CITY OF WAYNESBORO, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Waynesboro, 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waynesboro, Georgia, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Waynesboro, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waynesboro, Georgia, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 of Waynesboro, Georgia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Waynesboro, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Waynesboro, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 5 through 10 and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waynesboro, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, CDBG source and application of funds schedule, CDBG project cost schedule, and schedule of projects paid with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, CDBG source and application of funds schedule, CDBG project cost schedule, schedule of projects paid with special sales tax proceeds, and 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 September 10, 2025 on our consideration of the City of Waynesboro, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Waynesboro, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Waynesboro, Georgia's internal control over financial reporting and compliance.

Lanier, Deal & Deal

Statesboro, Georgia
September 10, 2025

This discussion and analysis is intended to be an easily readable analysis of the City of Waynesboro, Georgia's (the City's) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Overview of the Financial Statements

The City's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the basic financial statements. The *government-wide financial statements* present an overall picture of the City's financial position and results of operations. *The fund financial statements* present financial information for the City's major funds. The *notes to financial statements* provide additional information concerning the City's finances that are not disclosed in the government-wide or fund financial statements.

Government-wide Financial Statements

The City's financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The *Statement of Activities* reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

In the Statement of Net Position and Statement of Activities, the City is divided into two kinds of activities:

> *Governmental activities* - Most of the City's basic services are reported here, including the police, fire, community development, information services and general administration. These activities are primarily supported by property taxes, sales taxes, other taxes, federal and state grants, and charges for services.
>
> *Business-type activities* - Business-type activities include the City's water and sewer system, gas system, and solid waste activities. These activities are supported by charges to the users of the activities.

The government-wide financial statements are presented in pages 11 and 12 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

Overview of the Financial Statements (continued)

Fund Financial Statements (continued)

The City has two kinds of funds:

Governmental Funds: The majority of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances of spendable resources available at year-end. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The government fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The basic governmental fund financial statements are presented on pages 13 through 16 of this report.

The City maintains three major and six nonmajor governmental funds. The City's major governmental funds are the General Fund, the SPLOST IV Fund, and the SPLOST V Fund. The City's nonmajor governmental funds are the Hotel/Motel Tax Fund, Confiscated Assets Fund, Family Connection Grant, the 2018 CHIP fund, the 2021 CDBG Fund and the TIA SPLOST Fund.

Proprietary Funds: The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the City's enterprise funds are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. These are reported in the fund financial statements and generally report services for which the fund essentially encompasses the same functions reported as business-type activities in the government-wide statements.

The basic enterprise fund financial statements are presented on pages 18 through 20 of this report. The City maintains three enterprise funds: Water and Sewer, Gas, and Solid Waste.

Notes to the Basic Financial Statements

The notes to the financial statements explain some of the information in the financial statements and provide information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes begin on page 21 of this report.

Budgetary Presentations

A budgetary comparison statement is included as "basic financial statements" for the General Fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report.

Supplementary Financial Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for nonmajor funds are presented as supplementary financial information of this report beginning on page 46.

Financial Analysis of the City as a Whole

The City's net position at fiscal year-end is $39,090,736, as compared to $35,700,792 at December 31, 2023. The following table provides a summary of the City's net position.

Category	2024	2023
Governmental Activities	$17,251,730	$18,062,829
Business-Type Activities	$21,839,006	$17,637,963
Total Net Position	**$39,090,736**	**$35,700,792**

The current ratio is used to measure an entity's ability to meet current obligations. The City of Waynesboro, Georgia has a 2.63 to 1 ratio for governmental activities. The current ratio for business-type activities is 1.39 to 1, as compared to 1.34 to 1 at December 31, 2023.

The City reported positive balances in net positions for both governmental and business-type activities. Analyzing the net position of governmental and business-type activities separately, the business-type activities net position is $21,839,006. The table below focuses on the net position and revenues and expenses of the City's governmental and business-type activities. Net position decreased by $811,099 for governmental activities and increased by $4,201,043 for business-type activities. The City's overall financial position improved during the year ended December 31, 2024.

The following table provides a summary of the City's changes in net position:

Category	2023	2024	Change
Governmental Activities	$18,062,829	$17,251,730	**-$811,099**
Business-Type Activities	$17,637,963	$21,839,006	**+$4,201,043**
Total Net Position	**$35,700,792**	**$39,090,736**	**+$3,389,944**

Governmental Revenues

The City's governmental activities are heavily reliant on property taxes and sales taxes, which collectively make up 35.37% of governmental revenues. Note that program revenues made up 43.79% of the City's total revenues.

Governmental Expenses

The statement on page 12 presents the costs of each of the City's programs. Public safety, water and sewer, and solid waste were the most costly. Public safety made up 29.06% of the City's total expenses, while water and sewer and solid waste made up 28.16% and 10.37%, respectively.

There was a deficit of $811,099 in governmental activities and an excess of $4,201,043 in business-type activities. Transfers to (from) governmental activities resulted in a total deficit in governmental activities of $3,804,891 and a net excess in business-type activities of $3,804,891. The total change in net position was $3,389,944. As stated earlier, the financial position of the City improved in the year ended December 31, 2024.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements.

Governmental funds reported ending fund balances of $3,669,182. Of this year-end total, $1,941,043 is restricted for capital projects and $33,818 for other uses. The unassigned portion of governmental fund balances was $1,568,342. The total ending fund balances of governmental funds shows a decrease of $826, or a 0.02% decrease.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund reported an ending fund balance of $2,844,941. Of this total, $53,946 is restricted for use under state grants or community development programs, and $24,690 is restricted for public safety. $125,979 is nonspendable for expenses that have already been paid. The remaining balance of $2,640,326 is unassigned. The total ending fund balance of the general fund shows an increase of $328,456. The increase in the current year was a result of higher-than-expected property tax collections, increased intergovernmental revenues, and conservative spending across departments.

Total revenues of the General Fund were $6,109,700, an increase of 39.9% from fiscal year 2023. This increase was primarily due to higher property tax collections, increased insurance premium tax revenues, and additional intergovernmental funding.

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Operating revenues for the proprietary funds were $5,375,158, an increase of 1.14% over fiscal year 2023. After considering expenditures, the net income of these funds before capital contributions and transfers is $396,152.

Budgetary Highlights

Revenues in the General Fund were $6,109,700. This increase resulted due to higher property tax collections and intergovernmental revenues.

Expenditures in the General Fund $6,466,370 were increased over 2023 primarily due to higher costs in public works, public safety, and general government operations.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, as of December 31, 2024, was $39,401,773 as follows:

Category	Governmental Activities	Business-Type Activities	Total
Nondepreciable Assets	$463,177	$7,827,560	$8,290,737
Depreciable Assets (net)	$14,093,586	$17,017,450	$31,111,036
Total Net Capital Assets	**$14,556,763**	**$24,845,010**	**$39,401,773**

For more information on the changes in capital assets, see Note 7.

Debt Outstanding

As of December 31, 2024, the City had total outstanding long-term debt of $4,834,218, as follows:

Type of Debt	Governmental Activities	Business-Type Activities	Total
Notes Payable	$267,371	$477,739	$745,110
Revenue Bonds Payable	—	$3,460,000	$3,460,000
Compensated Absences	$394,322	$234,786	$629,108
Total Long-Term Debt	**$661,693**	**$4,172,525**	**$4,834,218**

During the year ended December 31, 2024, the City issued long-term debt totaling $114,506. The City retired $946,490 of existing debt.

For more information on the City's long-term debt, see Notes 8-10.

Economic Conditions Affecting the City

Waynesboro continues to adapt to changing economic conditions, with a focus on fiscal responsibility, infrastructure investment, and community development. The City's financial position remains stable, despite challenges related to inflation, income decline, and the transition away from major construction activity in the region.

In 2024, Waynesboro experienced a mix of economic progress and persistent challenges. The city saw strong revenue growth, particularly in property taxes, which exceeded expectations by over $766,000. This was supported by modest increases in franchise and insurance premium taxes, reflecting stable utility and business activity.

However, median household income declined to $36,156, placing Waynesboro among the lowest-income mid-sized cities in Georgia. This decline highlights the need for targeted economic development and workforce support, especially as the local economy adjusts to the post-construction phase of Plant Vogtle.

Unemployment rose to 5.3%, driven in part by the loss of temporary construction jobs and limited new employment opportunities. Inflation continued to affect residents, with the cost of living increasing by 1.5%, particularly in transportation, food, and utilities.

Despite these pressures, Waynesboro made significant investments in infrastructure and public services. Over $4.2 million was allocated to capital improvements, including water and sewer upgrades, street repairs, and public safety equipment. These projects were funded through SPLOST revenues, federal grants, and strategic use of debt financing.

