CITY OF WAYCROSS, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

CITY OF WAYCROSS, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Commission
City of Waycross, Georgia
Waycross, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Waycross, Georgia** (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund and the American Rescue Plan Act ("ARPA") Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

GAAP requires that the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of City Contributions – Retirement Plan (on pages 50 – 53) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board ("GASB") who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that GAAP requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedules of Expenditures of Special Purpose Local Option Sales Tax proceeds and the Schedule of Transportation Special Purpose Local Option Sales Tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121 and §48-8-269.5, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Combining Statements and Schedules, the Schedules of Expenditures of Special Purpose Local Option Sales Tax proceeds, the Schedule of Transportation Special Purpose Local Option Sales Tax proceeds, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
December 15, 2025

BASIC FINANCIAL STATEMENTS

CITY OF WAYCROSS, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 13,304,805	$ 2,093,016	$ 15,397,821
Taxes receivable	388,877	-	388,877
Accounts receivable, net of allowances	2,673,328	1,372,878	4,046,206
Due from other governments	720,525	-	720,525
Internal balances	(1,092,257)	1,092,257	-
Inventories	61,210	49,302	110,512
Prepaid expenses	58,996	-	58,996
Restricted assets, cash	-	222,257	222,257
Capital assets:			
Non-depreciable	8,685,498	2,632,846	11,318,344
Depreciable, net	25,906,519	27,660,783	53,567,302
Total assets	50,707,501	35,123,339	85,830,840
DEFERRED OUTFLOWS OF RESOURCES			
Pension	1,239,756	-	1,239,756
Total deferred outflows of resources	1,239,756	-	1,239,756
LIABILITIES			
Accounts payable	2,889,860	65,567	2,955,427
Accrued liabilities	739,876	11,743	751,619
Customer deposits payable	-	291,265	291,265
Unearned revenue	680,347	-	680,347
Lease liabilities due within one year	131,104	-	131,104
Lease liabilities due in more than one year	114,311	-	114,311
Financed purchases due within one year	194,246	-	194,246
Financed purchases due in more than one year	406,970	-	406,970
Notes payable due within one year	30,000	-	30,000
Notes payable due in more than one year	312,500	-	312,500
Loans payable due within one year	-	322,688	322,688
Loans payable due in more than one year	-	3,902,265	3,902,265
Compensated absences due within one year	211,099	-	211,099
Compensated absences due in more than one year	492,563	-	492,563
Net pension liability due in more than one year	3,301,551	-	3,301,551
Total liabilities	9,504,427	4,593,528	14,097,955
DEFERRED INFLOWS OF RESOURCES			
Pension	2,646,040	-	2,646,040
Total deferred inflows of resources	2,646,040	-	2,646,040
NET POSITION			
Net investment in capital assets	33,402,886	26,068,676	59,471,562
Restricted for:			
Capital projects	7,749,563	-	7,749,563
Other projects	2,789,391	-	2,789,391
Unrestricted	(4,145,050)	4,461,135	316,085
Total net position	$ 39,796,790	$ 30,529,811	$ 70,326,601

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

CITY OF WAYCROSS, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total
Primary government							
Governmental activities:							
General government	$ 3,406,560	$ 1,360,209	$ 96,579	$ -	$ (1,949,772)	$ -	$ (1,949,772)
Public safety	7,758,522	63,476	-	-	(7,695,046)	-	(7,695,046)
Public works	4,505,650	21,486	3,600	4,451,587	(28,977)	-	(28,977)
Community development	1,497,156	-	293,066	2,610,788	1,406,698	-	1,406,698
Judicial	383,576	474,343	-	-	90,767	-	90,767
Interest on long-term debt	23,415	-	-	-	(23,415)	-	(23,415)
Total governmental activities	17,574,879	1,919,514	393,245	7,062,375	(8,199,745)	-	(8,199,745)
Business-type activities:							
Public utilities	8,246,667	6,846,619	-	716,052	-	(683,996)	(683,996)
Waste management	2,809,908	2,522,647	-	-	-	(287,261)	(287,261)
City auditorium	212,408	34,287	-	-	-	(178,121)	(178,121)
Stormwater	527,842	787,375	-	-	-	259,533	259,533
Total business-type activities	11,796,825	10,190,928	-	716,052	-	(889,845)	(889,845)
Total primary government	$ 29,371,704	$ 12,110,442	$ 393,245	$ 7,778,427	(8,199,745)	(889,845)	(9,089,590)
General revenues							
Taxes:							
Property taxes					4,128,829	-	4,128,829
Sales taxes					4,075,896	-	4,075,896
Franchise taxes					1,606,891	-	1,606,891
Other taxes					2,680,764	-	2,680,764
Unrestricted investment earnings					272,363	-	272,363
Miscellaneous					421,456	-	421,456
Transfers					25,955	(25,955)	-
Total general revenues and transfers					13,212,154	(25,955)	13,186,199
Change in net position					5,012,409	(915,800)	4,096,609
Net position, beginning of year					34,784,381	31,445,611	66,229,992
Net position, end of year					$ 39,796,790	$ 30,529,811	$ 70,326,601

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

CITY OF WAYCROSS, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	ARPA Fund	SPLOST 2014 Fund	TSPLOST Fund	SPLOST 2023 Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 1,366,090	$ 491,207	$ 153,956	$ 5,790,140	$ 2,383,060	$ 2,222,373	$ 12,406,826
Taxes receivable, net	388,877	-	-	-	-	-	388,877
Accounts receivable, net	71,369	1,701,735	-	-	-	-	1,773,104
Due from other governments	354,456	-	-	33,616	332,453	-	720,525
Due from other funds	2,093,773	402,392	9,070	-	-	-	2,505,235
Inventories	32,171	-	-	-	-	-	32,171
Prepaid expenditures	-	-	-	-	-	4,996	4,996
Other receivables	-	-	-	-	-	890,968	890,968
Total assets	$ 4,306,736	$ 2,595,334	$ 163,026	$ 5,823,756	$ 2,715,513	$ 3,118,337	$ 18,722,702
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 1,033,431	$ 1,084,678	$ 8,337	$ 1,891	$ 742,373	$ 4,998	$ 2,875,708
Accrued liabilities	163,405	-	-	-	-	-	163,405
Unearned revenue	-	680,347	-	-	-	-	680,347
Due to other funds	394,826	722,498	-	-	-	80,904	1,198,228
Total liabilities	1,591,662	2,487,523	8,337	1,891	742,373	85,902	4,917,688
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	275,055	-	-	-	-	-	275,055
Unavailable revenue - other	-	1,701,735	-	-	-	293,066	1,994,801
Total deferred inflows of resources	275,055	1,701,735	-	-	-	293,066	2,269,856
FUND BALANCES (DEFICIT)							
Nonspendable	32,171	-	-	-	-	4,996	37,167
Restricted	-	-	154,689	5,821,865	1,973,140	2,589,260	10,538,954
Committed	-	-	-	-	-	112,530	112,530
Assigned	-	-	-	-	-	32,583	32,583
Unassigned	2,407,848	(1,593,924)	-	-	-	-	813,924
Total fund balances (deficit)	2,440,019	(1,593,924)	154,689	5,821,865	1,973,140	2,739,369	11,535,158
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 4,306,736	$ 2,595,334	$ 163,026	$ 5,823,756	$ 2,715,513	$ 3,118,337	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		34,346,602
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		2,269,856
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of pension and other post-employment benefits related experience differences, assumption changes and contributions.		1,239,756
Internal Service Funds are used by management to charge the costs of certain functions to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.		(1,999,613)
Deferred inflows of resources are not available to pay for current expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension and other post-employment benefits related differences between projected and actual earnings on plan investments.		(2,646,040)
Certain liabilities are not due and payable in the current period and are, therefore, not reported in the funds.		
Net pension liability	$ (3,301,551)	
Notes payable	(342,500)	
Compensated absences	(703,662)	
Financed purchases	(601,216)	
		(4,948,929)
Net position of governmental activities		$ 39,796,790

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

CITY OF WAYCROSS, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	ARPA Fund	SPLOST 2014 Fund	TSPLOST Fund	SPLOST 2023 Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	$ 11,944,298	$ -	$ -	$ -	$ -	$ 656,397	$ 12,600,695
Fines and forfeitures	745,406	-	-	-	-	-	745,406
Licenses and permits	1,051,225	-	-	-	-	-	1,051,225
Intergovernmental	-	1,009,232	-	397,731	2,776,437	1,222,664	5,406,064
Charges for services	47,913	-	-	-	-	74,970	122,883
Interest revenue	231,751	29,306	14,935	14,514	25,306	11,306	327,118
Other revenues	297,179	-	-	31,462	-	92,815	421,456
Total revenues	14,317,772	1,038,538	14,935	443,707	2,801,743	2,058,152	20,674,847
EXPENDITURES							
Current:							
General government	3,807,659	-	-	-	-	419	3,808,078
Public safety	7,372,148	-	-	-	-	45,872	7,418,020
Public works	3,350,158	-	-	-	-	152,343	3,502,501
Community development	876,575	2,710,966	-	-	-	294,065	3,881,606
Judicial	383,576	-	-	-	-	-	383,576
Debt service:							
Principal	247,936	-	-	-	-	-	247,936
Interest	23,415	-	-	-	-	-	23,415
Capital outlay	-	-	618,001	1,074,844	828,603	5,233	2,526,681
Total expenditures	16,061,467	2,710,966	618,001	1,074,844	828,603	497,932	21,791,813
Excess (deficiency) of revenues over (under) expenditures	(1,743,695)	(1,672,428)	(603,066)	(631,137)	1,973,140	1,560,220	(1,116,966)
OTHER FINANCING SOURCES (USES)							
Transfers in	396,287	-	-	-	-	-	396,287
Transfers out	-	-	-	-	-	(370,332)	(370,332)
Total other financing sources (uses)	396,287	-	-	-	-	(370,332)	25,955
Net change in fund balances	(1,347,408)	(1,672,428)	(603,066)	(631,137)	1,973,140	1,189,888	(1,091,011)
Fund balances, beginning of year	3,787,427	78,504	757,755	6,453,002	-	1,549,481	12,626,169
Fund balances (deficit), end of year	$ 2,440,019	$ (1,593,924)	$ 154,689	$ 5,821,865	$ 1,973,140	$ 2,739,369	$ 11,535,158

