CITY OF MOUNT ZION, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2024

CITY OF MOUNT ZION, GEORGIA

Annual Financial Report
For the Fiscal Year Ended December 31, 2024

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FINANCIAL SECTION

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LLOYD WILLIAMSON
CHRISTIAN HATCH

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Mount Zion, Georgia

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Mount Zion, Georgia as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Mount Zion, 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 Mount Zion, Georgia, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Mount Zion, 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 12 to the financial statements, in 2024, 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 Mount Zion, 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 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, 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 Mount Zion, 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 Mount Zion, 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 budgetary comparison information on pages 40-41 and the City's net pension liability schedules on pages 42-45 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 Mount Zion, Georgia's basic financial statements. The schedule of expenditures of special local option sales tax proceeds is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of special local option sales tax proceeds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 26, 2026, on our consideration of the City of Mount Zion, 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 Mount Zion, 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 Mount Zion, Georgia's internal control over financial reporting and compliance.



Williamson & Company
Certified Public Accountants
Cartersville, Georgia
January 26, 2026

BASIC FINANCIAL STATEMENTS



CITY OF MOUNT ZION, GEORGIA

Statement of Net Position
December 31, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	$ 1,062,936	$ 112,732	$ 1,175,668
Taxes receivable, net of allowance	170,269	-	170,269
Accounts receivable, net of allowance	-	55,091	55,091
Prepaid items	14,526	10,720	25,246
Inventories	-	40,180	40,180
Internal balances	152,294	(152,294)	-
Due from other governments	171,797	1,099	172,896
Restricted assets:			
Cash	-	108,897	108,897
Capital assets:			
Nondepreciable capital assets	708,461	489,553	1,198,014
Depreciable capital assets, net	2,900,550	2,595,177	5,495,727
Total assets	5,180,833	3,261,155	8,441,988
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	54,588	13,657	68,245
Total deferred outflows of resources	54,588	13,657	68,245
LIABILITIES			
Accounts payable	43,563	58,349	101,912
Accrued liabilities	17,188	1,771	18,959
Accrued interest	192	1,410	1,602
Unearned revenue	326,596	-	326,596
Customer deposits	-	108,478	108,478
Net pension liability	121,986	30,987	152,973
Loans payable due within one year	-	20,351	20,351
Compensated absences due within one year	78,680	26,870	105,550
Compensated absences due in more than one year	47,208	23,845	71,053
Notes payable due within one year	21,154	79,646	100,800
Notes payable due in more than one year	55,754	1,274,009	1,329,763
Total liabilities	712,321	1,625,716	2,338,037
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	14,923	3,798	18,721
Total deferred inflows of resources	14,923	3,798	18,721
NET POSITION			
Net investment in capital assets	3,532,103	1,710,724	5,242,827
Restricted for:			
Capital projects	335,646	-	335,646
Housing and development	-		-
Unrestricted	640,428	(65,426)	575,002
Total net position	$ 4,508,177	$ 1,645,298	$ 6,153,475

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

CITY OF MOUNT ZION, GEORGIA

Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 354,241	$ 31,236	$ 7,713	$ 32,447	$ (282,845)	$ -	$ (282,845)
Judicial	8,988	-	-	-	(8,988)	-	(8,988)
Public safety	572,132	33,634	-	83,435	(455,063)	-	(455,063)
Public works	397,524	-	-	304,141	(93,383)	-	(93,383)
Health and welfare	-	-	-	71,350	71,350	-	71,350
Culture and recreation	504,400	112,127	-	144,277	(247,996)	-	(247,996)
Interest on long-term debt	9,154	-	-	-	(9,154)	-	(9,154)
Total governmental activities	1,866,172	176,997	7,713	635,650	(1,045,812)	-	(1,045,812)
Business-type activities:							
Water and sanitation	813,031	669,315	-	98,887	-	(44,829)	(44,829)
Total business-type activities	813,031	669,315	-	98,887	-	(44,829)	(44,829)
Total primary government	$ 2,679,203	$ 846,312	$ 7,713	$ 734,537	(1,045,812)	(44,829)	(1,090,641)
General revenues:							
Property taxes					401,434	-	401,434
Alcoholic beverage taxes					3,764	-	3,764
Vehicle taxes					56,237	-	56,237
Sales taxes					521,337	-	521,337
Franchise taxes					73,239	-	73,239
Insurance premium taxes					168,299	-	168,299
Other taxes					24,238	-	24,238
Unrestricted investment earnings					2,527	82	2,609
Miscellaneous revenue					32,872	-	32,872
Transfers					(114,151)	114,151	-
Total general revenues and transfers					1,169,796	114,233	1,284,029
Change in net position					123,984	69,404	193,388
Net position, beginning of year, restated					4,384,193	1,575,894	5,960,087
Net position, end of year					$ 4,508,177	$ 1,645,298	$ 6,153,475

