ANNUAL FINANCIAL REPORT

CITY OF OMEGA, GEORGIA

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2023

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Omega, Georgia — December 31, 2023

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HERRING
CPA GROUP, P.C.
Certified Public Accountants & Consultants

CHARLES W. POWELL, III, C.P.A.
DAVID L. DEARISO, C.P.A.
TONY QUINNEY, C.P.A.
JAMES H. HERRING, C.P.A.

JULIE A. POWELL, C.P.A.

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
THE GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

OFFICES
TIFTON, GEORGIA
SYLVESTER, GEORGIA

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
Omega, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Omega, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Omega, 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 Omega, Georgia, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the Unites States of America.

Basis for Opinion

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 Governmental 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 of our report. We are required to be independent of the City of Omega, 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Omega, 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 opinion. 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 the 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 financial statements.

In performing an audit in accordance with generally accepted accounting 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 Omega, 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 Omega, 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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Omega, Georgia's basic financial statements. The schedule of projects constructed with special purpose local option sales tax proceeds, the community development block grant budget to actual funds schedule and the community development block grant source and application of funds schedule 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 schedule of projects constructed with special purpose local option sales tax proceeds, the community development block grant budget to actual funds schedule and the community development block grant source and application of funds schedule 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 October 30, 2024, on our consideration of the City of Omega, 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 Omega, 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 Omega, Georgia's internal control over financial reporting and compliance.

Herring CPA Group P.C.

Herring CPA Group, P. C.
Tifton, Georgia
October 30, 2024

STATEMENT OF NET POSITION

Government-Wide
Omega, Georgia

December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash on Hand and in Banks	$ 3,846,991	$1,183,572	$ 5,030,563
Receivables - Net	208,935	50,231	259,166
Internal Balances	(2,500)	2,500	0
Prepaid Items	9,239	6,366	15,605
Total Current Assets	4,062,665	1,242,669	5,305,334
Non-Current Assets:			
Capital Assets - Nondepreciable	287,668	590,175	877,843
Capital Assets - Depreciable - Net	3,808,170	2,076,243	5,884,413
Total Non-Current Assets	4,095,838	2,666,418	6,762,256
Total Assets	8,158,503	3,909,087	12,067,590
LIABILITIES			
Current Liabilities:			
Accounts Payable	34,769	7,130	41,899
Accrued Expenses	2,877	463	3,340
Unearned Revenue	259,817	0	259,817

The accompanying notes are an integral part of these statements.

STATEMENT OF NET POSITION

Government-Wide
Omega, Georgia

December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Customer Deposits	0	52,195	52,195
Total Current Liabilities	297,463	59,788	357,251
Long-Term Liabilities:			
Accrued Compensated Absences	27,219	5,690	32,909
Total Liabilities	324,682	65,478	390,160
NET POSITION			
Net Investment in Capital Assets	4,095,838	2,666,418	6,762,256
Restricted for:			
Technology Enhancements	61,765	0	61,765
Capital Projects	722,055	0	722,055
Unrestricted	2,954,163	1,177,191	4,131,354
TOTAL NET POSITION	$ 7,833,821	$3,843,609	$11,677,430

The accompanying notes are an integral part of these statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

Government-Wide
Omega, Georgia

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General Government	$ 309,047	$ 38,358	$ 0
Public Safety	724,013	600,890	0
Public Works	203,978	0	0
Total Governmental Activities	1,237,038	639,248	0
Business-Type Activities:			
Water and Sewer	376,110	316,516	0
Sanitation	186,095	173,247	0
Total Business-Type Activities	562,205	489,763	0
Total Primary Government	$ 1,799,243	$ 1,129,011	$ 0
General Revenues:			
Sales Taxes			
Title Advolorem Tax			
Alcoholic Beverage Taxes			
Business Taxes			
Franchise Fees			
Investment Earnings			
Gain on Sale of Capital Assets			
Miscellaneous Revenue			
Transfers-Internal Activities			
Total General Revenues and Transfers			
Change in Net Position			
Net Position - January 1, 2023			
NET POSITION - DECEMBER 31, 2023			

The accompanying notes are an integral part of these statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

