

**GEORGIA DEPARTMENT OF AUDITS AND ACCOUNTS  
NONPROFIT AND LOCAL GOVERNMENT AUDITS DIVISION  
AUDIT REPORT TRANSMITTAL DOCUMENT**

*Please complete the top portion of this form and submit it with your audit report. We will use this information to furnish your government the results of our review. These results will be furnished by e-mail.*

<b>Name of Governmental Unit</b>		
<b>Fiscal Year End</b>		
<b>Governmental Contacts</b>	<b>Name</b>	<b>E-Mail Address</b>
Chief Official (e.g., Mayor, Chairman)		
City/County Clerk		
City/County Manager		
Finance Director		
Others to be Notified of Audit Results: (officials, consultants, etc...)		

Name of Audit Firm	
Auditor Contact for this Report	
Auditor Contact Email Address	
Auditor Telephone	
Any additional auditor contacts:	

Form Completed by: (Name)	
(Title)	

**City of Williamson, Georgia  
Audited Financial Statements  
December 31, 2023**

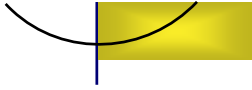
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City of Williamson, Georgia  
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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Members  
of the City Council,  
City of Williamson, Georgia

### Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Williamson, ("the City") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City as of December 31, 2023, 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 (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibility 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing our audit in accordance with GAAS and GAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement on 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 statement.
- 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 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 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 we identified during the audit.

#### **Required Supplementary Information**

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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated April 24, 2024 on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

*Bambo Sonaike CPA, LLC*

April 24, 2024

City of Williamson, Georgia  
Statement of Net Position  
As of December 31, 2023

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	Governmental Activities	Business - Type Activities	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 871,294	\$ 273,182	\$ 1,144,476
Accounts receivable	17,440	5,415	22,855
Capital assets:			
Water Facility & Distribution system	-	617,789	617,789
Less accumulated depreciation	-	(237,784)	(237,784)
Total assets	<u>888,734</u>	<u>658,601</u>	<u>1,547,336</u>
<b>LIABILITIES</b>			
Accounts payable & accrued expenses	26,475	46,368	72,843
Notes payable	-	21,845	21,845
Total liabilities	<u>26,475</u>	<u>68,213</u>	<u>94,688</u>
<b>NET POSITION</b>			
Net investments in capital assets	-	358,159	358,159
Restricted for:			
SPLOST projects	91,389	-	91,389
Unrestricted (deficit)	<u>770,871</u>	<u>232,229</u>	<u>1,003,099</u>
Total net position (deficit)	<u>\$ 862,259</u>	<u>\$ 590,388</u>	<u>\$ 1,452,647</u>

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

City of Williamson, Georgia  
Statement of Activities  
For the period ended December 31, 2023

Governmental Activities	Expenses	Program revenues			Governmental	Business - Type	Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position	Net (Expenses) Revenues and Changes in Net Position	Net (Expenses) Revenues and Changes in Net Position
Primary Government							
Governmental Activities							
General government	\$ 197,448	\$ 1,472	\$ 13,279	\$ -	\$ (182,697)	\$ -	\$ (182,697)
Public services	-	-	-	190	190	-	190
Total Governmental Activities	197,448	1,472	13,279	190	(182,507)	-	(182,507)
Business - Type Activities							
Water and sewer utilities	205,462	202,001	-	-	-	(3,461)	(3,461)
Total Business - Type Activities	205,462	202,001	-	-	-	(3,461)	(3,461)
Total Primary Government	\$ 402,910	\$ 203,473	\$ 13,279	\$ 190	\$ (182,507)	\$ (3,461)	\$ (185,968)

General revenues:

General purpose sales and use taxes	198,551	-	198,551
Property taxes	89,730	-	89,730
Other revenues	53,363	-	53,363
Total general revenues	341,643	-	341,643
Change in net position	159,136	(3,461)	155,675
Net position (deficit) - beginning of year	703,123	593,849	1,296,972
Net position (deficit) - end of the year	\$ 862,260	\$ 590,388	\$ 1,452,647

