CITY OF OMEGA, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

GILL & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

City of Omega
Omega, Georgia — December 31, 2024

Description	Page Number
Independent Auditor's Report	1
Basic Financial Statements:	
Statement of Net Position - Government-Wide	4
Statement of Activities and Changes in Net Position - Government-Wide	6
Combining Balance Sheet - Governmental Funds	8
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	9
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	10
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	12
Combining Statement of Net Position - Proprietary Funds	13
Combining Statement of Revenues, Expenses, and Changes in Net Position	14
Combining Statement of Cash Flows - Proprietary Fund	15
Notes to Financial Statements	16
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	27
ARPA Fund	28
Notes to Required Supplementary Information	29
Supplementary Information:	
Schedule of Projects Constructed with Special Sales Tax Proceeds	30
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	31
Schedule of Findings and Responses	33

GILL & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Formerly Thomas K. Hall, CPA & David L. Deariso, CPA

1501 W Third Ave
Albany, GA 31707

Office: (229) 883-4420
Fax: (229) 883-0049

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, 2024, 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, 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 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.

Other-Matter

The financial statements of the City of Omega, Georgia. as of and for the year ended December 31, 2023, were audited by another professional who expressed an unmodified opinion on October 30, 2024. We did not audit, review, or apply procedures to the prior period financial statements other than as necessary to audit the current year's financial statements. Accordingly, we do not express an opinion or any other form of assurance on those financial statements.

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 pages 27 and 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 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 projects constructed with special purpose 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 October 27, 2025, 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.

Gill & Associates CPAs, LLC
Albany, GA
October 31, 2025

STATEMENT OF NET POSITION

Government-Wide
Omega, Georgia

December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash on Hand and in Banks	$ 3,933,232	$ 1,238,200	$ 5,171,432
Receivables - Net	227,430	50,298	277,728
Prepaid Expenses	8,418	6,420	14,838
Internal Balances	4,485	(4,485)	0
Total Current Assets	4,173,565	1,290,433	5,463,998
Non-Current Assets:			
Capital Assets - Nondepreciable	287,668	590,175	877,843
Capital Assets - Depreciable - Net	3,810,077	2,267,943	6,078,020
Total Non-Current Assets	4,097,745	2,858,118	6,955,863
Total Assets	8,271,310	4,148,551	12,419,861

The accompanying notes are an integral part of these statements.

STATEMENT OF NET POSITION

Government-Wide
Omega, Georgia

December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	35,518	17,196	52,714
Accrued Expenses	4,211	1,659	5,870
Customer Deposits	0	52,505	52,505
Notes Payable - Current	0	25,350	25,350
Total Current Liabilities	39,729	96,710	136,439
Long-Term Liabilities:			
Accrued Compensated Absences	23,274	7,420	30,694
Total Liabilities	63,003	104,130	167,133
NET POSITION			
Investment in Capital Assets	4,097,745	2,858,118	6,955,863
Restricted for Capital Projects:			
Technology Enhancements	52,710	0	52,710
Capital Projects	806,835	0	806,835
Unrestricted	3,251,017	1,186,303	4,437,320
TOTAL NET POSITION	$ 8,208,307	$ 4,044,421	$ 12,252,728

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	$ 290,183	$ 39,117	$ 0
Public Safety	762,666	682,697	0
Public Works	366,489	0	0
Total Governmental Activities	1,419,338	721,814	0
Business-Type Activities:			
Water and Sewer	450,310	291,759	0
Sanitation	192,155	168,651	0
Total Business Activities	642,465	460,410	0
Total Primary Government	$ 2,061,803	$ 1,182,224	$ 0
General Revenues:			
Sales Taxes			
Title Advalorem Tax			
Alcoholic Beverage Tax			
Business Tax			
Franchise Fees			
Investment Earnings			
Miscellaneous Revenue			
Transfers-Internal Activities			
Total General Revenues and Transfers			
Change in Net Position			
Net Position - January 1, 2024			
NET POSITION - DECEMBER 31, 2024			

The accompanying notes are an integral part of these statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

