EMERSON

GEORGIA • EST. 1889

Annual Financial Report

For the Fiscal Year Ended

June 30, 2025

By Authority of

The Mayor and City Council

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CITY OF EMERSON, GEORGIA
Annual Financial Report
Year Ended June 30, 2025

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FINANCIAL SECTION

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P.O. BOX 473
CARTERSVILLE, GA 30120
(770) 382-3361
FAX (770) 386-8382
WWW.WCPAS.COM

WILLIAMSON & CO., CPA's
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

LLOYD WILLIAMSON
CHRISTIAN HATCH

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
City of Emerson, Georgia

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Emerson, Georgia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Emerson, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Emerson, Georgia as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Hotel/Motel Tax Special Revenue Fund, the Confiscated Asset Special Revenue Fund, the American Rescue Plan Special Revenue Fund, and the School Zone Camera Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Emerson, Georgia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025, the City adopted new accounting guidance, GASB 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Emerson, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Emerson, Georgia's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Emerson, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted 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 opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Net Pension Liability and Related Ratios on page 46 and the Schedule of Contributions – Pension Plan on page 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Emerson's basic financial statements. The capital projects fund budgetary comparisons on pages 50 and 51, and the Schedules of Special Purpose Local Option Sales Tax Expenditures on pages 57 and 58 as required by the Georgia code section OCGA §48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the capital projects fund budgetary comparisons and the schedules of special purpose local option sales tax expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 15, 2025, on our consideration of the City of Emerson, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Emerson, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Emerson, Georgia's internal control over financial reporting and compliance.

Williamson + Company

Williamson and Company
Certified Public Accountants
Cartersville, Georgia
December 15, 2025

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BASIC FINANCIAL STATEMENTS

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CITY OF EMERSON, GEORGIA
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	$ 7,041,147	$ 3,484,147	$ 10,525,294
Receivables - Net	303,665	178,957	482,622
Inventory	-	23,455	23,455
Internal Balances	715,861	(715,861)	-
Capital Assets			
Other Capital Assets-Net	2,701,197	12,167,123	14,868,320
Land and Construction in Progress	648,452	2,700	651,152
Total Assets	11,410,322	15,140,521	26,550,843
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan	185,173	18,650	203,823
Total Deferred Outflows of Resources	185,173	18,650	203,823
Total Assets and Deferred Outflows of Resources	11,595,495	15,159,171	26,754,666
LIABILITIES			
Accounts Payable	183,488	40,932	224,420
Accrued Liabilities	37,283	5,270	42,553
Customer Deposits	-	93,105	93,105
Unreleased Confiscated Deposits	20,023	-	20,023
Net Pension Liability	352,221	35,474	387,695
Noncurrent Liabilities:			
Due Within One Year	196,383	48,909	245,292
Due in More Than One Year	1,410,732	1,378,726	2,789,458
Total Liabilities	2,200,130	1,602,416	3,802,546
DEFERRED INFLOWS OF RESOURCES			
Pension Plan	101,287	10,201	111,488
Total Deferred Inflows of Resources	101,287	10,201	111,488
Total Liabilities and Deferred Inflows of Resources	2,301,417	1,612,617	3,914,034
NET POSITION			
Net Investment in Capital Assets	1,836,277	10,744,993	12,581,270
Restricted for:			
Capital Projects	1,351,997	-	1,351,997
Law Enforcement Activities	45,051	-	45,051
Unrestricted	6,060,753	2,801,561	8,862,314
Total Net Position	$ 9,294,078	$ 13,546,554	$ 22,840,632

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Council, Commissions, and Boards	$ 23,830	$ -	$ -	$ -
General Government	1,547,636	977,206	456,943	618,533
Municipal Court	319,713	642,527	-	-
Contracted Services	78,594	-	-	-
Public Safety	1,685,447	188,473	43,514	-
Public Works	843,618	-	-	-
Culture and Recreation	38,118	16,450	-	-
Water and Sewer	10,296	-	-	-
Interest on Long-term Debt	43,787	-	-	-
Total Governmental Activities	4,591,039	1,824,656	500,457	618,533
Business-type Activities:				
Water/Sewer	1,923,758	3,193,686	-	100,000
Solid Waste	190,839	225,321	-	-
Total Business-type Activities	2,114,597	3,419,007	-	100,000
Total Primary Government	$ 6,705,636	$ 5,243,663	$ 500,457	$ 718,533

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Totals
Primary Government:			
Governmental Activities:			
Council, Commissions, and Boards	$ (23,830)	$	$ (23,830)
General Government	505,046		505,046
Municipal Court	322,814		322,814
Contracted Services	(78,594)		(78,594)
Public Safety	(1,453,460)		(1,453,460)
Public Works	(843,618)		(843,618)
Culture and Recreation	(21,668)		(21,668)
Water and Sewer	(10,296)		(10,296)
Interest on Long-term Debt	(43,787)		(43,787)
Total Governmental Activities	(1,647,393)		(1,647,393)
Business-type Activities:			
Water/Sewer		1,369,928	1,369,928
Solid Waste		34,482	34,482
Total Business-type Activities		1,404,410	1,404,410
Total Primary Government			(242,983)
General Revenues:			
Taxes:			
Sales	778,366	-	778,366
Property	858,493	-	858,493
Hotel/Motel	614,462	-	614,462
Motor Vehicle	63,145	-	63,145
Insurance Premium	138,627	-	138,627
Malt & Mixed Beverage	45,716	-	45,716
Franchise	224,734	-	224,734
Business Occupation	26,712	-	26,712
Excise	47,477	-	47,477
Intangible	6,314	-	6,314
Transfer	23,076	-	23,076
Investment Earnings	104,739	48,523	153,262
Miscellaneous	51,143	14,184	65,327
Gain on Asset Disposal	5,088	-	5,088
Transfers	(21,909)	21,909	-
Total General Revenues and Transfers	2,966,183	84,616	3,050,799
Change in Net Position	1,318,790	1,489,026	2,807,816
Beginning Net Position	7,975,288	12,057,528	20,032,816
Ending Net Position	$ 9,294,078	$ 13,546,554	$ 22,840,632

The accompanying notes are an integral part of this financial statement.

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CITY OF EMERSON, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2025

	General	Capital Projects 2014 SPLOST Fund	Capital Projects 2020 SPLOST Fund	Hotel Motel Tax Special Revenue	Confiscated Assets Special Revenue	Police Technology Special Revenue	American Rescue Plan Special Revenue	Total Governmental Funds
ASSETS								
Cash	$ 5,401,657	$ 21,423	$ 1,219,071	$ 333,922	$ 58,749	$ 6,325	$ -	$ 7,041,147
Receivables, Net								
Taxes	82,649	-	-	98,181	-	-	-	180,830
Fines	11,332	-	-	-	-	-	-	11,332
Intergovernmental	-	-	111,503	-	-	-	-	111,503
Due from Other Funds	715,861	-	-	-	-	-	-	715,861
Total Assets	$ 6,211,499	$ 21,423	$ 1,330,574	$ 432,103	$ 58,749	$ 6,325	$ -	$ 8,060,673
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	$ 134,105	$ -	$ -	$ 49,383	$ -	$ -	$ -	$ 183,488
Accrued Payroll Liabilities	37,283	-	-	-	-	-	-	37,283
Unreleased Confiscated Deposits	-	-	-	-	20,023	-	-	20,023
Total Liabilities	171,388	-	-	49,383	20,023	-	-	240,794
Deferred Inflows of Resources	1,454	-	-	-	-	-	-	1,454
Total Liabilities and Deferred Inflows of Resources	172,842	-	-	49,383	20,023	-	-	242,248
Fund Balance:								
Restricted for:								
Law Enforcement Activities	-	-	-	-	38,726	6,325	-	45,051
Capital Projects	-	21,423	1,330,574	-	-	-	-	1,351,997
Committed	-	-	-	382,720	-	-	-	382,720
Unassigned	6,038,657	-	-	-	-	-	-	6,038,657
Total Fund Balances	6,038,657	21,423	1,330,574	382,720	38,726	6,325	-	7,818,425
Total Liabilities and Fund Balances	$ 6,211,499	$ 21,423	$ 1,330,574	$ 432,103	$ 58,749	$ 6,325	$ -	$ 8,060,673