The City also supported community development through programs like the Community Development Block Grant, which helped fund housing and utility improvements. Additionally, the Hotel/Motel Tax Fund contributed to tourism promotion and local economic activity.

Looking ahead, Waynesboro is focused on attracting new businesses, expanding its tax base, and improving quality of life for residents. With Georgia continuing to lead in business investment and job creation, Waynesboro is well-positioned to benefit from regional growth while maintaining its commitment to affordability and community resilience.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City at 615 N Liberty Street, Waynesboro, Georgia 30830.

CITY OF WAYNESBORO, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 2,789,380	$ 1,302,770	$ 4,092,150	$ 6,436
Restricted cash and cash equivalents	-	62,803	62,803	-
Receivables:				
Accounts	22,971	296,840	319,811	-
Taxes	2,618,520	-	2,618,520	-
Intergovernmental	680,305	-	680,305	-
Internal balances	(11,519)	11,519	-	-
Prepaid items	125,979	-	125,979	-
Capital assets:				
Nondepreciable capital assets	463,177	7,827,560	8,290,737	20,772
Depreciable capital assets, net	14,093,586	17,017,450	31,111,036	-
Total Assets	20,782,399	26,518,942	47,301,341	27,208
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	230,778	45,173	275,951	-
LIABILITIES				
Current Liabilities:				
Accounts payable	2,046,090	215,566	2,261,656	-
Accrued interest payable	-	7,346	7,346	-
Accrued salaries	79,202	19,355	98,557	-
Other accrued liabilities	-	78,175	78,175	-
Compensated absences payable	78,864	46,957	125,821	-
Funds held for others	3,804	-	3,804	-
Notes payable	159,227	176,292	335,519	-
Bonds payable	-	660,000	660,000	-
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	315,458	187,829	503,287	-
Notes payable (net of current portion)	108,144	301,447	409,591	-
Bonds payable (net of current portion)	-	2,800,000	2,800,000	-
Net pension liability	820,612	201,287	1,021,899	-
Total Liabilities	3,611,401	4,694,254	8,305,655	-
DEFERRED INFLOWS OF RESOURCES				
Resources related to pensions	150,046	30,855	180,901	-
NET POSITION				
Net investment in capital assets	14,289,392	20,907,271	35,196,663	20,772
Restricted for:				
Roads and capital projects	1,941,043	-	1,941,043	-
Public safety	33,818	-	33,818	-
Debt service	-	62,803	62,803	-
Unrestricted	987,477	868,932	1,856,409	6,436
Total Net Position	$ 17,251,730	$ 21,839,006	$ 39,090,736	$ 27,208

See accompanying notes to the basic financial statements.

CITY OF WAYNESBORO, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Program/Function	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Unit
Governmental Activities:								
General government	$ 1,622,589	$ 88,180	$ 113,268	-	$ (1,421,141)	-	$ (1,421,141)	-
Judicial - Municipal court	35,534	-	-	-	(35,534)		(35,534)	-
Public safety	3,167,374	188,369	-	-	(2,979,005)	-	(2,979,005)	-
Public works	1,607,797	1,050	-	$ 3,657,643	2,050,896	-	2,050,896	-
Health and welfare	54,220	-	54,220	-	-	-	-	-
Housing and development	483,026	-	4,095	268,954	(209,977)	-	(209,977)	-
Culture and recreation	20,843	-	-	-	(20,843)	-	(20,843)	-
Interest	6,870	-	-	-	(6,870)	-	(6,870)	-
Total Govermental Activities	6,998,253	277,599	171,583	3,926,597	(2,622,474)	-	(2,622,474)	-
Business-Type Activities:								
Water and Sewer	3,068,997	2,758,059	-	-	-	$ (310,938)	(310,938)	-
Natural Gas	832,604	1,239,972	-	-	-	407,368	407,368	-
Solid Waste	1,130,714	1,377,127	-	-	-	246,413	246,413	-
Total Business-Type Activities	5,032,315	5,375,158	-	-	-	342,843	342,843	-
Total Primary Government	$ 10,899,854	$ 4,275,630	$ 171,583	$ 3,926,597	(2,622,474)	342,843	(2,279,631)	-
Component Unit								
Downtown Development Authority	$ 393	$ -	$ 3,574	$ -				$ 3,181
		General Revenues						
		Property taxes levied for:						
		General purposes			2,117,252	-	2,117,252	-
		Sales taxes			1,417,083	-	1,417,083	-
		Insurance premium tax			553,175	-	553,175	-
		Franchise taxes			468,775	-	468,775	-
		Other taxes			805,373	-	805,373	-
		Interest earned			42,507	38,726	81,233	-
		Gain on sale of capital assets			38,495	14,583	-	-
		Other			173,606	-	173,606	-
		Total General Revenues			5,616,266	53,309	5,616,497	-
		Transfers			(3,804,891)	3,804,891	-	-
		Total General Revenues and Transfers			1,811,375	3,858,200	5,669,575	-
		Change in Net Position			(811,099)	4,201,043	3,389,944	3,181
		Net Position, Beginning of Year, as restated			18,062,829	17,637,963	35,700,792	24,027
		Net Position, End of Year			$ 17,251,730	$ 21,839,006	$ 39,090,736	$ 27,208

See accompanying notes to the basic financial statements.

CITY OF WAYNESBORO, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	SPLOST IV Capital Projects Fund	SPLOST V Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 537,025	$ 495,030	$ 956,319	$ 801,006	$ 2,789,380
Receivables:					
Taxes	2,618,520	-	-	-	2,618,520
Accounts	-	-	-	22,971	22,971
Intergovernmental	343,391	180,043	125,583	31,288	680,305
Interfund	-	-	-	78,589	78,589
Prepaid items	125,979	-	-	-	125,979
TOTAL ASSETS	$ 3,624,915	$ 675,073	$ 1,081,902	$ 933,854	$ 6,315,744
LIABILITIES					
Accounts payable	$ 194,825	$ 1,729,485	-	$ 121,780	$ 2,046,090
Accrued salaries	79,202	-	-	-	79,202
Interfund payable	78,589	11,519	-	-	90,108
Funds held for others	-	-	-	3,804	3,804
TOTAL LIABILITIES	352,616	1,741,004	-	125,584	2,219,204
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	427,358	-	-	-	427,358
FUND BALANCES					
Nonspendable	125,979	-	-	-	125,979
Restricted for public safety	24,690	-	-	9,128	33,818
Restricted for capital projects	53,946	-	$ 1,081,902	805,195	1,941,043
Unassigned	2,640,326	(1,065,931)	-	(6,053)	1,568,342
TOTAL FUND BALANCES	2,844,941	(1,065,931)	1,081,902	808,270	3,669,182
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 3,624,915	$ 675,073	$ 1,081,902	$ 933,854	$ 6,315,744

See accompanying notes to the basic financial statements.

CITY OF WAYNESBORO, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Fund Balances		$ 3,669,182
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	$ 22,444,568	
Less accumulated depreciation	(7,887,805)	14,556,763
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Property taxes		427,358
Deferred outflows and deferred inflows related to pensions is not reported in the governmental funds:		
Deferred outflows of revenues	230,778	
Deferred inflows of revenues	(150,046)	80,732
The City's net pension liability is not reported in the governmental funds but is in the statement of net position.		(820,612)
Notes payable are not due and payable in the current period and, therefore, are not reported in the funds		(267,371)
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in the funds		(394,322)
Net Position Of Governmental Activities		$ 17,251,730

See accompanying notes to the basic financial statements.

CITY OF WAYNESBORO, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	SPLOST IV Capital Projects Fund	SPLOST V Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 5,596,001	-	-	$ 305,025	$ 5,901,026
Intergovernmental	127,263	$ 2,142,166	$ 1,079,009	677,171	4,025,609
Licenses and permits	88,180	-	-	-	88,180
Charges for services	1,050	-	-	-	1,050
Fines and forfeitures	183,935	-	-	4,434	188,369
Interest	42,474	48,619	2,903	16,987	110,983
Contributions	4,095	-	-	-	4,095
Other	66,702	-	-	106,904	173,606
Total revenues	6,109,700	2,190,785	1,081,912	1,110,521	10,492,918
EXPENDITURES					
Current:					
General government	1,590,635	-	-	-	1,590,635
Judicial	35,534	-	-	-	35,534
Public safety	3,120,356	-	-	-	3,120,356
Public works	1,283,874	-	-	-	1,283,874
Health and welfare	-	-	-	54,220	54,220
Housing and development	324,595	-	-	120,885	445,480
Capital outlay:					
Public works	-	60,187	10	111,257	171,454
Culture and recreation	-	20,843	-	-	20,843
Housing and development	-	-	-	6,412	6,412
Debt service:					
Principal	106,176	-	-	-	106,176
Interest	5,200	1,670	-	-	6,870
Total expenditures	6,466,370	82,700	10	292,774	6,841,854
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(356,670)	2,108,085	1,081,902	817,747	3,651,064
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	38,495	-	-	-	38,495
Proceeds from note payable	-	114,506	-	-	114,506
Transfers in	755,760	260,024	-	-	1,015,784
Transfers out	(109,129)	(4,261,329)	-	(450,217)	(4,820,675)
Total other financing sources (uses)	685,126	(3,886,799)	-	(450,217)	(3,651,890)
NET CHANGE IN FUND BALANCES	328,456	(1,778,714)	1,081,902	367,530	(826)
FUND BALANCES, JANUARY 1, 2024	2,516,485	712,783	-	440,740	3,670,008
FUND BALANCES, DECEMBER 31, 2024	$ 2,844,941	$ (1,065,931)	$ 1,081,902	$ 808,270	$ 3,669,182

See accompanying notes to the basic financial statements.