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

City of Williamson, Georgia  
 Balance Sheet - Governmental Funds  
 As of December 31, 2023

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	General Fund	2022 S.P.L.O.S.T	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 779,906	\$ 91,389	\$ 871,294
Accounts receivable	17,440	-	17,440
Total assets	<u>797,346</u>	<u>91,389</u>	<u>888,734</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable & accrued expenses	26,475	-	26,475
Total liabilities	<u>26,475</u>	<u>-</u>	<u>26,475</u>
<b>FUND BALANCES</b>			
Restricted	-	91,389	91,389
Committed	-	-	-
Unassigned	770,871	-	770,871
Total fund balances	<u>770,871</u>	<u>91,389</u>	<u>862,259</u>
Total liabilities and fund balances	<u>\$ 797,346</u>	<u>\$ 91,389</u>	<u>\$ 888,734</u>

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



# City of Williamson, Georgia

## Reconciliation of Balance Sheet – Governmental Funds with the Statement of Net Position

As of December 31, 2023

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Total fund balances - Governmental funds	\$ 862,259
Total net position (deficit) - Governmental activities	<u>\$ 862,259</u>

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

City of Williamson, Georgia  
Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Governmental Funds  
For the period ended December 31, 2023

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<b>REVENUES</b>	2022		Total
	General Fund	S.P.L.O.S.T	
General purpose sales and use taxes	\$ 198,551	\$ -	\$ 198,551
Property taxes	89,730	-	89,730
Operating grants	13,279	-	13,279
Charges for services	1,472	-	1,472
Intergovernmental revenues	-	190	190
Other revenues	53,363	-	53,363
Total revenues	<u>356,394</u>	<u>190</u>	<u>356,584</u>
<b>EXPENDITURES</b>			
Current:			
General government	197,448	-	197,448
Total expenditures	<u>197,448</u>	<u>-</u>	<u>197,448</u>
Excess of revenue over expenditures and uses	158,946	190	159,136
Net change in fund balances	<u>158,946</u>	<u>190</u>	<u>159,136</u>
<b>Fund balances at beginning of the year</b>	611,925	91,198	703,123
<b>Fund balances at end of the year</b>	<u>\$ 770,871</u>	<u>\$ 91,389</u>	<u>\$ 862,260</u>

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

# City of Williamson, Georgia

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances with the Statement of Activities For the period ended December 31, 2023

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Total net change in fund balances- Government funds	\$ 159,136
Total change in net position- Governmental activities	<u>\$ 159,136</u>

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

City of Williamson, Georgia  
 Balance Sheet – Proprietary Funds  
 For the period ended December 31, 2023

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	<u>Water and Sewer Utility</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 273,182
Accounts receivable	5,415
Capital assets:	
Water facility and distribution system	617,789
Less accumulated depreciation	<u>(237,784)</u>
Total assets	<u>658,601</u>
<b>LIABILITIES</b>	
Accounts payable & accrued expenses	46,368
Notes payable	<u>21,845</u>
Total liabilities	<u>68,213</u>
<b>NET POSITION</b>	
Net investments in capital assets	358,159
Unrestricted (deficit)	<u>232,229</u>
Total net position (deficit)	<u>590,388</u>

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

City of Williamson, Georgia  
Statement of Revenues, Expenditures, and Changes in Fund Position –  
Proprietary Funds  
For the period ended December 31, 2023

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	Water and Sewer Utility
<b>REVENUES</b>	
Charges for services	\$ 202,001
Total revenues	<u>202,001</u>
<b>Expenses</b>	
Operating expenses	<u>205,462</u>
Total expenses	<u>205,462</u>
Net income (loss)	(3,461)
<b>Net position at beginning of the year</b>	<u>593,849</u>
<b>Net position at end of the year</b>	<u><u>\$ 590,388</u></u>

