CITY OF WAYNESBORO, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

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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, 2025, 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, 2025, 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 August 20, 2026 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
August 20, 2026

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 four major and six nonmajor governmental funds. The City's major governmental funds are the General Fund, the SPLOST IV Fund, the SPLOST V Fund, and the EPA Construction Fund. The City's nonmajor governmental funds are the Hotel/Motel Tax Fund, Confiscated Assets Fund, Family Connection Grant, the 2018 CHIP fund, the CHIP Program Income 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 $43,136,352, as compared to $39,090,736 at December 31, 2024. The following table provides a summary of the City's net position.

Category	2025	2024
Governmental Activities	$17,679,203	$17,251,730
Business-Type Activities	$25,457,149	$21,839,006
Total Net Position	**$43,136,352**	**$39,090,736**

The current ratio is used to measure an entity's ability to meet current obligations. The City of Waynesboro, Georgia has a 9.84 to 1 ratio for governmental activities. The current ratio for business-type activities is 1.38 to 1, as compared to 1.39 to 1 at December 31, 2024.

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 $25,457,149. The table below focuses on the net position and revenues and expenses of the City's governmental and business-type activities. Net position increased by $427,473 for governmental activities and increased by $3,618,143 for business-type activities. The City's overall financial position improved during the year ended December 31, 2025.

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

Category	2024	2025	Change
Governmental Activities	$17,251,730	$17,679,203	**+$427,473**
Business-Type Activities	$21,839,006	$25,457,149	**+$3,618,143**
Total Net Position	**$39,090,736**	**$43,136,352**	**+$4,045,616**

Governmental Revenues

The City's governmental activities are heavily reliant on property taxes and sales taxes, which collectively make up 34.32% of governmental revenues. Note that program revenues made up 43.31% of the City's total revenues.

Program/Function	2024	2025
General Government	$1,622,589	$1,826,826
Judicial – Municipal Court	$35,534	$26,285
Public Safety	$3,167,374	$3,080,970
Public Works	$1,607,797	$2,015,714
Health & Welfare	$54,220	$55,700
Housing & Development	$483,026	$658,369
Interest	$6,870	$39,512
Culture & Recreation	$20,843	$0
Water & Sewer	$3,068,997	$3,063,289
Natural Gas	$832,604	$888,368
Solid Waste	$1,130,714	$1,016,133

Governmental Expenses

The above table presents the costs of each of the City's programs. Public safety, water and sewer, and solid waste were of the most costly. Public safety made up 24.31% of the City's total expenses, while water and sewer and solid waste made up 24.17% and 8.02% respectively.

There was an excess of $427,473 in governmental activities and an excess of $3,618,143 in business-type activities. Transfers to (from) governmental activities resulted in a total deficit in governmental activities of $3,700,635 and a net excess in business-type activities of $2,472,521. The total change in net position was $4,045,616. As stated earlier, the financial position of the City improved in the year ended December 31, 2025.

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 $5,329,818. Of this year-end total, $3,799,453 is restricted for capital projects and $34,243 for other uses. The unassigned portion of governmental fund balances was $1,357,927. The total ending fund balances of governmental funds show an increase of $1,660,636, or a 45.3 % increase.

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 $1,604,972. Of this total, $53,946 is restricted for use under state grants or community development programs, and $23,983 is restricted for public safety. The remaining balance of $1,388,848 is unassigned. The total ending fund balance of the general fund shows a decrease of $1,239,969. The decrease in the current year was a result of delay in property tax collections, decreased intergovernmental revenues, and inflation.

Total revenues of the General Fund were $4,094,585, a decrease of 32.98% from fiscal year 2025. This decline was primarily the result of delayed property tax collections and higher costs associated with materials and operational supplies.

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 $5,650,359, an increase of 5.12% over fiscal year 2024. After considering expenditures, the net income of these funds before capital contributions and transfers is $718,176.

Budgetary Highlights

Revenues in the General Fund were $4,094,585. This decrease resulted due to property tax collections being pushed into the next fiscal year and intergovernmental revenues.

Expenditures in the General Fund of $6,776,292 were 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, 2025, was $41,892,178 as follows:

Category	Governmental Activities	Business-Type Activities	Total
Nondepreciable Assets	$463,177	$3,142,800	$3,605,977
Depreciable Assets (net)	$13,735,655	$24,550,546	$38,286,201
Total Net Capital Assets	**$14,198,832**	**$27,693,346**	**$41,892,178**

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

Debt Outstanding

As of December 31, 2025, the City had total outstanding long-term debt of $5,546,454 as follows:

Type of Debt	Governmental Activities	Business-Type Activities	Total
Notes Payable	$2,445,007	$301,447	$2,746,454
Revenue Bonds Payable	—	$2,800,000	$2,800,000
Compensated Absences	$421,073	$247,416	$668,489
Total Long-Term Debt	**$2,866,080**	**$3,348,863**	**$6,214,943**

During the year ended December 31, 2025, the City issued long-term debt totaling $2,286,522. The City retired $945,178 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 2025, Waynesboro experienced a mix of economic progress and persistent challenges. Overall revenues remained relatively stable, with property tax collections coming in close to expectations and only slightly below projected levels. Modest increases in franchise and insurance premium taxes helped offset minor shortfalls, reflecting steady utility usage and consistent business activity throughout the year.

Median household income in Waynesboro increased to $48,951 in 2025, based on the most recent American Community Survey estimates. Although this represents improvement from prior years, income levels in the City remain well below state and national averages, placing Waynesboro among Georgia's lower-income communities. These conditions highlight the continued need for targeted economic development and workforce support, particularly as the local economy adjusts following the post-construction phase of Plant Vogtle.

Unemployment declined to 3.3%, reflecting the regional labor market's adjustment following the conclusion of temporary construction activity and the limited availability of new employment opportunities. Inflation continued to place pressure on household budgets, with the overall cost of living increasing by 1.5%, driven primarily by higher transportation, food, and utility costs.