Year Ended
December 31, 2023

Program Revenues		Net (Expenses) Revenues and Changes in Net Position Primary Government		
Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total
$ 0	$ 38,358	$ (270,689)	$ 0	$ (270,689)
0	600,890	(123,123)	0	(123,123)
711,385	711,385	507,407	0	507,407
711,385	1,350,633	113,595	0	113,595
0	316,516	0	(59,594)	(59,594)
0	173,247	0	(12,848)	(12,848)
0	489,763	0	(72,442)	(72,442)
$711,385	$1,840,396	113,595	(72,442)	41,153
		390,347	0	390,347
		35,763	0	35,763
		44,761	0	44,761
		117,353	0	117,353
		54,868	0	54,868
		36,011	10,830	46,841
		60,450	0	60,450
		3,356	0	3,356
		(146,844)	146,844	0
		596,065	157,674	753,739
		709,660	85,232	794,892
		7,124,161	3,758,377	10,882,538
		$7,833,821	$3,843,609	$11,677,430

The accompanying notes are an integral part of these statements.

COMBINING BALANCE SHEET

Governmental Funds
Omega, Georgia — December 31, 2023

	General Fund	Special Purpose Local Option Sales Tax Fund	Transportation SPLOST Fund	CDBG Fund	ARPA Fund	Total
ASSETS						
Cash	$2,933,369	$ 507,085	$ 142,505	$ 0	$264,032	$ 3,846,991
Receivables - Net	136,470	63,959	8,506	0	0	208,935
Prepaid Items	9,239	0	0	0	0	9,239
TOTAL ASSETS	$3,079,078	$ 571,044	$ 151,011	$ 0	$264,032	$ 4,065,165
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts Payable	$ 30,881	$ 0	$ 0	$ 0	$ 3,888	$ 34,769
Accrued Expenses	2,877	0	0	0	0	2,877
Due to Other Funds	2,500	0	0	0	0	2,500
Unearned Revenue	0	0	0	0	259,817	259,817
Total Liabilities	36,258	0	0	0	263,705	299,963
Fund Balance:						
Nonspendable:						
Prepaid Items	9,236	0	0	0	0	9,236
Restricted:						
Technology Enhancements	61,765	0	0	0	0	61,765
Capital Projects	0	571,044	151,011	0	0	722,055
Unassigned	2,971,819	0	0	0	327	2,972,146
Total Fund Balance	3,042,820	571,044	151,011	0	327	3,765,202
TOTAL LIABILITIES AND FUND BALANCE	$3,079,078	$ 571,044	$ 151,011	$ 0	$264,032	$ 4,065,165

The accompanying notes are an integral part of these statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET

TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

City of Omega
Omega, Georgia

December 31, 2023

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$3,765,202
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.	4,095,838
Long-term liabilities are not due and payable in the current period; therefore, they are not reported in the Governmental Funds Balance Sheet, but are recorded in the Government-Wide Statement of Net Position.	
Compensated Absenses	(27,219)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$7,833,821

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

Governmental Funds
Omega, Georgia

Year Ended
December 31, 2023

	General Fund	Special Purpose Local Option Sales Tax Fund	Transportation SPLOST Fund	CDBG Fund	ARPA Fund	Total
Revenues:						
Taxes	$ 588,224	$ 0	$ 0	$ 0	$ 0	$ 588,224
Licenses and Permits	18,973	0	0	0	0	18,973
Franchise Fees	54,868	0	0	0	0	54,868
Charges for Services	19,385	0	0	0	0	19,385
Fines and Forfeitures	600,890	0	0	0	0	600,890
Intergovernmental	185,000	375,700	32,795	6,225	111,359	711,079
Interest	35,858	242	64	0	153	36,317
Miscellaneous	3,356	0	0	0	0	3,356
Total Revenues	1,506,554	375,942	32,859	6,225	111,512	2,033,092
Expenditures:						
Current:						
General Government	282,488	0	0	0	0	282,488
Public Safety	668,676	0	0	0	0	668,676
Public Works	123,155	0	0	6,225	0	129,380
Capital Outlay:						
Public Safety	0	113,848	0	0	0	113,848
Public Works	233,030	172,156	0	0	0	405,186
Total Expenditures	1,307,349	286,004	0	6,225	0	1,599,578

