CITY OF GRANTVILLE, GEORGIA

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

SEPTEMBER 30, 2025

Gerald G. Pentecost, Jr., CPA

Certified Public Accountants

CITY OF GRANTVILLE, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Grantville, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grantville, Georgia as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Grantville, 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, each major fund, and the aggregate remaining fund information of the City of Grantville, Georgia, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 Grantville, 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 Grantville, 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 Grantville, 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 Grantville, 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 General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual on page 47, the Special Revenue Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual on page 48 through 50, the Schedule of Changes in Net Pension Liability on page 53, and the Schedule of Employer Contributions on page 54 be presented to supplement the basic financial statements be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grantville, Georgia's basic financial statements. The accompanying introductory section and the Schedule of Expenditures of Special Purpose Local Option Sales Tax required by the Official Code of Georgia 48-8-121 on page 51 - 52, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records

used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Special Purpose Local Option Sales Tax is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2026, on our consideration of the City of Grantville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Grantville, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Grantville, Georgia's internal control over financial reporting and compliance.



Gadsden, Alabama
September 28, 2026

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 2,838,343	$ 4,092,521	$ 6,930,864
Investments	199,458	-	199,458
Taxes receivable, net of allowances	965,689	-	965,689
Accounts receivable, net of allowances	6,976	498,160	505,136
Due from other governments	101,094	-	101,094
Prepaid assets	138,313	39,487	177,800
Restricted cash	-	334,261	334,261
Restricted investments	-	563,773	563,773
Capital assets:			
Non-depreciable	299,230	112,832	412,062
Depreciable, net of accumulated depreciation	5,708,313	10,019,863	15,728,176
Total Assets	10,257,416	15,660,897	25,918,313
Deferred Outflows - Pension Related	127,514	60,874	188,388
Total Assets and Deferred Outflows	$ 10,384,930	$ 15,721,771	$ 26,106,701
LIABILITIES			
Accounts payable	$ 297,450	$ 275,971	$ 573,421
Accrued liabilities	168,177	22,383	190,560
Customer deposits payable	-	244,011	244,011
Compensated absences, due within one year	73,961	2,322	76,283
Lease Liability, due within one year	271,005	-	271,005
Lease Liability, due in more than one year	443,842	-	443,842
Net Pension Liability	359,881	145,679	505,560
Notes payable, due within one year	-	52,134	52,134
Notes payable, due in more than one year	-	-	-
Bonds payable, due within one year	-	24,183	24,183
Bonds payable, due in more than one year	-	254,151	254,151
Total Liabilities	1,614,316	1,020,834	2,635,150
Deferred Inflows - pension related	60,160	24,352	84,512
NET POSITION			
Net investment in capital assets	5,292,696	9,802,227	15,094,923
Restricted for:			
Public safety	805,003	-	805,003
Capital projects	859,753	-	859,753
Public works	-	821,625	821,625
Debt Service	-	76,409	76,409
Unrestricted	1,753,002	3,976,324	5,729,326
Total Net Position	8,710,454	14,676,585	23,387,039
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 10,384,930	$ 15,721,771	$ 26,106,701

See Notes to Financial Statements

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Functions	**Expenses**	*Program Revenues*			*Net (Expense) Revenue and Changes in Net Position*		
		Fees, Fines and Charges for Services	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental Activities:							
General government	$ 298,654	$ 167,970	$ 9,047	$ 280,110	$ 158,473	$ -	$ 158,473
Judicial	233,087	325,266	-	-	92,179	-	92,179
Public safety	2,355,087	-	-	103,696	(2,251,391)	-	(2,251,391)
Public works	781,831	-	-	577,190	(204,641)	-	(204,641)
Health and welfare	370,228	-	247,912	-	(122,316)	-	(122,316)
Culture and recreation	275,984	-	-	103,640	(172,344)	-	(172,344)
Housing and development	68,361	-	-	-	(68,361)	-	(68,361)
Total Governmental Activities	4,383,232	493,236	256,959	$ 1,064,636	(2,568,401)		(2,568,401)
Business-type Activities:							
Water and sewer	1,710,735	1,388,570	-	-	-	(322,165)	(322,165)
Electric	1,635,102	1,656,560	-	46,565	-	68,023	68,023
Gas	489,892	522,118	-	-	-	32,226	32,226
Solid waste	452,061	381,648	-	-	-	(70,413)	(70,413)
Total Business-type Activities	4,287,790	3,948,896	-	46,565	-	(292,329)	(292,329)
Total Primary Government	$ 8,671,022	$ 4,442,132	$ 256,959	$ 1,111,201	(2,568,401)	(292,329)	(2,860,730)
	General Revenues:						
	Property taxes				955,495	-	955,495
	Sales taxes				1,012,378	-	1,012,378
	Franchise taxes				91,367	-	91,367
	Insurance premium taxes				295,900	-	295,900
	Other taxes				57,189	-	57,189
	Loss on disposal of assets				(42,894)	-	(42,894)
	Other				204,662	-	204,662
	Unrestricted investment earnings				246,020	151,290	397,310
	Transfers				(839,902)	839,902	-
	Total General Revenues and Transfers				1,980,215	991,192	2,971,407
	Change in Net Position				(588,186)	698,863	110,677
	Net Position, Beginning				9,317,783	13,977,722	23,295,505
	Prior Period Adjustment - Change in Accounting Principle				(19,143)	-	(19,143)
	Net Position, Ending				$ 8,710,454	$ 14,676,585	$ 23,387,039

See Notes to Financial Statements

CITY OF GRANTVILLE, GEORGIA
BALANCE SHEETS - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	2013 SPLOST Fund	2019 SPLOST Fund	2025 SPLOST Fund	Drug Fund	Federal Seized Fund	Court Fund	Total Governmental Funds
ASSETS								
Cash and cash equivalents	1,054,700	-	361,843	590,811	31,733	79,000	720,256	2,838,343
Investments	199,458	-	-	-	-	-	-	199,458
Taxes receivable	965,689	-	-	-	-	-	-	965,689
Accounts Receivable	6,976	-	-	-	-	-	-	6,976
Due from other governments	101,094	-	-	-	-	-	-	101,094
Prepaid expenses	134,840	-	-	-	-	-	3,473	138,313
Total Assets	2,462,757	-	361,843	590,811	31,733	79,000	723,729	4,249,873
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	180,132	-	92,901	-	-	-	24,417	297,450
Accrued liabilities	166,608	-	-	-	-	-	1,569	168,177
Total Liabilities	346,740	-	92,901	-	-	-	25,986	465,627
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues - property taxes	885,824	-	-	-	-	-	-	885,824
Total deferred inflows of resources	885,824	-	-	-	-	-	-	885,824
FUND BALANCES								
Nonspendable:								
Prepaids	134,840	-	-	-	-	-	3,473	138,313
Restricted for:								
Public safety	-	-	-	-	31,733	79,000	694,270	805,003
Capital projects	-	-	268,942	590,811	-	-	-	859,753
Unassigned	1,095,353	-	-	-	-	-	-	1,095,353
Total Fund Balances	1,230,193	-	268,942	590,811	31,733	79,000	697,743	2,898,422
Total Liabilities, deferred inflows of resources, and Fund Balances	$ 2,462,757	$ -	$ 361,843	$ 590,811	$ 31,733	$ 79,000	$ 723,729	$ 4,249,873

See Notes to Financial Statements

CITY OF GRANTVILLE, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total fund balances of governmental funds		$ 2,898,422
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Governmental capital assets	14,006,107	
Less: Accumulated depreciation	(7,998,564)	
Total Capital Assets		6,007,543
Long-term assets (receivables) are not available to pay current period expenditures and; therefore, are unavailable in the funds		885,824
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities both current and long-term are reported in the statement of net position.		
Compensated absences	(73,961)	
Lease liability	(714,847)	
Net pension liabilities, deferred outflows and deferred inflows not reported in the funds	(292,527)	
		(1,081,335)
Net position of governmental activities		$ 8,710,454