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

CITY OF MOUNT ZION, GEORGIA

Balance Sheet
Governmental Funds
December 31, 2024

ASSETS	General	ARPA	SPLOST	Downtown Development Authority	Total Governmental Funds
Cash	$ 541,334	$ 355,177	$ 165,784	$ 641	$ 1,062,936
Receivables:					
Taxes	170,269	-	-	-	170,269
Due from other funds	167,688	-	-	-	167,688
Due from other governments	86,822	-	84,975	-	171,797
Prepaid items	14,526	-	-	-	14,526
Total assets	$ 980,639	$ 355,177	$ 250,759	$ 641	$ 1,587,216
LIABILITIES					
Accounts payable	$ 12,993	$ 30,570	$ -	$ -	$ 43,563
Accrued liabilities	17,188	-	-	-	17,188
Due to other funds	-	2,933	10,220	2,241	15,394
Unearned revenue	-	320,596	-	6,000	326,596
Total liabilities	30,181	354,099	10,220	8,241	402,741
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	40,991	-	-	-	40,991
Total deferred inflows of resources	40,991	-	-	-	40,991
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	14,526	-	-	-	14,526
Restricted:					
Capital projects	94,029	1,078	240,539	-	335,646
Unassigned	800,912	-	-	(7,600)	793,312
Total fund balances	909,467	1,078	240,539	(7,600)	1,143,484
Total liabilities, deferred inflows of resources and fund balances	$ 980,639	$ 355,177	$ 250,759	$ 641	$ 1,587,216

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

CITY OF MOUNT ZION, GEORGIA

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2024

Total Governmental Fund Balances			$ 1,143,484
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
	Cost	$ 6,005,940	
	Less accumulated depreciation	(2,396,929)	3,609,011
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			
	Property taxes		40,991
The deferred outflows are not current assets or financial resources; and the deferred inflows are not due and payable in the current period and therefore are not reported in the Governmental Funds.			
	Deferred outflows related to pension	54,588	
	Deferred inflows related to pension	(14,923)	39,665
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
	Note payable	(76,908)	
	Net pension liability	(121,986)	
	Compensated absences	(125,888)	(324,974)
Net position of governmental activities			$ 4,508,177

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

CITY OF MOUNT ZION, GEORGIA

Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	ARPA	SPLOST	Downtown Development Authority	Total Governmental Funds
REVENUES					
Taxes	$ 1,241,296	$ -	$ -	$ -	$ 1,241,296
Licenses and permits	1,520	-	-	-	1,520
Intergovernmental	124,245	47,711	463,527	-	635,483
Charges for services	141,843	-	-	-	141,843
Fines and forfeitures	33,634	-	-	-	33,634
Investment income	2,154	367	167	6	2,694
Contributions and donations	7,713	-	-	-	7,713
Miscellaneous revenue	20,872	-	-	12,000	32,872
Total revenues	1,573,277	48,078	463,694	12,006	2,097,055
EXPENDITURES					
Current:					
General government	311,612	-	-	-	311,612
Judicial	8,988	-	-	-	8,988
Public safety	503,552	-	-	-	503,552
Public works	237,234	47,711	-	-	284,945
Culture and recreation	389,003	-	-	-	389,003
Housing and development	-	-	-	19,733	19,733
Capital outlay	-	-	377,570	-	377,570
Debt service:					
Principal	-	-	58,932	20,529	79,461
Interest	-	-	5,465	2,643	8,108
Total expenditures	1,450,389	47,711	441,967	42,905	1,982,972
Excess (deficiency) of revenues over (under) expenditures	122,888	367	21,727	(30,899)	114,083
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	23,172	23,172
Transfers out	-	-	(23,172)	-	(23,172)
Total other financing sources (uses)	-	-	(23,172)	23,172	-
Net change in fund balances	122,888	367	(1,445)	(7,727)	114,083
FUND BALANCE, beginning of year	786,579	711	241,984	127	1,029,401
FUND BALANCE, end of year	$ 909,467	$ 1,078	$ 240,539	$ (7,600)	$ 1,143,484

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

CITY OF MOUNT ZION, 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 December 31, 2024

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 114,083
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlay	$ 329,875	
Depreciation expense	(227,529)	102,346
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		
Transfers to Water and Sanitation Fund		(117,908)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	7,252	7,252
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal repayments:		
Loans payable	40,294	
Notes payable	20,533	60,827
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences	(25,405)	
Accrued interest	(1,046)	
Pension expense	(16,165)	(42,616)
Change in net position of governmental activities		$ 123,984

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

CITY OF MOUNT ZION, GEORGIA

Statement of Net Position
Proprietary Fund
December 31, 2024

	Business-type Activities Enterprise Fund Water and Sanitation Fund
ASSETS	
CURRENT ASSETS	
Cash	$ 112,732
Accounts receivable, net of allowances	55,091
Due from other funds	-
Prepaid items	10,720
Inventories	40,180
Due from other governments	1,099
Restricted assets, cash	
Customer deposits	106,957
Capital outlay	1,940
Total current assets	328,719
NON CURRENT ASSETS	
Capital assets:	
Non depreciable	489,553
Depreciable, net of accumulated depreciation	2,595,177
Total capital assets (net of accumulated depreciation)	3,084,730
Total non current assets	3,084,730
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	13,657
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	58,349
Due to other funds	152,294
Accrued liabilities	1,771
Accrued interest	1,410
Compensated absences	26,870
Customer deposits, payable with restricted assets	108,478
Loan payable, current portion	20,351
Notes payable, current portion	79,646
Total current liabilities	449,169
LONG-TERM LIABILITIES	
Compensated absences	23,845
Notes payable	1,274,009
Net pension liability	30,987
Total long-term liabilities	1,328,841
Total liabilities	1,778,010
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	3,798
Total deferred inflows of resources	
NET POSITION	
Net investment in capital assets	1,710,724
Unrestricted	(65,426)
Total net position	$ 1,645,298