CITY OF WAYNESBORO, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts reported for governmental activities in the statement of activities are different because:			
Net Change In Fund Balances - Total Governmental Funds			$ (826)
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 as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period.			
	Depreciation expense	$ (685,301)	
	Capital outlay	439,840	(245,461)
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.			-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			
	Property taxes:		
	Unavailable revenue @ 12/31/24	427,358	
	Unavailable revenue @ 12/31/23	(966,726)	(539,368)
Other financing sources for the inception of notes payable are reported on the fund level operating statement but are reported as a liability on the government-wide financial statements.			(114,506)
Repayment of notes payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net postion.			106,176
The change in the net pension liability and pension related deferred outflows and deferred inflows is reported on the gevernment-wide statement of activities but not in the governmental funds.			30,670
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
	Liability @ 12/31/24	(394,322)	
	Liability @ 12/31/23	346,538	(47,784)
Change In Net Position of Governmental Activities			$ (811,099)

See accompanying notes to the basic financial statements.

CITY OF WAYNESBORO, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	$ 1,890,000	$ 2,656,620	$ 766,620
Motor vehicle	163,000	175,147	12,147
Mobile home	2,000	3,270	1,270
Franchise	409,000	468,775	59,775
Sales and use	1,500,000	1,417,083	(82,917)
Alcoholic beverage	175,000	160,381	(14,619)
Business and occupation	90,000	89,612	(388)
Insurance premium	480,000	553,175	73,175
Financial institution	30,000	36,774	6,774
Other	40,000	35,164	(4,836)
Licenses and permits	65,000	88,180	23,180
Intergovernmental	15,000	127,263	112,263
Charges for services	-	1,050	1,050
Fines and forfeitures	220,000	183,935	(36,065)
Interest	4,000	42,474	38,474
Contributions	1,000	4,095	3,095
Other	53,000	66,702	13,702
Total revenues	5,137,000	6,109,700	972,700
EXPENDITURES			
Current:			
General government	1,460,200	1,590,635	(130,435)
Judicial	30,000	35,534	(5,534)
Public safety	3,019,900	3,120,356	(100,456)
Public works	1,018,300	1,283,874	(265,574)
Housing and development	375,000	324,595	50,405
Debt service:			
Principal	110,000	106,176	3,824
Interest	7,600	5,200	2,400
Total expenditures	6,021,000	6,466,370	(445,370)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(884,000)	(356,670)	527,330
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	2,000	38,495	36,495
Transfers in	882,000	755,760	(126,240)
Transfers out	-	(109,129)	(109,129)
Total other financing sources (uses)	884,000	685,126	(198,874)
NET CHANGE IN FUND BALANCE	$ -	328,456	$ 328,456
FUND BALANCE, JANUARY 1, 2024		2,516,485	
FUND BALANCE, DECEMBER 31, 2024		$ 2,844,941	

See accompanying notes to the basic financial statements.

CITY OF WAYNESBORO, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

ASSETS	Water and Sewer	Natural Gas	Solid Waste	Total
Current Assets				
Cash and cash equivalents	$ 1,302,770	-	-	$ 1,302,770
Restricted cash and cash equivalents	62,803	-	-	62,803
Accounts receivable	180,185	$ 56,714	$ 59,941	296,840
Interfund receivable	-	11,519	-	11,519
Total Current Assets	1,545,758	68,233	59,941	1,673,932
Capital Assets				
Nondepreciable assets	5,443,815	3,000	2,380,745	7,827,560
Depreciable assets (net of depreciation)	15,629,255	303,689	1,084,506	17,017,450
Total Capital Assets	21,073,070	306,689	3,465,251	24,845,010
Total Assets	22,618,828	374,922	3,525,192	26,518,942
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	20,457	7,793	16,923	45,173
LIABILITIES				
Current Liabilities				
Accounts payable	87,453	63,616	64,497	215,566
Accrued salaries	9,450	2,487	7,418	19,355
Accrued interest payable	7,007	-	339	7,346
Compensated absences payable	33,351	7,242	6,364	46,957
Other accrued liabilities	23,256	41,241	13,678	78,175
Notes payable	-	31,159	145,133	176,292
Revenue bonds payable	660,000	-	-	660,000
Total Current Liabilities	820,517	145,745	237,429	1,203,691
Long-term Liabilites				
Compensated absences payable (net of current portion)	133,408	28,966	25,455	187,829
Notes payable (net of current portion)	-	46,630	254,817	301,447
Revenue bonds payable (net of current portion)	2,800,000	-	-	2,800,000
Net pension liability	95,681	32,013	73,593	201,287
Total Long-term Liabilites	3,029,089	107,609	353,865	3,490,563
Total Liabilities	3,849,606	253,354	591,294	4,694,254
DEFERRED INFLOWS OF RESOURCES				
Resources related to pensions	14,177	7,542	9,136	30,855
NET POSITION				
Net investment in capital assets	17,613,070	228,900	3,065,301	20,907,271
Restricted for debt service	62,803	-	-	62,803
Unrestricted	1,099,629	(107,081)	(123,616)	868,932
Total Net Position	$ 18,775,502	$ 121,819	$ 2,941,685	$ 21,839,006

See accompanying notes to the basic financial statements.

CITY OF WAYNESBORO, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Water and Sewer	Natural Gas	Solid Waste	Total
OPERATING REVENUES				
Charges for services	$ 2,688,264	$ 1,211,660	$ 1,349,710	$ 5,249,634
Tap fees	4,150	-	-	4,150
Penalties	65,093	20,685	27,417	113,195
Recovery of bad debts	552	-	-	552
Other	-	7,627	-	7,627
Total operating revenues	2,758,059	1,239,972	1,377,127	5,375,158
OPERATING EXPENSES				
Salaries	383,653	135,538	315,412	834,603
Employee benefits	87,484	36,113	125,930	249,527
Utilities	333,153	5,565	7,767	346,485
Communications	23,184	7,194	1,538	31,916
Contractual services	752,085	44,922	4,128	801,135
Gas purchases	-	402,443	-	402,443
Landfill fees	-	-	263,253	263,253
Materials and supplies	165,586	3,663	85,087	254,336
Gasoline, oil, etc.	36,914	7,082	33,521	77,517
Repairs and maintenance	198,240	63,667	75,652	337,559
Depreciation	856,940	39,077	120,458	1,016,475
Travel and training	5,677	1,720	-	7,397
Other expenses	127,636	82,324	80,211	290,171
Total operating expenses	2,970,552	829,308	1,112,957	4,912,817
OPERATING INCOME (LOSS)	(212,493)	410,664	264,170	462,341
NONOPERATING REVENUE (EXPENSE)				
Interest income	38,726	-	-	38,726
Interest and loan fees	(98,445)	(3,296)	(17,757)	(119,498)
Gain on sale of capital assets	14,583	-	-	14,583
Total nonoperating revenue (expense)	(45,136)	(3,296)	(17,757)	(66,189)
INCOME (LOSS) BEFORE TRANSFERS	(257,629)	407,368	246,413	396,152
Transfers in	1,903,349	-	2,490,973	4,394,322
Transfers out	-	(349,847)	(239,584)	(589,431)
CHANGE IN NET POSITION	1,645,720	57,521	2,497,802	4,201,043
NET POSITION, JANUARY 1, 2024, as restated	17,129,782	64,298	443,883	17,637,963
NET POSITION, DECEMBER 31, 2024	$ 18,775,502	$ 121,819	$ 2,941,685	$ 21,839,006

See accompanying notes to the basic financial statements.