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

City of Williamson, Georgia  
Statement of Cash Flows – Proprietary Funds  
For the period ended December 31, 2023

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	<u>Water and Sewer Utility</u>
CASH FLOW FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 202,001
Cash paid to suppliers	(193,106)
Net cash provided (required) by operating activities	<u>8,895</u>
CASH FLOW FROM FINANCING ACTIVITIES:	
Paydown of notes payable	(6,027)
Net cash provided (required) by financing activities	<u>(6,027)</u>
Net increase (decrease) in cash	<u>2,868</u>
Beginning balance of cash	<u>270,313</u>
ENDING BALANCE OF CASH	<u>\$ 273,182</u>
Reconciliation of operating income to net cash flows from operating activities:	
Net income (loss)	\$ (3,461)
Depreciation	12,356
Net cash provided (required) by operating activities	<u>\$ 8,895</u>
Supplemental Disclosure of Cash Flow Information:	
Cash paid during the year for interest	<u>\$ 126</u>

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

# City of Williamson, Georgia

## Notes to the Financial Statements

### December 31, 2023

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#### 1. Organization

City of Williamson (the City) operates under a mayor-council form of government. The City provides streets, public improvements, and water services in addition to general administration of the City.

#### 2. Significant accounting policies

The accompanying financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below.

#### **Basis of presentation**

The City's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements, and notes to the basic financial statements of the City of Williamson.

#### Financial Reporting Entity – Basis of Presentation

The city has implemented Governmental Accounting Standards board Statement No. 14 "The Financial Reporting Entity". Statement 14 applies levels to all state and local governments. The Statement applies to financial reporting by primary governments, governmental joint ventures. Jointly governed organizations, and other stand-alone governments; and it applies to the separately issued financial statements of governmental component units. The financial reporting entity consists of (a) primary governments, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The nucleus of a financial reporting entity usually is a primary government. However, a governmental organization other than a primary government (such as a component unit, joint venture, jointly governed organization or another stand-alone government) serves as the nucleus for its own reporting entity when it issues separate financial statements

In conformity with GASB Statement 14, the City of Williamson, has no component units that meet the criteria for component units requiring discrete presentation in the primary governmental financial reporting entity.

#### Government-wide Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and the fund financial statements categorize primary activities as either governmental or business type. The City's streets and sanitation, and general administration services are classified as governmental activities. The city's water and sewage services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column (b) are reported on a full accrual basis, and (c) use an economic resources measurement focus, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net

# City of Williamson, Georgia

## Notes to the Financial Statements

### December 31, 2023

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position is reported in three parts: (1) invested in capital assets, net of related debt; (2) restricted for capital projects; and (3) unrestricted. The City first utilizes restricted resources to finance qualifying activities

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public works, etc.) The functions are also supported by the general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related revenues, operating and capital grants. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as 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. Program revenues must be directly associated with the function (public works, etc.) or a business-type activity.

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

Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

In the event that an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the policy of the City to first expend restricted resources.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, etc.).

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall City, except for fiduciary activities. As part of the consolidation process, all interfund activities are eliminated from these statements.

The Statement of Net Position presents the City's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

- Net investment in capital assets consists of the City's total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.



# City of Williamson, Georgia

## Notes to the Financial Statements

### December 31, 2023

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- Restricted net position consists of resources for which the City is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and revenues for each function of the City's governmental activities.

- Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the City related to the administration and support of the City's programs, such as office and maintenance personnel and accounting) are not allocated to programs.

#### Fund Financial Statements

The fund financial statements provide information about the City's funds. Eliminations have been made to minimize the double counting of internal activities. Separate financial statements are presented for governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The City reports the following major funds:

#### **Government Funds:**

- The General Fund is the City's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.
- The SPLOST Fund is used to account for the proceeds of a 1 percent local option sales tax for improving streets and roads in the City.