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

CITY OF MOUNT ZION, GEORGIA

Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2024

	Business-type Activities Enterprise Fund Water and Sanitation Fund
OPERATING REVENUES	
Charges for services:	
Water sales	$ 509,890
Other charges	11,807
Sanitation charges	147,618
Total operating revenues	669,315
OPERATING EXPENSES	
Personnel costs	215,318
Contracted services	222,608
Supplies	267,529
Depreciation	86,621
Total operating expenses	792,076
Operating loss	(122,761)
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental revenue	98,887
Interest income	82
Interest expense	(20,955)
Total nonoperating revenues (expenses)	78,014
Income before capital contributions and transfers	(44,747)
Capital contributions	114,151
Change in net position	69,404
NET POSITION, beginning of year, restated	1,575,894
NET POSITION, end of year	$ 1,645,298

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

CITY OF MOUNT ZION, GEORGIA

Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2024

	Business-type Activities Enterprise Fund Water and Sanitation Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 669,294
Payments to employees	(201,655)
Payments to suppliers for goods and services provided	(358,367)
Net cash provided by operating activities	109,272
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Intergovernmental revenue	98,887
Interest paid on capital debt	(21,037)
Purchase of property and equipment	(54,166)
Principal payments on long-term borrowings	(97,295)
Net cash used in capital and related financing activities	(73,611)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	82
Net cash provided by investing activities	82
Net increase in cash and cash equivalents	35,743
Cash and cash equivalents, beginning of year (including restricted cash of $105,140)	185,886
Cash and cash equivalents, end of year (including restricted cash of $108,897)	$ 221,629

CITY OF MOUNT ZION, GEORGIA

Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2024

	Business-type Activities Enterprise Fund Water and Sanitation Fund
Reconciliation of operating loss to net cash used in operating activities:	
Net operating loss	$ (122,761)
Adjustments to reconcile net operating loss to net cash used in operating activities:	
Change in assets, deferred outflows, liabilities, and deferred inflows:	
Depreciation	86,621
Decrease in accounts receivable	89
Decrease in inventory	4,876
Decrease in prepaid expenses	274
Decrease in deferred outflows	5,569
Increase in accounts payable	14,208
Increase in due to other funds	113,511
Decrease in net pension liability	(5,117)
Decrease in customer deposits	(110)
Increase in compensated absences	9,941
Increase in deferred inflows	3,657
Net cash provided by operating activities	$ 109,272

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

Noncash Transactions:

SPLOST Fund and ARPA Fund purchased capital assets and paid debt service payments on behalf of the Water and Sanitation Fund	$ 114,151

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The was incorporated in 1912 under the provisions of an act of the General Assembly of Georgia. The City operates under the Mayor-Council form of government and provides the following services to its citizens as authorized by its charter: public safety (police), recreation, water, sanitation, and general and administrative services. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the (the "primary government") and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, the financial statements of the following component units are presented in the City's financial statements.

The City of Mount Zion Downtown Development Authority (the "Authority") was created as a separate legal entity by action of the City Council to assist in the development and redevelopment activities in the downtown area. The seven-member governing board of the Authority is appointed by the City Council. The Authority is blended as a special revenue fund of the City because it provides services almost exclusively for the benefit of the City. Separate financial statements are not prepared for the Authority.

The City of Mount Zion Development Authority (the "Development Authority") was created as a separate legal entity by an act of the state legislature and "activated" by action of the City Council to promote and expand industry, welfare and trade for the public good and welfare of the City of Mount Zion, Georgia, and make long-range plans for such development and expansion. The governing board of the Development Authority is appointed by the City Council for fixed terms. The Development Authority is fiscally dependent upon the City because the City Council has the sole authority to levy taxes for the Development Authority. The Development Authority is audited along with the primary government's financial statements as a blended component unit. Separate financial statements are not prepared for the Development Authority.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Program revenues include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The **special revenue *ARPA Fund*** accounts for the financial resources for all Local Fiscal Recovery Funds received from the American Rescue Plan Act (ARPA) of 2021.

The **special revenue *Downtown Development Authority Fund*** accounts for the financial resources to promote and expand industry, welfare and trade for the public good and welfare of the City of Mount Zion, Georgia, and make long-range plans for such development and expansion.

The **capital projects *SPLOST Fund*** accounts for the financial resources provided from the 2014 and 2021 one percent Special Purpose Local Option Sales Tax. Such resources are to be used for improvements to parks and recreation facilities, water and sewer projects, road improvements and the administrative building.

The City reports the following major proprietary fund:

The ***Water and Sanitation Fund*** accounts for the activities of the water distribution system and sanitation services.

The City also reports no non-major governmental funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements (Continued)

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water function and various other functions of the City. Elimination of these charges would distort the direct costs reported for the various functions concerned.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

D. Cash and Investments

For purposes of the statement of cash flows, the enterprise funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Customer deposit resources in the water fund are restricted to the payment of customer's deposits as they become due.

E. Interfund Receivables and Payables

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

Note 1. Summary of Significant Accounting Policies (Continued)

F. Management Estimates

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

G. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. Inventories reported in the governmental funds are equally offset by a fund balance reserve, which indicates that they do not constitute "available, spendable resources" even though they are a component of net current assets.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following useful lives:

Asset	Years
Improvements other than buildings	15-50
Buildings and improvements	15-50
Water distribution system	40
Infrastructure	50
Machinery and equipment	5-10
Vehicles	5

Prior to January 1, 2003, governmental funds' infrastructure assets were not capitalized. The City is a Phase 3 entity and is not required to record infrastructure from years prior to implementation of the reporting model.

I. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as other assets and amortized over the term of the related debt.

Note 1. Summary of Significant Accounting Policies (Continued)

I. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Compensated Absences

Accumulated sick pay benefits have not been recorded as a liability because these benefits are paid upon the illness of an employee and the amount of such payments cannot be reasonably estimated. Accumulated unpaid vacation costs are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

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

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

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City Manager to assign fund balances.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

(1) Committed (2) Assigned (3) Unassigned

Note 1. Summary of Significant Accounting Policies (Continued)

K. Fund Equity (Continued)

Net Position – Net position represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

L. Deferred outflows/inflows of resources

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

In addition to assets, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has items that qualify for reporting in this category that are related to the City's pension plan. These items are amortized in a systematic and rational method and recognized in pension expenses in future periods.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance or 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 government has two types of items that qualifies for reporting in this category. The first item arises only under a modified accrual basis of accounting and, accordingly, the item, unavailable revenue from property taxes and police fines, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second items that qualify for reporting in this category are related to the City's pension plan and OPEB plan. These items are amortized in a systematic and rational method and recognized in pension or health care expenses in future periods.

M. Pensions

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

Note 2. Stewardship, Compliance, and Accountability

Budgetary Information

The following procedures are used by the City in establishing the budgetary data reflected in the financial statements:

1. The City Charter establishes the fiscal year as the twelve-month period beginning January 1 and ending December 31. Prior to December 31, the departments submit to the City Clerk a budget of estimated expenditures for the ensuing fiscal year, after which the City Clerk subsequently submits a budget of estimated expenditures and revenues to the City Council for the City's operating funds. These include General, Administrative, Police, Streets, Library and Recreation, Senior Citizens, and Water and Sanitation.
2. Upon receipt of the budget estimates, the Council holds a first meeting on the Budget Ordinance. Information about the Budget Ordinance is then published in the official newspaper of the City. The Council is precluded from passing the Budget Ordinance until ten days have passed after the Ordinance Publication.
3. The budget is then legally enacted through the passage of the Budget Ordinance.
4. The legal level of budgetary control is the departmental level. Budgeted amounts can be transferred between accounts within departments; however, any revisions of the total departmental budget must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. The budget for the General Fund was adopted on a basis consistent with generally accepted accounting principles (GAAP). The City did not adopt a budget for the ARPA and the Downtown Development Authority.

Budgeted amounts are as originally adopted, or as amended by the City Council. No individual amendments were made during the current year.

Excess of Expenditures Over Appropriations

The following General Fund functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended December 31, 2024.

Public works	
Highways and streets	43,461
Culture and recreation	
Recreation	44,300
Library	2,197

Note 3. Deposits

Custodial Credit Risk – Deposits:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. At December 31, 2024, all of the deposits of the City were fully collateralized in accordance with the state statutes.

Note 4. Receivables

Receivables at December 31, 2024, for the City's individual funds, including the applicable allowances for uncollectible accounts are as follows:

	General	Water and Sewerage	Total
Receivables:			
Taxes	$ 172,870	$ -	$ 172,870
Accounts	-	83,135	83,135
Gross receivables	172,870	83,135	256,005
Less allowance for uncollectibles	(2,601)	(28,044)	(30,645)
Net total receivables	$ 170,269	$ 55,091	$ 225,360

Property taxes attach as an enforceable lien on property as of January 3, 2024. Taxes are levied on August 15, 2024 and payable on or before December 1, 2024. The Caroll County Tax Commissioner bills and collects the City's property taxes and remits to the City on a monthly basis. Property taxes levied for the year ending and not collected are recorded as receivables, net of estimated uncollectibles.

Amounts due from other governments at December 31, 2024, are broken down as follows:

General Fund:	
Property tax collections	
Carroll County Tax Commissioner	$ 78,858
Carroll County Board of Education	
School Resource Officer Funding	$ 7,964
	$ 86,822
SPLOST Fund:	
Sales tax collections	
Carroll County Board of Commissioners	84,975
	$ 84,975
Water and Sanitation Fund:	
Grant revenue	
Georgia Department of Community Affairs	
Community Development Block Grant (CDBG)	$ 1,099
	$ 1,099