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

CITY OF WAYCROSS, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Amounts reported for governmental activities in the Statement of Activities are different		
Net change in fund balances - total governmental funds.		$ (1,091,011)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital outlay	$ 4,914,314	
Depreciation expense	(1,592,899)	
		3,321,415
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		1,886,486
Internal Service Funds are used by management to charge the costs of certain functions to individual funds. The net revenue of certain activities in the Internal Service Funds is reported with governmental activities.		541,106
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net		
Principal payments of long-term debt		247,936
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Pension expense	$ (34,932)	
Compensated absences	141,409	
		106,477
		$ 5,012,409

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

CITY OF WAYCROSS, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 12,870,335	$ 12,870,335	$ 11,944,298	$ (926,037)
Fees and fines	221,000	221,000	745,406	524,406
Licenses and permits	1,269,150	1,269,150	1,051,225	(217,925)
Charges for services	35,000	35,000	47,913	12,913
Investment earnings	225,000	225,000	231,751	6,751
Other revenues	286,000	286,000	297,179	11,179
Total revenues	14,906,485	14,906,485	14,317,772	(588,713)
EXPENDITURES				
Current:				
General government	3,462,244	3,474,744	3,807,659	(332,915)
Public safety	7,350,075	7,337,575	7,372,148	(34,573)
Public works	3,458,350	3,458,350	3,350,158	108,192
Community development	950,816	950,816	876,575	74,241
Judicial	-	-	383,576	(383,576)
Debt service:				
Principal	25,000	25,000	247,936	(222,936)
Interest and other charges	-	-	23,415	(23,415)
Total expenditures	15,246,485	15,246,485	16,061,467	(814,982)
Deficiency of revenues under expenditures	(340,000)	(340,000)	(1,743,695)	(1,403,695)
OTHER FINANCING SOURCES				
Transfers in	340,000	340,000	396,287	56,287
Total other financing sources	340,000	340,000	396,287	56,287
Net change in fund balances	-	-	(1,347,408)	(1,347,408)
Fund balances, beginning of year	3,787,427	3,787,427	3,787,427	-
Fund balances, end of year	$ 3,787,427	$ 3,787,427	$ 2,440,019	$ (1,347,408)

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

CITY OF WAYCROSS, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
ARPA FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Intergovernmental	$ 1,888,000	$ 1,888,000	$ 1,009,232	$ (878,768)
Investment earnings	12,000	12,000	29,306	17,306
Total revenues	1,900,000	1,900,000	1,038,538	(861,462)
EXPENDITURES				
Current:				
Community development	1,900,000	1,900,000	2,710,966	(810,966)
Total expenditures	1,900,000	1,900,000	2,710,966	(810,966)
Net change in fund balances	-	-	(1,672,428)	(1,672,428)
Fund balances, beginning of year	78,504	78,504	78,504	-
Fund balances (deficit), end of year	$ 78,504	$ 78,504	$ (1,593,924)	$ (1,672,428)

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

CITY OF WAYCROSS, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Public Utilities Fund	Waste Management Fund	City Auditorium Fund
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 1,635,752	$ 581	$ -
Accounts receivable, net of allowances	920,730	353,554	-
Due from other funds	1,822,212	-	-
Inventories	49,302	-	-
Prepaid expenses	-	-	-
Total current assets	4,427,996	354,135	-
NON-CURRENT ASSETS			
Restricted assets, cash	222,257	-	-
Capital assets:			
Non-depreciable	2,622,494	10,352	-
Depreciable, net of accumulated depreciation	27,196,533	-	464,250
Total non-current assets	30,041,284	10,352	464,250
Total assets	34,469,280	364,487	464,250
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	54,446	5,464	250
Accrued liabilities	4,990	3,777	413
Due to other funds	331,976	278,174	104,299
Compensated absences	-	-	-
Customer deposits payable	222,257	33,352	35,656
Lease liability, current portion	-	-	-
Current portion - loans payable	322,688	-	-
Total current liabilities	936,357	320,767	140,618
NON-CURRENT LIABILITIES			
Compensated absences	-	-	-
Lease liability, net of current portion	-	-	-
Loans payable, net of current portion	3,902,265	-	-
Total non-current liabilities	3,902,265	-	-
Total liabilities	4,838,622	320,767	140,618
NET POSITION			
Net investment in capital assets	25,594,074	10,352	464,250
Unrestricted	4,036,584	33,368	(140,618)
Total net position	$ 29,630,658	$ 43,720	$ 323,632

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

Nonmajor Stormwater Fund	Total	Internal Service Funds
$ 456,683	$ 2,093,016	$ 897,979
98,594	1,372,878	9,256
-	1,822,212	-
-	49,302	29,039
-	-	54,000
555,277	5,337,408	990,274
-	222,257	-
-	2,632,846	-
-	27,660,783	245,415
-	30,515,886	245,415
555,277	35,853,294	1,235,689
5,407	65,567	14,152
2,563	11,743	576,471
15,506	729,955	2,399,264
-	-	-
-	291,265	-
-	-	131,104
-	322,688	-
23,476	1,421,218	3,120,991
-	-	-
-	-	114,311
-	3,902,265	-
-	3,902,265	114,311
23,476	5,323,483	3,235,302
-	26,068,676	-
531,801	4,461,135	(1,999,613)
$ 531,801	$ 30,529,811	$ (1,999,613)

CITY OF WAYCROSS, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Public Utilities Fund	Waste Management Fund	City Auditorium Fund
OPERATING REVENUES			
Charges for services	$ 6,846,619	$ 2,522,647	$ 34,287
Other services	-	-	-
Total operating revenues	6,846,619	2,522,647	34,287
OPERATING EXPENSES			
Personnel services	2,050,316	827,099	30,788
Contractual services	2,997,709	1,737,746	2,363
Utilities	-	-	41,267
Repairs and maintenance	187,747	222,306	1,571
Other supplies and expenses	1,659,498	1,109	901
Insurance claims and expenses	-	21,648	1,100
Retirement payments	-	-	-
Depreciation	1,304,658	-	134,418
Total operating expenses	8,199,928	2,809,908	212,408
Operating income (loss)	(1,353,309)	(287,261)	(178,121)
NON-OPERATING INCOME (EXPENSE)			
Miscellaneous revenue	-	-	-
Interest expense	(46,739)	-	-
Total non-operating expense, net	(46,739)	-	-
Income (loss) before capital contributions and transfers	(1,400,048)	(287,261)	(178,121)
CAPITAL CONTRIBUTIONS	716,052	-	-
TRANSFERS			
Transfers out	(345,992)	-	-
Transfers in	-	320,037	-
Total transfers	(345,992)	320,037	-
Change in net position	(1,029,988)	32,776	(178,121)
Net position (deficit), beginning of year	30,660,646	10,944	501,753
Net position (deficit), end of year	$ 29,630,658	$ 43,720	$ 323,632

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

Nonmajor Stormwater Fund	Total	Internal Service Funds
$ 787,375	$ 10,190,928	$ 637,105
-	-	6,782,575
787,375	10,190,928	7,419,680
328,232	3,236,435	399,048
199,610	4,937,428	33,484
-	41,267	-
-	411,624	37,578
-	1,661,508	-
-	22,748	4,989,378
-	-	1,124,069
-	1,439,076	210,016
527,842	11,750,086	6,793,573
259,533	(1,559,158)	626,107
-	-	12,221
-	(46,739)	(97,222)
-	(46,739)	(85,001)
259,533	(1,605,897)	541,106
-	716,052	-
-	(345,992)	-
-	320,037	-
-	(25,955)	-
259,533	(915,800)	541,106
272,268	31,445,611	(2,540,719)
$ 531,801	$ 30,529,811	$ (1,999,613)

CITY OF WAYCROSS, GEORGIA

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

	Public Utilities Fund	Waste Management Fund	City Auditorium Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 6,988,847	$ 2,594,319	$ 34,287
Receipts from other funds for services	-	-	-
Payments to suppliers	(5,027,380)	(2,087,257)	(3,481)
Payments to employees	(2,050,316)	(827,099)	(30,806)
Net cash provided by (used in) operating activities	(88,849)	(320,037)	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in (out)	(345,992)	320,037	-
Miscellaneous non-operating revenue	-	-	-
Net cash provided by (used in) non-capital financing activities	(345,992)	320,037	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from the issuance of loans	715,941	-	-
Capital contributions	716,052	-	-
Acquisition and construction of capital assets	(1,431,992)	-	-
Principal paid on leases	-	-	-
Principal paid on loans payable	(317,457)	-	-
Interest paid	(47,218)	-	-
Net cash used in capital and related financing activities	(364,674)	-	-
Increase (decrease) in cash and cash equivalents	(799,515)	-	-
Cash and cash equivalents:			
Beginning of year	2,657,524	581	-
End of year	$ 1,858,009	$ 581	$ -
Classified as:			
Cash and cash equivalents	$ 1,635,752	$ 581	$ -
Restricted assets, cash	222,257	-	-
	$ 1,858,009	$ 581	$ -

(Continued)

Nonmajor Stormwater Fund	Totals	Internal Service Funds
$ 704,287	$ 10,321,740	$ 2,316,568
-	-	4,516,377
(198,853)	(7,316,971)	(6,431,563)
(328,153)	(3,236,374)	(399,244)
177,281	(231,605)	2,138
-	(25,955)	-
-	-	12,221
-	(25,955)	12,221
-	715,941	-
-	716,052	-
-	(1,431,992)	-
-	-	(210,016)
-	(317,457)	-
-	(47,218)	(97,222)
-	(364,674)	(307,238)
177,281	(622,234)	(292,879)
279,402	2,937,507	1,190,858
$ 456,683	$ 2,315,273	$ 897,979
$ 456,683	$ 2,093,016	$ 897,979
-	222,257	-
$ 456,683	$ 2,315,273	$ 897,979