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	2013 SPLOST Fund	2019 SPLOST Fund	2025 SPLOST Fund	Drug Fund	Federal Seized Fund	Court Fund	Total Governmental Funds
REVENUES:								
Taxes	$ 2,452,844	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,452,844
Licenses and permits	129,842	-	-	-	-	-	-	129,842
Intergovernmental	370,312	-	305,355	591,149	-	-	-	1,266,816
Fines and forteitures	-	-	-	-	-	-	325,266	325,266
Charges for services	38,128	-	-	-	-	-	-	38,128
Interest	246,020	17	45,659	-	17	39	-	291,752
Contributions	9,047	-	-	-	-	-	-	9,047
Other	204,662	-	-	-	-	-	-	204,662
Total Revenues	3,450,855	17	351,014	591,149	17	39	325,266	4,718,357
EXPENDITURES:								
Current								
General government	351,229	-	270,424	338	-	-	-	621,991
Judicial	-	-	-	-	-	-	233,810	233,810
Public safety	2,662,611	-	100,109	-	-	-	-	2,762,720
Public works	577,275	39,678	1,065,710	-	-	-	-	1,682,663
Health and welfare	364,920	-	-	-	-	-	-	364,920
Recreation	129,889	-	173,131	-	-	-	-	303,020
Housing and development	68,361	-	-	-	-	-	-	68,361
Total Expenditures	4,154,285	39,678	1,609,374	338	-	-	233,810	6,037,485
Excess Revenues Over (Under) Expenditures	(703,430)	(39,661)	(1,258,360)	590,811	17	39	91,456	(1,319,128)
Other Financing Sources (Uses):								
Proceeds from sale of capital assets	3,000	-	-	-	-	-	-	3,000
Lease Liability	491,516	-	-	-	-	-	-	491,516
Transfers in	192,862	-	-	-	-	-	3,527	196,389
Transfers out	(23,072)	-	-	-	-	-	(122,629)	(145,701)
Total Other Financing Sources (Uses)	664,306	-	-	-	-	-	(119,102)	545,204
Change in Fund Balance	(39,124)	(39,661)	(1,258,360)	590,811	17	39	(27,646)	(773,924)
Fund Balance, Beginning	1,269,317	39,661	1,527,302	-	31,716	78,961	725,389	3,672,346
Fund Balance, Ending	$ 1,230,193	$ -	$ 268,942	$ 590,811	$ 31,733	$ 79,000	$ 697,743	$ 2,898,422

See Notes to Financial Statements

CITY OF GRANTVILLE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances total governmental funds		$ (773,924)
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and depreciated over their estimated useful lives.		
Expenditures for capital assets	1,133,644	
Less: current year depreciation	(593,046)	
		540,598
Governmental funds report proceeds from disposals of capital assets as other financing sources. However, in the Statement of Activities, the associated undepreciated costs of the assets sold are deducted against the proceeds and a gain or loss is recorded.		(45,894)
Revenues in the statement of activities that do not provide current financial resources are not in the governmental funds because they are not financial resources.		(40,515)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences		(5,251)
Change in net pension liability, deferred outflows and deferred inflows		9,615
Lease payments are recorded as expenditures in the funds. They are recorded as payments on operating liabilities in the statement of net position.		218,701
Lease liabilities arising from leasing arrangements in the current period are recorded as other financing sources in the governmental funds but are liabilities in the statement of net position		(491,516)
Change in net position of governmental activities		$ (588,186)

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	**Electric Fund**	**Gas Fund**	**Solid Waste Fund**	**Total**
ASSETS					
Current Assets					
Cash and cash equivalents	$ 668,976	$ 2,114,293	$ 1,271,513	$ 37,739	$ 4,092,521
Accounts receivable, net of allowances	161,631	277,941	16,086	42,502	498,160
Due from Other Funds	-	-	-	-	-
Prepaid assets	22,891	10,297	6,299	-	39,487
	853,498	2,402,531	1,293,898	80,241	4,630,168
Restricted Assets					
Restricted cash	76,409	39,628	218,224	-	334,261
Restricted investments	-	563,773	-	-	563,773
	76,409	603,401	218,224	-	898,034
Total Current Assets	929,907	3,005,932	1,512,122	80,241	5,528,202
Capital assets					
Non-depreciable	45,211	67,041	580	-	112,832
Depreciable, net of accumulated depreciation	7,988,681	889,602	1,141,580	-	10,019,863
Total Non-current Assets	8,033,892	956,643	1,142,160	-	10,132,695
Total Assets	8,963,799	3,962,575	2,654,282	80,241	15,660,897
Deferred Outflows					
Pension related	22,641	20,304	15,612	2,317	60,874
Total Assets and Deferred Outflows	$ 8,986,440	$ 3,982,879	$ 2,669,894	$ 82,558	$ 15,721,771
LIABILITIES					
Current Liabilities					
Accounts payable	$ 115,490	$ 120,962	$ 5,078	$ 34,441	$ 275,971
Accrued liabilities	5,851	13,353	2,923	256	22,383
Customer deposits payable	71,121	105,340	67,550	-	244,011
Compensated absences, due within one year	2,322	-	-	-	2,322
Notes payable, due within one year	52,134	-	-	-	52,134
Bonds payable, due within one year	24,183	-	-	-	24,183
Total Current Liabilities	271,101	239,655	75,551	34,697	621,004
Noncurrent Liabilities					
Net pension liability	49,271	49,179	40,092	7,137	145,679
Notes payable, due in more than one year	-	-	-	-	-
Bonds payable, due in more than one year	254,151	-	-	-	254,151
Total Noncurrent Liabilities	303,422	49,179	40,092	7,137	399,830
Total Liabilities	574,523	288,834	115,643	41,834	1,020,834
Deferred inflows - pension related	8,236	8,221	6,702	1,193	24,352
NET POSITION					
Net investment in capital assets	7,703,424	956,643	1,142,160	-	9,802,227
Restricted for Public Works	-	603,401	218,224	-	821,625
Restricted for Debt Service	76,409	-	-	-	76,409
Unrestricted	623,848	2,125,780	1,187,165	39,531	3,976,324
Total Net Position	8,403,681	3,685,824	2,547,549	39,531	14,676,585
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 8,986,440	$ 3,982,879	$ 2,669,894	$ 82,558	$ 15,721,771

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	**Electric Fund**	**Gas Fund**	**Solid Waste Fund**	**Totals**
OPERATING REVENUE					
Charges for sales and services	$ 1,388,570	$ 1,656,560	$ 522,118	$ 381,648	$ 3,948,896
Total Revenues	1,388,570	1,656,560	522,118	381,648	3,948,896
OPERATING EXPENSES					
Costs of sales and services	452,809	1,147,115	171,608	425,163	2,196,695
General operating costs	941,378	425,902	269,142	26,898	1,663,320
Depreciation	305,913	62,085	49,142	-	417,140
Total Operating Expenses	1,700,100	1,635,102	489,892	452,061	4,277,155
Operating Income (Loss)	(311,530)	21,458	32,226	(70,413)	(328,259)
NON-OPERATING INCOME (EXPENSES)					
Capital grants	-	46,565	-	-	46,565
Interest income	97	21	100	-	218
Interest expense	(10,635)	-	-	-	(10,635)
Investment income (loss)	-	113,493	37,579	-	151,072
Total Non-Operating Income (Expenses)	(10,538)	160,079	37,679	-	187,220
Capital Contributions	867,590	23,000	-		890,590
Transfers in	9,184	6,052	4,309	-	19,545
Transfers out	-	(69,730)	(252)	(251)	(70,233)
	876,774	(40,678)	4,057	(251)	910,135
Change in Net Position	554,706	140,859	73,962	(70,664)	769,096
Total Net Position, Beginning	7,848,975	3,544,965	2,473,587	110,195	13,977,722
Total Net Position, Ending	$ 8,403,681	$ 3,685,824	$ 2,547,549	$ 39,531	$ 14,676,585