Despite these pressures, Waynesboro made significant investments in infrastructure and public services. Around 4 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, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 3,639,738	$ 1,112,114	$ 4,751,852	$ 10,343
Restricted cash and cash equivalents	-	62,610	62,610	-
Receivables:				
Accounts	11,869	219,072	230,941	-
Taxes	2,667,718	-	2,667,718	-
Intergovernmental	1,034,353	74,782	1,109,135	-
Internal balances	(11,519)	11,519	-	-
Prepaid items	138,195	-	138,195	-
Capital assets:				
Nondepreciable capital assets	463,177	3,142,800	3,605,977	20,772
Depreciable capital assets, net	13,735,655	24,550,546	38,286,201	-
Total Assets	21,679,186	29,173,443	50,852,629	31,115
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	343,196	76,848	420,044	-
LIABILITIES				
Current Liabilities:				
Accounts payable	423,587	93,670	517,257	514
Accrued interest payable	-	6,009	6,009	-
Accrued salaries	93,779	22,589	116,368	-
Other accrued liabilities	-	9,911	9,911	-
Customer deposits	-	74,304	74,304	
Compensated absences payable	84,215	49,482	133,697	-
Funds held for others	4,299	-	4,299	-
Notes payable	156,678	144,387	301,065	-
Bonds payable	-	675,000	675,000	-
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	336,858	197,934	534,792	-
Notes payable (net of current portion)	2,288,329	157,060	2,445,389	-
Bonds payable (net of current portion)	-	2,125,000	2,125,000	-
Net pension liability	939,970	234,917	1,174,887	-
Total Liabilities	4,327,715	3,790,263	8,117,978	514
DEFERRED INFLOWS OF RESOURCES				
Resources related to pensions	15,464	2,879	18,343	-
NET POSITION				
Net investment in capital assets	11,753,825	24,591,899	36,345,724	20,772
Restricted for:				
Roads and capital projects	3,799,453	-	3,799,453	-
Public safety	34,243	-	34,243	-
Debt service	-	62,610	62,610	-
Unrestricted	2,091,682	802,640	2,894,322	9,829
Total Net Position	$ 17,679,203	$ 25,457,149	$ 43,136,352	$ 30,601

See accompanying notes to the basic financial statements.

CITY OF WAYNESBORO, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

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	$ 1,826,826	$ 222,183	$ -	-	$ (1,604,643)	-	$ (1,604,643)	-
Judicial - Municipal court	26,285	-	-	-	(26,285)		(26,285)	-
Public safety	3,080,970	118,235	-	-	(2,962,735)	-	(2,962,735)	-
Public works	2,015,714	450	-	$ 3,501,715	1,486,451	-	1,486,451	-
Health and welfare	55,700	-	55,700	-	-	-	-	-
Housing and development	658,369	-	11,976	92,482	(553,911)	-	(553,911)	-
Interest	39,512	-	-	-	(39,512)	-	(39,512)	-
Total Govermental Activities	7,703,376	340,868	67,676	3,594,197	(3,700,635)	-	(3,700,635)	-
Business-Type Activities:								
Water and Sewer	3,063,289	2,807,052	-	1,292,835	-	$ 1,036,598	1,036,598	-
Natural Gas	888,368	1,463,158	-	-	-	574,790	574,790	-
Solid Waste	1,016,133	1,380,149	-	497,117	-	861,133	861,133	-
Total Business-Type Activities	4,967,790	5,650,359	-	1,789,952	-	2,472,521	2,472,521	-
Total Primary Government	$ 12,671,166	$ 4,611,078	$ 67,676	$ 4,887,032	(3,700,635)	2,472,521	(1,228,114)	-
Component Unit								
Downtown Development Authority	$ 10,655	$ -	$ 14,048	$ -				$ 3,393
		General Revenues						
		Property taxes levied for:						
		General purposes			2,136,112	-	2,136,112	-
		Sales taxes			1,035,304	-	1,035,304	-
		Insurance premium tax			629,588	-	629,588	-
		Franchise taxes			505,362	-	505,362	-
		Other taxes			765,187	-	765,187	-
		Interest earned			38,869	35,607	74,476	-
		Insurance proceeds			36,050	-	36,050	
		Other			91,651	-	91,651	-
		Total General Revenues			5,238,123	35,607	5,273,730	-
		Transfers			(1,110,015)	1,110,015	-	-
		Total General Revenues and Transfers			4,128,108	1,145,622	5,273,730	-
		Change in Net Position			427,473	3,618,143	4,045,616	3,393
		Net Position, Beginning of Year			17,251,730	21,839,006	39,090,736	27,208
		Net Position, End of Year			$ 17,679,203	$ 25,457,149	$ 43,136,352	$ 30,601

See accompanying notes to the basic financial statements.

CITY OF WAYNESBORO, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	SPLOST IV Capital Projects Fund	SPLOST V Capital Projects Fund	EPA Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 987,285	$ 251,565	$ 1,533,920	-	$ 866,968	$ 3,639,738
Receivables:						
Taxes	2,667,718	-	-	-	-	2,667,718
Accounts	-	-	-	-	11,869	11,869
Intergovernmental	157,252	106,151	82,650	$ 657,819	30,481	1,034,353
Interfund	-	289,901	657,819	-	13,750	961,470
Prepaid items	138,195	-	-	-	-	138,195
TOTAL ASSETS	$ 3,950,450	$ 647,617	$ 2,274,389	$ 657,819	$ 923,068	$ 8,453,343
LIABILITIES						
Accounts payable	$ 319,177	$ 33,870	-	-	$ 70,540	$ 423,587
Accrued salaries	93,779	-	-	-	-	93,779
Interfund payable	303,651	11,519	-	$ 657,819	-	972,989
Funds held for others	-	-	-	-	4,299	4,299
TOTAL LIABILITIES	716,607	45,389	-	657,819	74,839	1,494,654
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,628,871	-	-	-	-	1,628,871
FUND BALANCES						
Nonspendable	138,195	-	-	-	-	138,195
Restricted for public safety	23,983	-	-	-	10,260	34,243
Restricted for capital projects	53,946	602,228	$ 2,274,389	-	868,890	3,799,453
Unassigned	1,388,848	-	-	-	(30,921)	1,357,927
TOTAL FUND BALANCES	1,604,972	602,228	2,274,389	-	848,229	5,329,818
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 3,950,450	$ 647,617	$ 2,274,389	$ 657,819	$ 923,068	$ 8,453,343

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, 2025

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Fund Balances		$ 5,329,818
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	$ 22,758,230	
Less accumulated depreciation	(8,559,398)	14,198,832
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		1,628,871
Deferred outflows and deferred inflows related to pensions is not reported in the governmental funds:		
Deferred outflows of revenues	343,196	
Deferred inflows of revenues	(15,464)	327,732
The City's net pension liability is not reported in the governmental funds but is in the statement of net position.		(939,970)
Notes payable are not due and payable in the current period and, therefore, are not reported in the funds		(2,445,007)
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in the funds		(421,073)
Net Position Of Governmental Activities		$ 17,679,203