CITY OF WAYCROSS, GEORGIA

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

	Public Utilities Fund	Waste Management Fund	City Auditorium Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ (1,353,309)	$ (287,261)	$ (178,121)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,304,658	-	134,418
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	19,700	8,330	-
Increase in due from other funds	(201,948)	-	-
Increase (decrease) in accounts payable	(182,426)	(104,003)	(2,209)
Increase (decrease) in accrued liabilities	-	(3,170)	(18)
Decrease in compensated absences	-	(43,720)	-
Increase (decrease) in customer deposits	(7,500)	2,725	1,150
Increase (decrease) in due to other funds	331,976	107,062	44,780
Net cash provided by (used in) operating activities	$ (88,849)	$ (320,037)	$ -

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

Nonmajor Stormwater Fund	Total	Internal Service Funds
$ 259,533	$ (1,559,158)	$ 626,107
-	1,439,076	210,016
(98,594)	(70,564)	-
-	(201,948)	-
757	(287,881)	(51,452)
79	(3,109)	(213,348)
-	(43,720)	-
-	(3,625)	-
15,506	499,324	(569,185)
$ 177,281	$ (231,605)	$ 2,138

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

The City was incorporated in 1874 and operates under the leadership of the Mayor, City Manager and City Commission consisting of four members and provides or assists in providing the following services: public safety (police department), highways and streets, public improvements, recreation, and general administrative and other services. In addition, the City operates Enterprise Funds (Water and Sewer, Waste Management and City Auditorium) for incorporated and immediate surrounding areas.

Standards published by the GASB define the financial reporting entity as: a) the primary government, b) organizations for which the primary government is financially responsible, and c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended. A legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and: 1) it is able to impose its will on that organization, or 2) there is a potential for the organization to provide specific financial benefits to, or impose its will on that organization, or 3) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The financial statements of the City do not include any component units.

The City's basic financial statements consist of government-wide financial 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, Proprietary Funds, and Internal Service Funds. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Funds, and Internal Service Funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, sales taxes, franchise taxes, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***American Rescue Plan Act ("ARPA") Fund*** accounts for the revenues and expenditures associated with the U.S. Department of Treasury's Coronavirus State and Local Fiscal Recovery Funds established by the ARPA of 2021.

The ***2014 and 2023 Special Purpose Local Option Sales Tax ("SPLOST") Funds*** account for capital projects of the City from resources provided by the 2014 and 2023 special Ware County 1% sales and use tax.

The ***Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund*** accounts for the collection of the TSPLOST funds collected by Ware County and disbursed to the City. These funds are used for transportation projects as approved by voter referendum.

The City reports the following proprietary funds:

The ***Public Utilities Fund***, a major fund, accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The ***Waste Management Fund,*** a major fund, accounts for the operations of solid waste collection and disposal services. All costs are financed through charges to sanitation customers.

The ***City Auditorium Fund,*** a major fund, accounts for the operations of the City Auditorium.

The ***Stormwater Fund,*** a nonmajor fund, accounts for the operations and maintenance of the City's stormwater drainage operations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the City reports the following fund types:

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

Capital Projects Funds account for the acquisition of capital assets and construction or improvement of major capital projects such as construction of new roads.

Internal Service Funds account for the fleet management services, payroll services, retirement, self-funded property and casualty insurance, self-funded workers' compensation insurance, and self-funded health insurance provided to departments of the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's internal service functions and the other City functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary Funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Proprietary Funds are charges to customers for sales and services provided. The City also recognizes as operating revenue, the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the Proprietary Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting

An annual budget is adopted (as required by law) by the City for the General and Special Revenue Funds. The budgets are adopted on a basis substantially consistent with GAAP.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted at City Hall to obtain taxpayer comments.

3. The City Commission approves, by ordinance, total budget appropriation and departmental budgets. The City Manager is authorized to transfer budget amounts between line items within any department in conjunction with the department head; however, any revisions that alter the total appropriations of any department or fund must be approved by the City Commission. Therefore, the level of budgetary responsibility is by department-level appropriations; however, for reporting purposes, this level has been expanded to a functional basis (general government, public safety, etc.).

4. Unused appropriations for all of the above annually budgeted funds lapse at the end of the fiscal year.

5. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budget for the General Fund is prepared on the cash and expenses/encumbrances basis. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that applicable purchase orders are expected to be issued. The budget for the Enterprise Fund is adopted under a basis consistent with GAAP, except for that depreciation, certain capital expenses, and certain non-operating income and expense items are not considered. Annual appropriated budgets are adopted for the Special Revenue Funds. Annual appropriated budgets are also adopted for the following Internal Service Funds: Health Insurance, Liability Insurance, Workers' Compensation Insurance, Retirement Fund, and City Garage Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

Budgeted amounts are as originally adopted or as amended by the City Commission. Individual amendments were not material in relation to the original appropriations, which were adopted.

The legal level of budgetary control for the City is at the department level.

E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

F. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loans which have deposits insured by the Federal Deposit Insurance Corporation ("FDIC") or Federal Savings and Loan Insurance Corporation ("FSLIC"); prime bankers' acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1"). Georgia Fund 1 was created under O.C.G.A. §36-83-8 and is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The Georgia Fund 1 is not registered with the Securities and Exchange Commission ("SEC") as an investment company. The Georgia Fund 1's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The Georgia Fund 1 distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The Georgia Fund 1 also adjusts the value of its investments to fair market value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as investments for financial statement presentation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventory and Prepaid Items

Inventory is valued at the lower of cost or market using the weighted average method. The City accounts for inventory on the purchase basis. Prepaid expenses are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure is made for goods or services that were purchased for consumption, but not consumed as of June 30.

H. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” in the fund financial statements. Short-term interfund loans are classified as “interfund receivables/payables”. Long-term interfund loans are classified as “advances”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

I. Capital Assets

Capital assets and right to use leased assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets and right-to-use leased assets are defined by the City as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

Depreciation and amortization are provided on the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25 – 50
Machinery and equipment	5 – 10
Right-to-use leased vehicles	5 – 10
Vehicles	5 – 10
Infrastructure	20 – 35

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-term Liabilities

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Leases

The City is a lessee for noncancellable leases of vehicles. The City recognizes a lease liability and an intangible right-to-use 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases (Continued)

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 assets are reported with capital assets on the Statement of Net Position.

L. Compensated Absences

Vacation and sick benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to service already rendered and it is probable the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation and sick time when earned for all employees. The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. The non-current portion of the liability is not reported. For Enterprise Funds, the entire amount of compensated absences is reported as a fund liability.

M. 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 Balances – Generally, fund balances represent the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances are classified as follows:

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Fund Balances (Continued) –

- ***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 Commission through the adoption of a resolution. Only the City Commission 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. Through resolution, the City Commission has authorized the City Manager or City Finance Director to assign fund balances.

- ***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 balances only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balances as described in the section above. All other net position is reported as unrestricted.

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

N. Use of Estimates

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. Both of these items relate to the City's Retirement Plan and are reported in the government-wide Statement of Net Position. Experience differences result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience differences are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. Additionally, any contributions made by the City to the pension plan, before year-end but subsequent to the measurement date of the City's net pension liability, are reported as deferred outflows of resources.

In addition to liabilities, the Statement of Net Position and the governmental funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets or fund balances that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category, one of which arises only under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from property taxes and other sources and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other items relate to the City's Retirement Plan and is reported in the government-wide Statement of Net Position. Experience differences result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience differences are recorded as deferred inflows of resources and are amortized against pension expense over the expected remaining service lives of the plan members. Additionally, the net difference between projected and actual earnings on pension plan investments is deferred and amortized into pension expense over a five-year period, resulting in recognition as deferred inflows of resources.

P. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Waycross Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2. DEFICIT NET POSITION AND DEFICIT FUND BALANCE

The following funds reported a deficit net position at June 30, 2025:

	Net Position Deficit
Internal Service Funds:	
Health Insurance Fund	$ 1,638,662
Workers' Compensation Fund	796,790
Warehouse Fund	37,216
Payroll Fund	11,905
Enterprise Fleet Management Fund	262,654

The net position deficits will be reduced through General Fund and Public Utility Fund transfers.

The following fund reported a deficit fund balance at June 30, 2025:

	Fund Balance Deficit
Major Governmental Funds:	
ARPA Fund	$ 1,593,924

The fund balance deficit will be reduced through future revenues that were deferred in the current year.

NOTE 3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2025, the following departments of the General Fund and ARPA Fund had excess of actual expenditures over appropriations. The over-expenditures were funded by fund balance and unavailable revenue.

	Excess
General Fund:	
General government	$ 332,915
Public safety	34,573
Judicial	383,576
Debt service	246,351
ARPA Fund:	
Community development	810,966

NOTE 4. DEPOSITS AND INVESTMENTS

As of June 30, 2025, the carrying amount of the City's bank deposits was $15,620,078 and the respective bank balances totaled $16,794,299. The bank balances were collateralized with pooled securities held by the pledging financial institutions trust department or agent in the government's name. As of June 30, 2025, the City's carrying amount of deposits, related bank balances, and other cash were as follows:

Amounts as presented on the entity-wide Statement of Net Position:	
Cash and cash equivalents	$ 15,397,821
Restricted cash	222,257
Cash deposited with financial institutions	$ 15,620,078

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The City has a policy to reduce its exposure to this risk by requiring deposits to be collateralized in accordance with State law. As of June 30, 2025, the City's bank balance was not exposed to custodial credit risk.