See Notes to Financial Statements

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	Electric Fund	Gas Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 1,398,386	$ 1,730,257	$ 522,616	$ 394,606	$ 4,045,865
Payments to suppliers	(945,830)	(1,379,768)	(309,392)	(429,471)	(3,064,461)
Payments to employees	(369,457)	(162,073)	(129,898)	(23,159)	(684,587)
Net cash provided by (used in) operating activities	83,099	188,416	83,326	(58,024)	296,817
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	9,184	6,052	4,309	-	19,545
Transfers out to other funds	-	(69,730)	(252)	(251)	(70,233)
Net cash provided by (used in) non-capital financing activities	9,184	(63,678)	4,057	(251)	(50,688)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on notes payable	(101,489)	-	-	-	(101,489)
Principal payments on bonds payable	(23,558)	-	-	-	(23,558)
Interest paid	(10,981)	-	-	-	(10,981)
Net cash used in capital and related financing	(136,028)	-	-	-	(136,028)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of fixed assets	(130,594)	(295,285)	(19,000)	-	(444,879)
Interest received	97	113,514	37,679	-	151,290
Net cash provided by (used in) investing activities	(130,497)	(181,771)	18,679	-	(293,589)
Net Increase (Decrease) in cash	(174,242)	(57,033)	106,062	(58,275)	(183,488)
Cash, Beginning	919,627	2,774,727	1,383,675	96,014	5,174,043
Cash, Ending	$ 745,385	$ 2,717,694	$ 1,489,737	$ 37,739	$ 4,990,555
Classified as:					
Cash	$ 668,976	$ 2,114,293	$ 1,271,513	$ 37,739	$ 4,092,521
Restricted cash and investments	76,409	603,401	218,224	-	898,034
Total	$ 745,385	$ 2,717,694	$ 1,489,737	$ 37,739	$ 4,990,555
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	$ (311,530)	$ 21,458	$ 32,226	$ (70,413)	$ (328,259)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	305,913	62,085	49,142	-	417,140
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	13,403	78,947	4,898	12,958	110,206
(Increase) decrease in prepaid items	(3,103)	(450)	2,137	-	(1,416)
(Increase) decrease in due from other funds	195	65	65	-	325
(Increase) decrease in deferred outflows	(7,903)	(7,842)	(6,371)	(2,206)	(24,322)
Increase (decrease) in accounts payable	76,005	29,902	(2,306)	(276)	103,325
Increase (decrease) in due to other funds	-	-	-	-	-
Increase (decrease) in accrued liabilities	3,585	861	956	167	5,569
Increase (decrease) in customer deposits payable	(3,587)	(5,250)	(4,400)	-	(13,237)
Increase (decrease) in compensated absences payable	1,862	-	-	-	1,862
Increase (decrease) in net pension liability	7,212	7,536	6,089	1,514	22,351
Increase (decrease) in deferred inflows	1,047	1,104	890	232	3,273
Net cash provided by (used in) operating activities	$ 83,099	$ 188,416	$ 83,326	$ (58,024)	$ 296,817
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION					
Non-Cash Investing Activities					
Reassingment of Capital Assets Purchased by Governmental Funds Transferred to Enterprise Funds	867,590	23,000	-	-	890,590

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

	Private-Purpose Trust
Assets	
Cash	$ 6,184
Total Assets	$ 6,184
Liabilities	
Due to other funds	$ -
Total Liabilities	$ -
Net Position	
Held in trust for other purposes	6,184
Total Net Position	$ 6,184
Total Net Position and Liabilties	$ 6,184

CITY OF GRANTVILLE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Private-Purpose Trust
Additions:	
Other sources	503
Total Additions	503
Deductions:	
Cemetery services	-
Total Deductions	-
Change in Net Position	503
Net position, Beginning	5,681
Net position, Ending	$ 6,184

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Incorporated in 1852, under the laws of the State of Georgia, the City of Grantville is governed by a five member Mayor/Council form of government. The Mayor and Council are elected to four-year terms. The Mayor and the other four Council members serve on a part-time basis. The Mayor and Council appoint a city manager to handle the daily operations of the City.

The City's major operations include public safety, public works, culture and recreation, housing and development, utility services and general administrative services.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of net position will include non-current assets, deferred inflows of resources, and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

In accordance with GASB Statement No. 33, “Accounting and Financial Reporting for Non-exchange Transactions,” the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

The City reports the following major governmental funds:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **2013 SPLOST Fund** is used to account for the one percent Special Purpose Local Option Tax (SPLOST) funds collected as part of the referendum adopted in 2012. The funds are used for specific capital projects as approved by voter referendum.

The **2019 SPLOST Fund** is used to account for the one percent Special Purpose Local Option Tax (SPLOST) funds collected as part of the referendum adopted in 2019. The funds are used for specific capital projects as approved by voter referendum.

The **2025 SPLOST Fund** is used to account for the one percent Special Purpose Local Option Tax (SPLOST) funds collected as part of the referendum adopted in 2025. The funds are used for specific capital projects as approved by voter referendum.

The **Drug Fund** accounts for revenue from seizures and forfeitures which are legally restricted to expenditures for law enforcement services.

The **Federal Seized Fund** accounts for revenue from seizures and forfeitures in conjunction with federal agencies which are legally restricted to expenditures for law enforcement services.

The **Court Fund** is used to account for all operations of the court including fines and other fees for violations of city ordinances.

The City reports the following major enterprise funds:

The **Water and Sewer Fund** is used to account for all operations relating to activities conducted in the operation of a municipal water supply and wastewater treatment system.

The **Electric Fund** is used to account for all operations related to providing electrical utilities to citizens of the City.

The **Gas Fund** is used to account for all operations related to providing natural gas utilities to citizens of the City.

The *Solid Waste Disposal Fund* is used to account for the charges and expenses incurred in providing garbage services to the city. The City has a service contract in place with a third party to provide the collection and disposal of solid waste.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following fiduciary funds:

The *fiduciary fund* accounts for funds collected and expended on the cemetery.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgets

An annual appropriated budget is adopted for the General Fund, the Drug Fund, the Federal Seized Fund, and the Court Fund. A project-length budget is adopted for the 2013, 2019, and 2025 SPLOST Funds. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year end. The City does not use encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments

Georgia statutes authorize the City to invest in the following: (1) obligations of Georgia or any other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of State or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

All cash accounts are held in a financial institution that participates in the Georgia Secure Deposit Program. Through the Georgia Secure Deposit Program, Public Deposits held with Covered Depositories participating in the program in excess of FDIC insurance limits are protected through a combination of collateral pledged by the bank and the contingent liability provisions of the program that require participating banks to jointly cover all deposits not protected by FDIC insurance and the sale of pledged collateral in the event of a loss.

The City's deposits are categorized to give an indication of the level of risk assumed by the City at the end of the year. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the City or its agent in the City's name.
Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name
Category 3 – Uncollateralized.

At September 30, 2025, all deposits of the City were insured by the FDIC or included in the Georgia Secure Deposits Program (Category 2)

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments (Continued)

Receivables and Payables (Continued)

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by a fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond September 30, 2025, are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported on the consumption basis of accounting.

G. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In accordance with GASB 34, infrastructure assets acquired prior to October 1, 2003 have not been capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Land Improvements	15 to 30
Buildings	25 to 70
Vehicles	5 to 8
Equipment	5 to 10
Water distribution system	15 to 75
Sewerage treatment plant	25 to 70
Gas distribution system	25 to 50
Electricity distribution system	25 to 50
General infrastructure	50

H. Restricted Assets

Restricted assets in the enterprise funds include amounts for customer utility deposits, funds established for debt service for revenue bonds, and amounts related to the Municipal Electric Authority of Georgia (MEAG) trust accounts.

I. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Liability for non-vesting accumulated rights to receive sick pay benefits accrues when it is more likely than not that the sick pay benefits will be paid. Management estimates that approximately 25% of the accumulated sick pay will be used and thus is included as a liability in the government-wide Statement of Net Position and the proprietary funds. Unused accumulated sick pay benefits are not paid out at termination as a policy of the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows / Inflows of Resources

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of October 1, 2012. These standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of financial position.

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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category.

The governmental funds report unavailable revenues from property taxes and intergovernmental revenues as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Additionally, the governmental funds balance sheet and will report unearned property tax revenues as a deferred inflow of resources as the amount represents resources associated with an imposed non-exchange revenue transaction received or reported as a receivable before the period for which the property taxes were levied. These revenues will be recognized as an inflow of resources in the period for which they were levied.

K. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures or expenses.

L. 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.”

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Fund Balance – Generally, fund balance represents the difference between the assets, deferred inflows of resources, and liabilities under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

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

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, 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 a resolution of the City Council. Only the City Council may modify or rescind the commitment through a formal voting resolution.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The Council has not currently designated the authority to make assignments, and retains the authority with the Council.

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. The City, by resolution, has created a minimum fund balance policy to be no less than 30 to 55 days or 9% to 15% of the next fiscal year's budgeted expenditures, in order to maintain adequate reserves to cover unforeseen emergencies and/or revenue shortfalls.

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: (1) Committed, (2) Assigned, (3) Unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Net Position – Net position represent the difference between assets, deferred inflows of resources, and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net positions 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. Restrictions on the government-wide statement of net position represent amounts segregated to meet debt covenants and State laws.

M. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred inflows of resources, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

N. Pensions

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

N. Change in Accounting Principle

As a result of implementing GASB Statement No. 101, Compensated Absences, the City has restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing the net position as of October 1, 2024 by $19,143. The decrease results from an increase in the compensated absences liability for accrual of certain sick pay accrued under the standard which was formerly not accrued. Further the City has restated its long-term liabilities to reflect the additional compensated absences accrual.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

a. **Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this ($844,894) difference are as follows:

Compensated absences	$	(73,961)
Lease liability		(714,847)
Net pension liability and deferred outflows not reported in the funds		(292,527)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(1,081,335)

b. **Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this ($28,560) difference are as follows:

Capital outlay	$	1,133,644
Depreciation expense		(593 046)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	540,598

NOTE 3. LEGAL COMPLIANCE - BUDGETS

The City of Grantville, Georgia employs the following procedures in establishing its annual budget:

1. Prior to October 1, the City Manager prepares a proposed budget for the fiscal year commencing October 1. The proposed budget is submitted to the Mayor and City Council. The operating budget includes proposed expenditures and the means for financing them.

2. The City Council holds a public hearing on the budget of the City of Grantville, Georgia.

3. The budget is then revised and adopted or amended by the City Council at a subsequent regular meeting in the year to which it applies.

4. The adopted budget may be revised during the year only by formal action of the City Council in a regular meeting and no increase shall be made therein without provision also being made for financing same, for anything above the legal level of budgetary control, which is the department level. The final budget amounts shown in these financial statements reflect amendments approved by the City Council.

The General fund had excess of actual expenditures over appropriations for the year ended September 30, 2023 as follows:

	Final Budget	Actual	Variance
Public Safety			
Police	$ 2,033,918	$ 2,221,290	$ (187,372)
Public Works			
Highways and Streets	$ 476,555	$ 485,121	$ (8,566)

The Drug Fund had no excess of actual expenditures over appropriations for the year ended September 30, 2025.

The Federal Seized Fund had no excess of actual expenditures over appropriations as follows for the year ended September 30, 2025.

The Court fund had no excess of actual expenditures over appropriations for the year ended September 30, 2025.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of September 30, 2025 are summarized as follows:

Amounts as presented on the entity wide statement of net position:		
Cash and cash equivalents	$	6,930,864
Investments		199,458
Restricted cash and cash equivalents		334,261
Restricted investments		563,773
Total	$	8,028,356
Cash deposited and money market accounts with financial institutions	$	7,265,125
Certificates of deposit		199,458
Municipal Competitive Trust		563,773
	$	8,028,356

Credit Risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

At September 30, 2025, the City had the following investments:

Investment	Maturities (in years)	Fair Value
Certificate of deposit	Less than 1 year	199,458
Municipal Competitive Trust	Less than 1 year	529,881
Municipal Competitive Trust	1-5 years	33,892
Total		$ 763,231

The investments above are not rated by a national rating organization.

Interest Rate Risk: The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy, require all deposits and investments (other than Federal or State governmental instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2025, the City's deposits are insured or collateralized as required by State law.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The City contracts with Coweta County to bill and collect their property taxes. The taxes are levied by October 21 based on the assessed value of property as listed on the previous January 1 and are due on December 20 of each year.

Property taxes are recorded as receivables and deferred revenues when assessed. Revenues are recognized when available.

Receivables at September 30, 2025, for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Water & Sewer	Electric	Gas	Solid Waste
Receivables:					
Taxes	965,689	-	-	-	-
Accounts	6,976	167,749	250,306	24,404	45,135
Other Governments	101,094	-	46,565	-	-
Less Allowance for uncollectible	-	(6,118)	(18,930)	(8,318)	(2,633)
Net Total Receivable	1,073,759	161,631	277,941	16,086	42,502

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended September 30, 2025 is as follows:

	Beginning Balance	Increases	Deletions	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Construction in progress	104,065	62,117	-	-	166,182
Land	133,048	-	-	-	133,048
Total	237,113	62,117	-	-	299,230
Capital assets, being depreciated					
Land Improvements	237,906	-	-	-	237,906
Buildings and Improvements	2,912,917	254,839	-	-	3,167,756
Vehicles	688,168	-	-	-	688,168
Machinery and equipment	1,456,381	282,490	-	-	1,738,871
Infrastructure	6,484,911	1,018,074	-	(890,590)	6,612,395
Intangible right of use assets	1,071,452	406,714	(216,385)	-	1,261,781
Total	12,851,735	1,962,117	(216,385)	(890,590)	13,706,877
Less accumulated depreciation for:					
Land Improvements	(151,387)	(12,688)	-	-	(164,075)
Buildings and Improvements	(1,311,613)	(74,074)	-	-	(1,385,687)
Vehicles	(640,477)	(13,205)	-	-	(653,682)
Machinery and equipment	(1,007,772)	(137,444)	-	-	(1,145,216)
Infrastructure	(3,993,164)	(138,657)	-	-	(4,131,821)
Intangible right of use assets	(420,443)	(216,978)	119,338	-	(518,083)
Total	(7,524,856)	(593,046)	119,338	-	(7,998,564)
Total capital assets, being depreciated, net	5,326,879	1,369,071	(97,047)	(890,590)	5,708,313
Governmental activites capital assets, net	5,563,992	1,431,188	(97,047)	(890,590)	6,007,543

NOTE 6. CAPITAL ASSETS (CONTINUED)

Business-type activities

Capital assets, not being depreciated				
Land	$ 58,494	$ -	$ -	$ 58,494
Total	58,494	-	-	58,494
Capital assets, being depreciated				
Building and improvements	2,014,224	-	-	2,014,224
Vehicles	612,081	-	-	612,081
Machinery & equipment	679,285	-	-	679,285
Infrastructure	17,071,185	444,879	890,590	18,406,654
Total	20,376,775	444,879	890,590	21,712,244
Less accumulated depreciation for:				
Building and improvements	(870,727)	(46,502)	-	(917,229)
Vehicles	(482,950)	(25,217)	-	(508,167)
Machinery & equipment	(630,899)	(18,854)	-	(649,753)
Infrastructure	(9,236,327)	(326,567)	-	(9,562,894)
Total	(11,220,903)	(417,140)	-	(11,638,043)
Total capital assets being depreciated, net	9,155,872	27,739	890,590	10,074,201
Business-type activities capital assets, net	$ 9,214,366	$ 27,739	$ 890,590	$ 10,132,695

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

Governmental activities:	
General government	$ 34,779
Public safety	318,783
Public works	195,067
Health and welfare	3,072
Culture and recreation	41,345
Total depreciation expense - governmental activities	$ 593,046
Business-type activities:	
Water & sewer	$ 305,913
Gas	49,142
Electric	62,085
Total depreciation expense - business-type activities	$ 417,140

NOTE 7. LONG-TERM DEBT

Primary Government

Long-term liability activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated Absenses	$ 68,710	$ 54,818	$ (49,567)	$ 73,961	$ 73,961
Lease Liability	493,186	491,516	(269,855)	714,847	271,005
Net Pension Liability	313,609	46,272	-	359,881	-
Governmental activities					
Long-term liabilities	$ 875,505	$ 592,606	$ (319,422)	$ 1,148,689	$ 344,966
Business-type activities:					
Revenue bonds payable	$ 301,892	$ -	$ (23,558)	$ 278,334	$ 24,183
Note payable	153,623	-	(101,489)	52,134	-
Compensated absences	460	2,322	(460)	2,322	2,322
Net Pension Liability	123,328	22,351	-	145,679	-
Business-type activities					
Long-term liabilities	$ 579,303	$ 24,673	$ (125,507)	$ 478,469	$ 26,505

For governmental funds, compensated absences and claims and judgements are liquidated by the General Fund.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds. In 2009, the City adopted a bond ordinance to borrow up to $760,000 on Sewer System Revenue Bonds Series 2009. These funds are to be used for capital improvements to the sewer system and are secured by the net revenues of the City's water and sewer services. Bond terms call for an interest only payment one year from issue, with monthly payments of $2,600 being made thereafter for 468 months, maturing in November 2035. The bonds will bear interest at 2.625% per annum.

The debt service to maturity on the Series 2009 revenue bonds is as follows:

	Series 2009		
Fiscal Year Ending September 30,	**Principal**	**Interest**	**Total**
2026	24,183	7,017	31,200
2027	24,826	6,374	31,200
2028	25,485	5,715	31,200
2029	26,163	5,037	31,200
2030	26,857	4,343	31,200
2031 – 2035	145,378	10,622	156,000
2036	5,442	18	5,460
Total	$ 278,334	$ 39,126	$ 317,460

Notes Payable. The City has also incurred debt to the Georgia Environmental Finance Authority for construction of various water and sewer system projects. The notes outstanding at September 30, 2025 are as follows:

Interest Rate	Term	Due Date	Original Balance	Balance at September 30, 2025
3.96%	20 years	2025	$1,460,761	$ 52,134
			$1,460,761	$ 52,134

During the fiscal year ending September 30, 2020, the City entered into a deferral agreement on these notes payable to aid with financial difficulties encountered during the Covid-19 pandemic. The agreement allowed for the deferral of interest and principal for 6 months with no additional interest charged on the balances. The term of the notes was extended 6 months at the end of the loan term.

NOTE 7. LONG-TERM DEBT (CONTINUED)

The City's notes payable debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2026	52,134	777	52,911
Total	$ 52,134	$ 777	$ 52,911

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The City, from time to time, will have balances due between funds. The purpose of all inferfund balances is to temporarily record small accounts payable in the Enterprise Funds to the proper expense categories in the General Fund, Court Fund, and Fiduciary Fund. The City reimburses these due from and due to balances as quickly as possible. There were no outstanding interfund balances as of September 30, 2025.

Transfers are used to (1) move unrestricted revenues from utility funds to the General Fund to supplement operations of the City, (2) move unrestricted revenues between the various utility funds for operational purposes, (3) to show the current year additions of capital assets to the business-type activities which were funded with current resources of the governmental activities of the City. The composition of inter-fund transfer balances at September 30, 2025 is as follows:

	Transfers Out	Transfers In
Governmental Funds		
General Fund	$ 23,072	$ 192,862
Court Fund	122,629	3,527
Total General Fund	145,701	196,389
Proprietary Funds		
Water and Sewer Fund	-	9,184
Electric Fund	69,730	6,052
Gas Fund	252	4,309
Solid Waste Fund	251	-
Total Proprietary Funds	70,233	19,545
Total Interfund Transfers	$ 215,934	$ 215,934

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Certain fixed assets were transferred to the enterprise funds from the capital projects funds during the year ending September 30, 2025. They were reported as capital contributions in the fund financial statements. They are eliminated as expenditures and capital contributions and included in transfers in the government wide statement of activities.

	Capital Contributions Out	Capital Contributions In
Special Revenue Fund		
2013 SPLOST Fund	39,678	
2019 SPLOST Fund	$ 850,912	$ -
Total Special Revenue Fund	890,590	-
Proprietary Funds		
Water and Sewer Fund	-	867,590
Electric Fund	-	23,000
Total Proprietary Funds	-	890,590
Total Capital Contributions	$ 890,590	$ 890,590

NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

The City of Grantville's Internal Revenue Code Section 457 Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by VALIC for all full time employees. The Plan is funded through employee contributions. Plan provisions and contribution requirements are established and may be amended by the City Council. At September 30, 2025, there were 5 plan members. Beginning October 1, 2022, the City entered into the Georgia Municipal Employees Benefit System retirement plan (see Note 14) and discontinued use of this defined contribution plan.

Beginning the year ended September 20, 2017, the City also maintained a Simplified Employer Pension (SEP) Plan. This plan was funded through contributions from the employer. Plan provisions and contribution requirements are established and may be amended by City Council. Beginning October 1, 2022, the City entered into the Georgia Municipal Employees Benefit System retirement plan and discontinued use of this defined contribution plan. The City did not make any contributions to this plan during the fiscal year ended September 30, 2025. Elective deferrals from employees are not allowed under a SEP Plan.

NOTE 10. JOINT VENTURE

Under Georgia law, the City, in conjunction with the other municipalities and county governments in a thirteen county area, was a member in the Three Rivers Regional Development Center (RDC). As of July 1, 2009, the Three Rivers RDC was dissolved and merged into the Three Rivers Regional Commission. Membership in the Commission is required under the Official Code of Georgia Annotated (OCGA) Section 50-8-34. During the fiscal year ended September 30, 2025, the City paid $3,103 in dues to the Commission. The governing Board of the Commission includes the chief elected official of each county and one municipality included in the Commission area. Member governments are liable for any debts or obligations incurred by the Commission. Separate financial statements may be obtained from the Three River Regional Commission, PO Box 1600, Franklin, Georgia 30217.

NOTE 11. LEASES

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance 9/30/2023
Ford F-150	11/7/2022	4 Years	15,333	2.34%	58,491	17,628
Ford Police Interceptor	5/19/2023	4 Years	15,949	8.00%	54,438	24,807
Ford Police Interceptor	3/6/2023	4 Years	13,703	8.39%	46,428	19,251
Ford Police Interceptor	3/6/2023	4 Years	13,703	8.39%	46,428	19,251
Ford Police Interceptor	3/6/2023	4 Years	13,703	8.39%	46,428	19,251
Ford F-150	1/11/2023	4 Years	9,298	1.78%	35,868	12,242
Ford F-150	1/11/2023	4 Years	9,788	2.14%	37,491	12,855
Ford F-150	1/11/2023	4 Years	9,788	2.14%	37,491	12,855
Ford F-150	1/11/2023	4 Years	9,788	2.14%	37,491	12,855
Ford F-150	1/11/2023	4 Years	9,788	2.14%	37,491	12,855
Ford F-150	1/23/2023	4 Years	9,733	3.40%	36,356	12,671
Ford F-150	1/11/2023	4 Years	9,788	2.14%	37,491	12,855
Ford Police Utility	10/18/2023	4 Years	14,789	9.77%	48,801	27,774
Ford Police Utility	10/18/2023	4 Years	14,789	9.77%	48,801	27,774
Ford Police Interceptor	9/4/2025	4 Years	18,497	7.47%	63,791	63,791
Ford Police Interceptor	9/4/2025	4 Years	18,497	7.47%	63,791	63,791
Ford Police Interceptor	8/19/2025	4 Years	18,538	7.58%	63,791	62,650
Ford Police Interceptor	8/19/2025	4 Years	18,538	7.58%	63,791	62,650
Ford F250 SD Supercab	6/4/2025	4 Years	53,676	1.54%	53,676	50,417
Ford Police Interceptor	12/18/2024	4 Years	14,341	8.02%	48,936	40,911
Ford Police Interceptor	12/18/2024	4 Years	14,341	8.02%	48,936	40,911
Police In Car Camera Systems	2/19/2025	5 Years	25,742	7.95%	84,802	84,802
						714,847

NOTE 11. LEASES (Continued)

The City leases vehicles for its various activities from Enterprise Fleet Management. The interest rates range from 1.78% to 9.77%. Certain leases have a rate implicit to the lease. When a rate isn't implicit in the lease, the City has used its incremental borrowing rate to value these leases. The City will not acquire the vehicles at the end of the lease period and there are no options to renew or extend the lease.

The City leases its copier equipment. The interest rate used was the estimated incremental borrowing rate of the City of 3.25% since there was not an interest rate implicit in the leases. The City will not acquire the equipment at the end of the lease period and there are no options to renew or extend the lease.

The City entered into a finance type lease for the purchase of certain public safety equipment. The interest rate was stated in the lease agreement at 7.948%. The lease requires 5 annual payments of $25,742. The lease term ends with the final payment in March 2029. The City will acquire the equipment at the end of the lease term.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending		
30-Sep	Principal	Interest
2026	271,005	41,276
2027	203,269	25,050
2028	131,125	13,681
2029	109,448	4,829
Total	714,847	84,836

NOTE 12. FIDUCIARY FUND

The Grantville Cemetery Trust:

The Grantville Cemetery Trust (the "Trust") is a fiduciary fund to the City of Grantville. The City Council voted to obligate 4/10 of one mil, with an annual maximum of $5,000, to the maintenance of the cemetery. The Trust is a 501(c)(3) organization formed to maintain the City Cemetery. During the year ended September 30, 2018, the remaining member of the independent Board of Trustees turned the trust over to the City to be held in a separate restricted account for Capital Improvements to the Cemetery. The Trust's financial statements are included on pages 13 and 14 of these financial statements but are excluded from the government-wide statement of net position and statement of activities in accordance with GASB 34.

NOTE 13. RELATED ORGANIZATIONS

Housing Authority of the City of Grantville

The Housing Authority of the City of Grantville (the “Housing Authority”) is a related organization to the City of Grantville. The City made no contributions to the Housing Authority during the fiscal year ended September 30, 2025. The City does not have the power to remove board members.

NOTE 14. PENSION PLAN

Plan Description

The City's defined benefit pension plan, City of Grantville Retirement Plan ("GRP"), provides retirement and death benefits to plan members and beneficiaries. GRP plan is affiliated with the Georgia Municipal Employees Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association assigns the authority to establish and amend the benefit provisions of the plans that participate in GMEBS to the respective employer entities; for GRP, that authority rests with the City of Grantville. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by written request to Georgia Municipal Association,201 Pryor Street, SW, Atlanta, Georgia 30303.

Membership of the plan	
Vested former participants	4
Active plan members	32
Total	36

Funding Policy

GRP members are not required and do not contribute to GRP, GRP is a noncontributory plan. The City is required to contribute 100% of the amount necessary to fund GRP at an actuarially determined rate; the current rate is 7.11% of expected payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

GRP is subject to minimum funding standards of the Georgia Public Retirement Systems standards Law. 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. The funding policy for the plan is to contribute an amount equal to the recommended contribution each year. The recommended contribution is developed under the actuarial funding policy each year, and meets the applicable state funding standards. These contributions are determined under the entry age normal actuarial cost method and the asset valuation method for developing the actuarial value of assets, The amortization of the unfunded actuarial accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 10 years for temporary retirement incentive programs, 20 years for other changes to plan provisions, and 30 years for actuarial assumptions and cost methods. The total amortization must be within a corridor of the 10-year and the 30-year amortization of the unfunded/(surplus) actuarial accrued liability. In a year when the 10-year or 30-year corridor applies, the following year, the prior year bases are combined into one 10-year or 30-year base. These amortization periods, if applicable, are closed for this plan year.

NOTE 14. PENSION PLAN (Continued)

Plan Description (Continued)

Investment Data

The market value of assets is based on current values as of the three months preceding the valuation date (January 1, 2025) and is assumed to be current through that date. All asset data that was used in the actuarial valuation has been supplied by GMEBS. Net investment return is estimated at 7.375% on an on-going basis, based on long-term expected rate of return on pension plan investments. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best- estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. An inflation rate of 2.25% has been assumed. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2024, are summarized in the following table:

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

Net Pension Liability

The City has implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASS Statement No. 27, as well as GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASS Statement No. 68, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with these standards.

The City's net pension liability was measured as of September 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2025.

NOTE 14. PENSION PLAN (Continued)

Net Pension Liability (Continued)

Net pension liability is calculated as follows:

Total pension liability Fiduciary net position	$ 297,287
Net pension liability	802,847
Fiduciary net position as a percentage of total pension liability	37.03%

Total pension liability uses Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2025 are used to measure total pension liability as of September 30, 2025. The balances as of September 30, 2024 constitute measurements of the net pension liability for the fiscal year ending September 30, 2025.

The mortality and economic actuarial assumptions used in the January 1, 2025 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019. Mortality rates were based on the sex-distinct Pri-2012 head count rated Healthy Mortality Table with rates multiplied by 1.25.

Assumptions on which the cost of GRP is calculated include investment return, mortality rates, retirement rates, disability rates, withdrawal rates and salary increase rates.

Total pension liability, fiduciary net position, and net pension liability are based on a September 30, 2024 measurement date which would make them applicable to the fiscal year beginning October 1, 2024 and ending September 30, 2025.

Benefit Terms

The eligibility requirement is immediate for employees, officials and MLO's, Employees are vested after 5 years and officials, MLO's, and City manager are vested immediately. The type of benefit payment is a life annuity. Death benefits are actuarial reserve for full-time employees only. The benefit formula is 1.00% - 1.75°/o (table breakpoint). There are no automatic postemployment benefit changes due to COLAs. The Georgia Municipal Association has assigned the authority to the City to establish and amend the benefit provisions of the plan.

NOTE 14. PENSION PLAN (Continued)

Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liability in the January 1, 2025 actuarial valuation was based on the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The actuarial assumptions included the following:

- Rate of return on investments — 7.375% per year
- Projected salary increases — 2.25% per year plus service based merit increases
- Inflation rate assumption — 2.25%
- Cost of living adjustments — 1.70%

Changes in assumptions

There were no changes in assumptions in the last two fiscal years.

Benefit Changes

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

Discount Rate

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the difference between 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 the current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability. There were no changes in the discount rate since the prior fiscal period.

NOTE 14. PENSION PLAN (Continued)

Net Pension Liability (Continued)

Changes in the Net Pension Liability of the City

The changes in the components of the net pension liability of the City for the year ended September 30, 2025, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at 09/30/2023	$ 594,871	$ 157,932	$ 436,939
Changes for the year:			
Service cost	56,522	-	56,522
Interest	48,040	-	48,040
Changes of assumptions	-	-	-
Difference betweed expected and actual experience	103,414		103,414
Contributions - Employer	-	95,979	(95,979)
Contributions - Employee	-	-	-
Net investment income	-	52,821	(52,821)
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expense		(9,445)	9,445
Other	-	-	-
Net Changes	207,976	139,355	68,621
Balances at 09/30/2024	802,847	$ 297,287	$ 505,560

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

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

	1% Decrease (6.375%)	Current Rate (7.375%)	1% Increase (8.375%)
Plan's net pension liability	$ 615,403 #	$ 505,560	$ 414,361

NOTE 14. PENSION PLAN (Continued)

Net Pension Liability (Continued)

Changes in the Net Pension Liability of the City

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2025 and the current sharing pattern of costs between employer and employee.

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

For the year ended September 30, 2025, the City recognized pension expense of $105,380. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pension of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (59,744)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	86,180	(24,768)
Employer contributions subsequent to the measurement date measurement date	102,208	-
Total	$ 188,388	$ (84,512)

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

Year Ended September 30	
2026	$ 99,887
2027	(2,321)
2028	(5,630)
2029	(5,297)
2030	17,237

NOTE 14. PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows/Inflos of Resources Related to Pensions (Continued)

Collective Deferred Outflows and Inflows between Expected and Actual Experience

Year	Initial Balance of Losses/ Deferred Outflow	Initial Balance of Gains/ Deferred Inflow	Amortization Period	Deferred Outflows	Deferred Inflows	Losses/ Deferred Outflows	Gains/ Deferred Inflows	Amounts Recognized in Pension Expense/ Deferred Outflow	Amounts Recognized in Pension Expense/ Deferred Inflow	Ending Balance: Deferred Outflows (a) + (c) - (e)	Ending Balance: Deferred Inflows (b) + (d)- (f)
2025	$ 103,414	$ -	5.0	$ 103,414	$ -	$ -	$ -	$ 17,234	$ -	$ 86,180	$ -
2024	-	(56,322)	5.0	-	(46,935)	-	-	-	(9,387)	-	(37,548)
2023	-	(33,296)	5.0	-	(27,745)	-	-	-	(5,549)	-	(22,196)
Total				$ 103,414	$ (74,680)	$ -	$ -			$ 86,180	$ (59,744)

Collective Deferred Outflows and Inflows for Differences from Assumption Changes

Year	Initial Balance of Losses/ Deferred Outflow	Initial Balance of Gains/ Deferred Inflow	Amortization Period	Deferred Outflows	Deferred Inflows	Losses/ Deferred Outflows	Gains/ Deferred Inflows	Amounts Recognized in Pension Expense/ Deferred Outflow	Amounts Recognized in Pension Expense/ Deferred Inflow	Ending Balance: Deferred Outflows (a) + (c) - (e)	Ending Balance: Deferred Inflows (b) + (d)- (f)
2024	$ -	$ -	5.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2023	-	-	5.0	-	-	-	-	-	-	-	-
Total				$ -	$ -	$ -	$ -			$ -	$ -

NOTE 14. PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows/Inflos of Resources Related to Pensions (Continued)

Collective Deferred Outflows and Inflows for Differences in Investment Earnings

Year	Initial Balance of Losses/ Deferred Outflow	Initial Balance of Gains/ Deferred Inflow	Amortization Period	Deferred Outflows	Deferred Inflows	Losses/ Deferred Outflows	Gains/ Deferred Inflows	Amounts Recognized in Pension Expense/ Deferred Outflow	Amounts Recognized in Pension Expense/ Deferred Inflow	Ending Balance: Deferred Outflows (a) + (c) - (e)	Ending Balance: Deferred Inflows (b) + (d)- (f)
2025	$ -	$ (37,983)	5.0	$ -	$ (37,983)	$ -	$ -	$ -	$ (7,595)	$ -	$ (30,388)
2024	-	(1,664)	5.0	-	(1,331)	-	-	-	(332)	-	(999)
2023	13,236	-	5.0	9,927	-	-	-	3,309	-	6,618	-
Total				$ 9,927	$ (39,314)	$ -	$ -			$ 6,618	$ (31,387)

Summary of Deferred Outflows and Inflows of Resources

Year	Actual and Expected Experience 2023	2024	2025	Assumption Changes 2023	2024	2025	Investment Gains/Losses 2023	2024	2025	Total
2026	$ (9,387)	$ (5,549)	$ 17,236	$ -	$ -	$ -	$ 3,309	$ (333)	$ (7,597)	$ 5,276
2027	(9,387)	(5,549)	17,236	-	-	-	3,309	(333)	(7,597)	5,276
2028	(9,387)	(5,549)	17,236	-	-	-	-	(333)	(7,597)	1,967
2029	(9,387)	(5,549)	17,236	-	-	-	-	-	(7,597)	2,300
2030	-	-	17,236	-	-	-	-	-	-	17,236
Thereafter	-	-	-	-	-	-	-	-	-	-
Total	$ (37,548)	$ (22,196)	$ 86,180	$ -	$ -	$ -	$ 6,618	$ (999)	$ (30,388)	$ 32,055

NOTE 15. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the State as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims have not exceeded the coverage in the past three years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the current or prior year.

NOTE 16. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is named as a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. The outcome of these legal actions cannot be ascertained at this time. There are no liabilities recorded in the statement of net position.

NOTE 16. COMMITMENTS AND CONTINGENCIES (Continued)

Grant Contingencies:

The City has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

Agreements with the Municipal Electric Authority of Georgia:

The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by State law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit unless any such profits inure to the benefit of the public.

Agreements with the Municipal Gas Authority of Georgia:

The City has also entered into a contract for wholesale natural gas purchases with the Municipal Gas Authority of Georgia (MGAG) that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire the bonds issued by MGAG, the City is obligated to pay its “obligation share” of the costs of the gas supply and related services MGAG provides to the City, which costs includes amounts equal to principal and interest on MGAG’s bonds. These obligations, which extend through the year 2025, are general obligations of the City to which the City’s full faith, credit and taxing powers are pledged. The City’s obligation to MGAG for gas supply costs are based on MGAG’s costs to provide such supply, including bonds issued to purchase long-term rights to bulk supply. Payments to MGAG are made monthly based on actual usage. The total payments under these contracts amounted to $171,608 in the fiscal year ending September 30, 2025.

At September 30, 2025, the outstanding debt of MGAG was approximately $40 million. The City’s guarantee varies by individual projects undertaken by MGAG and totals $29,602 at September 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GENERAL FUND BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes	$ 2,639,964	$ 2,639,964	$ 2,452,844	$ (187,120)
Licenses and permits	233,500	233,500	129,842	(103,658)
Charges for services	15,750	15,750	38,128	22,378
Intergovernmental	259,000	259,000	370,312	111,312
Interest	2,000	2,000	246,020	244,020
Contributions	8,000	8,000	9,047	1,047
Other revenues	70,294	70,294	204,662	134,368
Total Revenue	3,228,508	3,228,508	3,450,855	222,347
EXPENDITURES:				
General government:				
Legislative	114,514	114,514	57,967	56,547
Executive	13,438	13,438	2,704	10,734
Finance	394,300	394,300	290,558	103,742
Total general government	522,252	522,252	351,229	171,023
Public safety:				
Police	2,033,918	2,033,918	2,221,290	(187,372)
Fire	340,712	340,712	306,450	34,262
Animal control	176,194	176,194	134,871	41,323
Total public safety	2,550,824	2,550,824	2,662,611	(111,787)
Public works:				
Highways and streets	476,555	476,555	485,121	(8,566)
Cemetery	35,000	35,000	25,550	9,450
Street lights	90,000	90,000	66,604	23,396
Total public works	601,555	601,555	577,275	24,280
Health and welfare	442,793	442,793	364,920	77,873
Recreation	164,888	164,888	129,889	34,999
Housing and development	75,000	75,000	68,361	6,639
Total Expenditures	4,357,312	4,357,312	4,154,285	203,027
Excess Revenues Over (Under) Expenditures	(1,128,804)	(1,128,804)	(703,430)	425,374
OTHER FINANCING SOURCES (USES)				
Proceeds from lease liabilities	150,000	150,000	491,516	341,516
Proceeds from sale of capital assets	3,000	3,000	3,000	-
Transfer in	975,804	975,804	192,862	(782,942)
Transfers out	-	-	(23,072)	(23,072)
Total Other Financing Sources (Uses)	1,128,804	1,128,804	664,306	(464,498)
Net Changes in Fund Balances	-	-	(39,124)	(39,124)
Beginning Fund Balance	1,269,317	1,269,317	1,269,317	-
Ending Fund Balance	$ 1,269,317	$ 1,269,317	$ 1,230,193	$ (39,124)

CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
DRUG FUND BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Fines and forfeitures	$ 250,000	$ 250,000	$ -	$ (250,000)
Interest	-	-	17	17
Total Revenues	250,000	250,000	17	(249,983)
EXPENDITURES:				
Public safety:				
Police	250,000	250,000	-	250,000
Total public safety	250,000	250,000	-	250,000
Excess Revenues Over (Under) Expenditures	-	-	17	17
OTHER FINANCING SOURSES (USES)				
Transfer in	-	-	-	-
Total Other Financing Sourses (Uses)				
Net Changes in Fund Balances	-	-	17	17
Beginning Fund Balance	31,716	31,716	31,716	-
Ending Fund Balance	$ 31,716	$ 31,716	$ 31,733	$ 17

CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
FEDERAL SEIZED FUND BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Fines and forfeitures	$ 250,000	$ 250,000	$ -	$ (250,000)
Interest	-	-	39	39
Total Revenues	250,000	250,000	39	(249,961)
EXPENDITURES:				
Public safety:				
Police	250,000	250,000	-	250,000
Total public safety	250,000	250,000	-	250,000
Excess Revenues Over (Under) Expenditures	-	-	39	39
OTHER FINANCING SOURSES (USES)				
Transfer in	-	-	-	-
Total Other Financing Sourses (Uses)				
Net Changes in Fund Balances	-	-	39	39
Beginning Fund Balance	78,961	78,961	78,961	-
Ending Fund Balance	$ 78,961	$ 78,961	$ 79,000	$ 39

CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
COURT FUND BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Fines and forfeitures	$ 325,000	$ 325,000	$ 325,266	$ 266
EXPENDITURES:				
Public safety:				
Judicial	286,127	286,127	233,810	52,317
Total public safety	286,127	286,127	233,810	52,317
Excess Revenues Over (Under) Expenditures	38,873	38,873	91,456	52,583
OTHER FINANCING SOURSES (USES)				
Transfer out	(38,873)	(38,873)	(122,629)	(83,756)
Transfer in	-	-	3,527	3,527
Total Other Financing Sourses (Uses)	(38,873)	(38,873)	(119,102)	(80,229)
Net Changes in Fund Balances	-	-	(27,646)	(27,646)
Beginning Fund Balance	725,389	725,389	725,389	-
Ending Fund Balance	$ 725,389	$ 725,389	$ 697,743	$ (27,646)

CITY OF GRANTVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST) FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	ESTIMATED COST		EXPENDITURES			PERCENTAGE
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	OF COMPLETION
2013 SPLOST						
Road and sidewalk construction	$ 1,118,520	$ 910,056	$ 910,056	$ -	$ 910,056	100.00
Utility capital expansion	674,360	964,832	925,154	39,678	964,832	100.00
City hall	444,540	396,404	396,404		396,404	100.00
Recreation and culture	386,800	491,528	491,528	-	491,528	100.00
Public safety	243,780	259,261	259,261	-	259,261	100.00
	$ 2,868,000	$ 3,022,081	$ 2,982,403	$ 39,678	$ 3,022,081	
2019 SPLOST						
Road and sidewalk construction	1,109,082	840,430	734,317	57,749	792,066	94.25
Utility capital expansion	376,810	2,293,810	1,186,769	1,007,962	2,194,731	95.68
City hall	338,360	680,973	373,800	270,424	644,224	94.60
Recreation and culture	338,360	530,973	264,777	166,410	431,187	81.21
Public safety	338,360	330,973	198,620	100,109	298,729	90.26
Historic Preservation	288,375	77,532	71,595	-	71,595	92.34
Downtown Revitalization	288,375	225,809	179,406	6,720	186,126	82.43
	3,077,722	4,980,501	3,009,284	1,609,374	4,618,658	
TOTALS	$ 5,945,722	$ 8,002,582	$ 5,991,687	$ 1,649,052	$ 7,640,739	

CITY OF GRANTVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST) (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	ESTIMATED COST		EXPENDITURES			PERCENTAGE
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	OF COMPLETION
2025 SPLOST						
Road and sidewalk construction	1,827,369	1,827,369	-	-	-	-
Utility capital expansion	824,377	824,377	-	-	-	-
City hall	604,544	604,544	-	338	338	0.06
Recreation and culture	604,544	604,544	-	-	-	-
Public safety	604,544	604,544	-	-	-	-
Historic Preservation	515,236	515,236	-	-	-	-
Downtown Revitalization	515,236	515,236	-	-	-	-
	5,495,850	5,495,850	-	338	338	
TOTALS	$ 11,441,572	$ 13,498,432	$ 5,991,687	$ 1,649,390	$ 7,641,077	

CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
LAST TEN FISCAL YEARS ENDING
SEPTEMBER 30, 2024

The effective date of the plan was October 1, 2021 so no historical data exists prior to that date

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	56,522	47,069	47,322	-	-	-	-	-	-	-
Interest	48,040	43,145	41,462	-	-	-	-	-	-	-
Changes on benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected					-	-	-	-	-	-
and actual experience	103,414	(33,296)	(65,707)	-	-	-	-	-	-	-
Changes of assumption	-	-	-	-	-	-	-	-	-	-
Benefit payments, including					-	-	-	-	-	-
refunds of employee contributions	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	514,876	-	-	-	-	-	-
Net change in total pension liability	207,976	56,918	23,077	514,876	-	-	-	-	-	-
Total Pension Liability - beginning	594,871	537,953	514,876	-	-	-	-	-	-	-
Total Pension Liability - ending (a)	802,847	594,871	537,953	514,876	-	-	-	-	-	-
Plan fiduciary net position										
Contributions - employer	95,979	97,245	83,959	2,500	-	-	-	-	-	-
Net investment income	52,821	9,412	(13,675)	-	-	-	-	-	-	-
Benefit payments, including					-	-	-	-	-	-
refunds of employee contributions	-	-	-	-	-	-	-	-	-	-
Administrative expense	(9,445)	(10,331)	(11,178)	-	-	-	-	-	-	-
Transfers among employers	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	139,355	96,326	59,106	2,500	-	-	-	-	-	-
Plan net position - beginning	157,932	61,606	2,500	-	-	-	-	-	-	-
Plan net position - ending (b)	297,287	157,932	61,606	2,500	-	-	-	-	-	-
Net Pension Liability (a)-(b)	505,560	436,939	476,347	512,376	-	-	-	-	-	-
Plan fiduciary net position as a percentage										
of the total pension liability	37.03%	26.55%	11.45%	0.49%	-	-	-	-	-	-
Covered employee payroll	1,577,792	1,411,156	1,261,214	1,372,017	-	-	-	-	-	-
Net pension liability (asset) as a										
percentage of covered employee payroll	32.04%	30.96%	37.77%	37.34%	-	-	-	-	-	-

CITY OF GRANTVILLE, GEORGIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS ENDING
SEPTEMBER 30, 2025

The effective date of the plan was October 1, 2021 so no historical data exists prior to that date

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarily determined contributions	95,979	97,245	103,748	150,016	-	-	-	-	-	-
Contributions in relation to the actuarily determined contributions	95,979	97,245	103,748	150,016	-	-	-	-	-	-
Contribution deficiency (increase)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	1,577,792	1,411,156	1,261,214	1,372,017	-	-	-	-	-	-
Contributions as a percentage of covered employee payroll	6.08%	6.89%	8.23%	10.93%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTES TO SCHEDULE

The actuarily determined contribution rate was determined as of January 1, 2023, with an interest adjustment to the fiscal year.

Contributions for the fiscal year September 30, 2024 were based on the September 30, 2023 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2023 through September 30, 2024:

Actuarial Cost Method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	23 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 exceeeds is less than the market value at the end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value
Cost of Living Adjustments	1.700%
Salary Increases	2.25% per year plus service based merit increases
Investment rate of return	7.375%, net of pension plan investment expense, including inflation

COMPLIANCE SECTION

GGPCPA

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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 Grantville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grantville, Georgia, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Grantville, Georgia's basic financial statements and have issued our report thereon dated September 28, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Grantville, 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.*

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.



Gadsden, Alabama

September 28, 2026

CITY OF GRANTVILLE, GEORGIA

SCHEDULE OF FINDINGS AND REPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION 1
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified	
Internal control over financial reporting		
Material weaknesses identified?	__X__ Yes	____ No
Significant deficiencies identified?	_____ Yes	__X__ No
Noncompliance material to the financial statements noted	____ Yes	__X__ No

Federal Awards

There was not an audit of major federal award programs for the fiscal year ended September 30, 2025 due to the total federal amount expended being less than $750,000

CITY OF GRANTVILLE, GEORGIA

SCHEDULE OF FINDINGS AND REPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION 2

FINANCIAL STATEMENT FINDINGS AND REPONSES

2025-001 Material Adjustments

Criteria: Management is responsible for reconciling the accounts during the year and at year end in order to generate financial statements that are in accordance with Generally Accepted Accounting Principles.

Condition : Insufficient controls over financial reporting resulted in material adjustments being required to prevent the Organizations financial statements from being materially misstated.

Context/Cause: The Organization relied on auditors to propose entries after audit procedures and had not recorded entries needed at the time of the audit.

Effects: Lack of internal controls over balance sheet account reconciliations and adjustments could result in undetected errors and irregularities and misstated interim financial reports.

Recommendation: We recommend that management maintain reconciliations on a monthly basis to keep balance sheet accounts reconciled and correct and to document which accounting procedures are needed and when they should be performed on a recurring basis to detect material adjustments that are required.

Auditee's Response: The Organization will incorporate financial reporting internal controls to detect material adjustments, prevent materially misstated financial statements,and increase the accuracy of interim financial reports used by management.