Reconciliation of the Balance Sheet to the Statement of of Net Position

Fund Balances - Total Governmental Funds			$ 7,818,425
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 are therefore not reported in the governmental funds.			
Governmental Capital Assets		5,015,351	
Less Accumulated Depreciation		(1,665,702)	3,349,649
Unearned revenues are recognized in the governmental funds for property tax collections but are not recognized in the statement of net position			1,454
A portion of pension plan contributions are for future use and are considered deferred outflows of resources.			185,173
Differences between expected and actual returns on pension plan investments are not recognized at the fund level, yet presented as a deferred inflow of resources on the Statement of Net Position.			(101,287)
Long-term liabilites are not due and payable in the current perod and therefore are not reported in the governmental funds.			
Note Payable		(1,513,372)	
Compensated Abscences		(93,743)	
Net Pension Liability		(352,221)	(1,959,336)
Net Position of Governmental Activities			$ 9,294,078

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Capital Projects 2014 SPLOST Fund	Capital Projects 2020 SPLOST Fund	Hotel Motel Tax Special Revenue	Confiscated Assets Special Revenue	Police Technology Special Revenue	American Rescue Plan Special Revenue	Total Governmental Funds
REVENUES								
Taxes	$ 2,212,389	$ -	$ -	$ 614,462	$ -	$ -	$ -	$ 2,826,851
Licenses and Permits	490,441	-	-	-	-	-	-	490,441
Fines and Forfeitures	766,515	-	-	-	50,892	-	-	817,407
Charges for Services	509,180	-	-	-	-	6,325	-	515,505
Intergovernmental	154,271	-	618,533	-	-	-	298,002	1,070,806
Miscellaneous Income	99,986	-	-	-	-	-	-	99,986
Interest Income	104,599	-	-	-	140	-	-	104,739
Total Revenues	4,337,381	-	618,533	614,462	51,032	6,325	298,002	5,925,735
EXPENDITURES								
Current Operating:								
Council Commission & Boards	23,830	-	-	-	-	-	-	23,830
General Government	1,228,621	-	21,887	288,847	-	-	-	1,539,355
Municipal Court	317,874	-	-	-	-	-	-	317,874
Contracted Services	78,594	-	-	-	-	-	-	78,594
Public Safety	1,573,570	-	-	-	50,095	-	-	1,623,665
Public Works	668,586	-	113,575	-	-	-	-	782,161
Culture and Recreation	13,064	-	-	16,163	-	-	-	29,227
Water and Sewer System	-	10,296	-	-	-	-	-	10,296
Capital Outlay:								
General Government	-	-	98,647	20,191	-	-	-	118,838
Public Safety	-	-	18,291	-	-	-	-	18,291
Public Works	-	-	9,503	-	-	-	-	9,503
Culture and Recreation	-	-	-	15,000	-	-	-	15,000
Water and Sewer System	-	13,909	8,000	-	-	-	-	21,909
Debt Service								
Principal	223,746	-	-	-	-	-	-	223,746
Interest	43,787	-	-	-	-	-	-	43,787
Total Expenditures	4,171,672	24,205	269,903	340,201	50,095	-	-	4,856,076
Excess (Deficiency) of Revenues Over (Under) Expenditures	165,709	(24,205)	348,630	274,261	937	6,325	298,002	1,069,659
OTHER FINANCING SOURCES (USES)								
Transfers In	513,793	-		-	-	-	-	513,793
Transfers Out	-	-	-	(215,791)	-	-	(298,002)	(513,793)
Proceeds from Surplus Sales	5,088	-	-	-	-	-	-	5,088
Total Other Financing Sources (Uses)	518,881	-	-	(215,791)	-	-	(298,002)	5,088
Net Change in Fund Balances	684,590	(24,205)	348,630	58,470	937	6,325	-	1,074,747
Fund Balance - Beginning of Year	5,354,067	45,628	981,944	324,250	37,789	-	-	6,743,678
Fund Balance - End of Year	$ 6,038,657	$ 21,423	$ 1,330,574	$ 382,720	$ 38,726	$ 6,325	$ -	$ 7,818,425

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities for the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds		$ 1,074,747
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation		
Expenditures for Capital Assets	285,593	
Less Current Year Depreciation	(205,997)	79,596
Transfers of capital assets between governmental and business-type activities are not reported in the governmental fund statements		(21,909)
Deferred tax revenue is recognized in the governmental funds for property tax collections but are not recognized in the statement of net position		272
Governmental funds report monthly pension plan premiums as current period expenditures while governmental activities record a portion of those payments as deferred outflow of resources.		(13,441)
Changes in the value of the pension plan are not reflected in the governmental funds, however they are accounted for in the governmental activities.		(101,287)
Governmental funds report payments on debt principal as expenditures while those expenditures are treated as a reduction of the liability in the statement of net position		
Principal Reduction		223,746
Governmental funds do not report changes in long-term liabilities while governmental activities report a liability and the changes to such liability.		
Compensated Absences	4,184	
Net Pension Liability	72,882	77,066
Change in Net Position of Governmental Activities		$ 1,318,790

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Statement of Revenues, Expenditures, and Change in Fund Balance
General Fund - Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 2,086,980	$ 2,086,980	$ 2,212,389	$ 125,409
Licenses and Permits	282,400	282,400	490,441	208,041
Fines and Forfeitures	661,000	661,000	766,515	105,515
Charges for Services	365,330	365,330	509,180	143,850
Intergovernmental	45,000	45,000	154,271	109,271
Miscellaneous Income	11,600	11,600	99,986	88,386
Interest Income	50,000	50,000	104,599	54,599
Total Revenues	3,502,310	3,502,310	4,337,381	835,071
EXPENDITURES				
Current				
Council Commission & Boards	31,350	31,350	23,830	7,520
General Government	1,218,890	1,252,390	1,228,621	23,769
Municipal Court	366,350	366,350	317,874	48,476
Contracted Services	97,000	97,000	78,594	18,406
Public Safety	1,650,170	1,650,170	1,573,570	76,600
Public Works	726,260	726,260	668,586	57,674
Culture and Recreation	21,000	21,000	13,064	7,936
Debt Service				
Principal	87,401	87,401	223,746	(136,345)
Interest	36,717	36,717	43,787	(7,070)
Total Expenditures	4,235,138	4,268,638	4,171,672	96,966
Excess (Deficiency) of Revenues Over (Under) Expenditures	(732,828)	(766,328)	165,709	932,037
OTHER FINANCING SOURCES				
Appropriated Fund Balance	219,201	252,701	-	(252,701)
Transfers In	513,627	513,627	513,793	166
Proceeds from Surplus Sale	-	-	5,088	5,088
Total Other Financing Sources	732,828	766,328	518,881	5,254
Net Change in Fund Balance	-	-	684,590	937,291
Fund Balance - Beginning of Year	5,354,067	5,354,067	5,354,067	-
Fund Balance - End of Year	$ 5,354,067	$ 5,354,067	$ 6,038,657	$ 937,291

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Hotel/Motel Tax Special Revenue Fund - Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 575,000	$ 575,000	$ 614,462	$ 39,462
Total Revenues	575,000	575,000	614,462	39,462
EXPENDITURES				
Current:				
General Government	271,563	271,563	288,847	(17,284)
Culture and Recreation	20,000	20,000	16,163	3,837
Capital Outlay:				
General Government	32,000	32,000	20,191	11,809
Culture and Recreation	312,500	312,500	15,000	297,500
Total Expenditures	636,063	636,063	340,201	295,862
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,063)	(61,063)	274,261	335,324
OTHER FINANCING SOURCES (USES)				
Transfers Out	(215,625)	(215,625)	(215,791)	(166)
Appropriated Fund Balance	276,688	276,688	-	(276,688)
Total Other Financing Sources (Uses)	61,063	61,063	(215,791)	(276,854)
Net Change in Fund Balance	-	-	58,470	58,470
Fund Balance - Beginning of Year	324,250	324,250	324,250	-
Fund Balance - End of Year	$ 324,250	$ 324,250	$ 382,720	$ 58,470