NOTE 5. RECEIVABLES

A. Accounts Receivable

Receivables as of June 30, 2025, including the applicable allowances for uncollectible accounts for governmental funds, are as follows:

	General	TSPLOST	SPLOST 2023	ARPA	Nonmajor Governmental	Total
Receivables:						
Taxes	$ 450,366	$ -	$ -	$ -	$ -	$ 450,366
Accounts	71,369	-	-	1,701,735	-	1,773,104
Intergovernmental	354,456	33,616	332,453	-	-	720,525
Other	-	-	-	-	890,968	890,968
Gross receivables	876,191	33,616	332,453	1,701,735	890,968	3,834,963
Less: allowance for uncollectibles	(61,489)	-	-	-	-	(61,489)
Net total receivables	$ 814,702	$ 33,616	$ 332,453	$ 1,701,735	$ 890,968	$ 3,773,474

NOTE 5. RECEIVABLES (CONTINUED)

A. Accounts Receivable (Continued)

Receivables as of June 30, 2025, including the applicable allowances for uncollectible accounts for business-type funds, are as follows:

	Public Utilities	Waste Management	Stormwater	Internal Service	Total
Receivables:					
Accounts	$ 1,262,175	$ 510,311	$ 117,641	$ 9,256	$ 1,899,383
Gross receivables	1,262,175	510,311	117,641	9,256	1,899,383
Less: allowance for uncollectibles	(341,445)	(156,757)	(19,047)	-	(517,249)
Net total receivables	$ 920,730	$ 353,554	$ 98,594	$ 9,256	$ 1,382,134

B. Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before December 1. The City's taxes are billed and collected by the Ware County Tax Commissioner. City property tax revenues are recognized when levied. An allowance is established for delinquent taxes to the extent that the taxes are not collectible.

C. Hotel/Motel Lodging Taxes

The City is required to disburse funds received from the collection of hotel/motel taxes pursuant to O.C.G.A. §48-13- 51(a)(3.7). The tax rate is 5% and is levied on a monthly basis. The City received $656,397 from the collection of the hotel/motel tax during the fiscal year ended June 30, 2025. The City disbursed $286,065 for the promotion of tourism. Lodging tax funds in the amount of $370,332 were transferred to the General Fund during the fiscal year ended June 30, 2025.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 5,099,609	$ -	$ -	$ -	$ 5,099,609
Construction in progress	102,989	3,482,900	-	-	3,585,889
Total capital assets, not being depreciated	5,202,598	3,482,900	-	-	8,685,498
Capital assets, being depreciated:					
Buildings	14,587,805	-	-	-	14,587,805
Machinery and equipment	5,568,512	120,946	-	-	5,689,458
Vehicles	6,514,650	1,310,468	-	-	7,825,118
Infrastructure	48,881,054	-	-	-	48,881,054
Right to use lease assets	1,210,314	-	(98,334)	-	1,111,980
Total capital assets, being depreciated	76,762,335	1,431,414	(98,334)	-	78,095,415
Less accumulated depreciation for:					
Buildings	(6,150,801)	(310,048)	-	-	(6,460,849)
Machinery and equipment	(4,520,581)	(273,543)	-	-	(4,794,124)
Vehicles	(6,008,880)	(117,970)	-	-	(6,126,850)
Infrastructure	(33,049,170)	(891,338)	-	-	(33,940,508)
Right to use lease assets	(754,883)	(210,016)	98,334		(866,565)
Total accumulated depreciation	(50,484,315)	(1,802,915)	98,334	-	(52,188,896)
Total capital assets, being depreciated, net	26,278,020	(371,501)	-	-	25,906,519
Governmental activities capital assets, net	$ 31,480,618	$ 3,111,399	$ -	$ -	$ 34,592,017

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land and improvements	$ 235,859	$ -	$ -	$ -	$ 235,859
Construction in progress	964,995	1,431,992	-	-	2,396,987
Total capital assets, not being depreciated	1,200,854	1,431,992	-	-	2,632,846
Capital assets, being depreciated:					
Buildings	12,194,323	-	-	-	12,194,323
Machinery and equipment	5,057,488	-	-	-	5,057,488
Vehicles	863,874	-	-	-	863,874
Infrastructure	58,980,894	-	-	-	58,980,894
Total capital assets, being depreciated	77,096,579	-	-	-	77,096,579
Less accumulated depreciation for:					
Buildings	(9,521,273)	(286,227)	-	-	(9,807,500)
Machinery and equipment	(4,848,619)	(82,993)	-	-	(4,931,612)
Vehicles	(863,874)	-	-	-	(863,874)
Infrastructure	(32,762,954)	(1,069,856)	-	-	(33,832,810)
Total accumulated depreciation	(47,996,720)	(1,439,076)	-	-	(49,435,796)
Total capital assets, being depreciated, net	29,099,859	(1,439,076)	-	-	27,660,783
Business-type activities capital assets, net	$ 30,300,713	$ (7,084)	$ -	$ -	$ 30,293,629

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

Governmental activities:	
General government	$ 135,036
Public safety	416,636
Public works	1,239,021
Community development	12,222
Total depreciation expense - governmental activities	$ 1,802,915
Business-type activities:	
Public utilities	$ 1,304,658
City auditorium	134,418
Total depreciation expense - business-type activities	$ 1,439,076

NOTE 7. LONG-TERM DEBT

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2025 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Financed purchases	$ 819,152	$ -	$ (217,936)	$ 601,216	$ 194,246
Lease liabilities	455,431	-	(210,016)	245,415	131,104
Notes payable	372,500	-	(30,000)	342,500	30,000
Net pension liability	6,373,458	4,183,818	(7,255,725)	3,301,551	-
Compensated absences	845,071	-	(141,409)	703,662	211,099
Governmental activity Long-term liabilities	$ 8,865,612	$ 4,183,818	$ (7,855,086)	$ 5,194,344	$ 566,449
Business-type activities:					
Loans payable	$ 3,826,469	$ 715,941	$ (317,457)	$ 4,224,953	$ 322,688
Compensated absences	43,720	-	(43,720)	-	-
Business-type activity Long-term liabilities	$ 3,870,189	$ 715,941	$ (361,177)	$ 4,224,953	$ 322,688

The net pension liability is liquidated by the General Fund.

B. Notes and Loans Payable

Business-type Activities Loans:

In June 2003, the City entered into a loan agreement (CWSRF-00-020) with the Georgia Environmental Finance Authority (“GEFA”) for certain water and sewer projects. At June 30, 2025, the outstanding balance was $298,096. Repayment is over 80 quarterly payments of $34,376 at 3%. This loan is to be repaid from revenues of the Water and Sewer System; however, the obligation to repay this loan is a general obligation of the City.

In October 2016, the City entered into a loan agreement (DW2016005) with GEFA for replacement of existing water meters with an advanced metering infrastructure system (“AMI”) and software upgrades. At June 30, 2025, the outstanding balance was $1,338,397. Repayment is over 180 monthly payments of $11,340 at .65%.

In May 2020, the City entered into a loan agreement (DW2020009) with GEFA to install a water main and related appurtenances. At June 30, 2025, the outstanding balance was $82,330. This loan is still in the drawdown phase, therefore, maturities are not available and not presented on the following page.

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Notes and Loans Payable (Continued)

Business-type Activities Loans (Continued):

In November 2020, the City entered into a loan agreement (CW2020002) with GEFA for upgrades to the Waycross Wastewater Treatment Plant. At June 30, 2025, the outstanding balance was $1,324,995. Repayment is over 240 monthly payments of $6,370 at .89%.

In March 2022, the City entered into a loan agreement (CW2021041) with GEFA for upgrades to the Waycross Wastewater Treatment Plant. At June 30, 2025, the outstanding balance was $1,155,516. This loan is still in the drawdown phase, therefore, maturities are not available and not presented below.

In September 2022, the City entered into a loan agreement (CW2022008) with GEFA for upgrades to the Waycross Wastewater Treatment Plant. At June 30, 2025, the outstanding balance was $25,619. This loan is still in the drawdown phase, therefore, maturities are not available and not presented below.

Debt service requirements to maturities on these loans, including interest, are as follows:

Fiscal Year Payable	Total	Principal	Interest
2026	$ 350,025	$ 322,688	$ 27,337
2027	350,024	328,045	21,979
2028	246,895	229,628	17,267
2029	212,520	196,943	15,577
2030	212,519	198,388	14,131
2031 – 2035	1,062,596	1,013,998	48,598
2036 – 2040	404,884	383,821	21,063
2041 – 2044	293,024	287,977	5,047
	$ 3,132,487	$ 2,961,488	$ 170,999

Governmental Activities Note:

In March 2010, the City entered into an agreement with BC Waycross Associates, LLP to finance construction of stormwater infrastructure and a regional stormwater retention pond on the owner's property to accept off-site stormwater runoff and render the owner's property suitable for development. The total amount financed of $800,000 is due in 320 monthly payments of $2,500 beginning March 15, 2010 at 0% interest. At June 30, 2025, the outstanding balance on this loan was $342,500.

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Notes and Loans Payable (Continued)

Governmental Activities Note (Continued)

Debt service requirements to maturities on this loan are as follows:

Fiscal Year Payable	Total	Principal	Interest
2026	$ 30,000	$ 30,000	$ -
2027	30,000	30,000	-
2028	30,000	30,000	-
2029	30,000	30,000	-
2030	30,000	30,000	-
2031 – 2035	150,000	150,000	-
2036 – 2037	42,500	42,500	-
	$ 342,500	$ 342,500	$ -

C. Leases and Financed Purchases

Leases

The City entered into lease agreements for a period of five years as lessee for the use of certain vehicles. The leases have annual interest rates between 2.00% to 5.00%. Principal and interest requirements to maturity for the leases as of June 30, 2025 are as follows:

Fiscal Year Payable	Total	Principal	Interest
2026	$ 156,184	$ 131,104	$ 25,080
2027	101,653	84,029	17,624
2028	22,875	18,141	4,734
2029	15,297	12,141	3,156
	$ 296,009	$ 245,415	$ 50,594

NOTE 7. LONG-TERM DEBT (CONTINUED)

C. Leases and Financed Purchases (Continued)

Financed Purchases

The City entered into financed purchase agreements for financing the acquisition of certain equipment. Interest rates range from 2.00% to 5.00%. The duration of the agreements are for five to eight years. Principal and interest requirements to maturity for the financed purchase agreements as of June 30, 2025 are as follows:

Fiscal Year Payable	Total	Principal	Interest
2026	$ 210,999	$ 194,246	$ 16,753
2027	210,999	200,926	10,073
2028	165,798	162,423	3,375
2029	43,982	43,621	361
	$ 631,778	$ 601,216	$ 30,562

NOTE 8. PENSION PLAN

A. Plan Description

The City, as authorized by the City Commission, has established a non-contributory defined benefit pension plan, the City of Waycross Retirement Plan (the "Plan"), covering substantially all of the City's employees. The City's pension plan is administered through the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The City Commission, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to:

Georgia Municipal Association
Risk Management and Employee Benefit Services
201 Pryor Street, NW
Atlanta, Georgia 30303
or by calling (404) 688-0472

NOTE 8. PENSION PLAN (CONTINUED)

A. Plan Description (Continued)

Plan membership. As of January 1, 2025, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	166
Inactive plan members entitled to, but not receiving benefits	79
Active plan members	200
Total	445

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Commission. City contributions to the Plan were $1,275,311 for the year ended June 30, 2025.

B. Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2024.

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

Inflation	2.25%
Salary increases	2.25%, plus service based merit increases
Investment rate of return	7.375%

The mortality table for healthy retirees and beneficiaries was determined by using the gender-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

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

NOTE 8. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Actuarial assumptions (Continued). The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

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

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

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

NOTE 8. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended June 30, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	$ 32,854,733	$ 26,481,275	$ 6,373,458
Changes for the year:			
Service cost	308,216	-	308,216
Interest	2,364,493	-	2,364,493
Differences between expected and actual experience	433,813	-	433,813
Contributions – employer	-	1,027,171	(1,027,171)
Net investment income	-	6,228,554	(6,228,554)
Benefit payments, including refunds of employee contributions	(2,204,043)	(2,204,043)	-
Administrative expense	-	(40,312)	40,312
Other changes	1,036,984	-	1,036,984
Net changes	1,939,463	5,011,370	(3,071,907)
Ending Balance	$ 34,794,196	$ 31,492,645	$ 3,301,551

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

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

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 7,098,409	$ 3,301,551	$ 102,565

NOTE 8. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Sensitivity of the net pension liability to changes in the discount rate (Continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2024, and the current sharing pattern of costs between employer and employee.

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

For the year ended June 30, 2025, the City recognized pension expense of $1,062,152. At June 30, 2025, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 2,421,598
Differences between expected and actual experience	437,131	224,442
City contributions subsequent to the measurement date	802,625	-
Total	$ 1,239,756	$ 2,646,040

City contributions subsequent to the measurement date of $802,625 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2026	$ (673,788)
2027	386,087
2028	(1,057,119)
2029	(864,089)
Total	$ (2,208,909)

NOTE 9. INTERFUND BALANCES AND TRANSFERS

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2025, balances of interfund amounts receivable or payable have been recorded.

Interfund receivable and payable balances as of June 30, 2025 are as follows:

	Due To				
Due From	General	ARPA	SPLOST 2014	Public Utilities	Total
General	$ -	$ 394,826	$ -	$ -	$ 394,826
ARPA	307,860	-	-	414,638	722,498
Health Insurance Fund	710,062	-	-	964,851	1,674,913
Warehouse Fund	45,439	-	-	50,631	96,070
City Garage Fund	1,625	-	-	-	1,625
Enterprise Fleet Fund	111,290	-	-	151,364	262,654
Workers' Compensation Fund	290,907	-	-	73,095	364,002
Public Utilities Fund	331,976	-	-	-	331,976
Waste Management Fund	202,647	-	-	75,527	278,174
City Auditorium Fund	44,621	-	-	59,678	104,299
Nonmajor proprietary fund	15,506	-	-	-	15,506
Nonmajor governmental funds	31,840	7,566	9,070	32,428	80,904
Total	$ 2,093,773	$ 402,392	$ 9,070	$ 1,822,212	$ 4,327,447

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources to provide services. Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financial sources (uses) in the governmental funds and transfers section in the Proprietary Funds.

Interfund transfers for the year ended June 30, 2025 consisted of the following:

	Transfer To		
Transfer From	General	Waste Management	Total
Nonmajor Governmental	$ 370,332	$ -	$ 370,332
Public Utilities	25,955	320,037	345,992
Total	$ 396,287	$ 320,037	$ 716,324

NOTE 10. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Service ("IRS") Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The City funds are amounts of compensation deferred under the plan, at the direction of the covered employee, through investments in fixed and variable annuity contracts underwritten by Nationwide Life Insurance Company.

In accordance with current GASB pronouncements, the deferred compensation plan is no longer included in the financial statements. Plan assets are held in trust for the benefit of the plan participants and their beneficiaries and will not be diverted for any other purpose. Amendments to the laws governing Section 457, deferred compensation plans, substantially became effective January 1, 1997.

NOTE 11. COMMITMENTS AND CONTINGENCIES

The City has participated in a number of federally assisted grant programs, principal of which are the Federal Emergency Management Agency ("FEMA") Grant, Equal Installments of Principal ("EIP") Revolving Loan, and Community Development Block Grants ("CDBG"). These programs are subject to program compliance audits by the grantors or their representatives. Such audits could result in request for reimbursement by the Federal and State agencies for expenditures disallowed under the terms and conditions of the appropriate agency. The amount of expenditures which may be disallowed by granting agencies cannot be determined at this time; although the City expects such amounts, if any, to be immaterial.

Various claims and lawsuits are pending against the City. The City estimates that the potential claims from the pending lawsuits against the City, not covered by insurance, would not materially affect the financial statements of the City.

NOTE 12. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the 18-county South Georgia area, is a member of the Southern Georgia Regional Development Commission (“SGRC”) and is required to pay annual dues thereto. During the year ended June 30, 2025, the City paid $17,611 in such dues. Membership in the SGRC is required by the O.C.G.A. §50- 8-34 which provides for the organizational structure of the Regional Commissions (“RC”) in Georgia. The RC Board membership includes elected officials from member counties and cities and nonpublic appointed members. The law defines RCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources. Separate financial statements may be obtained from:

Southern Georgia Regional Commission
1725 South Georgia Parkway
Waycross, Georgia 31503

The Housing Authority of the City of Waycross, Georgia is considered a related organization based upon the criteria in GASB Statement No. 14, as amended. The Housing Authority is a legally separate entity having a board composed of a majority of members appointed originally by the City. The City is not able to impose its will upon the Housing Authority, and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Waycross, Georgia is a related organization.

NOTE 13. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the fiscal year 1992, the City established Internal Service Funds to account for and finance its uninsured risks of loss. The City maintains commercial insurance coverage covering general liability claims and property damage claims.

In January 1992, the City established a limited risk program for workers' compensation. The City hired Corvel Corporation as administrator for this program. The plan provides coverage for up to a maximum of $350,000 for each workers’ compensation claim. The City purchases commercial insurance for these claims in excess of coverage provided by these funds and for all other insignificant risks of loss. Settled claims in the past three years have not exceeded the commercial coverages.

All funds of the City participate in the program and make payments to the funds based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

NOTE 13. RISK MANAGEMENT (CONTINUED)

Also, the City has established an Internal Service Fund to account for its self-insurance program relating to workers' compensation insurance. The purpose of this fund is to pay workers' compensation claims for the City employees while minimizing the total costs to the municipality. The City maintains a stop-loss policy with a private insurance company. City officials believe that the reserve in this fund is adequate to cover any incurred, but not reported, losses through the statement date. Changes in the claims liability amount in the fiscal years 2023 – 2025 were:

Fiscal Year	Balance Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance End of Fiscal Year
2023	$ 1,367,895	$ 2,081,265	$ 2,124,792	$ 1,324,368
2024	1,324,368	1,389,364	1,942,656	771,076
2025	**771,076**	**1,332,898**	**1,546,050**	**557,924**

NOTE 14. FUND EQUITY

The City's fund balances at June 30, 2025 are classified as follows:

Non-spendable – The following fund balances are non-spendable because they are allocated to:

General Fund:	
Inventories	$ 32,171
WPD Info Technology Fund:	
Prepaids	4,996
Total Non-spendable	$ 37,167

NOTE 14. FUND EQUITY (CONTINUED)

Restricted – The following fund balances are restricted for:

Special Revenue Funds:	
Cemetery Fund - used to account for funds that accumulated for cemetery improvements and expansion.	$ 580
Forfeited Property Fund - used to account for funds received from property forfeitures.	83,078
Jail Fund - used to account for vending revenue of the jail.	650
EIP Revolving Loan Fund - used to account for revolving loans issued to local businesses.	149,699
Waycross Fire Department Fund - used to account for contributions and miscellaneous grants received for the purpose of the fire department.	24,933
FEMA Grants Fund - used to account for the expenditure and reimbursement of FEMA grant funds.	535
Misc Grants Fund - used to account for the expenditure and reimbursement of various grant funds.	538,820
ATM Machine Fund - used to account for fees earned at the ATM Machine.	17,956
Total Restricted for Special Revenue Funds	816,251
Capital Projects Funds:	
SPLOST 2014 Fund - used to account for capital projects financed with Special Purpose Local Option Sales Tax.	154,689
SPLOST 2023 Fund - used to account for capital projects financed with Special Purpose Local Option Sales Tax.	1,973,140
TSPLOST Fund - used to account for capital projects financed with Transportation Special Purpose Local Option Sales Tax.	5,821,865
LMIG Fund - used to account for capital projects financed with Georgia DOT local maintenance improvement program.	1,773,009
Total Restricted for Capital Projects Funds	9,722,703
Total Restricted Fund Balance	$ 10,538,954

NOTE 14. FUND EQUITY (CONTINUED)

Committed – The following fund balances are committed to:

Special Revenue Funds:

Community Development Fund - used to account for miscellaneous revenues that are committed to community development expenditures.	$ 112,530
Total Committed Fund Balance	$ 112,530

Assigned – The following fund balances are assigned to:

Special Revenue Funds:

WPD Info Technology Fund - used to account for fines and forfeitures that are restricted for the use of police department information technology expenditures.	$ 11,126
Miscellaneous Fund - used to account for donations for the purpose of upkeep and improvements to Henry Walker Park.	5,192
Fallen Firefighter Scholarship Fund - used to account for donations for the purpose of awarding scholarships.	16,265
Total Assigned Fund Balance	$ 32,583

Unassigned – The City's policy is to maintain an adequate General Fund unassigned balance to provide liquidity in the event of economic downturn or natural disaster.