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, 2025

	General	SPLOST IV Capital Projects Fund	SPLOST V Capital Projects Fund	EPA Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 3,601,631	-	-	-	$ 268,409	$ 3,870,040
Intergovernmental	12,338	$ 378,901	$ 1,408,052	$ 1,292,835	510,199	3,602,325
Licenses and permits	222,153	-	-	-	-	222,153
Charges for services	480	-	-	-	-	480
Fines and forfeitures	115,530	-	-	-	2,705	118,235
Interest	38,826	11,555	15,305	-	20,753	86,439
Contributions	11,976	-	-	-	-	11,976
Other	91,651	-	-	-	-	91,651
Total revenues	4,094,585	390,456	1,423,357	1,292,835	802,066	8,003,299
EXPENDITURES						
Current:						
General government	1,770,476	-	-	-	-	1,770,476
Judicial	26,285	-	-	-	-	26,285
Public safety	2,981,430	-	-	-	1,616	2,983,046
Public works	1,527,014	-	-	-	-	1,527,014
Health and welfare	-	-	-	-	55,700	55,700
Housing and development	359,710	-	-	-	107,864	467,574
Capital outlay:						
Public works	-	111,606	78,864	-	245,496	435,966
Culture and recreation	-	-	-	-	-	-
Housing and development	-	-	-	-	166,018	166,018
Debt service:						
Principal	108,886	-	-	-	-	108,886
Interest	2,491	37,021	-	-	-	39,512
Total expenditures	6,776,292	148,627	78,864	-	576,694	7,580,477
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,681,707)	241,829	1,344,493	1,292,835	225,372	422,822
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	25,257	-	-	-	-	25,257
Insurance proceeds	36,050	-	-	-	-	36,050
Proceeds from note payable	-	2,286,522	-	-	-	2,286,522
Transfers in	1,380,431	-	1,292,835	-	35,862	2,709,128
Transfers out	-	(860,192)	(1,444,841)	(1,292,835)	(221,275)	(3,819,143)
Total other financing sources (uses)	1,441,738	1,426,330	(152,006)	(1,292,835)	(185,413)	1,237,814
NET CHANGE IN FUND BALANCES	(1,239,969)	1,668,159	1,192,487	-	39,959	1,660,636
FUND BALANCES, JANUARY 1, 2025	2,844,941	(1,065,931)	1,081,902	-	808,270	3,669,182
FUND BALANCES, DECEMBER 31, 2025	$ 1,604,972	$ 602,228	$ 2,274,389	$ -	$ 848,229	$ 5,329,818

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, 2025

Amounts reported for governmental activities in the statement of activities are different because:			
Net Change In Fund Balances - Total Governmental Funds			$ 1,660,636
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	$ (686,709)	
	Capital outlay	362,497	(324,212)
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.			(33,719)
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 @ 12/31/25	1,628,871	
	Unavailable revenue @ 12/31/24	(427,358)	1,201,513
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.			(2,286,522)
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.			108,886
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.			127,642
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 @ 12/31/25	(421,073)	
	Liability @ 12/31/24	394,322	(26,751)
Change In Net Position of Governmental Activities			$ 427,473

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, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 2,214,000	$ 2,214,000	$ 934,599	$ (1,279,401)
Motor vehicle	175,000	175,000	162,653	(12,347)
Mobile home	2,500	2,500	2,575	75
Franchise	422,000	422,000	505,362	83,362
Sales and use	1,291,000	1,291,000	1,035,304	(255,696)
Alcoholic beverage	175,000	175,000	150,229	(24,771)
Business and occupation	90,000	90,000	96,949	6,949
Insurance premium	550,000	550,000	629,588	79,588
Financial institution	36,000	36,000	39,581	3,581
Other	35,000	35,000	44,791	9,791
Licenses and permits	74,500	74,500	222,153	147,653
Intergovernmental	15,000	15,000	12,338	(2,662)
Charges for services	-	-	480	480
Fines and forfeitures	220,000	220,000	115,530	(104,470)
Interest	25,000	25,000	38,826	13,826
Contributions	1,000	1,000	11,976	10,976
Other	89,000	89,000	91,651	2,651
Total revenues	5,415,000	5,415,000	4,094,585	(1,320,415)
EXPENDITURES				
Current:				
General government	1,395,000	1,775,000	1,770,476	4,524
Judicial	30,000	30,000	26,285	3,715
Public safety	3,015,250	3,015,250	2,981,430	33,820
Public works	1,187,950	1,527,950	1,527,014	936
Housing and development	398,700	398,700	359,710	38,990
Debt service:	-			
Principal	110,600	110,600	108,886	1,714
Interest	7,000	7,000	2,491	4,509
Total expenditures	6,144,500	6,864,500	6,776,292	88,208
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(729,500)	(1,449,500)	(2,681,707)	(1,232,207)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	2,000	2,000	25,257	23,257
Insurance proceeds	-	-	36,050	36,050
Transfers in	727,500	1,447,500	1,380,431	(67,069)
Total other financing sources (uses)	729,500	1,449,500	1,441,738	(7,762)
NET CHANGE IN FUND BALANCE	$ -	$ -	(1,239,969)	$ (1,239,969)
FUND BALANCE, JANUARY 1, 2025			2,844,941	
FUND BALANCE, DECEMBER 31, 2025			$ 1,604,972	

See accompanying notes to the basic financial statements.

