

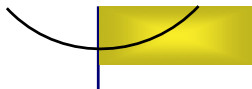
**City of Williamson, Georgia
Audited Financial Statements
December 31, 2025**

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City of Williamson, Georgia

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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.

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 appropriate evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 20, 2026 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

March 20, 2026

City of Williamson, Georgia
Statement of Net Position
As of December 31, 2025

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,122,350	\$ 244,911	\$ 1,367,261
Accounts receivable	27,812	5,415	33,227
Internal fund balance	661,882	(661,882)	-
Capital assets:			
Water facility & distribution system	-	1,349,536	1,349,536
Furniture, fixtures and equipments	71,351	-	71,351
Less accumulated depreciation	(18,791)	(269,919)	(288,710)
Total assets	1,864,604	668,061	2,532,666
LIABILITIES			
Accounts payable & accrued expenses	45,929	57,890	103,819
Notes payable - current	-	6,118	6,118
Notes payable - noncurrent	-	3,583	3,583
Total liabilities	45,929	67,590	113,520
NET POSITION			
Net investments in capital assets	52,560	1,069,917	1,122,477
Restricted for:			
SPLOST projects	212,232	-	212,232
Unrestricted (deficit)	1,553,883	(469,446)	1,084,437
Total net position (deficit)	\$ 1,818,675	\$ 600,471	\$ 2,419,146

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

City of Williamson, Georgia
Statement of Activities
For the period ended December 31, 2025

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	\$ 240,171	\$ 2,276	\$ 17,912	\$ -	\$ (219,983)	\$ -	\$ (219,983)
Total Governmental Activities	240,171	2,276	17,912	-	(219,983)	-	(219,983)
Business - Type Activities							
Water and sewer utilities	192,999	217,478	-	-	-	24,479	24,479
Total Business - Type Activities	192,999	217,478	-	-	-	24,479	24,479
Total Primary Government	\$ 433,170	\$ 219,754	\$ 17,912	\$ -	\$ (219,983)	\$ 24,479	\$ (195,504)

General revenues:

General purpose sales and use taxes	254,237	-	254,237
Special purpose local option sales tax	590,779	-	590,779
Property taxes	93,543	-	93,543
Other revenues	56,445	14,498	70,944
Total general revenues	995,005	14,498	1,009,503
Change in net position	775,022	38,978	814,000
Net position (deficit) - beginning of year	1,043,653	561,493	1,605,146
Net position (deficit) - end of the year	\$ 1,818,675	\$ 600,471	\$ 2,419,146

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

City of Williamson, Georgia
Balance Sheet - Governmental Funds
As of December 31, 2025

	General Fund	2022 S.P.L.O.S.T	Total
ASSETS			
Cash and cash equivalents	\$ 910,118	\$ 212,232	\$ 1,122,350
Accounts receivable	27,812	-	27,812
Total assets	937,930	212,232	1,150,162
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable & accrued expenses	45,929	-	45,929
Total liabilities	45,929	-	45,929
FUND BALANCES			
Restricted	-	212,232	212,232
Committed	-	-	-
Unassigned	892,001	-	892,001
Total fund balances	892,001	212,232	1,104,233
Total liabilities and fund balances	\$ 937,930	\$ 212,232	\$ 1,150,162

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, 2025

Total fund balances - Governmental funds	\$ 1,104,233
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The amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Those assets consist of:

Furniture, fixtures and equipment	71,351
Accumulated depreciation	(18,791)

Total capital assets - Governmental Activities	<u>52,560</u>
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Internal fund balance	<u>661,882</u>
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Total net position (deficit) - Governmental activities	<u><u>\$ 1,818,675</u></u>
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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, 2025

		2022	
REVENUES	General Fund	S.P.L.O.S.T	Total
General purpose sales and use taxes	\$ 254,237	\$ -	\$ 254,237
Property taxes	93,543	-	93,543
Operating grants	17,912	-	17,912
Charges for services	2,276	-	2,276
Special purpose local option sales tax	-	590,779	590,779
Other revenues	56,445	-	56,445
Total revenues	424,414	590,779	1,015,193
EXPENDITURES			
Current:			
General government	225,901	-	225,901
Capital outlay:			
Capital outlay	191,946	469,936	661,882
Total expenditures	417,847	469,936	887,783
Excess of revenue over expenditures and uses	6,567	120,843	127,409
Net change in fund balances	6,567	120,843	127,409
Fund balances at beginning of the year	885,435	91,388	976,823
Fund balances at end of the year	\$ 892,002	\$ 212,231	\$ 1,104,233

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, 2025

Total net change in fund balances- Government funds	\$	127,409
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The amounts reported for governmental activities in the statement of activities are different because:

Capital assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	661,882
Depreciation expense	(14,270)
Total	<u>647,612</u>

Total change in net position- Governmental activities	\$	<u><u>775,022</u></u>
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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, 2025

	<u>Water and Sewer Utility</u>
ASSETS	
Cash and cash equivalents	\$ 244,911
Accounts receivable	5,415
Capital assets:	
Water facility and distribution system	1,349,536
Less accumulated depreciation	(269,919)
Total assets	<u>1,329,944</u>
 LIABILITIES	
Accounts payable & accrued expenses	57,890
Internal fund balance	661,882
Notes payable - current	6,118
Notes payable - noncurrent	3,583
Total liabilities	<u>729,473</u>
 NET POSITION	
Net investments in capital assets	1,069,917
Unrestricted (deficit)	(469,446)
Total net position (deficit)	<u>\$ 600,471</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, 2025

	Water and Sewer Utility
REVENUES	
Charges for services	\$ 217,478
Operating grants	14,375
Other revenues	123
Total revenues	<u>231,977</u>
Expenses	
Personell services	
Operating expenses	173,220
Depreciation expense	19,779
Total expenses	<u>192,999</u>
Net income (loss)	38,978
Net position at beginning of the year	561,493
Net position at end of the year	<u><u>\$ 600,471</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, 2025

	<u>Water and Sewer Utility</u>
CASH FLOW FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 231,977
Cash paid to suppliers	(166,482)
Net cash provided (required) by operating activities	<u>65,495</u>
CASH FLOW FROM INVESTING ACTIVITIES:	
Additions to capital assets	(731,747)
Net cash provided (required) by investing activities	<u>(731,747)</u>
CASH FLOW FROM FINANCING ACTIVITIES:	
Interfund balances	661,882
Drawdown of notes payable	
Paydown of notes payable	(6,088)
Net cash provided (required) by financing activities	<u>655,794</u>
Net increase (decrease) in cash	<u>(10,458)</u>
Beginning balance of cash	255,369
ENDING BALANCE OF CASH	<u><u>\$ 244,911</u></u>
Reconciliation of operating income to net cash flows from operating activities:	
Net income (loss)	\$ 38,978
Depreciation	19,779
Increase (Decrease) in liabilities	
Accounts payable	6,739
Net cash provided (required) by operating activities	<u><u>\$ 65,495</u></u>
Supplemental Disclosure of Cash Flow Information:	
Cash paid during the year for interest	<u><u>\$ 65</u></u>

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

City of Williamson, Georgia

Notes to the Financial Statements

December 31, 2025

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, 2025

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, 2025

- 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 Governmental funds employ the current financial resources measurement focus and are accounted for on the modified accrual basis. The proprietary funds and fiduciary funds employ the economic resources measurement focus and are accounted for on the accrual basis. 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, 2025

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, 2025

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:

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.

City of Williamson, Georgia
Notes to the Financial Statements
December 31, 2025

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 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
Equipment	5-10

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 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.

City of Williamson, Georgia
Notes to the Financial Statements
December 31, 2025

3. Capital assets

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

	Balance at December 31, 2024	Additions	Dispositions	Balance at December 31, 2025
Governmental Activities				
Capital assets depreciated:				
Furniture, fixtures and equipment	\$ 71,351	\$ -	\$ -	\$ 71,351
Total assets depreciated	71,351	-	-	71,351
Less accumulated depreciation:				
Furniture, fixtures and equipment	(4,521)	(14,270)	-	(18,791)
Total accumulated depreciation	(4,521)	(14,270)	-	(18,791)
Total governmental activities				
Capital assets, net	\$ 66,830	\$ (14,270)	\$ -	\$ 52,560
Business - Type Activities				
Capital assets depreciated:				
Water delivery system	\$ 617,789	\$ 731,747	\$ -	\$ 1,349,536
Total assets depreciated	617,789	731,747	-	1,349,536
Less accumulated depreciation:				
Water delivery system	(250,140)	(19,779)	-	(269,919)
Total accumulated depreciation	(250,140)	(19,779)	-	(269,919)
Total Business - Type activities				
Capital assets, net	\$ 367,649	\$ 711,968	\$ -	\$ 1,079,617
Total Capital assets	\$ 434,479	\$ 697,698	\$ -	\$ 1,132,177

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

Governmental Activities:

General government \$ 14,270

Total Depreciation - Government Activities \$ 14,270

Business - Type Activities:

Water and sewer utilities \$ 19,779

Total Depreciation - Business Type Activities \$ 19,779

City of Williamson, Georgia
Notes to the Financial Statements
December 31, 2025

4. Notes payable

Notes payable activity for the year ended December 31, 2025 was as follows:

Lender / Collateral	Interest Rate	Maximum loan amount	Maturity Date	Payment Frequency	Principal Amortization	Beginning Balance at 12/31/24	Current Year Principal Paydown	Outstanding Balance at 12/31/25	Current Portion	Non Current Portion	Interest paid for the period ended 12/31/25
Georgia Environment Finance Authority	0.50%	\$100,000	12/31/2027	Monthly	Yes	\$ 15,788	\$ (6,088)	\$ 9,700	\$ 6,118	\$ 3,582	\$ 65
Total						\$ 15,788	\$ (6,088)	\$ 9,700	\$ 6,118	\$ 3,582	\$ 65

Minimum amounts due under the notes payable are as follows:

Year End	Interest	Principal	Total
2026	\$ 35	\$ 6,118	\$ 6,153
2027	6	3,582	3,588
Total	\$ 40	9,700	\$ 9,741

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:

	2025	2024	2023	2022	2021	2020	2019	2018
General Fund	2.075	2.395	2.400	3.475	3.475	3.565	4.300	4.350
Total	2.075	2.395	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 October 10, 2024. Tax payers were billed by November 30, 2025 with tax payments due on or before December 20, 2025. 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, 2025

6. Restricted Assets

Restricted assets at December 31, 2025 are as follows:

Governmental Activities	
SPLOST Fund:	
Restricted for Water	
infrastructure improvement	\$ 212,232
Total governmental activities	\$ 212,232

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, 2025, 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, 2025

	Budget	Actual	Variance
REVENUES			
General purpose sales and use taxes	\$ 131,100	\$ 254,237	\$ (123,137)
Property taxes	95,000	93,543	1,457
Operating grants	16,500	17,912	(1,412)
Charges for services	-	2,276	(2,276)
Other revenues	106,425	56,445	49,980
Total revenue	349,025	424,413	(75,388)
EXPENDITURES			
General government	332,525	225,901	106,624
Total expenditures	332,525	417,847	(85,322)
Excess of revenue over expenditures and uses	16,500	6,566	9,934
Fund balances at beginning of the year	885,435	885,435	-
Fund balances at end of the year	<u>\$ 885,435</u>	<u>\$ 892,001</u>	<u>\$ 6,566</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, 2025

1. Budgetary Information

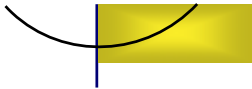
Budgetary basis of accounting

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.



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**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, 2025, and related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 20, 2026.

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 material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during the audit the auditor did not identify any deficiencies in internal control that were considered to be material weaknesses. Certain deficiencies in internal control over financial reporting were identified that we consider to be significant deficiencies as described in the accompanying schedule of findings and response as items 2025-001.

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.

City of Williamson's Response to Findings

The City's response to the findings identified in the audit are described in the accompanying schedule of findings and response. City of Williamson's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, the auditor does not express an opinion on it.

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.

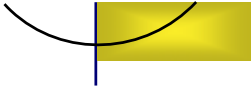
Bambo Sonaike CPA, LLC

March 20, 2026



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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, 2025. 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 modified 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, 2025 in conformity with accounting principles generally accepted in the united States of America.

Bambo Sonaike CPA, LLC

March 20, 2026

City of Williamson, Georgia
Schedule of Projects Constructed With 2022 Special Sales Tax Proceeds
For the period ended December 31, 2025

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	\$ 688,125	\$ 688,125	\$ -	\$ 469,936	\$ 469,936	68.3%
Pave old Fayetteville road	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	0.0%

City of Williamson, Georgia
Schedule of Findings and Responses
For the period ended December 31, 2025

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

<u>Internal control over financial reporting:</u>		<u>References</u>
Material weaknesses identified?	No	
Significant deficiencies identified?	Yes	2025-001

<u>Compliance and other matters:</u>	
Non-compliance material to financial statements noted?	No

<u>Section II - Financial Statements Findings</u>	<u>References</u>
See applicable reference.	2025-001

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, 2025

Current year findings

2025-001: Documentation of bank statements reconciliation to the general ledger.

Criteria: Monthly documentation of the bank account reconciliations to the general ledger 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 bank statements to the general ledger were not properly documented.

Cause: The City changed its accounting software years ago which appears to cause the lack of proper documentation of the bank account reconciliation.

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

Recommendation: We recommend that the City adopt a reporting software that can generate the proper documentation of the bank account reconciliation process. The proper documentation should include 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.

City of Williamson, Georgia
Schedule of Findings and Responses
For the period ended December 31, 2025

Prior year findings

2024-001: 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 bank statements to the general ledger were not properly performed and documented.

Cause: The City changed its accounting software during the year which appears to cause the reconciliation discrepancies and lack of documentation.

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.

Status:

Not resolved and restated for current year.

–End of Report–