The following balances are unassigned:

General Fund	$ 2,407,848
ARPA Fund - negative restricted fund balance reported as unassigned.	(1,593,924)
Total Unassigned Fund Balance	$ 813,924

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAYCROSS, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,

	2025	2024	2023	2022
Total pension liability				
Service cost	**$ 308,216**	$ 265,042	$ 210,680	$ 233,984
Interest on total pension liability	**2,364,493**	2,316,329	2,357,311	2,305,560
Differences between expected and actual experience	**433,813**	223,544	(897,767)	420,049
Changes of assumptions	**-**	-	-	-
Benefit payments, including refunds of employee contributions	**(2,204,043)**	(2,185,976)	(2,374,567)	(2,113,273)
Other	**1,036,984**	-	-	9,340
Net change in total pension liability	**1,939,463**	618,939	(704,343)	855,660
Total pension liability - beginning	**32,854,733**	32,235,794	32,940,137	32,084,477
Total pension liability - ending (a)	**34,794,196**	32,854,733	32,235,794	32,940,137
Plan fiduciary net position				
Contributions - employer	**1,027,171**	1,267,278	1,508,104	1,265,356
Net investment income	**6,228,554**	3,255,961	(4,767,128)	5,972,798
Benefit payments, including refunds of member contributions	**(2,204,043)**	(2,185,976)	(2,374,567)	(2,113,273)
Administrative expenses	**(40,312)**	(48,934)	(46,561)	(46,662)
Net change in plan fiduciary net position	**5,011,370**	2,288,329	(5,680,152)	5,078,219
Plan fiduciary net position - beginning	**26,481,275**	24,192,946	29,873,098	24,794,879
Plan fiduciary net position - ending (b)	**31,492,645**	26,481,275	24,192,946	29,873,098
City's net pension liability - ending (a) - (b)	**$ 3,301,551**	$ 6,373,458	$ 8,042,848	$ 3,067,039
Plan fiduciary net position as a percentage of the total pension liability	**90.5%**	80.6%	75.0%	90.7%
Covered payroll	**$ 8,635,200**	$ 8,117,117	$ 7,332,831	$ 5,804,786
Net pension liability as a percentage of covered payroll	**38.2%**	78.5%	109.7%	52.8%

2021	2020	2019	2018	2017	2016
$ 206,161	$ 198,141	$ 192,647	$ 225,540	$ 207,015	$ 227,258
2,199,324	2,080,959	2,040,414	1,990,517	1,892,540	1,792,817
1,099,881	323,138	74,368	227,231	720,404	750,194
-	-	-	-	-	-
(2,072,149)	(1,911,684)	(1,632,975)	(1,592,095)	(1,519,404)	(1,447,622)
-	1,456,891	-	498,035	-	-
1,433,217	2,147,445	674,454	1,349,228	1,300,555	1,322,647
30,651,260	28,503,815	27,829,361	26,480,133	25,179,578	23,856,931
32,084,477	30,651,260	28,503,815	27,829,361	26,480,133	25,179,578
1,211,976	1,252,633	1,155,866	1,295,082	1,052,861	1,271,784
2,227,509	684,686	2,149,941	2,888,955	1,970,741	215,191
(2,072,149)	(1,911,684)	(1,632,975)	(1,592,095)	(1,519,404)	(1,447,622)
(45,017)	(43,141)	(46,405)	(49,773)	(29,741)	(33,233)
1,322,319	(17,506)	1,626,427	2,542,169	1,474,457	6,120
23,472,560	23,490,066	21,863,639	19,321,470	17,847,013	17,840,893
24,794,879	23,472,560	23,490,066	21,863,639	19,321,470	17,847,013
$ 7,289,598	$ 7,178,700	$ 5,013,749	$ 5,965,722	$ 7,158,663	$ 7,332,565
77.3%	76.6%	82.4%	78.6%	73.0%	70.9%
$ 6,504,087	$ 5,852,603	$ 6,590,887	$ 6,483,790	$ 7,006,241	$ 6,658,368
112.1%	122.7%	76.1%	92.0%	102.2%	110.1%

CITY OF WAYCROSS, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
RETIREMENT PLAN
FOR THE FISCAL YEAR ENDED JUNE 30,

	2025	2024	2023	2022
Actuarially determined contribution	**$ 1,275,311**	$ 1,118,266	$ 1,116,641	$ 1,317,490
Contributions in relation to the actuarially determined contribution	**1,275,311**	1,118,266	1,116,641	1,317,490
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
Covered employee payroll	**$ 8,635,200**	$ 8,117,117	$ 7,332,831	$ 5,804,786
Contributions as a percentage of covered employee payroll	**14.8%**	13.8%	15.2%	22.7%

Notes to the Schedule:

Valuation Date	January 1, 2025
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25%, plus service based merit increases
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for unfunded liability

2021	2020	2019	2018	2017	2016
$ 1,389,624	$ 1,265,356	$ 1,201,300	$ 1,262,900	$ 1,175,945	$ 1,142,494
1,389,624	1,265,356	1,201,300	1,262,900	1,173,157	1,047,286
$ -	$ -	$ -	$ -	$ 2,788	$ 95,208
$ 6,504,087	$ 5,852,603	$ 6,590,887	$ 6,483,790	$ 7,006,241	$ 6,658,368
21.4%	21.6%	18.2%	19.5%	16.7%	15.7%

COMBINING STATEMENTS
AND SCHEDULES

CITY OF WAYCROSS, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

The **Cemetery Fund** accounts for the revenues received for the upkeep of cemetery lots within the City.

The **Forfeited Property Fund** accounts for confiscated and condemned funds received and disbursed for law enforcement expenditures.

The **Jail Fund** accounts for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

The **WPD Info Technology Fund** accounts for fees collected for information technology.

The **Community Development Block Grant ("CDBG") Fund** accounts for the receipt and expenditures of monies received from community block grants for improvements to the community.

The **EIP Revolving Loan Fund** accounts for the operations of the City's revolving loans for various activities.

The **Waycross Fire Department Fund** accounts for the activity of the City's fire department.

The **Federal Emergency Management Agency ("FEMA") Grants Fund** accounts for the federal grant monies received from the Federal Emergency Management Agency.

The **Miscellaneous Grants Fund** accounts for grants that are not significant in nature.

The **Hotel/Motel Tax Fund** accounts for revenues and expenditures for hotel/motel taxes collected by the City.

The **Miscellaneous Fund** accounts for miscellaneous items not associated with any existing funds.

The **Fallen Firefighters Scholarship Fund** accounts for scholarship monies raised for fallen firefighters.

The **ATM Machine Fund** accounts for fees earned at the ATM Machine.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The **Local Maintenance and Improvements Grants** (“**LMIG”) Fund** accounts for local maintenance and improvements grants received by the City.

CITY OF WAYCROSS, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds					
	Cemetery Fund	Forfeited Property Fund	Jail Fund	WPD Info Technology Fund	CDBG Fund	EIP Revolving Loan Fund
ASSETS						
Cash and cash equivalents	$ 580	$ 86,410	$ 650	$ 9,532	$ 100,457	$ 133,952
Prepaid expenses	-	-	-	4,996	-	-
Other receivables	-	-	-	1,594	305,139	15,747
Total assets	$ 580	$ 86,410	$ 650	$ 16,122	$ 405,596	$ 149,699
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued liabilities	$ -	$ 3,332	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	-	3,332	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - other	-	-	-	-	293,066	-
Total deferred inflows of resources	-	-	-	-	293,066	-
FUND BALANCES						
Nonspendable	-	-	-	4,996	-	-
Restricted	580	83,078	650	-	-	149,699
Committed	-	-	-	-	112,530	-
Assigned	-	-	-	11,126	-	-
Total fund balances	580	83,078	650	16,122	112,530	149,699
Total liabilities, deferred inflows of resources and fund balances	$ 580	$ 86,410	$ 650	$ 16,122	$ 405,596	$ 149,699

(Continued)

Special Revenue Funds							
Waycross Fire Dept. Fund	FEMA Grants Fund	Misc Grants Fund	Hotel/Motel Tax Fund	Misc Fund	Fallen Firefighters Scho. Fund	ATM Machine Fund
$ 24,933	$ 535	$ 52,902	$ -	$ 5,192	$ 16,265	$ 17,956
-	-	-	-	-	-	-
-	-	502,554	65,934	-	-	-
$ 24,933	$ 535	$ 555,456	$ 65,934	$ 5,192	$ 16,265	$ 17,956
$ -	$ -	$ -	$ 1,666	$ -	$ -	$ -
-	-	16,636	64,268	-	-	-
-	-	16,636	65,934	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
24,933	535	538,820	-	-	-	17,956
-	-	-	-	-	-	-
-	-	-	-	5,192	16,265	-
24,933	535	538,820	-	5,192	16,265	17,956
$ 24,933	$ 535	$ 555,456	$ 65,934	$ 5,192	$ 16,265	$ 17,956

CITY OF WAYCROSS, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Capital Projects Fund	
	LMIG Fund	Total
ASSETS		
Cash and cash equivalents	$ 1,773,009	$ 2,222,373
Prepaid expenses	-	4,996
Other receivables	-	890,968
Total assets	$ 1,773,009	$ 3,118,337
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	$ -	$ 4,998
Due to other funds	-	80,904
Total liabilities	-	85,902
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - other	-	293,066
Total deferred inflows of resources	-	293,066
FUND BALANCES		
Nonspendable	-	4,996
Restricted	1,773,009	2,589,260
Committed	-	112,530
Assigned	-	32,583
Total fund balances	1,773,009	2,739,369
Total liabilities, deferred inflows of resources, and fund balances	$ 1,773,009	$ 3,118,337