CITY OF WAYNESBORO, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

ASSETS	Water and Sewer	Natural Gas	Solid Waste	Total
Current Assets				
Cash and cash equivalents	$ 1,112,114	-	-	$ 1,112,114
Restricted cash and cash equivalents	62,610	-	-	62,610
Accounts receivable	120,982	$ 48,009	$ 50,081	219,072
Intergovernmental receivable	-	-	74,782	74,782
Interfund receivable	-	11,519	-	11,519
Total Current Assets	1,295,706	59,528	124,863	1,480,097
Capital Assets				
Nondepreciable assets	3,031,110	3,000	108,690	3,142,800
Depreciable assets (net of depreciation)	20,125,758	392,868	4,031,920	24,550,546
Total Capital Assets	23,156,868	395,868	4,140,610	27,693,346
Total Assets	24,452,574	455,396	4,265,473	29,173,443
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	36,452	11,927	28,469	76,848
LIABILITIES				
Current Liabilities				
Accounts payable	32,526	19,991	41,153	93,670
Accrued salaries	10,874	2,907	8,808	22,589
Accrued interest payable	5,670	-	339	6,009
Compensated absences payable	35,678	7,525	6,279	49,482
Other accrued liabilities	-	9,911	-	9,911
Customer deposits	25,298	33,848	15,158	74,304
Notes payable	-	32,267	112,120	144,387
Revenue bonds payable	675,000	-	-	675,000
Total Current Liabilities	785,046	106,449	183,857	1,075,352
Long-term Liabilites				
Compensated absences payable (net of current portion)	142,717	30,102	25,115	197,934
Notes payable (net of current portion)	-	14,363	142,697	157,060
Revenue bonds payable (net of current portion)	2,125,000	-	-	2,125,000
Net pension liability	112,663	36,402	85,852	234,917
Total Long-term Liabilities	2,380,380	80,867	253,664	2,714,911
Total Liabilities	3,165,426	187,316	437,521	3,790,263
DEFERRED INFLOWS OF RESOURCES				
Resources related to pensions	-	2,879	-	2,879
NET POSITION				
Net investment in capital assets	20,356,868	349,238	3,885,793	24,591,899
Restricted for debt service	62,610	-	-	62,610
Unrestricted	904,122	(72,110)	(29,372)	802,640
Total Net Position	$ 21,323,600	$ 277,128	$ 3,856,421	$ 25,457,149

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, 2025

	Water and Sewer	Natural Gas	Solid Waste	Total
OPERATING REVENUES				
Charges for services	$ 2,677,971	$ 1,385,307	$ 1,354,378	$ 5,417,656
Tap fees	11,175	-	-	11,175
Penalties	59,955	25,182	25,771	110,908
Other	57,951	52,669	-	110,620
Total operating revenues	2,807,052	1,463,158	1,380,149	5,650,359
OPERATING EXPENSES				
Salaries	412,094	106,499	297,480	816,073
Employee benefits	95,256	27,654	89,048	211,958
Utilities	321,913	3,673	8,005	333,591
Communications	15,232	6,118	1,186	22,536
Contractual services	740,966	55,704	-	796,670
Gas purchases	-	555,991	-	555,991
Landfill fees	-	-	266,699	266,699
Materials and supplies	154,950	3,443	31,978	190,371
Gasoline, oil, etc.	27,552	5,502	22,202	55,256
Repairs and maintenance	193,890	61,268	99,412	354,570
Depreciation	910,767	40,480	145,583	1,096,830
Travel and training	7,379	1,140	-	8,519
Other expenses	100,548	18,670	41,809	161,027
Total operating expenses	2,980,547	886,142	1,003,402	4,870,091
OPERATING INCOME (LOSS)	(173,495)	577,016	376,747	780,268
NONOPERATING REVENUE (EXPENSE)				
Interest income	35,607	-	-	35,607
Interest and loan fees	(82,742)	(2,226)	(12,731)	(97,699)
Total nonoperating revenue (expense)	(47,135)	(2,226)	(12,731)	(62,092)
INCOME (LOSS) BEFORE TRANSFERS	(220,630)	574,790	364,016	718,176
Capital grants	1,292,835	-	497,117	1,789,952
Transfers in	1,510,914	-	823,642	2,334,556
Transfers out	(35,021)	(419,481)	(770,039)	(1,224,541)
CHANGE IN NET POSITION	2,548,098	155,309	914,736	3,618,143
NET POSITION, JANUARY 1, 2025	18,775,502	121,819	2,941,685	21,839,006
NET POSITION, DECEMBER 31, 2025	$ 21,323,600	$ 277,128	$ 3,856,421	$ 25,457,149

See accompanying notes to the basic financial statements.

CITY OF WAYNESBORO, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Water and Sewer	Natural Gas	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 2,868,297	$ 1,474,381	$ 1,391,489	$ 5,734,167
Cash payments for employees	(507,480)	(136,722)	(393,986)	(1,038,188)
Cash payments for goods and services	(1,617,357)	(755,134)	(494,635)	(2,867,126)
Net cash provided by (used by) operating activities	743,460	582,525	502,868	1,828,853
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net transfers in (out)	1,436,643	(419,481)	(767,339)	249,823
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(2,994,565)	(129,659)	(820,942)	(3,945,166)
Transfers in from capital projects fund	39,250	-	820,942	860,192
Principal payments on bonds payable	(660,000)	-	-	(660,000)
Payments on notes payable	-	(31,159)	(145,133)	(176,292)
Capital grants received	1,292,835	-	422,335	1,715,170
Interest and loan fees paid	(84,079)	(2,226)	(12,731)	(99,036)
Net cash provided by (used by) capital and related financing activities	(2,406,559)	(163,044)	264,471	(2,305,132)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	35,607	-	-	35,607
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(190,849)	-	-	(190,849)
CASH AND CASH EQUIVALENTS, JANUARY 1, 2025	1,365,573	-	-	1,365,573
CASH AND CASH EQUIVALENTS, DECEMBER 31, 2025	$ 1,174,724	$ -	$ -	$ 1,174,724
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES				
Operating income (loss)	$ (173,495)	$ 577,016	$ 376,747	$ 780,268
Adjustments:				
Depreciation	910,767	40,480	145,583	1,096,830
(Increase) decrease in operating assets:				
Accounts receivable	59,203	8,705	9,860	77,768
(Increase) decrease in deferred outflows of resources related to pensions	(15,995)	(4,134)	(11,546)	(31,675)
Increase (decrease) in operating liabilities:				
Accounts payable	(54,927)	(43,625)	(23,344)	(121,896)
Other accrued liabilities	2,042	2,518	1,480	6,040
Accrued salaries	1,424	420	1,390	3,234
Compensated absences payable	11,636	1,419	(425)	12,630
Net pension liability	16,982	4,389	12,259	33,630
Increase (decrease) in deferred inflows of resources related to pensions	(14,177)	(4,663)	(9,136)	(27,976)
Net cash provided by (used by) operating activities	$ 743,460	$ 582,525	$ 502,868	$ 1,828,853

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.

EPA Construction Capital Projects Fund – This capital projects fund accounts for the EPA Clean Water grant funds for construction of water facilities.