CITY OF WAYNESBORO, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Water and Sewer	Natural Gas	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 2,708,984	$ 1,224,542	$ 1,364,647	$ 5,298,173
Cash payments for employees	(464,336)	(170,896)	(436,812)	(1,072,044)
Cash payments for goods and services	(1,670,748)	(670,414)	(508,235)	(2,849,397)
Net cash provided by (used by) operating activities	573,900	383,232	419,600	1,376,732
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net transfers in (out)	132,785	(349,847)	(239,376)	(456,438)
Net cash provided by (used by) noncapital financing activities	132,785	(349,847)	(239,376)	(456,438)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(1,746,535)	-	(2,488,007)	(4,234,542)
Transfers in from capital projects fund	1,770,564	-	2,490,765	4,261,329
Principal payments on bonds payable	(645,000)	-	-	(645,000)
Payments on notes payable	-	(30,089)	(165,225)	(195,314)
Interest and loan fees paid	(99,751)	(3,296)	(17,757)	(120,804)
Net cash provided by (used by) capital and related financing activities	(706,139)	(33,385)	(180,224)	(919,748)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	38,726	-	-	38,726
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	39,272	-	-	39,272
CASH AND CASH EQUIVALENTS, JANUARY 1, 2024	1,326,301	-	-	1,326,301
CASH AND CASH EQUIVALENTS, DECEMBER 31, 2024	$ 1,365,573	$ -	$ -	$ 1,365,573
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES				
Operating income (loss)	$ (212,493)	$ 410,664	$ 264,170	$ 462,341
Adjustments:				
Depreciation	856,940	39,077	120,458	1,016,475
(Increase) decrease in operating assets:				
Accounts receivable	(51,969)	(19,605)	(14,250)	(85,824)
(Increase) decrease in deferred outflows of resources related to pensions	24,148	7,705	15,562	47,415
Increase (decrease) in operating liabilities:				
Accounts payable	(28,273)	(51,834)	42,922	(37,185)
Other accrued liabilities	2,894	4,175	1,770	8,839
Accrued salaries	3,108	791	1,844	5,743
Compensated absences payable	9,155	1,708	6,208	17,071
Net pension liability	(43,787)	(13,973)	(28,220)	(85,980)
Increase (decrease) in deferred inflows of resources related to pensions	14,177	4,524	9,136	27,837
Net cash provided by (used by) operating activities	$ 573,900	$ 383,232	$ 419,600	$ 1,376,732

See accompanying notes to the basic financial statements.

The City of Waynesboro, Georgia was incorporated in 1803 under the laws of the State of Georgia. The City operates under a Mayor and City Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, water and sewer, natural gas, and general administrative services.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise fund at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

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

1-A. Reporting Entity

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

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

The component unit columns included on the government-wide financial statements identify the financial data of the City's discretely presented component unit. It is reported separately to emphasize that it is legally separate from the City.

A brief description of the City's discretely presented component unit follows:

Waynesboro Downtown Development Authority (the Authority) – The Authority works to promote the economic development and revitalization of the downtown area. The City Council appoints the board members and is legally obligated or has otherwise assumed financial responsibility for the organization. Therefore, the Authority is fiscally dependent on the City. Complete financial statements for the Authority can be obtained directly from the Waynesboro Downtown Development Authority at 628 Myrick Street, Waynesboro, Georgia 30830.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1-B. Basis of Presentation

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major individual governmental funds and enterprise funds are reported in separate columns with a composite column for non-major funds.

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

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

> ***General Fund*** – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.
>
> ***SPLOST IV Capital Projects Funds*** – This capital projects fund accounts for the special purpose local option sales tax collected to be used for various capital improvements within the City.
>
> ***SPLOST V Capital Projects Funds*** – This capital projects fund accounts for the special purpose local option sales tax collected to be used for various capital improvements within the City.

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The City has three enterprise funds. The City accounts for its water and sewer operations within the Water and Sewer fund, its natural gas operations within the Natural Gas Fund, and its solid waste operations within the Solid Waste Fund.

1-C. Measurement Focus

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1-C. Measurement Focus (continued)

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

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

1-D. Basis of Accounting

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

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues – Non-exchange Transactions – Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1-D. Basis of Accounting (continued)

reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

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

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

1-E. Assets, Liabilities, Deferred Outflows and Deferred Inflows of Resources, and Fund Equity

Cash, Cash Equivalents, and Investments

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

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

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

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

Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. The general fund reported an allowance for uncollectible taxes of $145,405. The water and sewer enterprise fund, the natural gas enterprise fund, and the solid waste enterprise fund reported allowances for uncollectibles of $181,345, $50,103, and $99,287, respectively, at December 31, 2024.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Balances

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2024 are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as non-spendable since this amount is not available for general appropriation.

Restricted Assets – Cash and Cash Equivalents

Restricted cash includes amounts set aside to meet the requirements of applicable bond covenants of the water and sewer fund revenue bond.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of $10,000 for infrastructure, and a capitalization threshold of $5,000 for other capital assets. The City's infrastructure consists of streets, bridges, storm sewers, sidewalks, traffic islands, street lights, traffic signals, and street signs. For streets, the City has only capitalized infrastructure constructed after July 1, 2003. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Life
Buildings and improvements	40-50 years
Machinery and equipment	5-10 years
Office furnishings and equipment	5-7 years
Vehicles	5-7 years

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Unpaid accumulated sick leave does not vest and is not paid upon termination.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. The proprietary funds report the total compensated liability at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "*when due.*"

Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of those funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts are amortized over the life of the bonds using the effective interest method and bond issuance costs are expensed in the current period.

At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position 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 only one item that qualifies for reporting in this category. It is resources related to pensions reported at the government-wide level for governmental and business-type activities and at the fund level for enterprise funds.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has an item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The City also has deferred inflows of resources related to its pension plan reported at the government-wide level for governmental and business-type activities and at the fund level for its proprietary funds.

Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Assigned – Fund balances are reported as assigned when amounts are constrained by the City Council's intent to be used for specific purposes but are neither restricted nor committed.

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

Flow Assumptions – When both restricted and unrestricted amounts of fund balance 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 balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position – Net position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is 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. 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 is available.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, natural gas, and solid waste operations. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund and include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

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

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

Estimates

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

Change in Accounting Principles

During 2024, the City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 100 established new guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections. GASB Statement No. 101 established new guidance by updating the recognition and measurement for compensated absences by including salary-related payments that are directly and incrementally associated with leave liabilities. The City restated the beginning balances to show the cumulative effect of including salary related payments for prior years in the amount of $455,282. As a result of the implementation of GASB Statement No. 101, the City recorded opening balance adjustments to increase liabilities and to decrease opening net position as follows:

	Governmental Activities	Business Activities	Total
Opening net position, as originally presented	$18,336,299	$17,819,775	$36,156,074
Change in accounting principle adjustment	(273,470)	(181,812)	(455,282)
Opening net position, as restated	$18,062,829	$17,637,963	$35,700,792

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City adopts an annual operating budget for the general fund. The budget resolution reflects the total of each department's appropriation in each fund.

All budgets are adopted on a basis consistent with GAAP.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the City Council.

During the year, the City Council approved budget revisions.

All unexpended annual appropriations lapse at year-end.

Excess of Expenditures over Appropriations

For the year ended December 31, 2024, expenditures exceeded appropriations for the following departments within the general fund:

General government	$ 130,435
Judicial	5,534
Public safety	100,456
Public works	265,574

These overexpenditures were funded primarily by additional revenues over amounts budgeted.

Expenditures exceeded appropriations in the following special revenue funds and these overexpenditures were funded by additional revenues over amounts budgeted.

	Overexpenditures
Hotel/Motel Tax	$ 50,885
Family Connection Grant	1,720

Deficit Fund Balances

The SPLOST IV capital projects fund had a deficit fund balance of $1,065,931 at December 31, 2024, which the City plans to eliminate with future debt proceeds.

The Hotel Motel Tax special revenue fund had a deficit fund balance of $6,053 at December 31, 2024, which the City plans to eliminate with future hotel motel tax revenue.

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require collateral at 110% of pledged deposits to be held in the Government's name by the trust department.

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

At December 31, 2024, the carrying amount of the City's deposits was $4,154,953 and the bank balance was $4,189,278. Of the bank balance, $500,000 was covered by federal depository insurance, and $3,689,278 was collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Discretely Presented Component Unit

At December 31, 2024, the carrying amount of deposits for the Waynesboro Downtown Development Authority was $6,436 and the bank balance was $6,436 which was covered by federal depository insurance.

NOTE 4 – PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of the day the taxes become delinquent. Property taxes are billed near the end of each year and are payable within sixty days. The City bills and collects its own property taxes. Property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended December 31, 2024, property taxes were levied on December 30, 2024 and were due on February 28, 2025.

NOTE 5 – RECEIVABLES

Receivables at December 31, 2024, consisted of taxes, accounts (billings for user charges) and intergovernmental receivables arising from grants.

Receivables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

Receivable Fund	Payable Fund	Amount
Hotel Motel Tax	General	$ 78,589
Natural Gas	SPLOST IV	11,519
		$ 90,108

Interfund balances at December 31, 2024 represent charges for services or reimbursable expenses. The City expects to repay all interfund balances within one year.