Note 5. Capital Assets

Capital asset activity for the year ended is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 463,079	$ -	$ -	$ -	$ 463,079
Construction in progress	166,746	196,188	-	(117,552)	245,382
Total	629,825	196,188	-	(117,552)	708,461
Capital assets, being depreciated:					
Improvements other than buildings	438,272	-	-	-	438,272
Buildings and improvements	2,773,076	7,200	-	109,812	2,890,088
Infrastructure	1,115,362	58,211	-	(58,211)	1,115,362
Machinery and equipment	365,203	68,276	-	(51,957)	381,522
Vehicles	472,235	-	-	-	472,235
Total	5,164,148	133,687	-	(356)	5,297,479
Less accumulated depreciation for:					
Improvements other than buildings	(133,374)	(27,092)	-	-	(160,466)
Buildings and improvements	(992,498)	(100,670)	-	-	(1,093,168)
Infrastructure	(409,368)	(22,308)	-	-	(431,676)
Machinery and equipment	(277,514)	(29,349)	-	-	(306,863)
Vehicles	(356,646)	(48,110)	-	-	(404,756)
Total	(2,169,400)	(227,529)	-	-	(2,396,929)
Total capital assets, being depreciated, net	2,994,748	(93,842)	-	(356)	2,900,550
Governmental activities capital assets, net	$ 3,624,573	$ 102,346	$ -	$ (117,908)	$ 3,609,011
Business Type activities:					
Capital assets, not being depreciated:					
Construction in progress	$ 373,193	$ 50,409	$ -	$ 65,951	$ 489,553
Total	373,193	50,409	-	65,951	489,553
Capital assets, being depreciated:					
Water system & tower	3,632,489	-	-	-	3,632,489
Machinery and equipment	167,475	-	-	51,957	219,432
Vehicles	87,278	-	-	-	87,278
Total	3,887,242	-	-	51,957	3,939,199
Less accumulated depreciation for:					
Water system & tower	(1,128,220)	(69,482)	-	-	(1,197,702)
Machinery and equipment	(103,113)	(11,018)	-	-	(114,131)
Vehicles	(26,068)	(6,121)	-	-	(32,189)
Total	(1,257,401)	(86,621)	-	-	(1,344,022)
Total capital assets, being depreciated, net	2,629,841	(86,621)	-	51,957	2,595,177
Business type activities capital assets, net	$ 3,003,034	$ (36,212)	$ -	$ 117,908	$ 3,084,730

Note 5. Capital Assets (Continued)

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

Governmental activities:	
General government	$ 13,162
Public safety	60,803
Public works	40,328
Culture and recreation	113,236
Total depreciation expense - governmental activities	$ 227,529
Business-type activities:	
Water and sewerage	$ 86,621
Total depreciation expense - business-type activities	$ 86,621

Note 6. Long-Term Debt

Long-term liability activity for the year ended December 31, 2024, is as follows:

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year	Due In More Than One Year
Governmental activities:						
Compensated absences	$ 100,483	$ 62,802	$ 37,397	$ 125,888	$ 78,680	$ 47,208
Direct borrowings:						
Loans payable	40,294	-	40,294	-	-	-
Notes payable	97,441	-	20,533	76,908	21,154	55,754
Governmental activities long-term liabilities	$ 238,218	$ 62,802	$ 98,224	$ 202,796	$ 99,834	$ 102,962
Business-type activities:						
Compensated absences	$ 40,774	$ 21,603	$ 11,662	$ 50,715	$ 26,870	$ 23,845
Direct borrowings:						
Loans payable	38,989	-	18,638	20,351	20,351	-
Notes payable	1,432,312	-	78,657	1,353,655	79,646	1,274,009
Business-type activities long-term liabilities	$ 1,512,075	$ 21,603	$ 108,957	$ 1,424,721	$ 147,218	$ 1,277,503

The compensated absences liability will be paid from the General or Water and Sanitation Funds from which employees' salaries are paid. The loans payable and notes payable will be paid by the General Fund and the Water and Sanitation Fund.

The City implemented GASB Statement No. 101, *Compensated Absences* effective January 1, 2024. See Note 12 for additional information on the adoption of GASB Statement No. 101, *Compensated Absences*.

See Note. 13, Subsequent Events in reference to Governmental Activities, Notes Payable above.

Note 6. Long-Term Debt (Continued)

Governmental Activities:

Notes Payable. The City incurred debt to an individual for the purchase of land for economic development. The City pledges its full faith and credit and revenue-raising power, including its taxing power. In event of default, the debt may be declared immediately due and payable.

Interest Rate	Term (yrs)	Due Date	Monthly Payment	Original Balance	Balance
3.00%	10	6/1/2028	$ 1,931	$ 200,000	$ 76,908

Fiscal Year	Principal	Interest	Total
2025	$ 21,154	$ 2,018	$ 23,172
2026	21,800	1,373	23,173
2027	22,464	711	23,175
2028	11,490	101	11,591
2029	-	-	-
	$ 76,908	$ 4,203	$ 81,111

Loans Payable. The City incurred debt to a financing company for the purchase of police vehicles. The loan was paid in full during the year ended December 31, 2024.

Business Type Activities:

Notes Payable. The City's Water and Sanitation Fund entered in an agreement for direct borrowings of $1,700,000 with GEFA for water system improvements.

The City pledges its full faith and credit and revenue-raising power, including its taxing power. In event of default, the debt may be declared immediately due and payable.

The following is an analysis and debt service requirements for the notes payable as of :

Interest Rate	Term (yrs)	Due Date	Monthly Payment	Original Balance	Balance
3.00%	20	2040	$ 8,009	$ 1,700,000	$ 1,353,655
					$ 1,353,655

Fiscal Year	Principal	Interest	Total
2025	$ 79,646	$ 16,465	$ 96,111
2026	80,647	15,464	96,111
2027	81,661	14,450	96,111
2028	82,688	13,424	96,112
2029	83,727	12,384	96,111
2030-2034	434,692	45,864	480,556
2035-2039	462,712	17,844	480,556
2040	47,882	175	48,057
	$ 1,353,655	$ 136,070	$ 1,489,725

Loans Payable. During the year ended December 31, 2023, the City incurred debt to a financing company for the purchase of a vehicle.

Interest Rate	Term (yrs)	Due Date	Annual Payment	Original Balance	Balance
9.19%	3	12/26/2025	$ 22,221	$ 61,210	$ 20,351

Fiscal Year	Principal	Interest	Total
2025	$ 20,351	$ 1,870	$ 22,221
	$ 20,351	$ 1,870	$ 22,221

In event of default, the lessor may declare all remaining principal and interest immediately due.