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 $139,847. The water and sewer enterprise fund, the natural gas enterprise fund, and the solid waste enterprise fund reported allowances for uncollectibles of $226,371, $59,634, and $105,752, respectively, at December 31, 2025.

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, 2025 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

The City recognizes a liability for compensated absences for leave time that has been earned for services previously rendered by employees, accumulates and is allowed to be carried over to subsequent years, and is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is reported as incurred in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation
The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave
The City's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employment of the City and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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.

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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Deficit Fund Balances

The Hotel Motel Tax special revenue fund had a deficit fund balance of $30,921 at December 31, 2025, 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.

At December 31, 2025, the carrying amount of the City's deposits was $4,814,462 and the bank balance was $5,068,883. Of the bank balance, $500,000 was covered by federal depository insurance, and $4,568,883 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, 2025, the carrying amount of deposits for the Waynesboro Downtown Development Authority was $10,343 and the bank balance was $10,343 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, 2025, property taxes were levied on January 21, 2026 and were due on April 1, 2026.

NOTE 5 – RECEIVABLES

Receivables at December 31, 2025, 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
Family Connection Grant	General	$ 13,750
SPLOST IV	General	289,901
Natural Gas	SPLOST IV	11,519
SPLOST V	EPA	657,819
		$ 972,989

Interfund balances at December 31, 2025 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, 2025 is as follows:

	Transfer to:					
Transfers From:	General Fund	SPLOST V Fund	CHIP Program Income Fund	Water and Sewer Fund	Solid Waste Fund	Total
Water and Sewer Fund	$ 35,021	-	-	-	-	$ 35,021
Natural Gas Fund	403,854	-	-	$ 12,927	$ 2,700	419,481
Solid Waste Fund	756,143	-	-	13,896	-	770,039
Hotel Motel Tax Fund	185,413	-	-	-	-	185,413
2016 CHIP Fund	-	-	$ 35,862	-	-	35,862
EPA Construction Fund	-	$1,292,835	-	-	-	1,292,835
SPLOST V Fund	-	-	-	1,444,841	-	1,444,841
SPLOST IV Fund	-	-	-	39,250	820,942	860,192
	$1,380,431	$1,292,835	$ 35,862	$ 1,510,914	$ 823,642	$5,043,684

For the year ended December 31, 2025, the Hotel Motel Tax special revenue fund transferred $185,413 to the General Fund for taxes collected in excess of the amount required by law to be used for tourism. The Water and Sewer, Natural Gas and Solid Waste enterprise funds transferred $35,021, $403,854 and $756,143 to the general fund to repay accrued expenses. The Natural Gas and Solid Waste enterprise funds transferred $12,927 and $13,896 to the Water and Sewer fund to repay accrued expenses. The Natural Gas enterprise fund transferred $2,700 to the Solid Waste fund to repay accrued expenses. The SPLOST IV capital projects fund transferred $39,250 to the Water and Sewer enterprise fund and $820,942 to the Solid Waste enterprise fund for purchase of capital assets. The SPLOST V capital projects fund transferred $1,444,841 to the Water and Sewer enterprise fund for purchase of capital assets. The 2016 CHIP capital projects fund transferred $35,862 to the CHIP Program Income capital projects fund to move program income as required by grantor. The EPA Construction capital projects fund transferred $1,292,835 to the SPLOST V capital projects fund for purchase of capital assets.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balance 12/31/24	Additions	Deductions	Balance 12/31/25
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 178,289	-	-	$ 178,289
Construction in progress	284,888	-	-	284,888
Total capital assets not being depreciated:	463,177	-	-	463,177
Capital assets being depreciated:				
Buildings and improvements	16,733,613	$ 321,326	-	17,054,939
Machinery and equipment	5,247,778	41,171	$ 48,835	5,240,114
Total capital assets being depreciated	21,981,391	362,497	48,835	22,295,053
Total capital assets	22,444,568	362,497	48,835	22,758,230
Accumulated depreciation:				
Buildings and improvements	3,815,748	402,382	-	4,218,130
Machinery and equipment	4,072,057	284,327	15,116	4,341,268
Total accumulated depreciation	7,887,805	686,709	15,116	8,559,398
Governmental activities capital assets, net	$ 14,556,763	$ (324,212)	$ 33,719	$ 14,198,832

Governmental activities depreciation expense:

General government	$ 75,913
Public safety	168,549
Public works	412,215
Housing and development	30,032
Total governmental activities depreciation expense	$ 686,709

NOTE 7 – CAPITAL ASSETS (Continued)

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

	Balance 12/31/24	Additions	Deductions	Balance 12/31/25
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 113,317	-	-	$ 113,317
Construction in progress	7,714,243	$ 2,638,498	$ 7,323,258	3,029,483
Total capital assets not being depreciated	7,827,560	2,638,498	7,323,258	3,142,800
Capital assets being depreciated:				
Buildings and improvements	32,525,242	8,620,588	-	41,145,830
Machinery and equipment	7,039,712	9,338	-	7,049,050
Total capital assets being depreciated	39,564,954	8,629,926	-	48,194,880
Total capital assets	47,392,514	11,268,424	7,323,258	51,337,680
Accumulated depreciation:				
Buildings and improvements	18,949,689	781,708	-	19,731,397
Machinery and equipment	3,597,815	315,122	-	3,912,937
Total accumulated depreciation	22,547,504	1,096,830	-	23,644,334
Business-type activities capital assets, net	$ 24,845,010	$ 10,171,594	$ 7,323,258	$ 27,693,346

Business-type activities depreciation expense:

Water and Sewer Fund	$ 910,767
Natural Gas Fund	40,480
Solid Waste Fund	145,583
Total business-type activities depreciation expense	$ 1,096,830

NOTE 8 – NOTES PAYABLE

Notes payable at December 31, 2025 consisted of the following:

	Governmental Activities	Business-type Activities
Note payable to Truist Bank for a fire truck, payable in monthly installments of $2,858, including interest at 3.55% through February, 2026.	$ 5,690	
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.	38,310	
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.	2,401,007	
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.		46,630
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.		26,757
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.		228,060
	$ 2,445,007	$ 301,447

NOTE 8 – NOTES PAYABLE (Continued)

As of December 31, 2025, annual debt service requirements to maturity are as follows:

Year ending December 31	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	$ 156,678	$ 106,500	$ 263,178	$ 144,387	$ 9,205	$ 153,592
2027	167,841	51,091	218,932	103,382	4,422	107,804
2028	171,759	47,173	218,932	53,678	754	54,431
2029	175,769	43,163	218,932	-	-	-
2030	179,873	39,059	218,932	-	-	-
2031-2035	964,350	130,311	1,094,661	-	-	-
2036-2038	628,737	22,457	651,194	-	-	-
	$ 2,445,007	$ 439,754	$ 2,884,761	$ 301,447	$ 14,381	$ 315,827

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, 2025 were $2,800,000.