A summary of transfers for the year ended December 31, 2024 is as follows:

	Transfer to:				
Transfers From:	General Fund	SPLOST IV Fund	Water and Sewer Fund	Solid Waste Fund	Total
General Fund	-	-	$ 109,129	-	$ 109,129
Natural Gas Fund	$ 338,356	-	11,283	$ 208	349,847
Solid Waste Fund	227,211	-	12,373	-	239,584
Hotel Motel Tax Fund	190,193	-	-	-	190,193
2021 CDBG Fund	-	$ 260,024	-	-	260,024
SPLOST IV Fund	-	-	1,770,564	2,490,765	4,261,329
	$ 755,760	$ 260,024	$ 1,903,349	$ 2,490,973	$ 5,410,106

NOTE 6 – INTERFUND BALANCES AND TRANSFERS (Continued)

For the year ended December 31, 2024, the Hotel Motel Tax special revenue fund transferred $190,193 to the General Fund for taxes collected in excess of the amount required by law to be used for tourism. The Natural Gas and Solid Waste enterprise funds transferred $338,356 and $227,211 to the general fund to repay accrued expenses. The General Fund transferred $109,129 to the Water and Sewer enterprise fund to repay accrued expenses. The Natural Gas and Solid Waste enterprise funds transferred $11,283 and $12,373 to the Water and Sewer fund to repay accrued expenses. The Natural Gas enterprise fund transferred $208 to the Solid Waste fund to repay accrued expenses. The SPLOST IV capital projects fund transferred $1,770,564 to the Water and Sewer enterprise fund and $2,490,765 to the Solid Waste enterprise fund for purchase of capital assets. The 2021 CDBG capital projects fund transferred $260,024 to the SPLOST IV capital projects fund to cover its portion of project expenses.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance 12/31/23	Additions	Deductions	Balance 12/31/24
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 178,289	-	-	$ 178,289
Construction in progress	191,635	$ 93,253	-	284,888
Total capital assets not being depreciated:	369,924	93,253	-	463,177
Capital assets being depreciated:				
Buildings and improvements	16,566,410	167,203	-	16,733,613
Machinery and equipment	5,183,666	179,384	$ 115,272	5,247,778
Total capital assets being depreciated	21,750,076	346,587	115,272	21,981,391
Total capital assets	22,120,000	439,840	115,272	22,444,568
Accumulated depreciation:				
Buildings and improvements	3,415,665	400,083	-	3,815,748
Machinery and equipment	3,902,111	285,218	115,272	4,072,057
Total accumulated depreciation	7,317,776	685,301	115,272	7,887,805
Governmental activities capital assets, net	$ 14,802,224	$ (245,461)	$ -	$ 14,556,763

Governmental activities depreciation expense:

General government	$ 77,127
Public safety	166,716
Public works	411,201
Housing and development	30,257
Total governmental activities depreciation expense	$ 685,301

NOTE 7 – CAPITAL ASSETS (Continued)

The following table presents the changes in capital assets for the City's enterprise funds:

	Balance 12/31/23	Additions	Deductions	Balance 12/31/24
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 113,317	-	-	$ 113,317
Construction in progress	3,915,731	$ 3,798,512	-	7,714,243
Total capital assets not being depreciated	4,029,048	3,798,512	-	7,827,560
Capital assets being depreciated:				
Buildings and improvements	32,384,662	140,580	-	32,525,242
Machinery and equipment	6,850,413	319,479	$ 130,180	7,039,712
Total capital assets being depreciated	39,235,075	460,059	130,180	39,564,954
Total capital assets	43,264,123	4,258,571	130,180	47,392,514
Accumulated depreciation:				
Buildings and improvements	18,234,549	715,140	-	18,949,689
Machinery and equipment	3,402,631	301,335	106,151	3,597,815
Total accumulated depreciation	21,637,180	1,016,475	106,151	22,547,504
Business-type activities capital assets, net	$ 21,626,943	$ 3,242,096	$ 24,029	$ 24,845,010

Business-type activities depreciation expense:

Water and Sewer Fund	$ 856,940
Natural Gas Fund	39,077
Solid Waste Fund	120,458
Total business-type activities depreciation expense	$ 1,016,475

NOTE 8 – NOTES PAYABLE

Notes payable at December 31, 2024 consisted of the following:

	Governmental Activities	Business-type Activities
Note payable to Truist Bank for a fire truck, payable in annual installments of $34,294, including interest at 3.55% through February, 2026.	$ 39,136	
Note payable to Georgia Municipal Association for a street sweeper, payable in annual installments of $77,082, including interest at 2.07% through June, 2026.	113,729	
Note payable to GEFA for upgrades to wastewater treatment plant, payable in monthly installments of $18,244, including interest at 2.31% through April, 2067.	114,506	
Note payable to Municipal Gas Authority of Georgia for upgrades to natural gas station, payable in annual installments of $33,385, including interest at 3.50% through May, 2027.		$ 77,789
Note payable to Truist Bank for a solid waste vehicle, payable in annual installments of $64,553, including interest at 2.09% through May, 2026.		90,033
Note payable to Georgia Municipal Association for a solid waste vehicle, payable in annual installments of $93,311, including interest at 4.20% through July, 2028.		309,917
	$ 267,371	$ 477,739

NOTE 8 – NOTES PAYABLE (Continued)

As of December 31, 2024, annual debt service requirements to maturity are as follows:

Year ending	Governmental Activities			Business-Type Activities		
December 31	Principal	Interest	Total	Principal	Interest	Total
2025	$ 159,227	$ 6,882	$ 166,109	$ 176,292	$ 14,956	$ 191,248
2026	108,144	530	108,675	144,387	9,205	153,592
2027	-	-	-	103,382	4,421	107,803
2028	-	-	-	53,678	754	54,432
	$ 267,371	$ 7,413	$ 274,784	$ 477,739	$ 29,336	$ 507,075

NOTE 9 – BONDS PAYABLE

Business-type Activities

In December, 2016, the City issued revenue bonds in the amount of $7,835,000. The City issued the Series 2016 Combined Public Utility System Refunding Revenue Bonds to advance refinance existing loans and bonds payable. The outstanding bonds as of December 31, 2024 were $3,460,000.

The bonds are payable from the net revenues of the water and sewer system and are not general obligations of the City. The City has pledged future water and sewer customer revenues, net of specified operating expenses to repay the bonds. The revenue bonds have an interest rate of 2.43%. The bonds require principal payments each December 1 and interest is payable semiannually on June 1 and December 1 each year.

Annual debt service requirements to amortize all obligations outstanding, as of December 31, 2024 follow:

Year ending December 31	Principal	Interest	Total
2025	$ 660,000	$ 84,078	$ 744,078
2026	675,000	68,040	743,040
2027	690,000	51,638	741,638
2028	710,000	34,870	744,870
2029	725,000	17,618	742,618
	$ 3,460,000	$ 256,244	$ 3,716,244

NOTE 10 – CHANGES IN LONG-TERM DEBT

	Outstanding December 31, 2023, as restated	Additions	Reductions	Outstanding December 31, 2024	Amounts Due in One Year
Governmental Activities					
Notes payable	$ 259,041	$ 114,506	$ 106,176	$ 267,371	$ 159,227
Compensated absences	346,538	47,784	-	394,322	78,864
	$ 332,109	$ 162,290	$ 106,176	$ 661,693	$ 238,091
Business-Type Activities					
Notes payable	$ 673,053	-	$ 195,314	$ 477,739	$ 176,292
Revenue bonds payable	4,105,000	-	645,000	3,460,000	660,000
Compensated absences	217,715	$ 17,071	-	234,786	46,957
Total Business-Type Activities	$ 4,813,956	$ 17,071	$ 840,314	$ 4,172,525	$ 883,249

The compensated absences liability will be paid from the General Fund for governmental activities and from the Water and Sewer Fund, Natural Gas Fund, and Solid Waste Fund for business-type activities. Principal and interest payments related to the notes payable will be paid from the General Fund for the governmental activities, and from the Natural Gas and Solid Waste funds for the business-type activities. Principal and interest payments related to the bonds payable for the City's Water and Sewer Fund are financed from income derived from the operation of the Water and Sewer System.

NOTE 11 – EMPLOYEE RETIREMENT PLAN

Plan Description

The City's defined benefit pension plan, the City of Waynesboro Retirement Plan (the "Plan"), provides retirement and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS) an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. The City is assigned the authority to establish and amend benefit provisions of the Plan. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Benefits Provided

All full-time City employees are immediately eligible to participate in the Plan. Benefits are fully vested after 10 years of service. Plan participants are eligible to receive early retirement benefits at the age of fifty-five with the completion of ten years of total credited service. Normal retirement benefits may be received at the age of sixty-five with five years of total credited service.