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Statement of Revenues, Expenditures, and Change in Fund Balance
Confiscated Assets Special Revenue Fund - Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Fines and Forfeitures	$ -	$ -	$ 50,892	$ 50,892
Interest Income	-	-	140	140
Total Revenues	-	-	51,032	51,032
EXPENDITURES				
Current:				
Public Safety	35,000	35,000	50,095	(15,095)
Total Expenditures	35,000	35,000	50,095	(15,095)
Excess (Deficiency) of Revenues (Over) Under Expenditures	(35,000)	(35,000)	937	35,937
OTHER FINANCING SOURCES				
Appropriated Fund Balance	35,000	35,000	-	(35,000)
Total Other Financing Sources	35,000	35,000	-	(35,000)
Net Change in Fund Balance	-	-	937	937
Fund Balance - Beginning of Year	37,789	37,789	37,789	-
Fund Balance - End of Year	$ 37,789	$ 37,789	$ 38,726	$ 937

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Statement of Revenues, Expenditures, and Change in Fund Balance
Police Technology Special Revenue Fund - Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Charges for Services	$ 25,000	$ 25,000	$ 6,325	$ (18,675)
Total Revenues	25,000	25,000	6,325	(18,675)
EXPENDITURES				
Current:				
Public Safety	20,000	20,000	-	20,000
Total Expenditures	20,000	20,000	-	20,000
Excess of Revenues Over Expenditures	5,000	5,000	6,325	1,325
OTHER FINANCING SOURCES				
Transfers Out	(5,000)	(5,000)	-	5,000
Total Other Financing Sources	(5,000)	(5,000)	-	5,000
Net Change in Fund Balance	-	-	6,325	6,325
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 6,325	$ 6,325

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balance
American Rescue Plan Special Revenue Fund - Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ -	$ -	$ 298,002	$ 298,002
Total Revenues	-	-	298,002	298,002
EXPENDITURES				
Current:				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	298,002	298,002
OTHER FINANCING SOURCES (USES)				
Transfers Out	(298,002)	(298,002)	(298,002)	-
Appropriated Fund Balance	298,002	298,002	-	(298,002)
Total Other Financing Sources (Uses)	-	-	(298,002)	(298,002)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2025

	Water & Sewer	Solid Waste	Total
Assets			
Current Assets:			
Cash	$ 3,439,616	$ 44,531	$ 3,484,147
Accounts Receivable, Net	153,933	25,024	178,957
Inventory	15,842	7,613	23,455
Total Current Assets	3,609,391	77,168	3,686,559
Noncurrent Assets:			
Equipment	598,326	356,084	954,410
Buildings and Improvements	798,160	-	798,160
Distribution and Collection Systems	16,345,151	-	16,345,151
Less Accumulated Depreciation	(5,770,290)	(160,308)	(5,930,598)
Land and Easements	2,700	-	2,700
Total Noncurrent Assets	11,974,047	195,776	12,169,823
Total Assets	15,583,438	272,944	15,856,382
Deferred Outflows of Resources			
Pension Plan	12,433	6,217	18,650
Total Deferred Outflows of Resources	12,433	6,217	18,650
Total Assets and Deferred Outflows of Resources	15,595,871	279,161	15,875,032
Liabilities			
Current Liabilities:			
Accounts Payable	36,793	4,139	40,932
Accrued Liabilities	4,372	898	5,270
Due to Other Funds	700,536	15,325	715,861
Customer Deposits	93,105	-	93,105
Compensated Absences	2,036	769	2,805
Note Payable	46,104	-	46,104
Total Current Liabilities	882,946	21,131	904,077
Noncurrent Liabilities:			
Note Payable	1,378,726	-	1,378,726
Net Pension Liability	23,649	11,825	35,474
Total Noncurrent Liabilities	1,402,375	11,825	1,414,200
Total Liabilities	2,285,321	32,956	2,318,277
Deferred Inflows of Resources			
Pension Plan	6,801	3,400	10,201
Total Deferred Inflows of Resources	6,801	3,400	10,201
Total Liabilities and Deferred Inflows of Resources	2,292,122	36,356	2,328,478
Net Position			
Net Investment in Capital Assets	10,549,217	195,776	10,744,993
Unrestricted	2,754,532	47,029	2,801,561
Total Net Position	$ 13,303,749	$ 242,805	$ 13,546,554

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Water & Sewer	Solid Waste	Total
Operating Revenues			
Charges for Services	$ 3,193,686	$ 225,321	$ 3,419,007
Fees	14,184	-	14,184
Total Operating Revenues	3,207,870	225,321	3,433,191
Operating Expenses			
Salaries, Wages, and Employee Benefits	228,902	70,412	299,314
Landfill Fees	9,378	35,183	44,561
Purchased Water	199,645	-	199,645
Materials and Supplies	182,910	7,196	190,106
System Maintenance	57,840	-	57,840
Purchased Services	289,227	-	289,227
Insurance Expense	39,513	6,871	46,384
Administrative Charge	184,950	41,850	226,800
General and Administrative	184,129	1,619	185,748
Other Repairs and Maintenance	32,055	5,475	37,530
Utilities	92,030	480	92,510
Depreciation Expense	359,256	21,753	381,009
Total Operating Expenses	1,859,835	190,839	2,050,674
Operating Income	1,348,035	34,482	1,382,517
Nonoperating Revenues (Expenses)			
Interest Income	48,523	-	48,523
Interest Expense	(63,923)	-	(63,923)
Total Nonoperating Revenues (Expenses)	(15,400)	-	(15,400)
Income Before Capital Contributions	1,332,635	34,482	1,367,117
Capital Contributions	121,909	-	121,909
Total Capital Contributions	121,909	-	121,909
Change in Net Position	1,454,544	34,482	1,489,026
Net Position - Beginning	11,849,205	208,323	12,057,528
Net Position - Ending	$ 13,303,749	$ 242,805	$ 13,546,554

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Water & Sewer	Solid Waste	Total
Cash Flows From Operations			
Receipts from Customers and Users	$ 3,236,315	$ 223,738	$ 3,460,053
Payments to Suppliers and Users	(1,093,540)	(56,675)	(1,150,215)
Payments to/for Employees	(224,975)	(68,193)	(293,168)
Net Cash Provided by Operating Activities	1,917,800	98,870	2,016,670
Cash Flows From Noncapital Financing Activities			
Payment to Other Funds	(224,619)	(140,226)	(364,845)
Net Cash Provided by Noncapital Financing Activities	(224,619)	(140,226)	(364,845)
Cash Flows From Capital and Related Financing Activities			
Principal Paid	(44,269)	-	(44,269)
Interest Paid	(63,923)	-	(63,923)
Acquisition of Capital Assets	(38,698)	-	(38,698)
Net Cash Used in Capital and Related Financing Activities	(146,890)	-	(146,890)
Cash Flows From Investing Activities			
Interest Received	48,523	-	48,523
Net Cash Flows From Investing Activities	48,523	-	48,523
Net Increase in Cash	1,594,814	(41,356)	1,553,458
Cash - July 1, 2024	1,844,802	85,887	1,930,689
Cash - June 30, 2025	$ 3,439,616	$ 44,531	$ 3,484,147
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	$ 1,348,035	$ 34,482	$ 1,382,517
Adjustments to Reconcile to Net Cash Provided by Operating Activities			
Depreciation	359,256	21,753	381,009
Administration Charges Paid to General Fund	184,950	41,850	226,800
(Increase) Decrease in Accounts Receivable	12,093	(1,583)	10,510
(Increase) Decrease in Inventory	(2,347)	-	(2,347)
(Increase) Decrease in Deferred Outflows of Resources	903	451	1,354
Increase (Decrease) in Accounts Payable & Accrued Payables	(4,466)	195	(4,271)
Increase (Decrease) in Customer Deposits	16,352	-	16,352
Increase (Decrease) in Compensated Absences	1,117	769	1,886
Increase (Decrease) in Deferred Inflows of Resources	6,801	3,400	10,201
Increase (Decrease) in Net Pension Liability	(4,894)	(2,447)	(7,341)
Net Cash Provided by (Used in) Operating Activities	$ 1,917,800	$ 98,870	$ 2,016,670
Noncash Investing, Capital, and Financing Activities			
Capital Contributions - Capital Projects Funds	$ 121,909	$ -	$ 121,909
Acquisition of Capital Assets	(121,909)	-	(121,909)
Total Noncash Investing, Capital, and Financing Activities	$ -	$ -	$ -

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Statement of Fiduciary Net Position
Municipal Court Custodial Fund
June 30, 2025

	Custodial Funds
Assets	
Cash and Cash Equivalents	$ 22,317
Total Assets	22,317
Liabilities	
Due to Others	22,317
Total Liabilities	22,317
Net Position	
Restricted for Individuals, Organizations, and Other Governments	-
Total Net Position	$ -

The accompanying notes are an integral part of this financial statement.