Note 7. Interfund receivables, payables and transfers

The composition of interfund balances as of December 31, 2024, is as follows:

	Due From			
			Water and Sanitation	
ARPA Fund	DDA Fund	SPLOST Fund	Fund	Totals
$ 2,933	$ 2,241	$ 10,220	152,294	$ 167,688
$ 2,933	$ 2,241	$ 10,220	$ 152,294	$ 167,688

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) payments between funds are made. The balance above between the General Fund and Water and Sanitation Fund represents payroll expenses of the Water and Sanitation Fund paid by the General Fund. The balance above between the General Fund and SPLOST Fund represents various expenditures to be reimbursed by the SPLOST Fund paid by the General Fund.

The composition of interfund transfers for the fiscal year ended December 31, 2024, is as follows:

Transfers In	Transfers Out	Amount
Downtown Development Authority	SPLOST Fund	$ 23,172

These transfers to the Downtown Development Fund from SPLOST Fund is the Downtown Development Fund's portion of economic development of SPLOST revenue.

Note 8. Joint Venture

Under Georgia Law, the City, in conjunction with other cities and counties in the northwest Georgia area, is a member of the Three Rivers Regional Commission (TRRC) and is required to pay annual dues thereto. Membership in an TRRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the TRRC in Georgia. The TRRC Board membership includes the chief elected official of each City and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an NWGRC. Separate financial statements may be obtained from the Three Rivers Regional Commission, 120 North Hill Street, Griffin, Georgia 30224.

Note 9. Defined Benefit Pension Plan

A. Plan Description

The City's contributes to the City of Mount Zion Retirement Plan (the "Plan"), which is a participating member in the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer defined benefit pension plan. O.C.G.A. Section 47-5-1 et Seq. assigns the authority to establish and amend the benefit provisions of the plans that participate in the GMEBS to the respective employer entities. For the City of Mount Zion Retirement Plan, that authority rests with the City of Mount Zion, Georgia. The benefit provisions and all other requirements are established and may be amended by City ordinance. It is the responsibility of the GMEBS to function as the investment and administrative agent for the City of Mount Zion, Georgia with respect to the pension plan. The City of Mount Zion Retirement Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information to the Plan. That report may be obtained by writing to Georgia Municipal Association, Employee Benefit Section, 201 Pryor Street, SW, Atlanta, Georgia 30303-3606.

B. Benefits Provided

The City of Mount Zion Retirement Plan provides retirement, disability, and death benefits. Retirement benefits are determined as 1.25 percent of the employee's final 3-year average compensation times the employee's years of service. Effective January 1, 2016, the Plan was amended to provide for immediate participation for employees. The change has no impact on service credited under the Plan and no impact on benefits. As a result of this change, all employees are now included in the valuation.

This change has minimal impact on the Plan's liability. Elected officials are not covered. The employees are vested after five years. The normal retirement age is sixty five plus five years with the early retirement age being fifty five plus ten years. As of July 1, 2024 , the date of the most recent actuarial valuation, the plan membership included the following categories of participants.

Retired participants and beneficiaries	5
Terminated vested participants	11
Active vested participants	8
Total vested participants and beneficiaries	24
Nonvested participants	6
Total participants and beneficiaries	30

Note 9. Defined Benefit Pension Plan

C. Contributions

Recommended Contribution: The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly).

State Funding Standards: The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The estimated minimum annual contribution under these standards is $28,638. The minimum contribution has been determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial liability of the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the

valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the City contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet the applicable state funding standards.

The City makes 100% of the contributions to the Plan. The contractually required contributions, which are actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute at an actuarially determined rate; the current rate is 8.82% of annual covered payroll.

D. Net Pension Liability

The City's net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024.

Actuarial assumptions. The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% to 8.50%, include an inflation assumption of 2.25%
Investment rate of return	7.375%, based on long-term expected rate of return on pension plan investments

Note 9. Defined Benefit Pension Plan

D. Net Pension Liability (Continued):

Mortality Rates:

Healthy:	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females
Disabled:	RP-2000 Disabled Retiree Mortality Table with sex-distinct rates
Plan Determination Basis:	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.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2015 to June 30, 2019.

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of March 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45%	6.91%
International Equity	20%	7.21%
Real Estate	20%	1.61%
Global Fixed Income	10%	3.61%
Domestic Fixed Inco	5%	1.67%
Cash	0%	
Total	100%	

Note 9. Defined Benefit Pension Plan

D. Net Pension Liability (Continued):

Discount rate. The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that 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.

Changes In Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances at September 30, 2023	$ 692,310	$ 513,746	$ 178,564
Changes for the year:			
Service cost	29,753	-	29,753
Interest	52,221	-	52,221
Differences between expected and actual experience	4,203	-	4,203
Contributions—employer	-	28,397	(28,397)
Net investment income	-	86,460	(86,460)
Benefit payments, including refunds of employee contributions	(27,965)	(27,965)	-
Administrative expense	-	(3,089)	3,089
Other changes	-	-	-
Net changes	58,212	83,803	(25,591)
Balances at March 31, 2024	$ 750,522	$ 597,549	$ 152,973

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%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's Net Pension Liability	$ 262,959	$ 152,973	$ 61,759

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report.