(Concluded)

CITY OF WAYCROSS, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds					
	Cemetery Fund	Forfeited Property Fund	Jail Fund	WPD Info Technology Fund	CDBG Fund	EIP Revolving Loan Fund
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Fees	-	61,940	-	11,530	-	-
Intergovernmental	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	10,413
Other revenues	-	-	203	-	7,103	9,546
Total revenues	-	61,940	203	11,530	7,103	19,959
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	44,682	1,190	-	-	-
Public works	-	-	-	-	-	-
Community development	-	-	-	-	2,500	-
Capital outlay	-	-	-	5,233	-	-
Total expenditures	-	44,682	1,190	5,233	2,500	-
Excess (deficiency) of revenues over (under) expenditures	-	17,258	(987)	6,297	4,603	19,959
Other financing uses						
Transfers out	-	-	-	-	-	-
Total other financing uses	-	-	-	-	-	-
Net change in fund balances	-	17,258	(987)	6,297	4,603	19,959
Fund balances (deficit), beginning of year	580	65,820	1,637	9,825	107,927	129,740
Fund balances, end of year	$ 580	$ 83,078	$ 650	$ 16,122	$ 112,530	$ 149,699

(Continued)

Special Revenue Funds						
Waycross Fire Dept. Fund	FEMA Grants Fund	Misc Grants Fund	Hotel/Motel Tax Fund	Misc Fund	Fallen Firefighters Scho. Fund	ATM Machine Fund
$ -	$ -	$ -	$ 656,397	$ -	$ -	$ -
1,500	-	-	-	-	-	-
-	-	595,768	-	-	-	-
-	-	-	-	12	436	445
7,175	-	-	-	-	150	21,600
8,675	-	595,768	656,397	12	586	22,045
-	-	-	-	-	-	419
-	-	-	-	-	-	-
-	-	152,343	-	-	-	-
-	-	-	286,065	-	5,500	-
-	-	-	-	-	-	-
-	-	152,343	286,065	-	5,500	419
8,675	-	443,425	370,332	12	(4,914)	21,626
-	-	-	(370,332)	-	-	-
-	-	-	(370,332)	-	-	-
8,675	-	443,425	-	12	(4,914)	21,626
16,258	535	95,395	-	5,180	21,179	(3,670)
$ 24,933	$ 535	$ 538,820	$ -	$ 5,192	$ 16,265	$ 17,956

CITY OF WAYCROSS, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Capital Projects Fund	
	LMIG Fund	Total
Revenues		
Taxes	$ -	$ 656,397
Fees	-	74,970
Intergovernmental	626,896	1,222,664
Interest revenue	-	11,306
Other revenues	47,038	92,815
Total revenues	673,934	2,058,152
Expenditures		
Current:		
General government	-	419
Public safety	-	45,872
Public works	-	152,343
Community development	-	294,065
Capital outlay	-	5,233
Total expenditures	-	497,932
Excess (deficiency) of revenues over (under) expenditures	673,934	1,560,220
Other financing uses		
Transfers out	-	(370,332)
Total other financing uses	-	(370,332)
Net change in fund balances	673,934	1,189,888
Fund balances (deficits), beginning of year	1,099,075	1,549,481
Fund balances, end of year	$ 1,773,009	$ 2,739,369

(Concluded)

CITY OF WAYCROSS, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2014 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Roads, streets and bridge improvements and equipment	$ 5,740,000	$ 5,740,000	$ 4,294,725	$ 363,805	$ 4,658,530
Water and sewer rehabilitation	1,000,000	1,000,000	990,901	-	990,901
Public facility improvements, demolition and acquisition	6,422,000	6,422,000	6,459,926	235,813	6,695,739
Public safety and special purpose vehicle fleet	1,500,000	1,500,000	1,424,400	-	1,424,400
City park improvements	435,000	435,000	458,093	18,383	476,476
Development authority construction, infrastructure economic development	250,000	250,000	182,718	-	182,718
Information technology equipment, software and training	125,000	125,000	157,887	-	157,887
	$ 15,472,000	$ 15,472,000	$ 13,968,650	$ 618,001	$ 14,586,651

CITY OF WAYCROSS, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2023 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Albany Ave. at Garlington St. Overpass	$ 900,000	$ 900,000	$ -	$ -	$ -
Paving dirt roads, bridges, drainage improvements and equipment	5,726,000	5,726,000	-	154,985	154,985
City parks and equipment	300,000	300,000	-	-	-
Buildings, equipment and improvement including demo/acquisition	5,905,000	5,905,000	-	43,203	43,203
Heavy equipent and vehicles	3,699,000	3,699,000	-	587,388	587,388
Public safety equipment and vehicles	1,050,000	1,050,000	-	43,027	43,027
IT equipment and software	20,000	20,000	-	-	-
	$ 17,600,000	$ 17,600,000	$ -	$ 828,603	$ 828,603

CITY OF WAYCROSS, GEORGIA

SCHEDULE OF EXPENDITURES OF TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Roads, streets and bridge improvements and equipment	$ 1,694,606	$ 1,706,401	$ 13,986,990	$ 1,074,844	$ 15,061,834
	$ 1,694,606	$ 1,706,401	$ 13,986,990	$ 1,074,844	$ 15,061,834

CITY OF WAYCROSS, GEORGIA

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

The **Health Insurance Fund** accounts for health insurance provided to departments of the City.

The **Workers' Compensation Fund** accounts for workers' compensation insurance provided to departments of the City.

The **Liability Insurance Fund** accounts for liability insurance provided to departments of the City.

The **Retirement Fund** accounts for retirement costs provided to departments of the City.

The **Payroll Fund** accounts for payroll services provided to departments of the City.

The **Warehouse Fund** accounts for storage of certain supplies and materials for the City's use.

The **City Garage Fund** accounts for fleet management services provided to departments of the City.

The **Enterprise Fleet Management Fund** accounts for fleet leasing of vehicles.

CITY OF WAYCROSS, GEORGIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2025

	Health Insurance Fund	Workers' Compensation Fund	Liability Insurance Fund
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 26,995	$ 71,136	$ 191,790
Accounts receivable, net of allowances	9,256	-	-
Prepaid expenses	-	54,000	-
Inventories	-	-	-
Total current assets	36,251	125,136	191,790
NON-CURRENT ASSETS			
Capital assets, depreciable, net of accumulated depreciation	-	-	-
Total non-current assets	-	-	-
Total assets	36,251	125,136	191,790
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	-	-	-
Accrued liabilities	-	557,924	-
Due to other funds	1,674,913	364,002	-
Current portion - lease liabilities	-	-	-
Total current liabilities	1,674,913	921,926	-
NON-CURRENT LIABILITIES			
Lease liabilities payable, net of current portion	-	-	-
Total non-current liabilities	-	-	-
Total liabilities	1,674,913	921,926	-
NET POSITION (DEFICIT)			
Unrestricted	(1,638,662)	(796,790)	191,790
Total net position (deficit)	$ (1,638,662)	$ (796,790)	$ 191,790

Retirement Fund	Payroll Fund	Warehouse Fund	City Garage Fund	Enterprise Fleet Management Fund	Total Internal Service Funds
$ 440,332	$ 414	$ 60,271	$ 107,041	$ -	$ 897,979
-	-	-	-	-	9,256
-	-	-	-	-	54,000
-	-	-	29,039	-	29,039
440,332	414	60,271	136,080	-	990,274
-	-	-	-	245,415	245,415
-	-	-	-	245,415	245,415
440,332	414	60,271	136,080	245,415	1,235,689
-	12,319	1,417	416	-	14,152
-	-	-	18,547	-	576,471
-	-	96,070	1,625	262,654	2,399,264
-	-	-	-	131,104	131,104
-	12,319	97,487	20,588	393,758	3,120,991
-	-	-	-	114,311	114,311
-	-	-	-	114,311	114,311
-	12,319	97,487	20,588	508,069	3,235,302
440,332	(11,905)	(37,216)	115,492	(262,654)	(1,999,613)
$ 440,332	$ (11,905)	$ (37,216)	$ 115,492	$ (262,654)	$ (1,999,613)

CITY OF WAYCROSS, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Health Insurance Fund	Workers' Compensation Fund	Liability Insurance Fund
OPERATING REVENUES			
Charges for services	$ 637,105	$ -	$ -
Operating contributions	2,109,906	1,183,560	663,755
Total operating revenues	2,747,011	1,183,560	663,755
OPERATING EXPENSES			
Personnel services	-	-	-
Purchased or contracted service	-	-	-
Repairs and maintenance	-	-	-
Insurance claims and expenses	2,301,919	752,984	920,213
Retirement payments	-	-	-
Depreciation	-	-	-
Total operating expenses	2,301,919	752,984	920,213
Operating income (loss)	445,092	430,576	(256,458)
NON-OPERATING REVENUES (EXPENSES)			
Interest expense	-	-	-
Miscellaneous revenue	6,824	2,254	3,143
Total non-operating revenues (expenses)	6,824	2,254	3,143
Change in net position	451,916	432,830	(253,315)
NET POSITION (DEFICIT), beginning of year	(2,090,578)	(1,229,620)	445,105
NET POSITION (DEFICIT), end of year	$ (1,638,662)	$ (796,790)	$ 191,790

Retirement Fund	Payroll Fund	Warehouse Fund	City Garage Fund	Enterprise Fleet Management Fund	Total Internal Service Funds
$ -	$ -	$ -	$ -	$ -	$ 637,105
1,099,348	1,029,561	-	468,445	228,000	6,782,575
1,099,348	1,029,561	-	468,445	228,000	7,419,680
-	-	-	399,048	-	399,048
-	-	-	33,484	-	33,484
-	-	8,378	29,200	-	37,578
-	1,014,262	-	-	-	4,989,378
1,124,069	-	-	-	-	1,124,069
-	-	-	-	210,016	210,016
1,124,069	1,014,262	8,378	461,732	210,016	6,793,573
(24,721)	15,299	(8,378)	6,713	17,984	626,107
-	-	-	-	(97,222)	(97,222)
-	-	-	-	-	12,221
-	-	-	-	(97,222)	(85,001)
(24,721)	15,299	(8,378)	6,713	(79,238)	541,106
465,053	(27,204)	(28,838)	108,779	(183,416)	(2,540,719)
$ 440,332	$ (11,905)	$ (37,216)	$ 115,492	$ (262,654)	$ (1,999,613)