CITY OF EMERSON, GEORGIA
Statement of Changes in Fiduciary Net Position
Municipal Court Custodial Fund
For the Year Ended June 30, 2025

	Custodial Funds
Additions	
Fines and Forfeitures Collected for Other Governments	$ 296,173
Total Additions	296,173
Deductions	
Distribution of Fines and Forfeitures to Other Governments	296,173
Total Deductions	296,173
Change in Net Position	-
Net Position, Beginning of Year	-
Net Position, End of Year	$ -

The accompanying notes are an integral part of this financial statement.

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Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Emerson, Georgia was incorporated in 1889. The City operates under a City Council-City Manager form of government. The City provides the following services: Public Works (Streets), Public Utilities (Water and Solid Waste), Public Safety (Police), and Administrative Services. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the primary government and its component units. The City has no component units.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements, each of which present different views of the City. The government-wide and fund financial statements categorize primary activities as either governmental or business type. Fiduciary funds (if any) are not included in the government-wide statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, permits and fines, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

In the government-wide statement of net position, governmental and business-type activities are presented on a consolidated basis and reflect full accrual, economic resources basis, which includes long-term assets and receivables as well as long-term debt and obligations.

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

Fund financial statements emphasize major funds in either the governmental or business-type category. Non-major governmental funds (if any) are reported as a separate column in the fund financial statements.

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City applies all relevant FASB pronouncements and APB opinions issued on or prior to December 1, 1989 to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City does not apply FASB pronouncement and APB opinions issued after November 30, 1989.

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

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

Taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives the cash. In applying the susceptible to accrual concept, nonexchange transactions are recognized in accordance with GASB Statement 33.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and unrestricted as needed.

D. Fund Types

Governmental Funds

The General Fund, the 2014 and 2020 SPLOST Capital Projects Funds, the Confiscated Asset Special Revenue Fund, the Hotel/Motel Tax Special Revenue Fund, the American Rescue Plan Special Revenue Fund, and the School Zone Camera Special Revenue Fund are the major governmental funds that the City reports. The General Fund is the primary fund of the City and accounts for all financial resources of the general government except those required to be reported in the other funds. The 2014 and 2020 SPLOST Capital Projects Funds accounts for specific revenues and expenditures that are approved through a voter resolution. The Confiscated Assets Special Revenue Fund accounts for cash received from confiscation or sale of assets acquired through confiscation. The Hotel/Motel Tax Special Revenue Fund accounts for hotel/motel tax receipts and tourism/economic development expenditures as required by statute. The American Rescue Plan Fund accounts for the receipt and use of the City's portion allocated under the American Rescue Plan passed by Congress in March 2021. The Police Technology fund accounts for a portion of municipal court fine revenue that is required to be used on technological upgrades, replacements, and additions for the police department.

Proprietary Funds

Proprietary funds are used to account for operations for which a fee is charged to external users for goods or services and the activity is intended to be self-supporting. The City operates a water/sewer fund and a solid waste fund, both of which are presented as major proprietary funds. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of these funds are charges to customers for sales and services. The Water/Sewer Fund recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. As a general rule, interfund activity has been eliminated from the government-wide financial statements. Exceptions to this are charges between the City's proprietary funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

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

Fiduciary Funds

Custodial Funds – Custodial funds are fiduciary in nature and are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held for others. The City has a custodial fund to account for municipal court collections and disbursements made on behalf of other governmental agencies.

E. Assets, Liabilities, Net Position or Equity

1. **Cash and Investments.** Cash includes amounts in demand and time deposits that must be by law insured or collateralized, and investments, if any, are limited by law and bond ordinances, to federal and state securities.

2. **Receivables.** All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the enterprise funds are recognized at the end of the year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

3. **Due to and Due from Other Funds/Internal Balances.** During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered or interfund loans. Interfund transactions are recorded in all funds affected in the period in which transactions are executed. The balances which represent receivables and payables between governmental and business-type activities in the government-wide statements are reported as internal balances.

4. **Capital Assets.** Capital assets that cost more than $5,000 with an estimated useful life of more than one year are capitalized and depreciated. Capital assets, including property, plant, vehicles, equipment and infrastructure (streets, bridges, curbs, sidewalks, drainage and lighting systems) are reported in the applicable governmental or business-type activities columns in the government-wide statements. All capital assets are carried at cost where historical records are available and at an estimated historical cost where no historical

records exist. Donated capital assets are valued at their estimated fair value on the date of acquisition. Depreciation is computed on the straight-line basis over the estimated useful life of the asset.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

General infrastructure assets acquired prior to June 15, 2003 are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to June 15, 2003.

5. **Deferred Outflows/Inflows Of Resources.** In addition to assets, the Statement of Net Position and/or the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify as a deferred outflow of resources for fiscal 2025 and arises under the full accrual basis of accounting in the Statement of Net Position for the governmental activities, the business-type activities, and the proprietary funds. The sources of the deferred outflows are related to the City's contributions to the defined benefit pension plan and the changes in value of that plan.

   In addition to liabilities, the statement of Net Position and/or the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has one item under the modified accrual basis of accounting that qualifies as a deferred inflow of resources for fiscal 2025. It is property tax revenue that is considered unavailable at year end. The City has one item that qualifies as a deferred inflow of resources for fiscal 2025 and arises under the full accrual basis of accounting in the Statement of Net Position for the governmental activities, the business-type activities, and the proprietary funds. The sources of the deferred inflows are related to changes related to the valuation of the City's defined benefit pension plan.

6. **Compensated Absences.** Full-time, permanent employees are granted paid time off benefits and the amount expected to be paid is reported in the financial statements as compensated absences. Accumulated leave is recorded as a liability when incurred in proprietary fund financial statements and as an entity wide liability for governmental and business-type activities. Governmental funds only report the portion expected to be liquidated in the current year.

7. **Pensions.** For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Georgia Municipal Employees Benefit System (GMEBS) and additions to/deductions from the GMEBS fiduciary net position have been determined on the same basis as they are reported to GMEBS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

8. **Long-term Debt, Bond Discounts, and Issuance Costs.** Outstanding debt and other obligations are reported as a liability in the government-wide and proprietary financial statements. Bond discounts/premiums for proprietary funds and governmental and business-type activities are capitalized and amortized over the term of the respective bonds using the straight-line method. Bond discounts are presented as a reduction in the face

amount of bonds payable. In the fund financial statements, governmental funds recognize bond premiums, discounts, and bond issuance costs during the current period. The face amount of the debt issued is reported as an other financing source.

9. Net Position and Fund Balances.

The City's net position on the government-wide statement of net position 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 for capital projects and law enforcement activities in accordance with restrictions imposed by external third parties.

Unrestricted Net Position – These resources are used for transactions relating to general operations of the City, and may be used at the discretion of the City Council to meet current expenses for those purposes.

It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund equity at the governmental fund financial reporting level is classified as fund balance. Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City's fund balances are classified as follows:

1) *Nonspendable Fund Balance* – Noncash assets such as inventories and prepaid items.

2) *Restricted Fund Balance* – Funds with limitations imposed on their use by external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted fund balance for governmental funds totaled $1,397,048 at June 30, 2025.

3) *Committed Fund Balance* – Amounts that can only be used for specific purposes pursuant to a majority vote of the City Council, the City's highest level of decision making authority by resolution. Commitments may only be modified or rescinded by a majority vote of the Council. Commitments must be adopted prior to the end of the year; however, the amount to be committed may be determined up to 120 days after year end. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Equity amounts in the City's Hotel/Motel Tax Fund are committed for the purpose of the fund.

4) *Assigned Fund Balance* – Amounts intended by the City Council for specific purposes. Under the City's adopted policy, amounts may be assigned by the finance committee, under the authorization of the City Council. Amounts appropriated to eliminate a projected deficit in the subsequent year's budget shall

constitute assignments and are documented by adoption of the City's annual operating budget. Equity amounts reported in special revenue funds, capital project funds and debt service funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance.