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

Normal retirement benefits are calculated based on a flat percentage of 1.25 percent of final average earnings plus two percent multiplied by years of total credited service as an eligible regular employee. The number of years of total credited service which may be used to calculate the benefit is not limited. Monthly benefits are paid at $1/12^{th}$ of the calculated amount. The same formula is used for all participants who are regular employees. Final average earnings are the annual average of earnings paid to a participant by the City for the five consecutive years of credited service preceding the participant's most recent termination in which the participant's earnings were the highest.

For participants electing to receive early retirement benefits, the benefit will be reduced on an actuarially equivalent basis to account for early commencement of benefits.

In-service death benefits arc payable to the participant's pre-retirement beneficiary, equal to the decreased monthly retirement benefit that would have otherwise been payable to the participant had he elected 100% joint and survivor benefit under the plan. For this benefit, a participant must be eligible for early or normal retirement.

Employees Covered by Benefit Terms
At March 31, 2024, the date of the most recent actuarial valuation, there were 136 participants as follows:

Active participants	67
Retirees and beneficiaries	47
Terminated plan members entitled to but not yet receiving benefits	22
Total	136

Contributions
The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The estimated minimum annual contribution under these standards is $209,387. This minimum contribution has been determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

Net Pension Liability
The City’s net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024.

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.91%
International equity	20%	7.21%
Global fixed income	5%	1.67%
Domestic fixed income	20%	1.61%
Real estate	10%	3.61%
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. 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 active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a)-(b)
Balance, March 31, 2023	$ 5,366,416	$ 4,012,771	$ 1,353,645
Changes for the year:			
Service cost	97,978	-	97,978
Interest	392,703	-	392,703
Contributions from the employer	-	226,189	(226,189)
Net investment income	-	672,623	(672,623)
Difference between expected and actual experience	65,158	-	65,158
Benefit payments, including refunds of employee contributions	(279,228)	(279,228)	-
Administrative expenses	-	(11,227)	11,227
Net Changes	276,611	608,357	(331,746)
Balance, March 31, 2024	$ 5,643,027	$ 4,621,128	$ 1,021,899

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 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.375 percent) or one percentage point higher (8.375 percent) than the current rate:

	Discount Rate - 1% (6.375%)	Current Discount Rate (7.375%)	Discount Rate + 1% (8.375%)
City's net pension liability	$ 1,735,918	$ 1,021,899	$ 423,459

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

For the year ended December 31, 2024, the City recognized pension expense of $179,464. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions after measurement date	$ 180,705	-
Differences in expected and actual experience	95,246	$ (45,431)
Effects of changes in assumptions	-	-
Net differences between projected and actual net investment income	-	(135,470)
	$ 275,951	$ (180,901)

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

City contributions subsequent to the measurement date of $180,705 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. 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	
2025	$ (125,646)
2026	53,828
2027	61,973
2028	(75,810)
	$ (85,655)

NOTE 12 – DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by Nationwide Retirement Solutions. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, death, or an unforeseeable emergency. All of the amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefits of participants and their beneficiaries. As a result, the deferred compensation investments are not included in the City's financial statements.

NOTE 13 – COMMITMENTS AND CONTINGENT LIABILITIES

As of December 31, 2024, there was no pending litigation that would have a material effect on the financial statements.

NOTE 14 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation claims; and natural disasters. The City joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by the City's management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims and representing the City in defense and settlement of claims. GIRMA's basis for establishing the liabilities for unpaid claims is "IBNR" established by an actuary. The City has not compiled a record of claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims for which the City is liable (up to the applicable deductible) which were outstanding and unpaid at December 31, 2024. No provisions have been made in the financial statements for the year ended December 31, 2024 for any estimate of potential unpaid claims.

NOTE 14 – RISK MANAGEMENT (continued)

The City has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (the Fund). As a participant in the Fund, the City has no legal obligation to pay its own workers' compensation claims. The City is required to make an annual contribution to the Fund in an amount that is determined based on actuarial projections of losses. With payment of the City's annual contribution, the City has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the Fund permits the Fund to levy an assessment upon its members to make up any deficiency the Fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

NOTE 15 – HOTEL-MOTEL LODING TAX

The City has levied a 5% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires all lodging taxed levied in excess of 3% be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. The City's policy is to remit a portion of the taxes levied to the Waynesboro/Burke County Chamber of Commerce to promote tourism. The Chamber has certified that the funds received from the City were used for, or planned to be used for, the intended purpose as outlined within the Official Code of Georgia. A summary of the transactions for the year ended December 31, 2024 is as follows:

Lodging tax receipts	$ 305,025	
Expended for community development/promotion	$ 120,885	40%

NOTE 16 – JOINT VENTURE

Under Georgia law, the City, in conjunction with the thirteen counties and forty-one cities in east Georgia known as the Central Savannah River Area (CSRA), is a member of the CSRA Regional Commission (CSRA RC). The CSRA RC is a public organization that assists local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. The operations are mainly financed by membership dues and financial assistance provided by the State of Georgia. Membership in the CSRA RC is required by the Official Code of Georgia Annotated (O.C.G.A,) §58-8-34 with annual dues based on a per capita amount. During the year ended December 31, 2024, the City paid $6,541 in such dues, which was based on a per capita amount of $1.15. The CSRA RC Board membership is composed of one County official, one city official, and one private sector individual from each county. O.C.G.A. §58-8-39.1 provides that the member governments are liable for any debts or obligations of the CSRA RC. The Comprehensive Annual Financial Report of the CSRA RC may be obtained from:

CSRA Regional Commission
3023 River Watch Parkway, Suite A
Augusta, GA 30907

NOTE 17 – TAX ABATEMENTS

The City is subject to tax abatements granted by the Burke County Development Authority (the Authority), a component unit of Burke County, Georgia. The Authority can enter into agreements for industrial projects to encourage the creation of jobs and new capital investment through an "Investment Assistance Program." Georgia case law and statutory provision, including the Development Authorities Law (Title 36 Chapter 62 of the Georgia Code Annotated), provide the Authority with the power to enter into such agreements with companies.

The Authority may accept title to real property (land and building) and personal property (machinery and equipment) assets from a company in return for job creation and/or capital investment and provide a tax benefit to the company through a lease agreement with the Authority. Agreements with respect to taxation of such assets under the lease provide the terms and conditions of any tax abatement. In general, failure to create jobs and/or investments as set forth in the agreements would result in a reduction (or claw back) of any tax abatements. The Authority monitors compliance with performance and accountability agreements to ensure the companies meet the agreed-upon commitments.

For the year ended December 31, 2024, real and personal property tax not collected by the City due to incentive agreements was $80,450. Such agreements in effect for Waynesboro resulted in an estimated $56.5 million in new capital investment and 179 new jobs.

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 10, 2025, the date that the financial statements were available to be issued.

CITY OF WAYNESBORO, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF WAYNESBORO RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Fiscal Year End									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Total pension liability										
Service cost	$ 97,978	$ 102,438	$ 117,435	$ 104,702	$ 91,023	$ 88,196	$ 75,662	$ 78,299	$ 76,583	$ 75,256
Interest	392,703	383,015	356,482	345,697	334,561	319,824	295,812	286,778	270,307	257,211
Differences between expected and actual experience	65,158	(73,372)	185,502	(43,724)	39,803	31,361	173,876	(14,834)	95,256	95,625
Changes of assumptions	-	-	-	-	-	-	55,681	-	-	-
Benefit payments, including refunds of employee contributions	(279,228)	(273,299)	(296,014)	(250,310)	(244,868)	(246,573)	(237,082)	(230,263)	(228,971)	(223,948)
Other changes	-	-	-	-	(4,879)	-	-	-	-	(32,661)
Net change in total pension liability	276,611	138,782	363,405	156,365	215,640	192,808	363,949	119,980	213,175	171,483
Total pension liability-beginning	5,366,416	5,227,634	4,864,229	4,707,864	4,492,224	4,299,416	3,935,467	3,815,487	3,602,312	3,430,829
Total pension liability-ending (a)	$ 5,643,027	$ 5,366,416	$ 5,227,634	$ 4,864,229	$ 4,707,864	$ 4,492,224	$ 4,299,416	$ 3,935,467	$ 3,815,487	$ 3,602,312
Plan fiduciary net position										
Contributions-employer	$ 226,189	$ 245,894	$ 249,563	$ 233,718	$ 219,961	$ 187,129	$ 174,185	$ 159,078	$ 148,065	$ 146,473
Net investment income	672,623	(288,721)	252,804	1,296,907	(215,349)	108,907	348,143	319,734	7,011	240,082
Benefit payments, including refunds of employee contributions	(279,228)	(273,299)	(296,014)	(250,310)	(244,868)	(246,573)	(237,082)	(230,263)	(228,971)	(223,948)
Administrative expense	(11,227)	(13,573)	(12,734)	(11,943)	(13,006)	(12,339)	(12,189)	(12,409)	(8,754)	(7,888)
Net change in plan fiduciary net position	608,357	(329,699)	193,619	1,268,372	(253,262)	37,124	273,057	236,140	(82,649)	154,719
Plan fiduciary net position-beginning	4,012,771	4,342,470	4,148,851	2,880,479	3,133,741	3,096,617	2,823,560	2,587,420	2,670,069	2,515,350
Plan fiduciary net position-ending (b)	$ 4,621,128	$ 4,012,771	$ 4,342,470	$ 4,148,851	$ 2,880,479	$ 3,133,741	$ 3,096,617	$ 2,823,560	$ 2,587,420	$ 2,670,069
Net pension liability-ending (a)-(b)	$ 1,021,899	$ 1,353,645	$ 885,164	$ 715,378	$ 1,827,385	$ 1,358,483	$ 1,202,799	$ 1,111,907	$ 1,228,067	$ 932,243
Plan fiduciary net position as a percentage of the total pension liability	81.89%	74.78%	83.07%	85.29%	61.18%	69.76%	72.02%	71.75%	67.81%	74.12%
Covered-employee payroll	3,247,952	2,936,686	3,097,930	3,425,690	3,227,464	2,577,808	2,551,324	2,385,230	2,361,688	2,150,154
Net pension liability as a percentage of covered-employee payroll	31.46%	46.09%	28.57%	20.88%	56.62%	52.70%	47.14%	46.62%	52.00%	43.36%