Note 9. Defined Benefit Pension Plan

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the City recognized pension expense of $54,835. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 37,986	$ 186
Net difference between projected and actual earnings on pension plan investments	-	18,535
City contributions subsequent to the measurement date	30,259	-
	$ 68,245	$ 18,721

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

Deferred Outflows(Inflows) Recognized in Future Years

Year Ended December					
2025	2026	2027	2028	2029	Thereafter
$ 5,911	$ 10,710	$ 12,378	$ (9,734)	$ -	$ -

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2024.

Note 10. Risk Management

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

Note 10. Risk Management (Continued):

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

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

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

Note 11. Commitments and Contingencies

Grant Contingencies:

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

Note 12. Adoption of GASB Statement No. 101, Compensated Absences

Effective January 1, 2024 the City adopted GASB Statement No. 101, *Compensated Absences*. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absences and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. See below for the impact of the adoption of this Statement on the City's financial statements.

Net Position, Water and Sanitation Fund, December 31, 2023 as previously reported	$ 1,587,099
Adoption of GASB Statemnt No. 101, *Compensated Absences*	(11,205)
Beginning Net Position, Water and Sanitation Fund, December 31, 2023, restated	$ 1,575,894
Net position, Governmental Activities, December 31, 2023, as previously reported	$ 4,410,274
Adoption of GASB Statemnt No. 101, *Compensated Absences*	(26,081)
Beginning net position, Governmental Activities, December 31, 2023, restated	$ 4,384,193
Net Position, Business-Type Activities, December 31, 2023, as previously reported	$ 1,587,099
Adoption of GASB Statemnt No. 101, *Compensated Absences*	(11,205)
Beginning Net Position, Business-Type Activities, December 31, 2023, restated	$ 1,575,894

Note 13. Subsequent Event

During September 2025, the Downtown Development Authority sold a portion of the Downtown Development Authority's land for $200,000 and paid the remaining Downtown Development Authority's loan payable in full.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MOUNT ZION, GEORGIA

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 1,187,090	$ 1,187,090	$ 1,241,296	$ 54,206
Licenses and permits	1,250	1,250	1,520	270
Intergovernmental	78,000	78,000	124,245	46,245
Charges for services	108,230	108,230	141,843	33,613
Fines and forfeitures	20,000	20,000	33,634	13,634
Contributions and donations	-	-	7,713	7,713
Investment income	2,000	2,000	2,154	154
Miscellaneous	17,088	17,088	20,872	3,784
Total revenues	1,413,658	1,413,658	1,573,277	159,619
EXPENDITURES				
Current:				
General government				
City Council	19,000	19,000	13,963	5,037
General administration	301,093	301,093	283,557	17,536
Financial administration	20,000	20,000	14,092	5,908
Total general government	340,093	340,093	311,612	28,481
Judicial				
Municipal court	11,350	11,350	8,988	2,362
Public safety				
Police	524,092	524,092	503,552	20,540
Total public safety	524,092	524,092	503,552	20,540
Public works				
Highways and streets	193,773	193,773	237,234	(43,461)
Culture and recreation				
Recreation	205,496	205,496	249,796	(44,300)
Community center	84,054	84,054	79,710	4,344
Library	57,300	57,300	59,497	(2,197)
Total culture and recreation	346,850	346,850	389,003	(42,153)
Total expenditures	1,416,158	1,416,158	1,450,389	(34,231)
Excess (deficiency) of revenues over (under) expenditures	(2,500)	(2,500)	122,888	125,388

(Continued)

CITY OF MOUNT ZION, GEORGIA

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	2,500	2,500	-	(2,500)
Total other financing sources	2,500	2,500	-	(2,500)
Net change in fund balances	-	-	122,888	122,888
FUND BALANCE				
Beginning of year	786,579	786,579	786,579	-
End of year	$ 786,579	$ 786,579	$ 909,467	$ 122,888

