
Fire protection	$ 100,000	$ 100,000	$ 469,100	$ 220,933	$ 690,033	690.0%
Transportation improvements	500,000	500,000	73,890	342,294	416,184	83.2%
Economic development	400,000	400,000	-	300,000	300,000	75.0%
Capital outlays:						
Street department equipment	300,000	300,000	630,930	362,026	992,956	331.0%
Water & sewer system equipment & upgrades	500,000	500,000	-	78,500	78,500	15.7%
General & admin equipment	300,000	300,000	184,859	143,495	328,354	109.5%
Police department vehicles & equipment	200,000	200,000	335,620	376,729	712,349	356.2%
Electrical fund equipment	200,000	200,000	-	-	-	0.0%

SINGLE AUDIT SECTION

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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 Mayor and Council
City of Sandersville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Sandersville, Georgia, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City of Sandersville, Georgia's basic financial statements and have issued our report thereon dated June 20, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 25-1 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

City of Sandersville, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Sandersville, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Sandersville, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Wright & Wright, P.C.

Sandersville, Georgia
June 20, 2026

WRIGHT & WRIGHT, P.C.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Mayor and Council
City of Sandersville, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Sandersville, Georgia's 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 Sandersville, Georgia's major federal programs for the year ended December 31, 2025. The City of Sandersville, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Sandersville, Georgia 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 December 31, 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 of Sandersville, Georgia 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 of Sandersville, Georgia'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 of Sandersville, Georgia's federal programs.

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 of Sandersville, Georgia'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 of Sandersville, Georgia'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 of Sandersville, Georgia'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 of Sandersville, Georgia'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 of Sandersville, Georgia'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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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.

Wright & Wright, P.C.

Sandersville, Georgia
June 20, 2026

City of Sandersville, Georgia
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Grantor/ Pass-Through Program Title	Assistance Listing Number	Agency or Pass-through Grantor's Number	Federal Expenditures	Loan Balance at Beginning of Period
GRANTS:				
U.S. Department of Transportation				
Passed-Through State of Georgia Department of Transportation				
Transportation Alternatives Program (TAP) Grant	20.205	48400-425-IGOPD2001569	$ 58,057	
U.S. Department of Treasury				
Direct Awards				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	290,000	
U.S. Department of Homeland Security				
Passed-Through the Georgia Emergency Management Division				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-DR-4830-GA	1,040,630	
Hazard Mitigation Grant	97.039	303-68208-00	106,004	
U.S. Department of Housing and Urban Development				
Passed-Through State of Georgia Department of Community Affairs				
Community Development Block Grant (CDBG)	14.218	21p-x-150-2-6186	25,000	
Total Grants Expended			1,519,691	
LOANS:				
U.S. Department of Agriculture				
Community Facilities Loan	10.766	N/A	-	$ 982,952
Total Federal Financial Assistance			$ 1,519,691	

See Notes to Schedule of Expenditures of Federal Awards.

City of Sandersville, Georgia
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Note 1 – Basis of Presentation

The Schedule of expenditures of federal awards includes the federal grant activity of the City of Sandersville, Georgia (the "City") and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of the financial statements.

Note 2 – Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurred.

Note 3 – De Minimis Indirect Cost Rate

The City chose not to use the 15% de minimis cost rate for the year ended December 31, 2025.

Note 4 – Payments to Subrecipients

For the current year, the City did not pass federal funds through to subrecipients.

Note 5 – Federal Loans Outstanding

The City participates in the U.S. Department of Agriculture Community Facilities Loan Program (Assistance Listing 10.766). The outstanding principal balance of this loan was $982,952 at January 1, 2025. During the year ended December 31, 2025, the City did not receive any additional loan proceeds; however, it repaid principal of $110,087. Principal repayments are not reported as federal expenditures under the Uniform Guidance, but they do reduce the amount outstanding. As a result, the outstanding principal balance at December 31, 2025 was $872,865. Because there were no new loan advances or interest subsidies during the year, no expenditures are reported for this program in the Schedule of Expenditures of Federal Awards.

City of Sandersville, Georgia
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025

1. *Summary of Auditor's Results*

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified	
Internal control over financial reporting: Material Weakness Identified?	___ Yes	_X_ No
Signficant deficiencies identified	_X_ Yes	___ None Reported
Noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

Internal controls over major programs: Material weaknesses identified?	___ Yes	_X_ No
Signficant deficiencies identified	___ Yes	_X_ None Reported
Type of auditor's report issued on compliance for major federal programs	Unmodified	
Any audit findings disclosed that are to be reported in accordance with the 2 CFR 200.516(a)?	___ Yes	_X_ No

Identification of major programs:
97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs:	$1,000,000	
Auditee qualified as low-risk auditee	_X_ Yes	___ No

2. *Financial Statement Findings and Questioned Costs*

Current Year Audit Findings

25-1 Financial Statement Preparation

Condition: City personnel do not currently possess the professional skills necessary to prepare the year-end financial statements in sufficient detail to detect material missatements in the financial statements and related footnotes.

Effect: The deficiency identified above could result in a material misstatement to the City's financial statements that would not be prevented or detected in a timely manner.

Recommendations: The City should consider additional training that would provide accounting personnel with the skills to detect and correct misstatements in the financial statements.

Management Response: We concur and will evaluate the cost effectiveness of implementing the control and act accordingly.

Prior Year Audit Findings Follow-Ups

Finding 24-1 Financial Statement Preparation

Condition: City personnel do not currently possess the professional skills necessary to prepare the year-end financial statements in sufficient detail to detect material missatements in the financial statements and related footnotes.

Auditee's Response/Status: The finding was repeated in 2025.

3. *Federal Award Findings and Questioned Costs*

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

CITY OF SANDERSVILLE

"The Kaolin City"

MAYOR
JAMES W. ANDREWS

MAYOR PRO TEM
JEFFERY T. SMITH

CITY MANAGER
KANDICE HARTLEY

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POST 3
DANNY BROWN
POST 4
BEN SALTER

June 20, 2026

Georgia Department of Audits & Accounts
270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Gentlemen:

The following constitutes our corrective action plan regarding the findings and recommendations in our audit report for the year ended December 31, 2025.

1. City personnel do not currently possess the professional skills necessary to prepare the year end financial statements and related footnotes. The City will consider additional training that would provide accounting personnel with the skills to detect and correct misstatements in the financial statements.

Should you need any further explanation of these matters please contact us.

Sincerely,

James W. Andrews, Mayor