Notes to Schedule:

Changes of assumptions

There were no changes in asumptions in the last two years.

Benefit Changes

There were no changes in benefit provisions in the last two years.

CITY OF WAYNESBORO, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF WAYNESBORO RETIREMENT PLAN
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Fiscal Year End									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Actuarially determined contribution	*	$ 248,023	$ 245,177	$ 251,025	$ 227,949	$ 217,298	$ 177,072	$ 173,222	$ 154,363	$ 145,966
Contributions in relation to the actuarially determined contribution	*	227,373	266,096	249,102	227,061	213,946	162,316	186,086	141,499	145,966
Contribution deficiency (excess)	*	$ 20,650	$ (20,919)	$ 1,923	$ 888	$ 3,352	$ 14,756	$ (12,864)	$ 12,864	$ -
Covered-employee payroll	*	2,936,686	3,097,930	3,425,690	3,227,464	2,577,808	2,551,324	2,385,230	2,361,688	2,150,154
Contributions as a percentage of covered-employee payroll	*	7.74%	8.59%	7.27%	7.04%	8.30%	6.36%	7.80%	5.99%	6.79%

*2024 information will be determined after fiscal year end and will be included in the 2025 valuation report

Notes to Schedule:

Valuation Date	The actuarially determined contribution rate was determined as of July 1, 2024, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending December 31, 2025.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
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 amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is avialable on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.
Mortality	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

CITY OF WAYNESBORO, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Nonmajor Capital Projects Funds	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 788,074	$ 12,932	$ 801,006
Receivables:			
Accounts	-	22,971	22,971
Intergovernmental	17,121	14,167	31,288
Interfund	-	78,589	78,589
TOTAL ASSETS	$ 805,195	$ 128,659	$ 933,854
LIABILITIES			
Accounts payable	-	$ 121,780	$ 121,780
Funds held for others	-	3,804	3,804
Total liabilities	-	125,584	125,584
FUND BALANCES			
Restricted	$ 805,195	9,128	814,323
Unassigned	-	(6,053)	(6,053)
Total fund balances	805,195	3,075	808,270
TOTAL LIABILITIES AND FUND BALANCES	$ 805,195	$ 128,659	$ 933,854

CITY OF WAYNESBORO, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Nonmajor Capital Projects Funds	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	-	$ 305,025	$ 305,025
Fees, fines and forfeitures	-	4,434	4,434
Intergovernmental	$ 622,951	54,220	677,171
Interest	16,954	33	16,987
Other	106,904	-	106,904
Total revenues	746,809	363,712	1,110,521
EXPENDITURES			
Current:			
Health and welfare	-	54,220	54,220
Housing and development	-	120,885	120,885
Capital outlay:			
Public works	111,257	-	111,257
Housing and development	6,412	-	6,412
Total expenditures	117,669	175,105	292,774
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	629,140	188,607	817,747
OTHER FINANCING SOURCES (USES)			
Transfers out	(260,024)	(190,193)	(450,217)
NET CHANGE IN FUND BALANCES	369,116	(1,586)	367,530
FUND BALANCES, JANUARY 1, 2024	436,079	4,661	440,740
FUND BALANCES, DECEMBER 31, 2024	$ 805,195	$ 3,075	$ 808,270

CITY OF WAYNESBORO, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2024

	2018 CHIP Capital Projects Fund	TIA SPLOST	2021 CDBG Capital Projects	Total Nonmajor Capital Projects Funds
ASSETS				
Cash	$ 109,430	$ 678,644	$ -	$ 788,074
Intergovernmental receivable	-	17,121	-	17,121
TOTAL ASSETS	$ 109,430	$ 695,765	$ -	$ 805,195
LIABILITIES				
Accounts payable	-	-	-	-
FUND BALANCES				
Restricted	$ 109,430	$ 695,765	$ -	$ 805,195
TOTAL LIABILITIES AND FUND BALANCES	$ 109,430	$ 695,765	$ -	$ 805,195

CITY OF WAYNESBORO, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2018 CHIP Capital Projects Fund	TIA SPLOST	2021 CDBG Capital Projects	Total Nonmajor Capital Projects Funds
REVENUES				
Intergovernmental	$ 8,930	$ 353,997	$ 260,024	$ 622,951
Interest	-	16,954	-	16,954
Other	106,904	-	-	106,904
Total revenues	115,834	370,951	260,024	746,809
EXPENDITURES				
Capital outlay:				
Public works	-	111,257	-	111,257
Housing and development	6,412	-	-	6,412
Total expenditures	6,412	111,257	-	117,669
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	109,422	259,694	260,024	629,140
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(260,024)	(260,024)
NET CHANGE IN FUND BALANCES	109,422	259,694	-	369,116
FUND BALANCES, JANUARY 1, 2024	8	436,071	-	436,079
FUND BALANCES, DECEMBER 31, 2024	$ 109,430	$ 695,765	$ -	$ 805,195

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CITY OF WAYNESBORO, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2024

	Hotel Motel Tax	Confiscated Assets	Family Connection Grant	Total Nonmajor Special Revenue Funds
ASSETS				
Cash	-	$ 12,932	-	$ 12,932
Receivables:				
Accounts	$ 22,971	-	-	22,971
Intergovernmental	-	-	$ 14,167	14,167
Interfund	78,589	-	-	78,589
TOTAL ASSETS	$ 101,560	$ 12,932	$ 14,167	$ 128,659
LIABILITIES				
Accounts payable	$ 107,613	-	$ 14,167	$ 121,780
Funds held for others	-	$ 3,804	-	3,804
Total liabilities	107,613	3,804	14,167	125,584
FUND BALANCES				
Restricted	-	9,128	-	9,128
Unassigned	(6,053)	-	-	(6,053)
Total fund balances	(6,053)	9,128	-	3,075
TOTAL LIABILITIES AND FUND BALANCES	$ 101,560	$ 12,932	$ 14,167	$ 128,659

CITY OF WAYNESBORO, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Hotel Motel Tax	Confiscated Assets	Family Connection Grant	Total Nonmajor Special Revenue Funds
REVENUES				
Taxes	$ 305,025	-	-	$ 305,025
Fees, fines and forfeitures	-	$ 4,434	-	4,434
Intergovernmental	-	-	$ 54,220	54,220
Interest	-	33	-	33
Total revenues	305,025	4,467	54,220	363,712
EXPENDITURES				
Current:				
Health and welfare	-	-	54,220	54,220
Housing and development	120,885	-	-	120,885
Total expenditures	120,885	-	54,220	175,105
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	184,140	4,467	-	188,607
OTHER FINANCING SOURCES (USES)				
Transfers out	(190,193)	-	-	(190,193)
NET CHANGE IN FUND BALANCE	(6,053)	4,467	-	(1,586)
FUND BALANCE, BEGINNING OF YEAR	-	4,661	-	4,661
FUND BALANCE, END OF YEAR	$ (6,053)	$ 9,128	$ -	$ 3,075