CITY OF MOUNT ZION, GEORGIA

Required Supplementary Information
Defined Benefit Pension Plan

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 29,753	$ 13,166	$ 22,166	$ 15,160	$ 16,808	$ 19,965	$ 16,194	$ 16,587	$ 8,037	$ 7,353
Interest	52,221	24,001	42,967	36,089	31,501	27,594	22,764	20,289	35,254	32,617
Differences between expected and actual experience	4,203	24,432	31,997	(1,240)	18,793	11,086	12,886	(1,890)	(2,440)	13,540
Assumption Changes	-	-	-	-	-	-	-	-	-	(7,104)
Benefit payments, including refunds of employee contributions	(27,965)	(13,983)	(25,738)	(7,175)	(3,741)	(3,053)	(3,053)	(3,053)	(13,012)	(11,761)
Administrative expense	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	52,703	-	9,332	-	5,439	-	-	-
Net change in total pension liability	58,212	47,616	124,095	42,834	72,693	55,592	54,230	31,933	27,839	34,645
Total Pension Liability										
Beginning of Year	692,310	644,694	520,599	477,765	405,072	349,480	295,250	263,317	461,391	426,746
End of Year(a)	$ 750,522	$ 692,310	$ 644,694	$ 520,599	$ 477,765	$ 405,072	$ 349,480	$ 295,250	$ 489,230	$ 461,391
Plan Fiduciary Net Position										
Contributions - employer	$ 28,397	$ 18,663	$ 36,165	$ 27,990	$ 31,435	$ 25,187	$ 23,901	$ 20,002	$ 18,469	$ 22,044
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investments income	86,460	56,704	(89,221)	36,852	11,271	28,864	35,973	22,293	1,239	39,821
Benefit payments, including refunds of employee contributions	(27,965)	(13,983)	(25,738)	(7,175)	(3,741)	(3,053)	(3,053)	(3,053)	(13,012)	(11,761)
Administrative expense	(3,089)	(1,824)	(3,571)	(3,358)	(3,260)	(3,500)	(3,807)	(1,742)	(5,690)	(5,281)
Other	-	-	115,426	-	-	-	-	-	-	-
Net change in fiduciary net pension	83,803	59,560	33,061	54,309	35,705	47,498	53,014	37,500	1,006	44,823
Plan Fiduciary Net Position										
Beginning of Year	513,746	454,186	421,125	366,816	331,111	283,613	230,599	193,099	454,652	409,829
End of Year(b)	$ 597,549	$ 513,746	$ 454,186	$ 421,125	$ 366,816	$ 331,111	$ 283,613	$ 230,599	$ 455,658	$ 454,652
City's Net Pension Liability(a) - (b)	$ 152,973	$ 178,564	$ 190,508	$ 99,474	$ 110,949	$ 73,961	$ 65,867	$ 64,651	$ 33,572	$ 6,739
Plan's fiduciary net position as a percentage of the total pension liability	79.62%	74.21%	70.45%	80.89%	76.78%	81.74%	81.15%	78.10%	93.14%	98.54%
Covered - employee payroll	$ 662,411	$ 626,489	$ 548,190	$ 512,587	$ 367,540	$ 356,495	$ 358,136	$ 305,869	$ 201,013	$ 146,517
City's net pension liability as a percentage of covered employee payroll	23.09%	28.50%	34.75%	19.41%	30.19%	20.75%	18.39%	21.14%	16.70%	4.60%

CITY OF MOUNT ZION, GEORGIA

Required Supplementary Information
Defined Benefit Pension Plan

Schedule of Contributions

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 44,880	$ 31,994	$ 33,193	$ 30,875	$ 30,534	$ 31,435	$ 25,187	$ 23,901	$ 23,982	$ 19,765
Contributions in relation to the actuarially determined contribution	40,345 *	31,994	35,859	30,847	27,990	31,435	25,187	23,901	21,632	19,993
Contribution deficiency (excess)	-	-	(2,666)	28	2,544	-	-	-	-	-
Covered - employee payroll	$ 626,489	$ 548,190	$ 512,587	$ 367,540	$ 356,495	$ 358,136	$ 305,869	$ 201,013	$ 146,517	$ 299,100
Contributions as a percentage of covered employee payroll	6.44%	5.84%	7.00%	8.39%	7.85%	8.78%	8.23%	11.89%	14.76%	6.68%

Notes to the Schedule of Contributions

* Contributions are recorded based on date of receipt into the GMEBS trust. Minor timing issues in receipt of monthly payments are not indicative of non-compliance with GMEBS funding policy. A plan is in compliance with the GMEBS funding policy if it pays either the dollar amount or the percentage of employee-covered payroll of the actuarially determined contributions.

Notes to Schedule of Contributions

Valuation Date	The actuarially determined contribution rate was determined as of July 1, 2024, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially contribution rate will be reported for the fiscal year ending December 31, 2024.
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 amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Normal Retirement Age	65 + 5
Early Retirement	55 + 10
Mortality Rates:	
Healthy:	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females
Disabled:	RP-2000 Disabled Retiree Mortality Table with sex-distinct rates
Plan Determination Basis:	1994 Group Annuity Reserving Unisex Table RP-2000 Mortality Tables were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2010 to June 30, 2014. Mortality experience will be reviewed periodically and updated if necessary.
Other information:	See the “Actuarial Valuation History for Notes to Schedules” on following page for the history of changes to plan provisions.

Actuarial Valuation History for Notes to Schedules

Changes of Assumptions

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

Benefit Changes

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

SUPPLEMENTARY INFORMATION

SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS SCHEDULE
(SPLOST)

CITY OF MOUNT ZION, GEORGIA

Schedule of Expenditures of
Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2024

2021 Issue - Carroll County, Georgia

Project Description	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Recreation-vehicles, equipment, and facilities upgrades and improvements	$ 395,700	$ 400,779	$ 120,525	$ 521,304
Water-vehicles and equipment	230,000	47,085	52,052	99,137
Police-vehicles, equipment, and facilities upgrades and improvements	450,000	292,558	44,126	336,684
Roads-vehicles, equipment, and facilities upgrades and improvements	155,000	33,684	103,732	137,416
City Administration - facilities upgrades and improvements	150,000	94,521	94,872	189,393
Economic development	440,000	53,606	49,832	103,438
	$ 1,820,700	$ 922,233	$ 465,139	$ 1,387,372

Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

SPLOST Fund	
Total Expenditures	$ 441,967
Transfers out **(A)**	23,172
	$ 465,139

(A) - Transfer to Mount Zion Development Authority for economic development.

COMPLIANCE SECTION

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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 Honorable Mayor and City Council
City of Mount Zion, 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 Mount Zion, Georgia, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Mount Zion, Georgia's basic financial statements, and have issued our report thereon dated January 26, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Mount Zion, 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 Mount Zion, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Mount Zion, 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Mount Zion, 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 on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Williamson & Company
Certified Public Accountants
Cartersville, Georgia
January 26, 2026