Year Ended
December 31, 2024

Program Revenues		Net (Expenses) Revenues and Changes in Net Position Primary Government		
Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total
$ 0	$ 39,117	$ (251,066)	$ 0	$ (251,066)
0	682,697	(79,969)	0	(79,969)
730,642	730,642	364,153	0	364,153
730,642	1,452,456	33,118	0	33,118
0	291,759	0	(158,551)	(158,551)
0	168,651	0	(23,504)	(23,504)
0	460,410	0	(182,055)	(182,055)
$ 730,642	$ 1,912,866	$ 33,118	$ (182,055)	$ (148,937)
		386,786	0	386,786
		36,150	0	36,150
		44,757	0	44,757
		126,033	0	126,033
		60,506	0	60,506
		53,364	16,253	69,617
		386	0	386
		(366,614)	366,614	0
		341,368	382,867	724,235
		374,486	200,812	575,298
		7,833,821	3,843,609	7,108,246
		$ 8,208,307	$ 4,044,421	$ 12,252,728

The accompanying notes are an integral part of these statements.

COMBINING BALANCE SHEET

Governmental Funds
Omega, Georgia

December 31, 2024

	General Fund	ARPA Fund	Special Purpose Local Option Sales Tax Fund	Transportation SPLOST Fund	Total
ASSETS					
Cash	$3,260,941	$ 0	$ 492,286	$180,005	$3,933,232
Accounts Receivable - Net	152,072	0	68,800	6,558	227,430
Due from Other Funds	4,485	0	0	0	4,485
Prepaid Items	8,418	0	0	0	8,418
TOTAL ASSETS	$3,425,916	$ 0	$ 561,086	$186,563	$4,173,565
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	$ 35,518	$ 0	$ 0	$ 0	$ 35,518
Accrued Expenses	4,211	0	0	0	4,211
Total Liabilities	39,729	0	0	0	39,729
Fund Balance:					
Nonspendable:					
Prepaid Items	8,418	0	0	0	8,418
Restricted:					
Technology Enhancements	52,710	0	0	0	52,710
Capital Projects	59,186	0	561,086	186,563	806,835
Unassigned	3,265,873	0	0	0	3,265,873
Total Fund Balance	3,386,187	0	561,086	186,563	4,133,836
TOTAL LIABILITIES AND FUND BALANCE	$3,425,916	$ 0	$ 561,086	$186,563	$4,173,565

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, 2024

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 4,133,836
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.	4,097,745
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 absences	(23,274)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 8,208,307

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, 2024

	General Fund	ARPA Fund	Special Purpose Local Option Sales Tax Fund	Transportation SPLOST Fund	Total
Revenues:					
Taxes	$ 593,726	$ 0	$ 0	$ 0	$ 593,726
Licenses and Permits	22,662	0	0	0	22,662
Franchise Fees	60,506	0	0	0	60,506
Charges for Services	16,425	0	0	0	16,425
Fines & Forfeitures	682,697	0	0	0	682,697
Intergovernmental Revenue	59,186	259,817	375,792	35,478	730,273
Interest	53,364	39	256	74	53,733
Miscellaneous	416	0	0	0	416
Total Revenues	1,488,982	259,856	376,048	35,552	2,160,438
Expenditures:					
Current:					
General Government	264,208	10	0	0	264,218
Public Works	122,035	0	105,062	0	227,097
Public Safety	759,372	0	0	0	759,372

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, 2024

	General Fund	ARPA Fund	Special Purpose Local Option Sales Tax Fund	Transportation SPLOST Fund	Total
Capital Outlay:					
Public Safety	0	0	115,105	0	115,105
Public Works	0	0	59,398	0	59,398
Total Expenditures	1,145,615	10	279,565	0	1,425,190
Excess of Revenues Over (Under) Expenditures	343,367	259,846	96,483	35,552	735,248
Other Financing Sources (Uses):					
Transfers Out	0	(260,173)	(106,441)	0	(366,614)
Net Change in Fund Balance	343,367	(327)	(9,958)	35,552	368,634
Fund Balance - January 1, 2024	3,042,820	327	571,044	151,011	3,765,202
FUND BALANCE - DECEMBER 31, 2024	$ 3,386,187	$ 0	$ 561,086	$ 186,563	$ 4,133,836