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

Governmental Funds
Omega, Georgia

Year Ended
December 31, 2023

	General Fund	Special Purpose Local Option Sales Tax Fund	Transportation SPLOST Fund	CDBG Fund	ARPA Fund	Total
Excess of Revenues Over (Under) Expenditures	199,205	89,938	32,859	0	111,512	433,514
Other Financing Sources (Uses):						
Sale of Capital Assets	60,450	0	0	0	0	60,450
Transfer In (Out)	500	(35,485)	0	(500)	(111,359)	(146,844)
Net Change in Fund Balance	260,155	54,453	32,859	(500)	153	347,120
Fund Balance - January 1, 2023	2,782,665	516,591	118,152	500	174	3,418,082
FUND BALANCE - DECEMBER 31, 2023	$ 3,042,820	$ 571,044	$ 151,011	$ 0	$ 327	$3,765,202

The accompanying notes are an integral part of these statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

City of Omega
Omega, Georgia

Year Ended
December 31, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 347,120
Amounts reported for Governmental Activities in the Statement of Activities and Changes in Net Position are different because:	
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	519,034
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, this amount of depreciation expense is not reported as an expenditure in Governmental Funds.	(149,939)
Accrued compensated absences is reported in the Government-Wide Statement of Activities and Changes in Net Position, but does not require the use of current financial resources. Therefore, accrued compensated absences is not reported as an expenditure in Governmental Funds. This year compensated absences earned exceeded compensated absences paid by this amount.	(6,555)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 709,660

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF NET POSITION

Proprietary Funds
Omega, Georgia — December 31, 2023

	Water and Sewer	Sanitation	Total
ASSETS			
Current Assets:			
Cash	$1,070,830	$112,742	$1,183,572
Receivables - Net	31,268	18,963	50,231
Prepaid Items	5,020	1,346	6,366
Due from Other Funds	0	2,500	2,500
Total Current Assets	1,107,118	135,551	1,242,669
Noncurrent Assets:			
Capital Assets - Net	2,543,550	122,868	2,666,418
Total Assets	3,650,668	258,419	3,909,087
LIABILITIES			
Current Liabilities:			
Accounts Payable	3,802	3,328	7,130
Accrued Expenses	290	173	463
Customer Deposits	52,195	0	52,195
Total Current Liabilities	56,287	3,501	59,788
Long-Term Liabilities:			
Accrued Compensated Absences	650	5,040	5,690
Total Liabilities	56,937	8,541	65,478
NET POSITION			
Net Investment in Capital Assets	2,543,550	122,868	2,666,418
Unrestricted	1,050,181	127,010	1,177,191
TOTAL NET POSITION	$3,593,731	$249,878	$3,843,609

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF REVENUES, EXPENSES,

AND CHANGES IN NET POSITION

Proprietary Funds
Omega, Georgia

Year Ended
December 31, 2023

	Water and Sewer	Sanitation	Total
Operating Revenues:			
Sales	$ 293,890	$ 173,247	$ 467,137
Late Charges and Fees	21,157	0	21,157
Other	1,469	0	1,469
Total Operating Revenues	316,516	173,247	489,763
Operating Expenses:			
Personnel Services	86,009	94,162	180,171
Utilities	33,788	0	33,788
Depreciation	143,463	31,435	174,898
Landfill Use	0	33,431	33,431
Insurance	12,054	5,975	18,029
Supplies	22,799	16,092	38,891
Repairs and Maintenance	61,496	3,000	64,496
Professional Fees	16,150	2,000	18,150
Other	351	0	351
Total Operating Expenses	376,110	186,095	562,205
Operating Income (Loss)	(59,594)	(12,848)	(72,442)
Non-Operating Revenues (Expenses):			
Interest Income	10,775	55	10,830
Income (Loss) Before Transfers	(48,819)	(12,793)	(61,612)
Transfers In	146,844	0	146,844
Change in Net Position	98,025	(12,793)	85,232
Net Position - January 1, 2023	3,495,706	262,671	3,758,377
NET POSITION - DECEMBER 31, 2023	$ 3,593,731	$ 249,878	$ 3,843,609