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, 2025 follow:

Year ending December 31	Principal	Interest	Total
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
	$ 2,800,000	$ 172,166	$ 2,972,166

NOTE 10 – CHANGES IN LONG-TERM DEBT

	Outstanding December 31, 2024	Additions	Reductions	Outstanding December 31, 2025	Amounts Due in One Year
Governmental Activities					
Notes payable	$ 267,371	$ 2,286,522	$ 108,886	$ 2,445,007	$ 156,678
Compensated absences	394,322	26,751	-	421,073	84,215
	$ 332,109	$ 2,313,273	$ 108,886	$ 2,866,080	$ 240,893
Business-Type Activities					
Notes payable	$ 477,739	-	$ 176,292	$ 301,447	$ 144,387
Revenue bonds payable	3,460,000	-	660,000	2,800,000	675,000
Compensated absences	234,786	$ 12,630	-	247,416	49,482
Total Business-Type Activities	$ 4,813,956	$ 12,630	$ 836,292	$ 3,348,863	$ 868,869

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 SPLOST IV fund and SPLOST V 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, 2025, the date of the most recent actuarial valuation, there were 135 participants as follows:

Active participants	65
Retirees and beneficiaries	46
Terminated plan members entitled to but not yet receiving benefits	24
Total	135

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 $215,271. 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, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025.

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2025 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, 2025 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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%	6.60%
International equity	20%	7.03%
Global fixed income	5%	3.70%
Domestic fixed income	20%	2.70%
Real estate	10%	3.40%
	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, 2024	$ 5,643,027	$ 4,621,128	$ 1,021,899
Changes for the year:			
Service cost	108,805	-	108,805
Interest	413,384	-	413,384
Contributions from the employer	-	264,331	(264,331)
Net investment income	-	240,315	(240,315)
Difference between expected and actual experience	122,542	-	122,542
Benefit payments, including refunds of employee contributions	(293,240)	(293,240)	-
Administrative expenses	-	(12,903)	12,903
Net Changes	351,491	198,503	152,988
Balance, March 31, 2025	$ 5,994,518	$ 4,819,631	$ 1,174,887

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	$ 1,932,461	$ 1,174,887	$ 539,421

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

For the year ended December 31, 2025, the City recognized pension expense of $120,605. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions after measurement date	$ 190,642	-
Differences in expected and actual experience	124,488	$ (18,343)
Effects of changes in assumptions	-	-
Net differences between projected and actual net investment income	104,914	-
	$ 420,044	$ (18,343)

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

City contributions subsequent to the measurement date of $190,642 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, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	
2026	$ 104,254
2027	112,399
2028	(25,384)
2029	19,790
	$ 211,059

NOTE 12 – DEFERRED COMPENSATION PLAN

The City offers its employees a voluntary defined contribution plan created in accordance with Internal Revenue Code Section 457. The plan is administered by Georgia Municipal Association. The plan is available to all full-time City employees. The plan is funded solely through employee salary deferrals. The City does not make matching or employer contributions. Employees are 100% vested immediately. Total employee contributions to the plan for the year ended December 31, 2025 was $25,875.

NOTE 13 – COMMITMENTS AND CONTINGENT LIABILITIES

As of December 31, 2025, 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, 2025. No provisions have been made in the financial statements for the year ended December 31, 2025 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, 2025 is as follows:

Lodging tax receipts	$ 268,409	
Expended for community development/promotion	$ 107,864	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, 2025, 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, 2025, real and personal property tax not collected by the City due to incentive agreements was $93,468. 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 August 20, 2026, 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, 2025

	Fiscal Year End									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Total pension liability										
Service cost	$ 108,805	$ 97,978	$ 102,438	$ 117,435	$ 104,702	$ 91,023	$ 88,196	$ 75,662	$ 78,299	$ 76,583
Interest	413,384	392,703	383,015	356,482	345,697	334,561	319,824	295,812	286,778	270,307
Differences between expected and actual experience	122,542	65,158	(73,372)	185,502	(43,724)	39,803	31,361	173,876	(14,834)	95,256
Changes of assumptions	-	-	-	-	-	-	-	55,681	-	-
Benefit payments, including refunds of employee contributions	(293,240)	(279,228)	(273,299)	(296,014)	(250,310)	(244,868)	(246,573)	(237,082)	(230,263)	(228,971)
Other changes	-	-	-	-	-	(4,879)	-	-	-	-
Net change in total pension liability	351,491	276,611	138,782	363,405	156,365	215,640	192,808	363,949	119,980	213,175
Total pension liability-beginning	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
Total pension liability-ending (a)	$ 5,994,518	$ 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
Plan fiduciary net position										
Contributions-employer	$ 264,331	$ 226,189	$ 245,894	$ 249,563	$ 233,718	$ 219,961	$ 187,129	$ 174,185	$ 159,078	$ 148,065
Net investment income	240,315	672,623	(288,721)	252,804	1,296,907	(215,349)	108,907	348,143	319,734	7,011
Benefit payments, including refunds of employee contributions	(293,240)	(279,228)	(273,299)	(296,014)	(250,310)	(244,868)	(246,573)	(237,082)	(230,263)	(228,971)
Administrative expense	(12,903)	(11,227)	(13,573)	(12,734)	(11,943)	(13,006)	(12,339)	(12,189)	(12,409)	(8,754)
Net change in plan fiduciary net position	198,503	608,357	(329,699)	193,619	1,268,372	(253,262)	37,124	273,057	236,140	(82,649)
Plan fiduciary net position-beginning	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
Plan fiduciary net position-ending (b)	$ 4,819,631	$ 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
Net pension liability-ending (a)-(b)	$ 1,174,887	$ 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
Plan fiduciary net position as a percentage of the total pension liability	80.40%	81.89%	74.78%	83.07%	85.29%	61.18%	69.76%	72.02%	71.75%	67.81%
Covered-employee payroll	3,361,449	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
Net pension liability as a percentage of covered-employee payroll	34.95%	31.46%	46.09%	28.57%	20.88%	56.62%	52.70%	47.14%	46.62%	52.00%

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, 2025

	Fiscal Year End									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Actuarially determined contribution	*	$ 240,940	$ 248,023	$ 245,177	$ 251,025	$ 227,949	$ 217,298	$ 177,072	$ 173,222	$ 154,363
Contributions in relation to the actuarially determined contribution	*	241,532	227,373	266,096	249,102	227,061	213,946	162,316	186,086	141,499
Contribution deficiency (excess)	*	$ (592)	$ 20,650	$ (20,919)	$ 1,923	$ 888	$ 3,352	$ 14,756	$ (12,864)	$ 12,864
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
Contributions as a percentage of covered-employee payroll	*	7.44%	7.74%	8.59%	7.27%	7.04%	8.30%	6.36%	7.80%	5.99%

*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, 2025, 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, 2026.