#### **Business Type Activities:**

- The Proprietary Fund is used to account for water and sanitation. All activities associated with providing water to the city are accounted for in this fund. The water utility is designed to be self-supporting through user charges. Debts expected to be paid with the resources of proprietary funds are reported in the proprietary funds.

#### **Measurement focus, basis of accounting, and financial statement presentation**

The measurement focus describes the type of transactions and events that are reported in a fund's operating statement. The basis of accounting determines when transactions are reported on the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

# City of Williamson, Georgia

## Notes to the Financial Statements

### December 31, 2023

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The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The City considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

The City funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, both restricted and unrestricted resources are available to finance the program. It is the City's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

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.

#### **Net position**

The City's net position in the Government-wide Financial Statements is classified as follows:

##### Net investment in capital assets

This represents the City's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

##### Restricted net position

This represents resources for which the City is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

##### Unrestricted net position

Unrestricted net position represents resources derived from grants and contributions not restricted to specific programs, charges for services, and miscellaneous revenues. These resources are used for transactions relating to the educational and general operations of the City, and may be used at the discretion of the Board to meet current expenses for those purposes.

#### **Fund balances classification**

The City's fund balances are classified as follows:

##### Non-spendable

These are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

# City of Williamson, Georgia

## Notes to the Financial Statements

### December 31, 2023

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#### Restricted

These are amounts with limitations imposed on their use by external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

#### Committed

These are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority.

#### Assigned

These are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

#### Unassigned

These are amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This is the residual classification for the general fund.

#### Spending Prioritization Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, restricted amounts shall be considered to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts.

#### **Cash and cash equivalent**

Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia local government investment pool and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated (O.C.G.A.) §45-8-14 authorizes the City to deposit its funds in one or more solvent banks, insured federal savings and loan associations or insured chartered building and loan associations.

#### **Concentrations of credit risks**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City 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 require all deposits and investments (other than Federal or State government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

#### **Collateralization of Deposits**

Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be a deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 45-8-13.1), the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance. Acceptable security for deposits consists of any one of or any combination of the following:

# City of Williamson, Georgia

## Notes to the Financial Statements

### December 31, 2023

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1. Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia
2. Insurance on accounts provided by the Federal Deposit Insurance Corporation
3. Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia
4. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia
5. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose
6. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia
7. Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

#### **Stewardship, Compliance, and Accountability**

An annual budget is required by Section 36-81-3 of the Official Code of Georgia Annotated, to be prepared based on anticipated revenues and expenditures using a consolidated economic entity approach rather than a separate legal entity (fund accounting) approach. Council discusses annually the preparation of the budget prior to the expiration of the previous fiscal year. Once the budget is prepared, citizens have opportunities to observe the proposed budget or make comments. Upon approval of the budget, Council recognizes it may become necessary to amend the budget and does so on occasion. Any changes to the budget other than transfers between line items must be approved by Council. Revenue anticipations are designed to help ensure fiscal responsibility and maintain a balanced budget. Expenditure anticipations may not exceed anticipated revenues on a consolidated basis; however, in any one fund, such anticipated expenditures may exceed anticipated revenues. Budgets have been adopted for the General Fund. Capital projects, when applicable, have a project-long budget adopted at the commencement of the project.

#### **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 amounts of assets, deferred outflow of resources, liabilities, deferred inflows of resources, and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Restricted Assets**

The assets in the County's SPLOST funds include cash restricted for construction. See Note below for additional information regarding restricted assets.

#### **Capital assets**

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase. Capital assets are defined by the City as

City of Williamson, Georgia  
 Notes to the Financial Statements  
 December 31, 2023

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assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value on the date donated. Disposals are deleted at depreciated recorded cost.

The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets are not capitalized. Depreciation is computed using the straight-line method. During the fiscal year under review, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the City.

The estimated useful lives of capital assets reported in the government-wide statements are as follows:

Asset Class	Estimated Useful Life (years)
Water Distribution Systems	10-50

**Leases**

The determination of whether an arrangement is a lease is made at the lease’s inception. Under GASB 87, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Right to use lease assets and the related lease liabilities are recorded on the statement of financial position.