5) *Unassigned Fund Balance* – Residual spendable fund balance for the General Fund after subtracting all above amounts.

When expenditures are incurred by the City that would qualify for payment with either restricted or unrestricted funds, it will be paid from restricted funds. When expenditures are incurred that qualify for payment from one of the three unrestricted fund balances categories, it will be applied in the following order: committed, assigned, then unassigned.

Note 2. Stewardship, Compliance and Accountability

Budgets are adopted on a basis consistent with generally accepted accounting principles. Georgia Law requires an annual balanced budget for general and special revenue funds and a project length budget for each capital project fund. All departments of the City submit requests for appropriation to the City Council so that a budget may be prepared. The budget is prepared by fund, function (department), and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

No later than 45 days prior to the beginning of the fiscal year, the proposed budget is presented to the Mayor and Council for review. The City Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. The legal level of budgetary control is at the department level. Any changes in the budget must be within the revenues and reserves estimated as available by the manager or the revenues estimates must be changed by an affirmative vote of a majority of the Council, except for emergencies as defined by the charter and unanimously voted by Council. Last year's budget subject to amendment becomes the current year's budget if Council fails to act.

The 2025 General Fund and special revenue funds budgets were voted upon and adopted by the City Council. Debt service expenditures were over budgeted amounts in the General Fund by $143,415. General government expenditures in the Hotel/Motel Tax Special Revenue Fund were over budget by $5,475. Confiscated Asset Special Revenue Fund expenditures were over final budgeted amounts by $15,095.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances at the end of the year were for immaterial amounts and therefore are not reported as reservations of fund balances.

The 2014 SPLOST Capital Projects Fund and the 2020 SPLOST Capital Projects Fund have a project length budget that was adopted when voters approved the Special Purpose Local Option Sales Tax referendums. The budgets of these funds are prepared for the projected total Special Purpose Local Option Sales Tax revenue and related expenditures.

Note 3. Deposits and Investments

Cash as of June 30, 2025 is as follows:

Statement of Net Position:	
Unrestricted Cash	$ 9,219,726
Restricted Cash	1,305,568
Total	$ 10,525,294

Restricted cash is reported in the 2014 and 2020 SPLOST Capital Projects Funds, the Confiscated Asset Special Revenue Fund, and the Police Tech Special Revenue Fund.

The City has no investments other than cash. The City does not have a formal policy that addresses custodial credit risk.

Note 4. Receivables

Receivables as of June 30, 2025 consist of the following:

	General	Hotel/ Motel Tax	2020 SPLOST Capital Projects	Water and Sewer	Solid Waste	Total
Accounts	$ -	$ -	$ -	$ 175,700	$ 28,566	$ 204,266
Taxes	82,649	98,181	-	-	-	180,830
Fines	11,332	-	-	-	-	11,332
Intergovernmental	-	-	111,503	-	-	111,503
Allowances for Uncollectibles	-	-	-	(21,767)	(3,542)	(25,309)
Net	$ 93,981	$ 98,181	$111,503	$ 153,933	$ 25,024	$ 482,622

Taxes receivable include $71,767 of Local Option Sales Tax and $2,551 of property taxes. The intergovernmental receivable of $111,503 consists of accrued SPLOST collections for the 2020 SPLOST. Fines receivable were collected by a third party and owed to the City as of June 30, 2025.

Note 5. Property Tax

Bartow County bills and collects the City's real and personal property taxes. The Bartow County Tax Assessors' Office assesses property values as of January 1 each year. The City's millage rate of 3.587 mils was approved by the City Council on July 22, 2024. The bill date was September 15, 2024 and taxes were due by November 15, 2024. After November 15, 2024, interest and penalties begin to accrue on unpaid balances and property is subject to lien.

All property tax revenue is recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period, and collected no later than 60 days after the close of the fiscal year end.

Note 6. Interfund Receivables, Payables and Transfers

Due to/from Other Funds:

City-wide internal balances between governmental activities and business-type activities at June 30, 2025 were $715,861.

At the fund level, due to and due from balances were as follows:

Due To	Due From	Amount
General Fund	Solid Waste Fund	$ 15,325
General Fund	Water Fund	700,536
		$ 715,861

Interfund balances consist of routine transfers for payroll and related benefits and to subsidize operations.

Transfers and payments:

Routine transfers and payments between funds are to subsidize operations and capital asset acquisition. Fund level transfers for the fiscal year ended June 30, 2025 were as follows:

Source Fund	Transfer to Fund	Amount
Hotel/Motel Tax Fund	General Fund	$ 215,791
American Rescue Plan Fund	General Fund	$ 298,002

During fiscal 2025, the 2020 SPLOST Fund purchased equipment and distribution system improvements totaling $21,909. These expenditures are treated as capital outlays at the fund level and transfers at the City-wide level.

Note 7. Capital Assets

The following is a summary of the primary government capital asset activity during the fiscal year:

Governmental Activities	Beginning Balance	Additions	Deletions	Transfers In/(Out)	Ending Balance
Nondepreciable Capital Assets					
Land	$ 640,452	$ -	$ -	$ -	$ 640,452
Construction In Progress	8,000	-	-	-	8,000
Total Nondepreciable Capital Assets	648,452	-	-	-	648,452
Depreciable Capital Assets					
Equipment	1,800,565	158,015	-	(8,000)	1,950,580
Buildings and Improvements	1,530,694	113,669	-	-	1,644,363
Infrastructure	771,956	13,909	-	(13,909)	771,956
Total Depreciable Capital Assets	4,103,215	285,593	-	(21,909)	4,366,899
Less Accumulated Depreciation For:					
Equipment	(1,009,630)	(177,083)	-	-	(1,186,713)
Buildings and Improvements	(270,637)	(10,917)	-	-	(281,554)
Infrastructure	(179,438)	(17,997)	-	-	(197,435)
Total Accumulated Depreciation	(1,459,705)	(205,997)	-	-	(1,665,702)
Total Depreciable Capital Assets, Net	2,643,510	79,596	-	(21,909)	2,701,197
Total Capital Assets, Net	$ 3,291,962	$ 79,596	$ -	$ (21,909)	$ 3,349,649

Total governmental activities depreciation expense charged to functions/programs of the government are as follows:

Administration	$ 7,697
Municipal Court	1,839
Public Safety	113,063
Public Works	74,507
Culture and Recreation	8,891
	$ 205,997

Business-type Activities	Beginning Balance	Additions	Deletions	Transfers In/(Out)	Ending Balance
Nondepreciable Capital Assets					
Land	$ 2,700	$ -	$ -	$ -	$ 2,700
Total Nondepreciable Capital Assets	2,700	-	-	-	2,700
Depreciable Capital Assets					
Equipment	797,262	149,148	-	8,000	954,410
Buildings and Improvements	798,160	-	-	-	798,160
Distribution and Collection System	16,331,242	-	-	13,909	16,345,151
Total Depreciable Capital Assets	17,926,664	149,148	-	21,909	18,097,721
Less Accumulated Depreciation For:					
Equipment	(519,560)	(31,340)	-	-	(550,900)
Buildings and Improvements	(19,843)	(15,877)	-	-	(35,720)
Distribution and Collection System	(5,010,186)	(333,792)	-	-	(5,343,978)
Total Accumulated Depreciation	(5,549,589)	(381,009)	-	-	(5,930,598)
Total Depreciable Capital Assets, Net	12,377,075	(231,861)	-	21,909	12,167,123
Total Capital Assets, Net	$ 12,379,775	$ (231,861)	$ -	$ 21,909	$ 12,169,823

The primary government uses the following estimated useful lives to compute depreciation (straight-line method):

Equipment	3-10 years
Buildings	20-50 years
Utility System	20-75 years
Infrastructure	50 years

Note 8. Deferred Outflows/Inflows of Resources

In addition to assets, the proprietary funds' Statement of Net Position and the entity-wide Statement of Net Position report a separate section for deferred outflows of resources. This separate financial statement element represents contributions to the City's pension plan during the fiscal year that were to be used in future periods and certain changes in the calculation of the pension plan's value that were not recognized as City expenses during the fiscal year.

In addition to liabilities, the proprietary funds' Statement of Net Position and the entity-wide Statement of Net Position report a separate section for deferred inflows of resources. This separate financial statement element represents certain changes in the calculation of the pension plan's value that are not recognized as City income during the fiscal year.