CITY OF WAYCROSS, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Health Insurance Fund	Workers' Compensation Fund	Liability Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 2,316,568	$ -	$ -
Receipts from other funds for services	-	964,148	663,755
Payments to suppliers	(2,323,392)	(966,402)	(940,069)
Payments to employees	-	-	-
Net cash provided by (used in) operating activities	(6,824)	(2,254)	(276,314)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Miscellaneous non-operating revenue	6,824	2,254	3,143
Net cash provided by non-capital financing activities	6,824	2,254	3,143
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on lease liabilities	-	-	-
Interest paid	-	-	-
Net cash used in capital and related financing activities	-	-	-
Change in cash and cash equivalents	-	-	(273,171)
Cash and cash equivalents:			
Beginning of year	26,995	71,136	464,961
End of year	$ 26,995	$ 71,136	$ 191,790

Retirement Fund	Payroll Fund	Warehouse Fund	City Garage Fund	Enterprise Fleet Management Fund	Total Internal Service Funds
$ -	$ -	$ -	$ -	$ -	$ 2,316,568
1,099,348	1,011,818	-	470,070	307,238	4,516,377
(1,124,069)	(1,013,773)	(2)	(63,856)	-	(6,431,563)
-	-	-	(399,244)	-	(399,244)
(24,721)	(1,955)	(2)	6,970	307,238	2,138
-	-	-	-	-	12,221
-	-	-	-	-	12,221
-	-	-	-	(210,016)	(210,016)
-	-	-	-	(97,222)	(97,222)
-	-	-	-	(307,238)	(307,238)
(24,721)	(1,955)	(2)	6,970	-	(292,879)
465,053	2,369	60,273	100,071	-	1,190,858
$ 440,332	$ 414	$ 60,271	$ 107,041	$ -	$ 897,979

CITY OF WAYCROSS, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Health Insurance Fund	Workers' Compensation Fund	Liability Insurance Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ 445,092	$ 430,576	$ (256,458)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	-	-	-
Changes in assets and liabilities:			
Increase (decrease) in accounts payable	(21,473)	(266)	(19,856)
Decrease in accrued liabilities	-	(213,152)	-
Increase (decrease) in due to other funds	(430,443)	(219,412)	-
Net cash provided by (used in) operating activities	$ (6,824)	$ (2,254)	$ (276,314)

(Concluded)

Retirement Fund	Payroll Fund	Warehouse Fund	City Garage Fund	Enterprise Fleet Management Fund	Total Internal Service Funds
$ (24,721)	$ 15,299	$ (8,378)	$ 6,713	$ 17,984	$ 626,107
-	-	-	-	210,016	210,016
-	489	(9,174)	(1,172)	-	(51,452)
-	-	-	(196)	-	(213,348)
-	(17,743)	17,550	1,625	79,238	(569,185)
$ (24,721)	$ (1,955)	$ (2)	$ 6,970	$ 307,238	$ 2,138

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Honorable Mayor and Members
of the City Commission
City of Waycross, Georgia
Waycross, Georgia

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Waycross, Georgia** (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 15, 2025.

Report on Internal Control 0ver Financial Reporting
In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Report on Compliance and Other Matters

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

City of Waycross, Georgia's Response to Finding

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Savannah, Georgia
December 15, 2025

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Honorable Mayor and Members
of the City Commission
City of Waycross, Georgia
Waycross, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Waycross, Georgia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal 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'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal programs as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

Mauldin & Jenkins, LLC

Savannah, Georgia
December 15, 2025

CITY OF WAYCROSS, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-through Grantor/Program Title	Federal AL Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
U.S. Department of the Treasury				
Direct				
ARPA - Improving Neighborhood Outcomes in Disproportionately Impacted Communities	21.027	N/A	$ 1,701,734	$ -
ARPA - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,009,232	-
Total U.S. Department of the Treasury			2,710,966	-
U.S. Environmental Protection Agency				
Passed through the Georgia Department of Natural Resources				
Capitalization Grants for Clean Water State Revolving Funds	66.458	GEFA-CW2021041	1,232,718	-
Capitalization Grants for Clean Water State Revolving Funds	66.458	GEFA-CW2021041	48,338	-
Capitalization Grants for Drinking Water State Revolving Funds	66.468	GEFA-DWLSL2022089	150,938	-
Total U.S. Environmental Protection Agency			1,431,994	-
U.S. Department of Homeland Security				
Passed through the Federal Emergency Management Agency				
Disaster Grants - Public Assistance	97.036	FEMA-4821-DR-GA	11,047	-
Disaster Grants - Public Assistance	97.036	FEMA-4830-DR-GA	500,054	-
Total U.S. Department of Homeland Security			511,101	-
Total Expenditures of Federal Awards			$ 4,654,061	$ -

CITY OF WAYCROSS, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Waycross, Georgia (the "City"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the 10% de minimis cost rate for the year ended June 30, 2025.

NOTE 3. NON-CASH AWARDS

The City did not receive non-cash federal awards during the year ended June 30, 2025.

CITY OF WAYCROSS, GEORGIA

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

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP. Unmodified

Internal control over financial reporting:
Material weaknesses identified? __X__ Yes ___ No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes __X__ No

Noncompliance material to financial statements noted? _____ Yes __X__ No

Federal Awards

Internal control over major programs:
Material weaknesses identified? _____ Yes __X__ No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes __X__ None Reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) _____Yes __X__ No

Identification of major programs:

AL Number	Name of Federal Program or Cluster
21.027	**U.S. Department of the Treasury** Coronavirus State and Local Fiscal Recovery Fund

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

Auditee qualified as low-risk auditee? ____Yes __X__ No

CITY OF WAYCROSS, GEORGIA

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2025 – 001. Year-End Close Process

Criteria: Management is responsible for the accuracy and completeness of the financial transactions in the City's general ledger to ensure accurate financial reporting.

Condition/Context: The City does not currently have an adequate monthly or year-end close process, whereby the City's financial records are adjusted, reviewed and reconciled to supporting documentation.

Effect: This condition could lead to inaccurate financial reporting.

Cause: There was an overall lack of appropriate controls implemented at the City during the fiscal year. The City did not properly account for activity, or prepare and review all reconciliations typically required in a strong accounting system.

Recommendation: We recommend the City review the respective staffing of the accounting function, and determine if an adequate number of qualified people are currently available to address the condition. The City should also consider and evaluate its strengths and weaknesses relative to the accounting function, and take measures to address the concerns noted above with a goal of providing timely recording, reconciling, and reporting of City operations and financial and non-financial activities.

We further recommend the City consider reinvesting in its accounting personnel by providing technical education and training via participation in governmental accounting and financial reporting continuing education programs which are available in the general geographic area of the City, as well as virtually. When certain levels of technical proficiency are observed by management, we further encourage the City to better cross-train the accounting personnel in an effort to make the accounting function a stronger department.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate errors and identify deficiencies from both an operational and financial perspective.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF WAYCROSS, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

STATUS OF PRIOR YEAR AUDIT FINDINGS

2024 – 001. Year-End Close Process

Criteria: Management is responsible for the accuracy and completeness of the financial transactions in the City's general ledger to ensure accurate financial reporting.

Condition/Context: The City does not currently have an adequate monthly or year-end close process, whereby the City's financial records are adjusted, reviewed and reconciled to supporting documentation.

Auditee Response/Status: Unresolved – See current year financial audit finding 2025 – 001.

Waycross
Opportunity in every direction.

Office of the Finance Director

December 15, 2025

Mr. Greg Griffin, State Auditor

Department of Audits and Accounts

Nonprofit and Local Government Audits

270 Washington Street, SW, Room 1-156

Atlanta, Georgia 30334-8400

Please find below our corrective action plan for the audit finding and state law compliance for the fiscal year ended June 30, 2025.

2025– 001. Year-End Close Process

Criteria: Management is responsible for the accuracy and completeness of the financial transactions in the City's general ledger to ensure accurate financial reporting.

Condition/Context: The City does not currently have an adequate monthly or year-end close process, whereby the City's financial records are adjusted, reviewed and reconciled to supporting documentation.

Effect: This condition could lead to inaccurate financial reporting.

Cause: There was an overall lack of appropriate controls implemented at the City during the fiscal year. The City did not properly account for activity, or prepare and review all reconciliations typically required in a strong accounting system.

Recommendation: We recommend the City review the respective staffing of the accounting function, and determine if an adequate number of qualified people are currently available to address the condition. The City should also consider and evaluate its strengths and weaknesses relative to the accounting function, and take measures to address the concerns noted above with a goal of providing timely recording, reconciling, and reporting of City operations and financial and non-financial activities.

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Tele: (912) 287-2900 • Fax: (912) 287-2946
www.waycrossga.com

We further recommend the City consider reinvesting in its accounting personnel by providing technical education and training via participation in governmental accounting and financial reporting continuing education programs which are available in the general geographic area of the City, as well as virtually. When certain levels of technical proficiency are observed by management, we further encourage the City to better cross-train the accounting personnel in an effort to make the accounting function a stronger department.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate errors and identify deficiencies from both an operational and financial perspective.

Compliance With State Law: Expenditures exceeded appropriations at the legal level of control.

Views of Responsible Officials and Planned Corrective Action: We concur. We will implement controls to ensure proper review of the City's budgets to ensure budgets are appropriately amended so that expenditures do not exceed appropriations at the legal level of budgetary control.

Please let me know if additional information is needed.

Thank you,

W. Gregory Smith

Greg Smith

Finance Director

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