The City recognizes right to use lessee asset and related lease liability at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The right to use lease asset is measured at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

The City reduces the lease liability as payments are made and recognize interest on the lease liability. The City amortizes the right to use lease asset over the shorter of the lease term or the useful life of the underlying asset.

**Subscription Based Information Technology Arrangements**

The determination of whether an arrangement is a Subscription Based Information Technology Arrangements is made at the arrangement inception. Under GASB 96, an arrangement is (or contains) a Subscription Based Information Technology Arrangements if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the arrangement are changed. Right

City of Williamson, Georgia  
Notes to the Financial Statements  
December 31, 2023

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to use Subscription Based Information Technology assets and the related liabilities are recorded on the statement of financial position.

The City recognizes right to use Subscription Based Information Technology asset and related liability at the commencement of the arrangement term, unless the arrangement is a short-term arrangement or it transfers ownership of the underlying asset. The Subscription Based Information Technology liability is measured at the present value of payments expected to be made during the arrangement term (less any related incentives). The right to use Subscription Based Information Technology asset is measured at the amount of the initial measurement of the related liability, plus any payments made to the vendor at or before the commencement of the arrangement term and certain direct costs.

The City reduces the Subscription Based Information Technology liability as payments are made and recognize interest on the liability. The City amortizes the right to use Subscription Based Information Technology asset over the shorter of the arrangement term or the useful life of the underlying asset.

**3. Capital assets**

Capital assets activity for the year ended December 31, 2023 was as follows:

	Balance at December 31, 2022	Additions	Dispositions	Balance at December 31, 2023
Business - Type Activities				
Capital assets depreciated:				
Water delivery system	\$ 617,789	\$ -	\$ -	\$ 617,789
Total assets depreciated	617,789	-	-	617,789
Less accumulated depreciation:				
Water delivery system	(225,428)	(12,356)	-	(237,784)
Total accumulated depreciation	(225,428)	(12,356)	-	(237,784)
Total Business - Type activities				
Capital assets, net	\$ 392,361	\$ (12,356)	\$ -	\$ 380,005
Total Capital assets	\$ 392,361	\$ (12,356)	\$ -	\$ 380,005

Depreciation expense was recorded in the statements of activities as follows:

Business - Type Activities:

Water and sewer utilities	\$ 12,356
Total Depreciation - Business Type Activities	\$ 12,356

City of Williamson, Georgia  
Notes to the Financial Statements  
December 31, 2023

**4. Notes payable**

Notes payable activity for the year ended December 31, 2023 was as follows:

Lender / Collateral	Interest Rate	Maximum loan amount	Maturity Date	Payment Frequency	Principal Amortization	Beginning Balance at 12/31/22	Current Year Principal Drawdown	Current Year Principal Paydown	Outstanding Balance at 12/31/23	Interest paid for the period ended 12/31/23
Georgia Environment Finance Authority	0.50%	\$ 100,000	12/31/2027	Monthly	Yes	\$ 27,872	\$ -	\$ (6,027)	\$ 21,845	\$ 126
Total						\$ 27,872	\$ -	\$ (6,027)	\$ 21,845	\$ 126

Minimum amounts due under the notes payable are as follows:

Year End	Interest	Principal	Total
2024	\$ 95	\$ 6,057	\$ 6,153
2025	65	6,088	6,153
2026	35	6,118	6,153
2027	6	3,582	3,588
2028	-	-	-
Total	\$ 201	\$ 21,845	\$ 22,046

**5. Property Taxes**

The City recognizes all billed but uncollected property taxes as taxes receivable. The distribution of the City's levy (tax rate per \$1,000 assessed value) to its funds is as follows:

	2023	2022	2021	2020	2019	2018
General Fund	2.400	3.475	3.475	3.565	4.300	4.350
Total	2.400	3.475	3.475	3.565	4.300	4.350

The levy was made on assessed valuations as of January 1. The property tax levy was established by the City Council on November 3, 2023. Tax payers were billed by November 30, 2023 with tax payments due on or before January 31, 2024. A 5% penalty is added after 120 days and every 120 days, thereafter for a max of 20%. Interest will be added on the 2nd of each month at a rate of prime plus 3% divided by 12 months.



City of Williamson, Georgia  
Notes to the Financial Statements  
December 31, 2023

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**6. Restricted Assets**

Restricted assets at December 31, 2023 are as follows:

Governmental Activities SPLOST Fund:	
Restricted for Water infrastructure improvement	\$ 91,389
	<hr/>
Total governmental activities	\$ 91,389
	<hr/> <hr/>

**7. Tax Abatements**

The County has adopted Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires state and local governments to disclose tax abatement agreements entered by other governments that reduce the reporting government's tax revenues. The following information should be disclosed; (1) brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. As of December 31, 2023, the City does not have any tax abatement agreements.

**8. Risk management and uncertainty**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; and acts of God. The City has obtained commercial insurance for risk of loss associated with torts, assets, errors or omissions, job related illness or injuries to employees and acts of God.

**9. Subsequent events**

The City evaluated subsequent events through the date the financial statements were available to be issued. The City is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.



City of Williamson, Georgia  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
 Budget and Actual – General Fund  
 For the period ended December 31, 2023

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	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
General purpose sales and use taxes	\$ 110,500	\$ 198,551	\$ (88,051)
Property taxes	84,200	89,730	(5,530)
Operating grants	-	13,279	(13,279)
Charges for services	-	1,472	(1,472)
Other revenues	119,785	53,363	66,422
Total revenue	<u>314,485</u>	<u>356,394</u>	<u>(41,909)</u>
<b>EXPENDITURES</b>			
General government	314,485	197,448	117,037
Total expenditures	<u>314,485</u>	<u>197,448</u>	<u>117,037</u>
Excess of revenue over expenditures and uses	<u>-</u>	<u>158,946</u>	<u>(158,946)</u>
<b>Fund balances at beginning of the year</b>	611,925	611,925	-
<b>Fund balances at end of the year</b>	<u>\$ 611,925</u>	<u>\$ 770,871</u>	<u>\$ 158,946</u>

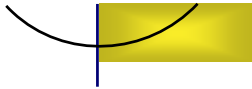
City of Williamson, Georgia  
Note to the Schedule of Revenues, Expenditures, and Changes in Fund  
Balances – Budget and Actual – General Funds  
For the period ended December 31, 2023

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**1. Budgetary Information**

**Budgetary basis of accounting**

Annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the City Council (the “Council”). Budgets are adopted in full accrual basis accounting. The legal level of budgetary control is the fund level.



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

To the Mayor and Members  
of the City Council,  
City of Williamson, 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, business-type activities, and each major fund of City of Williamson (“the City”), as of and for the year ended December 31, 2023, and related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated April 24, 2024.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did identify deficiencies in internal control that we consider to be significant as described in the accompanying schedule of findings and response as items 2023-001 and 2023-002.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

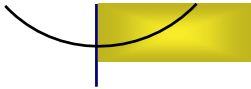
material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**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 controls 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.

*Bambo Sonaike CPA, LLC*

April 24, 2024



**INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX**

To the Mayor and Members  
of the City Council,  
City of Williamson, Georgia

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Williamson, Georgia for the year end December 31, 2023. This schedule is the responsibility of the City's management. Our responsibility is to express and opinion on the Schedule of Special Purpose Local Option Sales Tax based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the accrual basis and is not intended to be complete presentation of City of Williamson, Georgia's revenues and expenditures.

In our Opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in the City of Williamson, Georgia's resolution or ordinance calling for the tax for the year ended December 31, 2023 in conformity with accounting principles generally accepted in the united States of America.