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, 2025

	Nonmajor Capital Projects Funds	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 852,409	$ 14,559	$ 866,968
Receivables:			
Accounts	-	11,869	11,869
Intergovernmental	16,481	14,000	30,481
Interfund	-	13,750	13,750
TOTAL ASSETS	$ 868,890	$ 54,178	$ 923,068
LIABILITIES			
Accounts payable	-	$ 70,540	$ 70,540
Funds held for others	-	4,299	4,299
Total liabilities	-	74,839	74,839
FUND BALANCES			
Restricted	$ 868,890	10,260	879,150
Unassigned	-	(30,921)	(30,921)
Total fund balances	868,890	(20,661)	848,229
TOTAL LIABILITIES AND FUND BALANCES	$ 868,890	$ 54,178	$ 923,068

CITY OF WAYNESBORO, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Nonmajor Capital Projects Funds	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	-	$ 268,409	$ 268,409
Fees, fines and forfeitures	-	2,705	2,705
Intergovernmental	$ 454,499	55,700	510,199
Interest	20,710	43	20,753
Total revenues	475,209	326,857	802,066
EXPENDITURES			
Current:			
Public safety	-	1,616	1,616
Health and welfare	-	55,700	55,700
Housing and development	-	107,864	107,864
Capital outlay:			
Public works	245,496	-	245,496
Housing and development	166,018	-	166,018
Total expenditures	411,514	165,180	576,694
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	63,695	161,677	225,372
OTHER FINANCING SOURCES (USES)			
Transfers in	35,862	-	35,862
Transfers out	(35,862)	(185,413)	(221,275)
Total other financing sources (uses)	-	(185,413)	(185,413)
NET CHANGE IN FUND BALANCES	63,695	(23,736)	39,959
FUND BALANCES, JANUARY 1, 2025	805,195	3,075	808,270
FUND BALANCES, DECEMBER 31, 2025	$ 868,890	$ (20,661)	$ 848,229

CITY OF WAYNESBORO, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2025

	2018 CHIP Capital Projects Fund	TIA SPLOST	CHIP Program Income	Total Nonmajor Capital Projects Funds
ASSETS				
Cash	$ 32	$ 816,515	$ 35,862	$ 852,409
Intergovernmental receivable	-	16,481	-	16,481
TOTAL ASSETS	$ 32	$ 832,996	$ 35,862	$ 868,890
LIABILITIES				
Accounts payable	-	-	-	-
FUND BALANCES				
Restricted	$ 32	$ 832,996	$ 35,862	$ 868,890
TOTAL LIABILITIES AND FUND BALANCES	$ 32	$ 832,996	$ 35,862	$ 868,890

CITY OF WAYNESBORO, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2018 CHIP Capital Projects Fund	TIA SPLOST	CHIP Program Income	Total Nonmajor Capital Projects Funds
REVENUES				
Intergovernmental	$ 92,482	$ 362,017	-	$ 454,499
Interest	-	20,710	-	20,710
Total revenues	92,482	382,727	-	475,209
EXPENDITURES				
Capital outlay:				
Public works	-	245,496	-	245,496
Housing and development	166,018	-	-	166,018
Total expenditures	166,018	245,496	-	411,514
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(73,536)	137,231	-	63,695
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	$ 35,862	35,862
Transfers out	(35,862)	-	-	(35,862)
Total other financing sources (uses)	(35,862)	-	35,862	-
NET CHANGE IN FUND BALANCES	(109,398)	137,231	35,862	63,695
FUND BALANCES, JANUARY 1, 2025	109,430	695,765	-	805,195
FUND BALANCES, DECEMBER 31, 2025	$ 32	$ 832,996	$ 35,862	$ 868,890

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CITY OF WAYNESBORO, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2025

	Hotel Motel Tax	Confiscated Assets	Family Connection Grant	Total Nonmajor Special Revenue Funds
ASSETS				
Cash	-	$ 14,559	-	$ 14,559
Receivables:				
Accounts	$ 11,869	-	-	11,869
Intergovernmental	-	-	$ 14,000	14,000
Interfund	-	-	13,750	13,750
TOTAL ASSETS	$ 11,869	$ 14,559	$ 27,750	$ 54,178
LIABILITIES				
Accounts payable	$ 42,790	-	$ 27,750	$ 70,540
Funds held for others	-	$ 4,299	-	4,299
Total liabilities	42,790	4,299	27,750	74,839
FUND BALANCES				
Restricted	-	10,260	-	10,260
Unassigned	(30,921)	-	-	(30,921)
Total fund balances	(30,921)	10,260	-	(20,661)
TOTAL LIABILITIES AND FUND BALANCES	$ 11,869	$ 14,559	$ 27,750	$ 54,178

CITY OF WAYNESBORO, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Hotel Motel Tax	Confiscated Assets	Family Connection Grant	Total Nonmajor Special Revenue Funds
REVENUES				
Taxes	$ 268,409	-	-	$ 268,409
Fees, fines and forfeitures	-	$ 2,705	-	2,705
Intergovernmental	-	-	$ 55,700	55,700
Interest	-	43	-	43
Total revenues	268,409	2,748	55,700	326,857
EXPENDITURES				
Current:				
Public safety	-	1,616	-	1,616
Health and welfare	-	-	55,700	55,700
Housing and development	107,864	-	-	107,864
Total expenditures	107,864	1,616	55,700	165,180
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	160,545	1,132	-	161,677
OTHER FINANCING SOURCES (USES)				
Transfers out	(185,413)	-	-	(185,413)
NET CHANGE IN FUND BALANCE	(24,868)	1,132	-	(23,736)
FUND BALANCE, BEGINNING OF YEAR	(6,053)	9,128	-	3,075
FUND BALANCE, END OF YEAR	$ (30,921)	$ 10,260	$ -	$ (20,661)