CITY OF WAYNESBORO, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	$ 200,000	$ 305,025	$ 105,025
EXPENDITURES			
Current:			
Economic development	70,000	120,885	(50,885)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	130,000	184,140	54,140
OTHER FINANCING SOURCES (USES)			
Transfers out	(130,000)	(190,193)	(60,193)
NET CHANGE IN FUND BALANCE	$ -	(6,053)	$ (6,053)
FUND BALANCE, JANUARY 1, 2024		-	
FUND BALANCE, DECEMBER 31, 2024		$ (6,053)	

CITY OF WAYNESBORO, GEORGIA
CONFISCATED ASSETS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment income	$ -	$ 33	$ 33
Fees, fines and forfeitures	-	4,434	4,434
	-	4,467	4,467
EXPENDITURES			
Current:			
Public safety	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ -	4,467	$ 4,467
FUND BALANCE, JANUARY 1, 2024		4,661	
FUND BALANCE, DECEMBER 31, 2024		$ 9,128	

CITY OF WAYNESBORO, GEORGIA
FAMILY CONNECTION GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	$ 52,500	$ 54,220	$ 1,720
EXPENDITURES			
Current:			
Health and welfare	52,500	54,220	(1,720)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ -	-	$ -
FUND BALANCE, JANUARY 1, 2024		-	
FUND BALANCE, DECEMBER 31, 2024		$ -	

CITY OF WAYNESBORO, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
20q-x-017-2-6249
SOURCE AND APPLICATION OF FUNDS SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2024

TOTAL PROGRAM YEAR 2021 FUNDS ALLOCATED TO RECIPIENT	$ 750,000
LESS: TOTAL PROGRAM YEAR 2021 FUNDS DRAWN BY RECIPIENT	745,500
FUNDS STILL AVAILABLE FROM PROGRAM YEAR 2021 RESOURCES	$ 4,500
TOTAL PROGRAM YEAR 2021 FUNDS DRAWN AND RECEIVED BY RECIPIENT	$ 745,500
LESS: FUNDS APPLIED AND EXPENDED ON PROGRAM YEAR 2021 COSTS	745,500
TOTAL PROGRAM YEAR 2021 FUNDS HELD BY RECIPIENT	$ -

CITY OF WAYNESBORO, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
20q-x-017-2-6249
PROJECT COST SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2024

PROGRAM ACTIVITY	ACTIVITY NUMBER	APPROVED BUDGET CDBG FUNDS	CUMULATIVE EXPENDITURES CDBG FUNDS
Water/Sewer Improvements	P-03J-01	$ 705,000	$ 705,000
General Program Administration	A-21A-00	45,000	40,500
Total		$ 750,000	$ 745,500

CITY OF WAYNESBORO, GEORGIA
SCHEDULE OF PROJECTS PAID
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2024

SPLOST IV

Project	Original Estimated Cost	Current Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Estimated Percentage of Completion
Building capital improvements	$ 750,000	$ 1,220,000	$ 836,035	-	$ 836,035	69%
Equipment	464,400	600,000	355,572	-	355,572	59%
Recreation	300,000	300,000	157,118	$ 20,843	177,961	59%
Road and street improvements	1,000,000	1,083,707	1,023,520	60,187	1,083,707	100%
Storm drainage improvements	1,000,000	3,500,000	2,316,948	-	2,316,948	66%
Water system improvements	2,000,000	2,403,342	1,964,822	1,670	1,966,492	82%
Sewer system improvements	2,000,000	5,990,661	3,898,664	2,091,997	5,990,661	100%
Totals	$ 7,514,400	$ 15,097,710	$ 10,552,679	$ 2,174,697	$ 12,727,376	84%

SPLOST capital projects fund total expenditures	$ 82,700
SPLOST capital projects fund transfers to Enterprise funds	4,261,329
	4,344,029
Less:	
Intergovernmental Revenue - Sewer system improvements	(1,265,705)
Intergovernmental Revenue - Sewer system improvements	(529,097)
Use of notes proceeds - Sewer system improvements	(114,506)
Transfer from 2021 CDBG Fund - Sewer system improvements	(260,024)
	$ 2,174,697

SPLOST V

Project	Original Estimated Cost	Current Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Estimated Percentage of Completion
Building capital improvements	$ 500,000	$ 500,000	$ -	$ 10	$ 10	0%
Equipment	664,500	664,500	-	-	-	0%
Recreation	379,500	379,500	-	-	-	0%
Road and street improvements	1,000,000	1,000,000	-	-	-	0%
Storm drainage improvements	1,500,000	1,500,000	-	-	-	0%
Water system improvements	3,000,000	3,000,000	-	-	-	0%
Sewer system improvements	3,000,000	3,000,000	-	-	-	0%
Totals	$ 10,044,000	$ 10,044,000	$ -	$ 10	$ 10	0%

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

To the City Council
City of Waynesboro, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waynesboro, Georgia, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City of Waynesboro, Georgia's basic financial statements, and have issued our report thereon dated September 10, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant

deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-1 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

City of Waynesboro, Georgia's Response to Findings

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

Purpose of this Report

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

Lanier, Deal & Deal

Statesboro, Georgia
September 10, 2025

CITY OF WAYNESBORO, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Commerce:			
Direct program:			
Investments for Public Works and Economic Development Facilities	11.300		$ 1,265,705
U.S. Department of Housing and Urban Development:			
Direct program:			
Community Development Block Grants	14.228		260,024
Pass-through program from Georgia Department of Community Affairs for Mortgage Insurance Nursing Homes, Intermediate Care Facilities, Board and Care Homes and Assisted Living Facilities	14.129	2018-115	8,930
Total U.S. Department of Housing and Urban Development			268,954
Total expenditures of federal awards			$ 1,534,659

CITY OF WAYNESBORO, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Waynesboro, Georgia under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the City of Waynesboro, Georgia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Waynesboro, Georgia.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. The City of Waynesboro, Georgia has not elected to use the ten percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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

To the City Council
City of Waynesboro, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Waynesboro, Georgia's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Waynesboro, Georgia's major federal programs for the year ended December 31, 2024. The City of Waynesboro, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Waynesboro, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Waynesboro, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Waynesboro, Georgia's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Lanier, Deal & Deal
Statesboro, Georgia
September 10, 2025

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Waynesboro, Georgia were prepared in accordance with GAAP.

2. One material weakness was disclosed during the audit of the financial statements in the 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*.

3. No instances of noncompliance material to the financial statements of the City of Waynesboro, Georgia, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs were reported in the Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.

5. The auditor's report on compliance for the major federal award programs for the City of Waynesboro, Georgia expresses an unmodified opinion on all major federal programs.

6. No audit findings relative to the major federal award programs for the City of Waynesboro, Georgia are reported in this schedule.

7. The program tested as a major program was: Investments for Public Works and Economic Development Facilities, Federal Assistance Listing number 11.300.

8. The threshold used for distinguishing between Type A and B programs was $750,000.

9. The City of Waynesboro, Georgia was determined not to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENTS AUDIT

MATERIAL WEAKNESSES

2024-1 Recording of Year End Accruals for the Financial Statements

Condition: The City's procedures to make sure all year end accruals such as receivables, accrued leave, and unearned revenue are included in the financial statements are inadequate.

Criteria: All revenues earned and realizable and all expenditures incurred should be recorded at the end of the year via journal entry.

Cause: The City has received training and enacted procedures to record year end accruals, but does not have a complete understanding of all necessary accrual entries.

Effect: Many of the adjusting journal entries needed to record these accruals were material to the City's financial statements.

Auditor's Recommendation: When conducting the year end closing, we recommend the City review for all needed accruals for receivables, accrued leave, and unearned revenue.

Views of Responsible Officials and Planned Corrective Actions: We concur with this finding and we will implement procedures to establish a process for ensuring the completeness of year end accruals for the City's financial statements.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported.

JAMES JONES
Mayor

VALERIE R. KIRKLAND
City Manager

RANDOLPH FRAILS
City Attorney

City of Waynesboro

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RICHARD H. BYNE
C. BRITT HERRINGTON
MAURICE MCBRIDE
WILLIE WILLIAMS

September 10, 2025

Lanier, Deal, & Deal, CPAs
P.O. Box 505
Statesboro, GA 30459

Re: Prior Audit Findings – Financial Statement Audit

To Whom It May Concern:

Please see the response below to our FY 2023 audit findings.

2023-1 Recording of Year End Accruals for the Financial Statements

Condition: The City's procedures to make sure all year end accruals such as receivables, accrued leave, and unearned revenue are included in the financial statements are inadequate.

Auditor's Recommendation: When conducting the year end closing, we recommend the City review for all needed accruals for receivables, accrued leave, and unearned revenue.

Current Status: The City has improved year-end closing procedures and now coordinates with departments to confirm outstanding items. Due to staffing changes, training is ongoing to ensure consistency. This finding is in progress but substantially addressed, with continued monitoring planned at year-end.

Thanks,

Valerie R. Kirkland

Valerie Kirkland
City Manager