*Bambo Sonaike CPA, LLC*

April 24, 2024

City of Williamson, Georgia  
 Schedule of Projects Constructed With 2022 Special Sales Tax Proceeds  
 For the period ended December 31, 2023

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Project	Original Estimated Cost	Current Estimated Cost	Amount Expended in Prior Years	Amount Expended in Current Year	Total Amount Expended	Estimated Percentage of completion
Water infrastructure improvement	\$ 749,739	\$ 749,739	\$ -	\$ -	\$ -	0.0%

City of Williamson, Georgia  
Schedule of Findings and Responses  
For the period ended December 31, 2023

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Un-modified opinion

Internal control over financial reporting:

Material weaknesses identified?	No	<u>References</u>
Significant deficiencies identified?	Yes	2023-001, 2023-002

Compliance and other matters:

Non-compliance material to financial statements noted?	No
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**Section II - Financial Statements Findings**

See applicable reference.	<u>References</u> 2023-001, 2023-002
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**Section III - Federal Awards Findings and Questioned Costs**

Audit of major federal awards programs was not performed because the total amount of federal awards expended for the reporting period was less than \$750,000.

City of Williamson, Georgia  
Schedule of Findings and Responses  
For the period ended December 31, 2023

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**Current year findings**

**2023-001: Reconciliation of Cash accounts bank statements to the general ledger.**

**Criteria:** Monthly bank account statement reconciliations are required to ensure that the cash account balances reported in the financial statements is accurate.

**Condition:** During our audit we noted that reconciliations of the monthly cash account bank statements to the general ledger were not properly performed.

**Cause:** The City changed its accounting software during the year which appears to cause the reconciliation discrepancies.

**Effect:** The lack of proper bank statement reconciliations could lead to significant risk of material misstatement in the financial statements.

**Recommendation:** We recommend that the City adopt a reconciliation process that includes a detailed listing of uncleared checks, uncleared deposits and the reconciliation of these uncleared items to the general ledger.

**Views of Responsible Officials and Corrective Actions:** We agree on your findings and have implemented corrective actions as discussed in the attached letter.

**2023-002: Property, Plant, and Equipment (PPE)**

**Criteria:** The City should maintain a complete and accurate PPE schedule that includes the depreciation amounts for current and prior years.

**Condition:** During our audit, we noted that the City did not maintain a complete and accurate PPE schedule.

**Cause:** The City could not locate the schedule that was used to maintain the PPE.

**Effect:** The lack of a complete and accurate PPE schedule could lead to significant risk of material misstatement in the financial statements.

**Recommendation:** We recommend that the City create and maintain a complete PPE that included all the City's capitalized assets and the related depreciation amounts.

**Views of Responsible Officials and Corrective Actions:** We agree on your findings and have implemented corrective actions as discussed in the attached letter.

–End of Report–



# The City of Williamson

*P.O. Box 9  
Williamson, Georgia 30292*

**Steve Fry, Mayor**  
**Stephen Levin, City Council Post 1**  
**Bob Harrison, City Council Post 2**

**Tom Brown, City Council Post 3**  
**Carol Berry, City Council Post 4**  
**Steve Davis, City Council Post 5**

Bambo Sonaik CPA, LLC  
707 Whitlock Avenue  
Building B Suite 21  
Marietta, GA 30064

Mr. Sonaik,

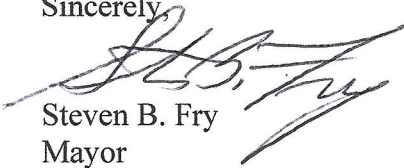
Thank you for the professional and timely manner in which you accomplished our audit for the fiscal years 2022, and 2023.

We agree on your findings and have implemented corrective actions as discussed.

The 2016 SPLOST records were verified with the county and our PPE was provided along with documentation from our insurance carrier, GIRMA. Depreciation of capital assets were incorporated.

We are completing the upgraded accounting software updates with our new vendor and our financial software will be better equipped to track and reconcile our ledgers with bank statements.

Sincerely



Steven B. Fry  
Mayor