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF CASH FLOWS

Proprietary Funds
Omega, Georgia

Year Ended
December 31, 2023

	Water and Sewer	Sanitation	Total
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 321,496	$ 171,493	$ 492,989
Cash Payments for Personnel Services	(88,989)	(93,909)	(182,898)
Cash Payments to Other Suppliers of Goods and Services	(161,629)	(63,866)	(225,495)
Net Cash Provided by Operating Activities	70,878	13,718	84,596
Cash Flows from Non-Capital Financing Activities:			
Advances to/from Other Funds	0	0	0
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(146,844)	0	(146,844)
Transfers In	146,844	0	146,844
Net Cash Used by Capital and Related Financing Activities	0	0	0
Cash Flows from Investing Activities:			
Interest Received	10,775	55	10,830
Net Increase (Decrease) in Cash and Restricted Cash	81,653	13,773	95,426
Cash and Restricted Cash - January 1, 2023	989,177	98,969	1,088,146
CASH - DECEMBER 31, 2023	$ 1,070,830	$ 112,742	$ 1,183,572
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	$ (59,594)	$ (12,848)	$ (72,442)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	143,463	31,435	174,898
Changes in Assets and Liabilities:			
Receivables, Net	6,090	(1,754)	4,336
Prepaid Expense	(281)	(84)	(365)
Accounts Payable	(14,710)	(3,284)	(17,994)
Accrued Expenses	(2,980)	253	(2,727)
Customer Deposits	(1,110)	0	(1,110)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 70,878	$ 13,718	$ 84,596

The accompanying notes are an integral part of these statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Omega was incorporated by an act of the Georgia Legislature on July 30, 1912. The City is governed by a mayor-council form of government. The following services are provided to the citizens of Omega by the City and Tift County: public safety (fire and police), highways and streets, sanitation, water and sewer, health and social services, culture and recreation, education, public improvements, and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The proprietary fund applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB, in which case, GASB prevails. Listed below is a summary of the more significant policies:

A. REPORTING ENTITY

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board.

There are no organizations that are potential component units of the City of Omega, Georgia.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements, which are the statement of net position and the statement of activities and changes in net position, report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. 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 activities and changes in net position demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 or activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. 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. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The City's government-wide financial statements include a statement of net position and a statement of activities and changes in net position. These statements present summaries of governmental and business-type activities for the City.

These statements are reported using the economic resources measurement focus and accrual basis of accounting, as are the proprietary fund financial statements. Accordingly, all the City's assets and liabilities, including capital assets, as well as infrastructure assets purchased since July 1, 2003, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues are reported in three categories: (1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, (2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function and (3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, transactions between governmental and business-type activities have not been eliminated. 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.

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and non-major funds aggregated. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Those revenues susceptible to accrual are sales taxes, franchise fees, interest revenue, and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines are not susceptible to accrual because generally they are not measurable until received in cash. A 60 day availability period is also used for revenue recognition for all other governmental fund revenues.

The City reports all of its governmental fund types as major funds.

The general fund is the principal fund of the City and is used to account for all activities of the City not otherwise accounted for by a specified fund.

Special Revenue Funds: These funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The City's special revenue fund is the ARPA fund. The ARPA fund is used to account for the local fiscal recovery funds provided by the American Rescue Plan Act of 2021.

Capital Projects Funds: These funds are used to account for financial resources for the acquisition or construction of major capital facilities and improvements other than those financed by proprietary funds. The City has three capital projects funds. The special purpose local option sales tax fund accounts for projects supported by the special purpose local option sales tax and other capital grants for the construction of roads, sidewalks, drainage systems, sewer system improvements, and other capital items. The transportation SPLOST fund is used to account for projects funded with transportation special purpose local option sales tax proceeds. The CDBG fund accounts for community development block grant funds used for capital projects.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a statement of net position, statement of revenues, expenses, and changes in net assets, and a statement of cash flows. Proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Enterprise Funds: Enterprise fund operations are financed and accounted for in a manner similar to a private business - where the intent of the governing body is that the expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following funds are accounted for as enterprise funds and are considered major funds.

Water and Sewer Fund - to account for the City's water services and its collection and treatment of waste water.

Sanitation Fund - to account for the City's collection and disposal of solid waste.