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, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 200,000	$ 200,000	$ 268,409	$ 68,409
EXPENDITURES				
Current:				
Economic development	70,000	108,000	107,864	136
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	130,000	92,000	160,545	68,545
OTHER FINANCING SOURCES (USES)				
Transfers out	(130,000)	(92,000)	(185,413)	(93,413)
NET CHANGE IN FUND BALANCE	$ -	$ -	(24,868)	$ (24,868)
FUND BALANCE, JANUARY 1, 2025			(6,053)	
FUND BALANCE, DECEMBER 31, 2025			$ (30,921)	

CITY OF WAYNESBORO, GEORGIA
CONFISCATED ASSETS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Investment income	$ -	-	$ 43	$ 43
Fees, fines and forfeitures	-	$ 2,500	2,705	205
		2,500	2,748	248
EXPENDITURES				
Current:				
Public safety	-	2,500	1,616	884
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ -	$ -	1,132	$ (636)
FUND BALANCE, JANUARY 1, 2025			9,128	
FUND BALANCE, DECEMBER 31, 2025			$ 10,260	

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, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 56,250	$ 56,250	$ 55,700	$ (550)
EXPENDITURES				
Current:				
Health and welfare	56,250	56,250	55,700	550
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCE	$ -	$ -	-	$ -
FUND BALANCE, JANUARY 1, 2025			-	
FUND BALANCE, DECEMBER 31, 2025			$ -	

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, 2025

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, 2025

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	177,961	-	177,961	59%
Road and street improvements	1,000,000	1,195,313	1,083,707	$ 111,606	1,195,313	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	1,966,492	37,021	2,003,513	83%
Sewer system improvements	2,000,000	3,280,676	2,912,204	368,472	3,280,676	100%
Totals	$ 7,514,400	$ 12,499,331	$ 9,648,919	$ 517,099	$ 10,166,018	81%

SPLOST IV capital projects fund total expenditures	$ 148,627
SPLOST IV capital projects fund transfers to Enterprise funds	860,192
	1,008,819
Less:	
Use of notes proceeds - Sewer system improvements	(491,720)
	$ 517,099

**Note proceeds were used in lieu of SPLOST funds for 2024 expenses

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	-	$ 78,864	78,864	12%
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	-	99,180	99,180	3%
Sewer system improvements	3,000,000	3,000,000	-	52,826	52,826	2%
Totals	$ 10,044,000	$ 10,044,000	$ 10	$ 230,870	$ 230,880	2%

SPLOST V capital projects fund total expenditures	$ 1,523,705
Less:	
Transfer from EPA Construction Fund - Sewer system improvements	(1,292,835)
	$ 230,870

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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, 2025, 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 August 20, 2026.

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 certain deficiencies in internal control, described in the accompanying schedule of findings as item 2025-1 through 2025-3 that we consider to be material weaknesses.

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
August 20, 2026

CITY OF WAYNESBORO, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Pass-through program from Georgia Department of Community Affairs:			
Home Investment Partnerships Program	14.239	2018-115	$ 92,482
U.S. Department of the Treasury:			
Pass-through program from Governor's Office of Planning and Budget:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	GA-0010910	289,901
U.S. Environmental Protection Agency:			
Pass through program from Georgia Environmental Finance Authority:			
Clean Water State Revolving Fund	66.458	CW2023018	2,286,522
Drinking Water State Revolving Fund	66.468	DWLSL2022195	89,000
Congressionally Mandated Projects	66.202	GMNDDAWL8K53	1,292,835
Total U.S. Environmental Protection Agency			3,668,357
Federal Emergency Management Agency:			
Pass-through program from Georgia Emergency Management Agency:		FEMA-4830-DR-GA	
Disaster Grants - Public Assistance	97.036	PA ID# 033-80984-00	443,729
Total expenditures of federal awards			$ 4,494,469

CITY OF WAYNESBORO, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2025. 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.

NOTE C – FEDERAL LOANS

The City of Waynesboro, Georgia was approved by the Georgia Environmental Finance Authority (GEFA) to receive Federal loan funds of $2,401,026 for improvements to its water system. The $2,286,522 listed for this loan includes the proceeds used during the year.

The current year loans from GEFA are reported on the City of Waynesboro's statement of net position and in Note 8 of the notes to the financial statements.

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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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City of 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
August 20, 2026

CITY OF WAYNESBORO, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 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. Three material weaknesses were 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(s) tested as major programs were: Congressionally Mandated Projects, Federal Assistance Listing number 66.202, and Clean Water State Revolving Fund, Federal Assistance Listing number 66.458.

8. The threshold used for distinguishing between Type A and B programs was $1,000,000.

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

FINDINGS – FINANCIAL STATEMENTS AUDIT

MATERIAL WEAKNESSES

2025-1 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.

2025-2 Inaccurate Bank Reconciliations

Condition: During our audit, we noted some monthly bank reconciliations are not properly reconciled to the general ledger account.

Criteria: Bank reconciliations should reconcile back to the general ledger account.

Cause: Manual entries to cash accounts were not cleared timely or were not accounted for accurately on the reconciliation.

Effect: The City's bank reconciliation did not tie to the general ledger therefore resulting in additional time to research during the audit.

Auditor's Recommendation: When reconciling the bank accounts, ensure that all items are cleared properly and accounted for.

Views of Responsible Officials and Planned Corrective Actions: We concur with this finding and will review our bank reconciliations to identify and correct discrepancies between the reconciliations and the general ledger.

2025-3 Inaccurate Posting of Transactions

Condition: During our audit, we noted multiple transactions that were entered into the accounting system incorrectly and repeatedly adjusted in order to correct the misstatement.

Criteria: Transactions should be entered correctly into the accounting software initially in order to prevent misstatements from occurring.

Cause: Manual entries were entered multiple times for transactions in order to correct their posting.

Effect: The City's account balances were misstated, and their general ledger history provided confusing information.

Auditor's Recommendation: Transactions should be reviewed before being entered into the software, and correcting entries should be reviewed for accuracy before being entered into the software.

Views of Responsible Officials and Planned Corrective Actions: We concur with this finding and will review transactions and correction entries before posting them to the accounting software.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported.