Jonesboro
Georgia

2024 Audit Presentation Agenda

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2. Reportable Findings and Recommendations

3. Letter to Governance

Tabb & Tabb
Certified Public Accountants

CITY OF JONESBORO, GEORGIA
Annual Comprehensive Financial Report
For the Year Ended December 31, 2024

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To the Honorable Mayor and Members of the City Council
City of Jonesboro, 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 Jonesboro, Georgia (the "City") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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'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.

Auditors' Responsibility 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 auditors' 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, (Pages 5 - 11) schedule of changes in net pension liability, schedule of retirement plan contributions, general fund - statement of revenues, expenditures and changes in fund balance - budget to actual, and major fund - schedules of revenues, expenditures, and changes in fund balances - budget to actual (Pages 45 - 48) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules (Pages 49 - 59) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of special purpose local option sales and use tax (Page 60) is presented for additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A") 48-8-269.5 and is 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 generally accepted auditing standards. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated August 3, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

August 3, 2026

As management of the City of Jonesboro ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for year ended December 31, 2024.

Financial highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2024, by $30,385,686 (*net position*). Of this amount $9,764,624 (*unrestricted net position)* may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net position increased by $1,732,246.

- As of the close of the current year, the City's governmental funds reported combined ending fund balances of $12,556,675 an increase of $2,298,800 in comparison with the prior year. Of this amount $169,847 is nonspendable, $2,458,678 is restricted, and $9,676,918 is unassigned. The unassigned $9,676,918 consists of various assets netted against their respective liabilities. See page 16 for a detail and reconciliation to the governmental activities net position.

- At the end of the current year, unassigned fund balance for the general fund was $9,676,918 or 90% of total general fund expenditures.

- The City's total long-term debt decreased by $1,500,910 during the current year. Major components of this change include payments made on bond payable and financed purchases netted with new financed purchases issued in the current year.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	$13,265,85[illegible]	$1[illegible],699,[illegible]32	$ 245,151	$ 324,661	$13,511,004	$12,023,893
Capital assets	37,958,[illegible]7	39,[illegible]31,03[illegible]	110,745	172,305	38,069,572	39,653,338
Total assets	51,224,68[illegible]	51,[illegible]0,265	355,896	496,966	51,580,576	51,677,231
Deferred outflow of resources	-	135,831	-	-	-	135,831
Total assets and deferred outflows of resources	51,224,680	51,316,096	355,896	496,966	51,580,576	51,813,062
Liabilities:						
Current liabilities	2,147,879	2,800,546	8,865	75,568	2,156,744	2,876,114
Long term liabilities	18,786,849	20,037,105	-	-	18,786,849	20,037,105
Total liabilities	20,934,728	22,837,651	8,865	75,568	20,943,593	22,913,219
Deferred inflow of resources	251,297	246,403	-	-	251,297	246,403
Total liabilities and deferred inflow of resources	21,186,025	23,084,054	8,865	75,568	21,194,890	23,159,622
Net position:						
Net investment in capital assets	18,051,639	18,351,957	110,745	114,303	18,162,384	18,466,260
Restricted	2,458,678	2,611,850	-	-	2,458,678	2,611,850
Unrestricted	9,528,338	7,268,235	236,286	307,095	9,764,624	7,575,330
Total net position	$30,038,655	$28,232,042	$ 347,031	$ 421,398	$30,385,686	$28,653,440

Governmental activities: Governmental activities increased the City's net position by $1,732,246. Key elements of this increase are as follows:

SUMMARY OF CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
REVENUES						
Program:						
Charges for services and fines	$ 2,792,457	$ 3,043,865	$ 184,539	$ 434,552	$ 2,976,996	$ 3,478,417
Grants and contributions	1,528,368	1,609,078	-	-	1,528,368	1,609,078
General:						
Taxes	5,878,996	5,201,586	-	-	5,878,996	5,201,586
Other	681,532	577,824	-	-	681,532	577,824
Total revenues	10,881,353	10,432,353	184,539	434,552	11,065,892	10,866,905
Program Expenses:						
General government	2,425,044	2,656,962	-	-	2,425,044	2,656,962
Judicial	248,817	248,202	-	-	248,817	248,202
Public safety	3,114,634	3,698,830	-	-	3,114,634	3,698,830
Public works	2,452,637	2,576,948	-	-	2,452,637	2,576,948
Community development	183,807	235,248	-	-	183,807	235,248
Interest on long-term debt	649,801	427,469	-	-	649,801	427,469
Sanitation	-	-	258,906	251,113	258,906	251,113
Total expenses	9,074,740	9,843,659	258,906	251,113	9,333,646	10,094,772
Revenues over expenses	1,806,613	588,694	(74,367)	183,439	1,732,246	772,133
Transfers in and (out)	-	(69,021)	-	69,021	-	-
Changes in net position	1,806,613	519,673	(74,367)	252,460	1,732,246	772,133
Net position - beginning of the year	28,232,042	27,712,369	421,398	168,938	28,653,440	27,881,307
Net position - end of the year	$30,038,655	$28,232,042	$ 347,031	$ 421,398	$30,385,686	$28,653,440

When compared to the previous year:

- Charges for services decreased by 8% or $251,408 primarily due to a decrease in traffic violations citations and physical arrests from the prior year. This decrease corresponds to the reduction in the public safety employees during 2024.
- Taxes increased by 13% or $677,140 primarily due to an increase in the City's digest, resulting from higher local real estate market values. Also, the City's total millage rate increased 1% from 7.5% to 8.5%
- General government expenses decreased 231,918, or 9%. Several factors contributed to the decrease. In 2024, the City saved approximately $236,000 in legal fees, salaries and city and special events.
- Public safety expenses decreased by 16% or $601,684. Salary expenses decreased 7% or $109,024 due to staff attrition and understaffing. Professional services for law enforcement contracts were 49% less, or $216,545, in 2024. Also, less public safety equipment and vehicles were purchased in 2024 than in 2023.

Business-type activities: Business-type activities decreased the City's net position by $74,367. The decrease in 2024 is due to less charges for services received. In 2023, charges for services included the collection of fees from 2022 considered uncollectible until improvements in collection efforts were made in 2024. This was not a reoccurring event in 2024.

City of Jonesboro, Georgia

Report on Internal Control over Financial Reporting and on Compliance and Other Matters

For the Year Ended December 31, 2024

INDEPENDENT AUDITORS' 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 Jonesboro, 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 Jonesboro, Georgia as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Jonesboro, Georgia's basic financial statements and have issued our report thereon dated August 3, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Jonesboro, Georgia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Jonesboro, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Jonesboro, 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 deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Jonesboro, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* and which are described in the accompanying schedule of findings and responses as items 2024-002 and 2024-003.

City of Jonesboro, Georgia's Response to Findings

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

Purpose of This Report

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

August 3, 2026

City of Jonesboro, Georgia

Schedule of Findings and Responses

For the Year Ended December 31, 2024

Section I – Summary of Auditors' Results

Financial Statements:

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material Weakness identified?	Yes
Significant deficiencies not considered to be material weaknesses?	None Reported

Noncompliance noted?	Yes

Federal Awards:

There was no audit of major federal award programs for the year ended December 31, 2024, due to the total amount of federal funds expended being less than $750,000.

City of Jonesboro, Georgia

Schedule of Findings and Responses

For the Year Ended December 31, 2024

Section II – Findings and Responses

2024 – 001 Audit Adjustments

Condition: Multiple, material audit adjustments were necessary to correct the initial financial statements provided by management for audit and ensure the financial statements were materially correct and not misleading at year-end. Adjustments were necessary across multiple financial statement areas.

Criteria: Management is responsible for establishing and maintaining internal controls, including those related to the preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP). This includes implementing controls to ensure all transactions are properly recorded and financial statements are free from material misstatement.

Cause: The City's financial reporting process relies on year-end auditor assistance for drafting financial statement notes and identifying necessary adjustments to the account balances. This condition is due to insufficient personnel with the expertise to apply complex governmental accounting principles. The omissions and errors occurred because the City's personnel did not possess sufficient knowledge and training for timely and accurate year-end financial reporting. The City lacked adequate internal control procedures, such as independent reviews of the financial statements.

Effect: The absence of an effective internal review process meant the unadjusted general ledger was not materially correct under GAAP before the audit. Users of the financial statements could have been misinformed about the City's financial position, results of operations, and overall compliance with reporting requirements. The lack of effective controls presents a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, in a timely basis in the future.

Recommendation: We recommend management improve internal control over financial reporting by developing and implementing review procedures to ensure all transactions are accurately included in the accounting system and that detailed and timely reconciliations of all general ledger accounts are performed. The City should invest in training for existing finance staff and obtain sufficient personnel with the appropriate expertise to ensure accurate and timely preparation of GAAP-compliant financial statements and supporting notes.

Auditee Response: Controls will be put in place to ensure all adjustments are made prior to handing the financial statements over to the auditors.

Section II – Findings and Responses-continued

2024-002 – Excess Expenditures over Appropriations

Condition: The City adopts an annual operating budget for all governmental funds. The budget is amended during the year for changes in conditions which are approved by the City Council. Management authorized the following expenditures without a budget amendment from the City Council:

Downtown Development Authority:	
Debt Service:	
Principal payments	$ 6,056
Interest and fiscal charges	4,607
Current:	
Community Development	46,672
Hotel/Motel Fund:	
Current:	
General Government	2,792

Criteria: City policies require annual budgets, including all amendments to the annual budgets, to be approved by City Council. The Official Code of Georgia, Annotated Section 36-81-3 requires that local governments operate with a balanced budget and that increases in appropriations be approved by the governing authority.

Cause: Management is not informing the City Council of all line items in the annual budget that need to be amended by year-end.

Effect: At December 31, 2024, the City is reporting expenditures exceeding appropriations resulting in noncompliance with City policy and State law.

Recommendation: We recommend that management adhere to the City's policy of establishing an annual budget with City Council approval and recommending budget amendments to the Council prior to year-end for their approval. This process ensures that there are not expenditures exceeding appropriations.

Auditee Response: Processes will be put in place to ensure that expenditures don't exceed appropriations, and if this should happen, a budget adjustment will be presented to City Council for approval.

Section II – Findings and Responses-continued

2024-03 Annual Audit Reporting Requirement

Condition: The required annual audit of the financial statements for the year ended December 31, 2024 was not completed and submitted to the state government within the time frame required by the State of Georgia.

Criteria: The Official Code of Georgia, Annotated Section 36-81-7 requires an annual audit of the financial affairs, transactions of all funds and activities of the local government each year. The audit report must contain financial statements prepared in conformity with generally accepted governmental accounting principles. The annual audit report of the local government must be completed and a copy forwarded to the State Auditor within 180 days of the close of the local government's year end.

Cause: The City did not have sufficient accounting and finance personnel with the knowledge and experience necessary to prepare financial statements for timely audit.

Effect: The City is not in compliance with state reporting requirements, which can impact its ability to receive grant funding.

Recommendation: We recommend that the City take the necessary steps to ensure that all financial reporting and submission requirements and deadlines be adhered to for future periods.

Auditee Response: We will concur with the recommendation of our outside auditors and ensure that steps are taken to submit all future audits by the required deadlines.

To the Honorable Mayor and City Council
City of Jonesboro, Georgia
1859 City Center Way
Jonesboro, Georgia 30236

In planning and performing our audit of the financial statements of City of Jonesboro (the “City”) as of and for the year ended December 31, 2024 in accordance with auditing standards generally accepted in the United States of America, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily 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. However, as discussed below, we identified deficiencies in internal control that we consider to be material weaknesses.

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 City’s financial statements will not be prevented, or detected and corrected, on a timely basis.

This communication is intended solely for the information and use of management, the Mayor, City Council, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

August 3, 2026

Financial and Accounting Systems

We recommend the following to ensure proper internal controls over financial reporting:

1. The original estimated cost (budget) is to be developed and disclosed in the annual audit for the 2021 Special Purpose Local Option Sales Tax (SPLOST). Also, the original estimated costs (budgets) for the 2008 and 2015 SPLOSTs need to the reviewed and amended cost estimates (budgets) prepared for each SPLOST.

   We recommend the Finance staff prepare cost estimates (budgets) for the various SPLOSTs. Updated and amended cost estimates (budgets) should be presented to the City Council for approval.

2. The Pool Cash account does not maintain the equity balances for the funds participating in the Pool Cash Fund. The transactions in the Pool Cash Fund are reported as due to/due from transactions in the Pool Cash account instead of changes in the fund's equity positions in the Pool Fund.

   We recommend the Finance staff reconcile the Pool Cash Fund's equity account monthly and agree to the Claim on Cash accounts in the individual governmental funds.

3. There are outstanding items on the City's Pool Cash bank account reconciliation at December 31, 2024.

   We recommend that all reconciling items be investigated and resolved by posting the corrections to the City's general ledger. The Finance staff must ensure that the bank reconciliations are accurate, complete and the reconciled cash balances agree to the general ledger account balances.

4. Capital assets (Land, Buildings, Equipment, Purchased Financed Assets, Vehicles, Etc.) of the City are to be maintained in a Capital Assets Fund with details of all items. The fund is to be updated though-out the year as capital assets are purchased.

   We recommend the Finance staff update the Capital Assets Fund schedule throughout the year when the capital assets are purchased.

5. The City has established $2,500 cost and estimated useful life of more than 2 years as the threshold to record capital assets.

   We recommend the Finance staff update the City's operating procedures to increase the $2,500 amount to $50,000 to eliminate small purchases and supplies being recorded as capital assets.

6. The City Council is not receiving timely and accurate monthly financial reports.

   We recommend the Finance staff prepare accurate monthly internal financial statements with budget comparisons to ensure year end audit engagements can be performed and issued in accordance with federal and State regulations.

Tabb & Tabb
CERTIFIED PUBLIC ACCOUNTANTS

Tabb & Tabb, LLC
260 Peachtree Street, NW
Suite 1201
Atlanta, Georgia 30303
cpa@tabbtabb.com
404 584-0870

August 3, 2026

To the Honorable Mayor and City Council
City of Jonesboro, Georgia
1859 City Center Way
Jonesboro, Georgia 30236

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jonesboro for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 19, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Jonesboro, Georgia are described in Note 1 to the financial statements. No new accounting policies impacted the financial statements and the application of existing policies was not changed during calendar year 2024. We noted no transactions entered into by the City of Jonesboro, Georgia during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the government wide financial statements were:

> Management's estimate of the net pension asset and other post-employment benefit obligations is based on actuarially required contributions in the future. We evaluated the key factors and assumptions used to develop the net pension asset and other post employment benefit obligation estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

> The disclosure of the net pension asset and other post-employment benefit obligations in Note 3 to the financial statements is based on the actuarially required contributions.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit other than delays by management in not providing timely requested financial information.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management will correct all such misstatements through its corrective action plan.

Disagreements with Management

For the purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management included in the management representation letter dated August 3, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of Jonesboro's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Jonesboro's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

<u>Other Matters</u>

We applied certain limited procedures to management's discussion and analysis, the schedule of changes in net pension liability, the schedule of contributions, the general fund - statement of revenues, expenditures and changes in fund balance - budget to actual, and the major funds - schedules of revenues, expenditures, and changes in fund balances - budget to actual, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Matters - continued

We were engaged to report on combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales and use tax, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Mayor and City Council and management of the City of Jonesboro and is not intended to be, and should not be, used by anyone other than these specified parties.

Tabb & Tabb