D. BUDGETS AND BUDGETARY ACCOUNTING

The City's established budgetary process is as follows:

a. Each year the city clerk prepares and compiles a tentative worksheet with estimated expenditures for the next calendar year of all funds of the City based on the prior year's expenditures.

b. After review and revisions in December by the mayor and council the proposed budgets are compiled.

c. The budgets are usually formally adopted in December and notice of the budget's availability for inspection is published.

d. During the year, as the need arises, the mayor and council make any necessary budget amendments.

e. Formal budgetary integration is the management tool used as a control device during the year for the general and proprietary funds.

The budget for the capital projects fund is adopted on a project basis with the term of the project being longer than the City's fiscal year.

The City's budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year end. The City's legal level of budgetary control is at the departmental level.

E. INVENTORIES

The City does not maintain an inventory of parts and supplies. These items are purchased on an as needed basis.

F. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items.

G. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City's policy has set the capitalization threshold for reporting capital assets as follows: equipment - $5,000; buildings, land, and distribution systems - $25,000; roads, bridges, and drainage systems - $200,000; and sidewalks - $50,000. All purchased capital assets are valued 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 market value on the date received.

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.

Depreciation is computed over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Distribution Systems	25-50 years
Buildings and Improvements	20-50 years
Machinery and Equipment	5-15 years
Infrastructure Assets	30-50 years

H. ACCOUNTS RECEIVABLE - UNBILLED REVENUE

Unbilled service revenues of the water and sewer and sanitation funds are accrued at the end of the year by prorating actual subsequent billings.

I. COMPENSATED ABSENCES

It is the policy of the City to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

J. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund type 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 type statement of net position.

K. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of net position 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 and so will not be recognized as an inflow of resources (revenue) until that time.

L. CASH AND CASH EQUIVALENTS

The City has defined cash and cash equivalents, for the purpose of its cash flow statement, to include cash on hand, demand deposits, and short term certificates of deposit with a maturity of three months or less.

M. CAPITALIZED INTEREST

The City capitalizes net interest cost and interest earned as part of the cost of constructing various projects when material.

N. PROPERTY TAX

The City of Omega does not levy property taxes.

O. 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 current assets and current liabilities. In the fund financial statements, governmental funds report fund 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. 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 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 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 are subject to limitations the government imposes upon itself. This is accomplished by formal action of city council, the highest level of decision making authority, through passage of an ordinance committing fund balance for a specific purpose. This same process is required to remove a commitment of fund balance.

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.

Unassigned - Fund balances are reported as unassigned as the residual amounts which cannot be properly classified in one of the other four categories.

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

- Committed
- Assigned
- Unassigned

Net Position
Net position represents the difference between assets and liabilities. Net position invested in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisitions, construction or improvement of those assets, plus any outstanding balances of borrowings not yet expended, but restricted for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its 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. All other net positions are reported as unrestricted.

P. ESTIMATES

The preparation of the financial statements in conformity with generally accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

2. CASH AND INVESTMENTS

It is the investment policy of the City of Omega to invest its cash reserves in checking accounts and interest bearing certificates of deposit. These accounts are reported at cost which equals market value.

The breakdown between deposits and investments for the City is as follows:

Primary Government:	
Cash on Hand	$ 150
Bank Deposits (checking accounts, saving accounts, certificates of deposits)	5,030,413
Total Primary Government	$5,030,563

Credit Risk:
The City limits the credit risk of the primary government by investing its cash with bank deposits which are covered by federal depository insurance or collateralized with collateral pledged by the financial institution.

Interest Rate Risk:
The investments of the primary government are invested in highly liquid investments to limit the risk of interest rate fluctuations. All bank certificates of deposit have varying maturity dates of one year or less.

3. RECEIVABLES

Gross receivables of the primary government at December 31, 2023, consist of the following:

	General Fund	Capital Projects Funds	Special Revenue Funds
Taxes	$ 62,708	$ 0	$ 0
Accounts	56,888	0	0
Interest	16,874	0	0
Due from Other Governments	0	72,465	0
Gross Receivables	136,470	72,465	0
Less Allowances for Uncollectables	0	0	0
Net Receivables	$136,470	$ 72,465	$ 0

	Water and Sewer Fund	Sanitation Fund	Total
Taxes	$ 0	$ 0	$ 62,708
Accounts	64,355	23,972	145,215
Interest	2,809	0	19,683
Due from Other Governments	0	0	72,465
Gross Receivables	67,164	23,972	300,071
Less Allowances for Uncollectables	(35,896)	(5,009)	(40,905)
Net Receivables	$ 31,268	$ 18,963	$259,166

4. CAPITAL ASSETS

The following schedule represents the changes in the capital assets of the City for the year ending December 31, 2023.