In addition to liabilities, the governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents unearned revenue in the form of property taxes not available in the current fiscal year. These amounts are recognized in the period they become available.

Note 9. Financed Purchase Agreements

The City has entered into a financed purchase agreement with Magnolia Bank as creditor for financing the acquisition of a 2023 Chevrolet Tahoe for the Police Department. The interest rate on this agreement is 7.99%. If the amount financed is paid in full, the title to the property is transferred to the City. The City's equipment under the finance agreement has a cost of $65,074. Depreciation expense for fiscal 2025 was $13,015 and accumulated depreciation on the vehicle was $13,015 at year end. In fiscal 2025, the City elected to pay this agreement in full.

The City has entered into a financed purchase agreement with Magnolia Bank as creditor for financing the acquisition of a 2022 Ford F-150. The interest rate on this agreement is 3.54%. If the amount financed is paid in full, the title to the property is transferred to the City. The City's equipment under the finance agreement has a cost of $37,588. Depreciation expense for fiscal 2025 was $7,518 and accumulated depreciation on the vehicle was $30,072 at year end. In fiscal 2025, the City elected to pay this agreement in full.

The City has entered into a financed purchase agreement with Magnolia Bank as creditor for financing the acquisition of a police equipped 2021 Dodge Charger. The interest rate on this agreement is 4.99%. If the amount financed is paid in full, the title to the property is transferred to the City. The City's equipment under the finance agreement has a cost of $50,063. Depreciation expense for fiscal 2024 was $10,013 and accumulated depreciation on the vehicle was $40,052 at year end. In fiscal 2025, the City elected to pay this agreement in full.

Note 10. Long-term Liabilities

Note Payable:

The City has entered into an agreement with the Georgia Environmental Finance Authority (GEFA) to fund improvements and expansion of its Wastewater Treatment Plant and related infrastructure. The project was completed, and the loan closed in fiscal 2018. The total amount drawn down for project costs was $1,714,053. Monthly debt service on the loan began in December 2017 in the amount of $6,961 including interest calculated at 2.71%.

The following schedule presents debt service requirements to maturity for the GEFA note payable:

Year Ending June 30	Principal	Interest	Total
2026	$ 46,104	$ 37,430	$ 83,534
2027	47,369	36,165	83,534
2028	48,668	34,866	83,534
2029	50,004	33,530	83,534
2030	51,376	31,259	82,635
2031-2035	278,815	138,856	417,671
2036-2040	319,224	98,448	417,672
2041-2045	365,491	51,881	417,372
2046-2048	217,779	6,746	224,525
Totals	$ 1,424,830	$ 469,181	$ 1,894,011

Note Payable:

The City issued a note payable to fund improvements to the police department building and the City's water system. The amount borrowed was $1,800,000. Annual debt service on the loan began in June 2023 in the amount of $158,181 including interest calculated at 3.67%.

The following schedule presents debt service requirements to maturity for the Truist Bank note payable:

Year Ending June 30	Principal	Interest	Total
2026	$ 102,640	$ 55,541	$ 158,181
2027	106,407	51,774	158,181
2028	110,312	47,869	158,181
2029	114,360	43,821	158,181
2030	118,557	39,624	158,181
2031-2035	661,334	129,571	790,905
2036-2037	299,762	16,601	316,363
Totals	$ 1,513,372	$ 384,801	$ 1,898,173

Changes in long-term liabilities

The following is a summary of the City's debt transactions for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Financed Purchases	$ 124,740	$ -	$ (124,740)	$ -	$ -
Note Payable	1,612,378	-	(99,006)	1,513,372	102,640
Compensated Absences	97,927	-	(4,184)	93,743	93,743
Total Governmental Activities	$ 1,835,045	$ -	$ (227,930)	$ 1,607,115	$ 196,383
Business-type Activities:					
Note Payable	$ 1,469,099	$ -	$ (44,269)	$ 1,424,830	$ 46,104
Compensated Absences[1]	919	1,886	-	2,805	2,805
Total Business-type Activities	$ 1,470,018	$ 1,886	$ (44,269)	$ 1,427,635	$ 48,909

(1) Net changes in the compensated absences liability are reported as additions or reductions accordingly.

Note 11. Pension Plan

Plan Description. The City has a non-contributory defined benefit plan covering all full time employees. The plan, the City of Emerson Retirement Plan, is administered by the Georgia Municipal Employees Benefit System (GMEBS), a statewide, agent multiple-employer defined benefit plan. GMEBS policy direction and oversight for the fund is provided by a 15 member board comprised of elected and appointed officials from the fund's membership. GMEBS handles all administrative and investment functions relative to the plan. The City established its plan

effective July 1, 1990, and the authority to establish, amend or discontinue the plan remains with the City. The plan provides pension benefits and death and disability benefits for all employees that have been employed full time for one year. Members may retire at 65 years of age with 5 years of service or at age 55 with 10 years of service. Benefits are calculated at 1.25% to 2.0% of the average monthly earnings for the period of the five highest years prior to retirement.

The Georgia Municipal Employees Benefit System issues a publicly available annual financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the Georgia Municipal Employees Benefit System, C/O Georgia Municipal Association – Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303.

As of January 1, 2024, employee membership data related to the current plan was as follows:

Retired Participants	13
Terminated Vested Participants	25
Participants active during the plan year ended December 31, 2023 (including 5 elected officials)	
Vested	14
Nonvested	18
Total Participants	70

Funding Policy and Annual Contributions. The funding policy for the plan is to contribute an amount equal to the recommended contribution in each year. These contributions are determined under the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of the assets. The period and related method of amortizing the unfunded actuarial accrued liability is 30 years from July 1, 1991, and the current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year. On the basis of current valuation, dated January 1, 2024, it was determined that the current contribution rate is 6.74% of annual covered payroll.

The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section §47-20-10). According to the latest actuarial valuation, dated January 1, 2024, the estimated minimum annual contribution under these funding standards is $94,757.

The contribution to the plan during the fiscal year ended June 30, 2025 was $104,301 ($0 employee and $104,301 employer; 0% and 6.74% of covered payroll respectively) and was made in accordance with contribution requirements determined by an actuarial valuation as of January 1, 2024. The City's current year covered payroll amounted to $1,531,183 based upon the actuarial valuation of January 1, 2024.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of September 30, 2023, along with the Total Pension Liability (TPL) and Fiduciary Net Position (FNP) used to calculate the NPL. These actuarial assumptions are based on the results of an actuarial measurement date of September 30, 2023.

Actuarial Assumptions: The total pension liability in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	2.25%, plus service based merit increases
Investment Rate of Return	7.375%, net of pension plan investment expense, including inflation
Cost of Living Adjustment	N/A

Mortality Rates:

Healthy Retirees and Beneficiaries - Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25

Disabled Participants - Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25

Active, Terminated Vested, and Deferred Beneficiary Participants - Sex-distinct Pri-2012 head-count weighted Employee Mortality Table

Plan termination basis (all lives) – 1994 Group Annuity Reserving Unisex Table

The mortality tables (other than the one used for the plan termination basis) are projected generationally from 2012 to future years using 60% of the sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

Actuarial Methods:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Asset Valuation Method	Sum of the actuarial value at the beginning of the year and the cash flow during year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Discount Rate: The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	45%	6.60%
International Equity	20%	7.03%
Global Fixed Income	5%	3.70%
Domestic Fixed Income	20%	2.70%
Real Estate	10%	3.40%
Cash	0%	
Total	100%	

Changes in Net Pension Liability

	(a) (TPL) Total Pension Liability	(b) (FPL) Fiduciary Net Position	(a)-(b) (NPL) Net Pension Liability
Balances at September 30, 2023	$ 1,653,045	$ 1,185,127	$ 467,918
Changes for the Year			
Service Cost	65,580	-	65,580
Interest	124,616	-	124,616
Differences Between Expected and Actual Experience	98,355	-	98,355
Contributions - Employer	-	88,985	(88,985)
Net Investment Income	-	286,593	(286,593)
Benefit Payments, Including Refunds of Employee Contributions	(57,841)	(57,841)	-
Administrative Expense	-	(6,804)	6,804
Other	-	-	-
Net Changes	230,710	310,933	(80,223)
Balances at September 30, 2024	$ 1,883,755	$ 1,496,060	$ 387,695

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

	Sensitivity of the NPL to Changes in Discount Rate		
	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Total Net Pension Liability	$ 654,400	$ 387,695	$ 165,349

For the year ended June 30, 2025, the City recognized pension expense of $150,362. At June 30, 2025, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions for future periods	$ 78,226	$ -
Difference between expected and actual experience	125,597	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments and changes in assumptions	-	(111,488)
Total	$ 203,823	$ (111,488)

Pension plan contributions subsequent to the measurement date of $78,226 are reported as deferred outflows of resources and will be recognized as a net reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2026	$ 24,300
2027	57,190
2028	(27,723)
2029	(39,658)
2030 and After	-

The required Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions immediately follow the notes to the financial statements.

The City's policemen are also covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The City makes no contribution to this plan. Contributions are collected by the City as the agent for this fund through its municipal court system. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained.

Note 12. Deferred Compensation Plan

The City of Emerson has adopted a deferred compensation plan in accordance with provisions of the Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The City of Emerson 457 Plan is a defined contribution plan. The plan allows all full-time employees to voluntarily defer up to 28% of gross compensation up to $7,500 per year and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency. All administrative costs are deducted from the participant's account.

The plan is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the City. In addition, the participants in the plan have rights equal to his or her share of the fair value of the plan assets.In accordance with GASB Statement No. 32, the City does not report the deferred compensation plan assets in its financial statements because the City does not play an active role in the administration of the plan or perform investment functions for the plan.

Note 13. Restricted Assets and Restricted Net Position/Fund Balance

Restricted Assets

At June 30, 2025, the City's restricted assets consisted of externally restricted cash accounts maintained in the Confiscated Asset Special Revenue Fund, the Police Tech Special Revenue Fund, and the 2014 and 2020 SPLOST Capital Project Funds. There are no restricted assets in the City's proprietary funds.

Restricted Net Position or Fund Balance

Restrictions are used to indicate that a portion of the net position or fund balance is not available for all expenditures or expenses and is legally segregated for a specific future use. The City's restricted net position and fund balance are concentrated in the governmental activities and governmental funds and are as follows:

Restricted for law enforcement – Created to segregate money received from federal, state, or local sources that restrict use for law enforcement purposes only.

Restricted for capital projects – Created to segregate money received from SPLOST and certain grant proceeds where the use of funds is restricted to approved expenditures or expenses.

Restricted Net Position and Fund Balances at June 30, 2025 are as follows:

Law Enforcement	$ 45,051
Capital Projects	1,351,997
	$ 1,397,048

Note 14. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Note 15. Risk Management

At year-end, there were no legal actions taken by or against the City that would have an adverse effect on the City's financial condition. The City is a defendant in various lawsuits. Although the outcome is not presently determinable, in the opinion of the City's attorney, the resolution of the any current legal matters will not have a material adverse effect on the financial condition of the City. The City is exposed to various risk of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and natural disasters for which the City carries insurance.

The City has joined with other municipalities in the State as part of the Georgia Interlocal Risk Management Agency (GIRMA) for its property and liability insurance, and the Worker's Compensation Self-Insurance Fund (WCSIF) to provide risk coverage for injuries to employees. Both are public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers the risk pool.

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

The fund is to defend and protect its members against liability or loss as prescribed in the member governments' contracts and in accordance with the worker's compensation laws of Georgia. The funds are to pay all costs against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

During the past three years, the costs of any settlements have not exceeded insurance coverage.

Note 16. Joint Venture

The City of Emerson is a member of the Northwest Georgia Regional Commission. The NGRC was created under the laws of the State of Georgia and cities and counties in the area served by the NGRC are required to be members. The membership of the NGRC includes 10 counties and 35 municipalities. Bartow County pays annual membership dues on behalf of the City. The City has no equity interest in the NGRC nor does the City materially contribute to the continued existence of the NGRC. The Official Code of Georgia Annotated Section §50-8-39.1 states that in the event the NGRC ceases operation, the membership can be assessed for any debt or obligation of the NGRC. Separate financial statements may be obtained from Northwest Georgia Regional Commission, P. O. Box 1793, Rome, Georgia 30162.

Note 17. Special Purpose Local Option Sales Tax

In November 2012, Bartow County voters approved a referendum for the continuation of a special one percent sales and use tax be imposed in Bartow County for a period of time not to exceed twenty-four calendar quarters, or until there is collected net proceeds of $193,000,000, for various capital outlay purposes. Actual collection of the tax began January 1, 2014 and ended December 31, 2019. The City of Emerson's distributive share of this amount was projected to be $3,787,814 or 1.97%. The City is to use the proceeds from the tax for various infrastructure, capital equipment and water/sewer improvements.

In May 2018, Bartow County voters approved a referendum for the continuation of a special one percent sales and use tax imposed in Bartow County for a period of time not to exceed twenty-four calendar quarters, or until there is collected net proceeds of $160,000,000, for various capital outlay purposes. Actual collection of the tax began January 1, 2020 and is projected to end December 31, 2025. The City of Emerson's distributive share of this amount is projected to be $2,482,200 or 1.97%. The City is to use the proceeds from the tax for various infrastructure and utility system improvements, facility improvements, and capital equipment acquisitions.

Note 18. Construction Commitments

As of June 30, 2025, the City was not obligated under any construction commitments.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EMERSON, GEORGIA
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Previous Ten Fiscal Periods

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 65,580	$ 52,925	$ 38,921	$ 37,746	$ 39,213	$ 42,823	$ 32,862	$ 30,519	$ 26,466	$ 20,659
Interest	124,616	108,551	96,415	88,764	80,873	75,358	67,541	61,275	54,593	48,227
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experien	98,355	103,658	64,580	9,477	22,049	(5,985)	24,319	2,290	35,046	42,381
Changes of Assumptions	-	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds	(57,841)	(62,080)	(36,652)	(30,199)	(37,134)	(30,919)	(29,993)	(30,641)	(29,129)	(29,130)
Other	-	-	-	-	-	17,254	-	13,273	-	-
Net Change in Total Pension Liability	230,710	203,054	163,264	105,788	105,001	98,531	94,729	76,716	86,976	82,137
Total Pension Liability - Beginning	1,653,045	1,449,991	1,286,727	1,180,939	1,075,939	977,408	882,679	805,963	718,987	636,850
Total Pension Liability - Ending	$ 1,883,755	$ 1,653,045	$ 1,449,991	$ 1,286,727	$1,180,940	$1,075,939	$ 977,408	$ 882,679	$ 805,963	$ 718,987
Plan Net Position										
Contributions - Employer	$ 88,985	$ 70,480	$ 68,579	$ 53,323	$ 57,390	$ 48,904	$ 40,754	$ 34,362	$ 27,100	$ 31,122
Contributions - Member	-	-	-	-	-	-	-	-	-	-
Net Investment Income	286,593	140,285	(203,897)	236,597	85,568	25,716	75,130	99,070	66,656	6,757
Benefit Payments, Including Refunds	(57,841)	(62,080)	(36,652)	(30,199)	(37,134)	(30,919)	(29,993)	(30,641)	(29,129)	(29,130)
Administrative Expense	(6,804)	(7,211)	(7,137)	(7,277)	(7,050)	(6,737)	(7,172)	(7,557)	(3,959)	(4,330)
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Net Position	310,933	141,474	(179,107)	252,444	98,774	36,964	78,719	95,234	60,668	4,419
Plan Net Position - Beginning	1,185,127	1,043,653	1,222,760	970,316	871,542	834,578	755,859	660,625	599,904	595,485
Plan Net Position - Ending	$ 1,496,060	$ 1,185,127	$ 1,043,653	$ 1,222,760	$ 970,316	$ 871,542	$ 834,578	$ 755,859	$ 660,572	$ 599,904
Net Pension Liability - Ending	$ 387,695	$ 467,918	$ 406,338	$ 63,967	$ 210,624	$ 204,397	$ 142,830	$ 126,820	$ 145,391	$ 119,083
Total Pension Liability	$ 1,883,755	$ 1,653,045	$ 1,449,991	$ 1,286,727	$1,180,940	$1,075,939	$ 977,408	$ 882,679	$ 805,963	$ 718,987
Plan Net Position	1,496,060	1,185,127	1,043,653	1,222,760	970,316	871,542	834,578	755,859	660,572	599,904
Net Pension Liability	$ 387,695	$ 467,918	$ 406,338	$ 63,967	$ 210,624	$ 204,397	$ 142,830	$ 126,820	$ 145,391	$ 119,083
Ratio of Plan Net Position to Total Pension Liability	79.42%	71.69%	71.98%	95.03%	82.16%	81.00%	85.39%	85.63%	81.96%	83.44%
Covered Payroll	$ 1,648,433	$ 1,531,183	$ 1,151,044	$ 834,077	$ 824,306	$ 888,810	$ 808,577	$ 680,138	$ 639,887	$ 635,125
Net Pension Liability as a Percentage of Covered Payroll	23.52%	30.56%	35.30%	7.67%	25.55%	23.00%	17.66%	18.65%	22.72%	18.75%

CITY OF EMERSON, GEORGIA
Required Supplementary Information
Schedule of Contributions - Pension Plan
For the Previous Ten Fiscal Periods

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	$ 104,301	$ 83,879	$ 66,014	$ 61,770	$ 58,170	$ 57,130	$ 46,162	$ 38,951	$ 32,833	$ 25,189
Contributions in Relation to the Actuarially Determined Contribution	104,301	83,879	66,014	61,770	58,170	57,130	46,162	38,951	32,833	25,189
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$1,531,183	$1,151,044	$ 834,077	$ 824,306	$ 888,810	$ 808,577	$ 680,138	$ 639,887	$ 635,125	$ 513,162
Contributions As a Percentage of Covered Payroll	6.81%	7.29%	7.91%	8.01%	6.95%	7.19%	8.40%	7.21%	6.13%	6.40%

Notes to Schedule:

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary to be within 20% of market value.
Inflation	2.25%
Salary Increases	3.00% plus time of service based merit increases
Investment Rate of Return	7.375% net pension plan investment expense, including inflation
Retirement Age	Normal - 65; Early - 55
Mortality	The mortality and economic actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019.
Other Information	This schedule is presented to illustrate the requirement to show information for 10 years. The actuarially determined contribution rate was determined as of January 1 with an interest adjustment to the fiscal year. Contributions in relation to these actuarially determined contribution rates will be reported for the fiscal years ending June 30.

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SUPPLEMENTARY INFORMATION

CITY OF EMERSON, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Capital Projects Fund - 2014 SPLOST - Budget and Actual
From Inception and For the Year Ended June 30, 2025

	Actual			Project Authorization
	Prior Years	Current Year	Total to Date	
Revenues				
Intergovernmental	$ 1,875,879	$ -	$ 1,875,879	$ 3,787,814
Interest Income	51,530	-	51,530	-
Total Revenues	1,927,409	-	1,927,409	3,787,814
Expenditures				
Current				
General Government	220,049	-	220,049	192,673
Public Works	185,290	-	185,290	31,129
Water and Sewer System	89,708	10,296	100,004	89,708
Capital Outlays				
General Government	42,741	-	42,741	42,741
Public Safety	178,668	-	178,668	-
Public Works	866,700	-	866,700	822,771
Water and Sewer System	516,313	13,909	530,222	2,542,878
Debt Service				
Principal	36,147	-	36,147	36,147
Interest	29,767	-	29,767	29,767
Total Expenditures	2,165,383	24,205	2,189,588	3,787,814
Deficiency of Revenues Under Expenditures	(237,974)	(24,205)	(262,179)	-
Other Financing Sources				
Transfer In	105,302	-	105,302	-
Proceeds from Asset Sale	178,300	-	178,300	-
Total Other Financing Sources	283,602	-	283,602	-
Net Change in Fund Balance	$ 45,628	(24,205)	$ 21,423	$ -
Fund Balance - Beginning of Year		45,628		
Fund Balance - End of Year		$ 21,423		

CITY OF EMERSON, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Capital Projects Fund - 2020 SPLOST - Budget and Actual
From Inception and For the Year Ended June 30, 2025

	Actual			
	Prior Years	Current Year	Total to Date	Project Authorization
Revenues				
Intergovernmental	$ 2,194,246	$ 618,533	$ 2,812,779	$ 2,482,200
Total Revenues	2,194,246	618,533	2,812,779	2,482,200
Expenditures				
Current				
General Government	6,197	21,887	28,084	6,197
Public Safety	34,553	-	34,553	26,113
Public Works	70,839	113,575	184,414	70,839
Culture and Recreation	13,392	-	13,392	13,392
Water and Sewer System	83,447	-	83,447	83,447
Capital Outlays				
General Government	141,666	98,647	240,313	368,803
Public Safety	761,609	18,291	779,900	348,887
Public Works	217,529	9,503	227,032	429,161
Culture and Recreation	10,000	-	10,000	486,608
Water and Sewer System	165,103	8,000	173,103	648,753
Total Expenditures	1,504,335	269,903	1,774,238	2,482,200
Excess of Revenues Over Expenditures	689,911	348,630	1,038,541	-
Other Financing Sources				
Transfer In	292,033	-	292,033	-
Total Other Financing Sources	292,033	-	292,033	-
Net Change in Fund Balance	$ 981,944	348,630	$ 1,330,574	$ -
Fund Balance - Beginning of Year		981,944		
Fund Balance - End of Year		$ 1,330,574		

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COMPLIANCE SECTION

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P.O. BOX 473
CARTERSVILLE, GA 30120
(770) 382-3361
FAX (770) 386-8382
WWW.WCPAS.COM

WILLIAMSON & CO., CPA's
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

LLOYD WILLIAMSON
CHRISTIAN HATCH

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

To the Mayor and City Council
Emerson, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Emerson, Georgia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Emerson, Georgia's basic financial statements and have issued our report thereon dated December 15, 2025.

Report On Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report On Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City of Emerson, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 of the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Williamson and Company

Williamson and Company
Certified Public Accountants
Cartersville, Georgia
December 15, 2025

CITY OF EMERSON,GEORGIA
2014 SPLOST - Schedule of Special Purpose Local Option Sales Tax Expenditures
For the Fiscal Year Ended June 30, 2025

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
SPLOST 2014					
Water Projects					
Water System Improvements	$ 1,515,000	$ 1,515,000	$ 206,451	$ 24,205	$ 230,656
Sewer Projects					
Sewer System Improvements	1,183,500	1,183,500	360,162	-	360,162
Road Projects					
Road Projects	345,000	345,000 0	736,744	-	736,744
Storm Sewer System					
Storm Sewer System Improvements	158,900	158,900	4,976	-	4,976
Public Works					
Replacement of Public Works Equipment	350,000	350,000	481,813	-	481,813
Information Technology					
Information Technology	235,414	235,414	269,935	-	269,935
Total	$ 3,787,814	$ 3,787,814	$ 2,060,081	$ 24,205	$ 2,084,286

Note: This schedule is prepared on the modified accrual basis of accounting.

CITY OF EMERSON,GEORGIA

2020 SPLOST - Schedule of Special Purpose Local Option Sales Tax Expenditures
For the Fiscal Year Ended June 30, 2025

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
SPLOST 2020					
Utility System Improvements Utility system improvements to include facilities, buildings, equipment and vehicles, stormwater and appurtences; water and sewer lines and treatment facilities, engineering and land planning, information technology	$ 732,200	$ 732,200	$ 248,550	$ 8,000	$ 256,550
Public Safety Improvements Public safety facilities, buildings, equipment and vehicles, engineering and land planning, information technology	375,000	375,000	796,162	18,291	814,453
Transportation Improvements Road, street, and bridge purposes, including construction, paving, resurfacing, striping, right of way improvements, intersection improvements, signaling, signage, drainage improvements, school zone improvements, culverts, sidewalks, engineering and land planning, information technology.	500,000	500,000	70,839	123,078	193,917
Public Service Improvements Public service facilities, buildings, parks and recreation, equipment and vehicles, engineering and land planning, information technology	500,000	500,000	240,921	-	240,921
Support Services Improvements Support service facilities, buildings, equipment and vehicles, engineering and land planning, information technology.	375,000	375,000	147,863	120,534	268,397
Total	$ 2,482,200	$ 2,482,200	$ 1,504,335	$ 269,903	$ 1,774,238

Note: This schedule is prepared on the modified accrual basis of accounting.