	Balance January 1, 2023	Additions	Transfers/ Deletions	Balance December 31, 2023
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$287,668	$ 0	$ 0	$287,668

	Balance January 1, 2023	Additions	Transfers/ Deletions	Balance December 31, 2023
Capital Assets being Depreciated:				
Infrastructure	$ 2,530,483	$ 364,978	$ 0	$2,895,461
Buildings and Improvements	1,833,553	40,208	0	1,873,761
Machinery and Equipment	778,088	113,848	(109,180)	782,756
Total Capital Assets being Depreciated	5,142,124	519,034	(109,180)	5,551,978
Less Accumulated Depreciation:				
Infrastructure	(534,421)	(54,259)	0	(588,680)
Buildings and Improvements	(578,456)	(39,777)	0	(618,233)
Machinery and Equipment	(590,172)	(55,903)	109,180	(536,895)
Total Accumulated Depreciation	(1,703,049)	(149,939)	109,180	(1,743,808)
Net Capital Assets being Depreciated	3,439,075	369,095	0	3,808,170
Total Capital Assets, Net	$ 3,726,743	$ 369,095	$ 0	$4,095,838

Depreciation expense of the general fund was charged to governmental functions as follows:

General Government	$ 26,495
Public Safety	52,802
Public Works	70,642
Total	$ 149,939

	Balance January 1, 2023	Additions	Transfers/ Deletions	Balance December 31, 2023
Business-Type Activities:				
Capital Assets not being Depreciated:				
Land	$ 590,175	$ 0	$ 0	$ 590,175
Construction in Process	9,072	72,554	(81,626)	0
Total Capital Assets not being Depreciated	599,247	72,554	(81,626)	590,175
Capital Assets being Depreciated:				
Buildings	48,869	0	0	48,869
Distribution System	4,583,412	81,626	0	4,665,038
Machinery and Equipment	529,076	74,290	0	603,366
Total Capital Assets being Depreciated	5,161,357	155,916	0	5,317,273
Less Accumulated Depreciation:				
Buildings	(2,443)	(977)	0	(3,420)
Distribution System	(2,650,863)	(136,837)	0	(2,787,700)
Machinery and Equipment	(412,826)	(37,084)	0	(449,910)
Total Accumulated Depreciation	(3,066,132)	(174,898)	0	(3,241,030)
Net Capital Assets being Depreciated	2,095,225	(18,982)	0	2,076,243
Total Capital Assets, Net	$2,694,472	$ 53,572	$ (81,626)	$2,666,418

5. LONG-TERM DEBT

A. CHANGES IN LONG-TERM DEBT

The following is a summary of the changes in long-term debt of the City for the year ended December 31, 2023:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due in One Year
Governmental Activities:					
Compensated Absences	$ 20,664	$27,219	$ 20,664	$ 27,219	$ 0
Business-Type Activities:					
Compensated Absences	$ 8,473	$ 5,690	$ 8,473	$ 5,690	0

For governmental activities, compensated absences are liquidated by the general fund.

6. INTERNAL BALANCES/TRANSFERS

During the year various transactions occurred between the different funds of the City, which give rise to interfund receivable and payable balances. These transactions include charges for services, the purchase of goods and services, and short-term cash advances. During the course of the year, these balances will be repaid. At December 31, 2023, the general fund owed the sanitation fund $2,500. During the year the special purpose local option sales tax fund and the ARPA fund transferred $35,485 and $111,359, respectively, to the water and sewer fund for capital improvements. The CDBG fund transferred $500 to the general fund to close out this fund.

7. RETIREMENT PLAN

The City offers its employees a deferred compensation program titled the City of Omega Deferred Compensation Plan. The program, established by the city council, is a defined contribution plan and is administered for the City by Nationwide Retirement Solutions. City contributions are at the discretion of the city council. The City contributes up to 3% of a participant's compensation with a maximum of $1,500 per participant. Participants, at their discretion, may contribute a portion of their compensation. Total contributions to the plan for the year were $27,914, consisting of $6,614 in employer contributions and $21,300 in employee contributions.

8. CONTINGENCIES

The City of Omega is subject to various claims and legal disputes which arise in the normal course of its operation. In the opinion of management and legal counsel, the outcome of any of these items would not have a material effect on the City's financial condition.

9. 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 Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the pool, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the pool being required to pay any claim of loss. The City is also to allow the pool'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 within the scope of loss protection furnished by the pool.

The pool is to defend and protect the members of the pool against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The pool is 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 continues to carry commercial insurance for all other risks of loss, including liability, employee health, and accident insurance. Settled claims have never exceeded the commercial insurance coverage.

10. JOINT VENTURES

The City of Omega, in conjunction with cities and counties in the ten county South Georgia area, participates in the Southern Georgia Regional Commission (SGRC). Membership in an SGRC is required by Code of Georgia Section 50-8-34 that provides for the organizational structure of the SGRC. The SGRC board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission.

Information concerning the financial statements may be obtained from the Southern Georgia Regional Commission Center, P.O. Box 1223, Valdosta, Georgia 31603.

11. SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through October 30, 2024, the date when the financial statements were available to be issued.

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

General Fund
Omega, Georgia

Year Ended
December 31, 2023

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Local Option Sales Tax	$ 270,000	$ 282,000	$ 390,347	$ 108,347
Title Advolorem Tax	30,000	30,000	35,763	5,763
Fees, Fines, and Forfeitures	650,000	650,000	600,890	(49,110)
Franchise Fees	50,000	50,000	54,868	4,868
Beer and Wine Tax	50,500	50,500	44,761	(5,739)
Insurance Premium Tax	100,000	117,000	17,353	353
Licenses and Permits	18,000	18,000	18,973	973
Intergovernmental	25,000	185,000	185,000	0
Interest Income	3,500	3,500	35,858	32,358
Sale of Cemetery Lots	10,000	10,000	7,500	(2,500)
Rent	12,200	12,200	11,850	(350)
Miscellaneous	800	800	3,391	2,591
Total Revenues	1,220,000	1,409,000	1,506,554	97,554
Expenditures:				
General Government	265,000	314,000	282,488	31,512
Police	772,000	775,000	665,637	109,363
Fire	4,000	4,000	3,039	961
Streets	179,000	371,000	356,185	14,815
Total Expenditures	1,220,000	1,464,000	1,307,349	156,651
Excess of Revenues Over (Under) Expenditures	0	(55,000)	199,205	254,205
Other Financing Sources (Uses):				
Sale of Capital Assets	0	55,000	60,450	5,450
Transfers In	0	0	500	500
Net Change in Fund Balance	0	0	260,155	260,155
Fund Balance - January 1, 2023	2,782,665	2,782,665	2,782,665	0
FUND BALANCE - DECEMBER 31, 2023	$ 2,782,665	$2,782,665	$3,042,820	$ 260,155

1. BUDGETARY BASIS

The City of Omega adopts its budget on the modified accrual basis of accounting and is in compliance with generally accepted accounting principles.

SCHEDULE OF PROJECTS CONSTRUCTED WITH

SPECIAL SALES TAX PROCEEDS

City of Omega
Omega, Georgia

Year Ended
December 31, 2023

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percentage Completion
		SPLOST V			
Sidewalk, Street, and Drainage Improvements	$ 300,000	$ 499,086	$ 131,948	$ 631,034	100%
Water and Sewer System Improvements	450,000	59,514	0	59,514	13%
Building and Facility Improvements	350,000	132,634	0	132,634	38%
Vehicle Purchases	700,000	540,713	0	540,713	77%
TOTAL	$ 1,800,000	$1,231,947	$ 131,948	$1,363,895	
		SPLOST VI			
Water and Sewer System Improvements		$ 485,913	$ 35,485	$ 521,398	
Vehicle Purchases		104,396	113,848	218,244	
Building Improvements		488,015	0	488,015	
Road, Street, Drainage and Parking Improvements		0	40,208	40,208	
TOTAL	$ 1,800,000	$1,078,324	$ 189,541	$1,267,865	70%

Note: Current year expenditures are reported in the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances as expenditures of $286,004 and a transfer out to the Water and Sewer Fund of $35,485.

COMMUNITY DEVELOPMENT BLOCK GRANT

SOURCE AND APPLICATION OF FUNDS SCHEDULE

Grant # 20P-X-137-2-6152

City of Omega
Omega, Georgia

	December 31, 2023
Total Program Funds Allocated to Recipient	$ 493,998
Less: Total Current Year Funds Drawn Down by Recipient	(6,225)
Less: Total Prior Year Funds Drawn Down by Recipient	(17,636)
Less: Funds Deobligated	(470,137)
Funds Still Available	$ 0
Total Program Funds Held at Year Beginning January 1, 2023	$ 0
Total Program Funds Drawn Down and Received by Recipient	6,225
Less: Funds Applied and Expended to Program Year 2023 Costs	(6,225)
Total Program Funds Held at Year Ending December 31, 2023	$ 0

COMMUNITY DEVELOPMENT BLOCK GRANT

BUDGET TO ACTUAL FUNDS SCHEDULE

Grant # 20P-X-137-2-6152

City of Omega
Omega, Georgia

December 31, 2023

Program Activity	Activity Number	Latest Approved Budget CDBG Funds	Period Expenditures	Prior Period Expenditures	Grant Total Expenditures to Date	Questioned Costs
Engineering	T-03K-00	$ 45,674	$ 0	$ 10,636	$ 10,636	$ 0
Flood and Drainage Improvements	P-03K-02	418,684	0	0	0	0
Administration	A-21A-00	29,640	6,225	7,000	13,225	0
Total		$ 493,998	$ 6,225	$ 17,636	$ 23,861	$ 0

HERRING
CPA GROUP, P.C.
Certified Public Accountants & Consultants

CHARLES W. POWELL, III, C.P.A.
DAVID L. DEARISO, C.P.A.
TONY QUINNEY, C.P.A.
JAMES H. HERRING, C.P.A.

JULIE A. POWELL, C.P.A.

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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

The Honorable Mayor and City Council
Omega, 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 Omega, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Omega, Georgia's basic financial statements and have issued our report thereon dated October 30, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Omega, Georgia's internal control over financial reporting to determine the 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 Omega, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Omega, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 23-1 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as item 23-2 and 23-3 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Omega, Georgia's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

City of Omega, Georgia's Response to Findings

The City of Omega, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City of Omega, Georgia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinions on them.

Purpose of 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.

Herring CPA Group, P.C.
Tifton, Georgia
October 30, 2024

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the City of Omega, Georgia.

2. Three significant deficiencies are reported in the "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".

3. No instances of noncompliance, material to the basic financial statements of the City of Omega, Georgia, were disclosed during the audit.

4. The City of Omega, Georgia, was not required to undergo a single audit for the fiscal year ending December 31, 2023.

FINDINGS-FINANCIAL STATEMENTS AUDIT

23-1 Segregation of Duties (Repeat)

The City of Omega, Georgia, does not employ sufficient personnel to provide for the adequate segregation of duties.
Criteria-Weakness in internal control.
Effect-Improper segregation of duties can allow for the misappropriation of funds.
Recommendation-Additional personnel should be hired and any conflicting duties segregated.
Management's Response-The City concurs with this finding. However, the City believes that it is not economically feasible to hire the additional personnel needed to accomplish a complete segregation of duties. The mayor and council members review monthly financial information. Either the mayor or a council member reviews invoices for payment and signs all checks. Cash receipt procedures have been implemented to help segregate conflicts to the extent possible.

23-2 Financial Statement Preparation (Repeat)

The management of the City of Omega, Georgia, does not have the skills needed to prepare its financial statements in accordance with generally accepted accounting principles.
Criteria-Weakness in internal control.
Effect-Governing board is provided generally accepted accounting principles basis financial statements on an annual basis only.
Management's Response-Hiring additional personnel with adequate professional training is not economically feasible. The city clerk prepares a monthly financial report for the governing board.

23-3 Special Revenue Fund Budget

The City did not adopt an annual budget for the ARPA special revenue fund.
Criteria-The City is required to adopt annual balanced budgets for its general and special revenue funds.
Effect-Adopting annual budgets is part of the City's expenditure authorization process and provides a means of controlling annual expenditures.
Recommendation-City council needs to adopt an annual budge for the ARPA fund.
Management's Response-Management agrees with this finding and will adopt an annual budget for the ARPA fund.