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, 2024

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 368,634
Amounts reported for Governmental Activities in the Government-Wide Statement of Activities and Changes in Net Position are different because:	
Govermental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in the 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.	174,503
Depreciation expense on capital assets 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, this amount of depreciation expense is not reported as an expenditure in Governmental Funds.	(172,596)
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 compensation Absences is not reported as an expenditure in Governmental Funds. This year, compensated absences paid exceeded compensated Absences earned by this amount.	3,945
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 374,486

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF NET POSITION

Proprietary Funds
Omega, Georgia

December 31, 2024

	Water and Sewer	Sanitation	Total
ASSETS			
Current Assets:			
Cash	$1,115,218	$122,982	$1,238,200
Receivables - Net	33,058	17,240	50,298
Prepaid Items	5,209	1,211	6,420
Total Current Assets	$1,153,485	$141,433	$1,294,918
Noncurrent Assets:			
Capital Assets - Net	2,761,543	96,575	2,858,118
TOTAL ASSETS	3,915,028	238,008	4,153,036
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 11,915	$ 5,281	$ 17,196
Accrued Expenses	841	818	1,659
Customer Deposits	52,505	0	52,505
Due to Other Funds	4,485	0	4,485
Note Payable - Current	25,350	0	25,350
Total Current Liabilities	95,096	6,099	101,195
Long-Term Liabilities:			
Accrued Compensated Absences	1,944	5,476	7,420
TOTAL LIABILITIES	97,040	11,575	108,615
NET POSITION			
Net Investment in Capital Assets	2,761,543	96,575	2,858,118
Unrestricted	1,056,445	129,858	1,186,303
TOTAL NET POSITION	$3,817,988	$226,433	$4,044,421

The accompanying notes are an integral part of these statements.

STATEMENT OF REVENUES, EXPENSES,

AND CHANGES IN NET POSITION

Proprietary Funds
Omega, Georgia

Year Ended
December 31, 2024

	Water and Sewer	Sanitation	Total
Operating Revenues:			
Sales	$ 271,966	$ 168,651	$ 440,617
Late Charges and Fees	18,376	0	$ 18,376
Other	1,417	0	$ 1,417
Total Operating Revenues	291,759	168,651	460,410
Operating Expenses:			
Personnel Services	114,980	113,598	$ 228,578
Utilities	41,659	0	$ 41,659
Depreciation	148,621	26,293	$ 174,914
Landfill Use	0	33,393	$ 33,393
Insurance	7,637	4,692	$ 12,329
Supplies	20,223	8,930	$ 29,153
Repairs and Maintenance	73,376	2,848	$ 76,224
Professional Fees	43,075	2,000	$ 45,075
Other	740	401	$ 1,141
Total Operating Expenses	450,311	192,155	642,466
Operating Income (Loss)	(158,552)	(23,504)	(182,056)
Non-Operating Revenues (Expenses):			
Interest Income	16,195	59	$ 16,254
Income (Loss) Before Transfers	(142,357)	(23,445)	(165,802)
Transfers In	366,614	0	$ 366,614
Change in Net Position	224,257	(23,445)	200,812
Net Position - January 1, 2024	3,593,731	249,878	3,843,609
NET POSITION - DECEMBER 31, 2024	$3,817,988	$ 226,433	$4,044,421

The accompanying notes are an integral part of these statements.

STATEMENT OF CASH FLOWS

Proprietary Funds
Omega, Georgia

December 31, 2024

	Water and Sewer	Sanitation	Total
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 290,279	$ 170,376	460,655
Cash Payments for Personnel Services	(113,135)	(112,519)	(225,654)
Cash Payments to Other Suppliers of Goods and Services	(178,786)	(50,176)	(228,962)
Net Cash Provided by Operating Activities	$ (1,642)	$ 7,681	6,039
Cash Flows from Noncapital Financing Activities			
Advances to/from Other Funds	(4,485)	2,500	(1,985)
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(366,614)	0	(366,614)
Transfer from/(to) Other Funds	366,614	0	366,614
Proceeds from Loan	25,350	0	25,350
Net Cash Used by Capital and Related Financing Activities	20,865	2,500	23,365
Cash Flows from Investing Activities:			
Interest Received	16,195	59	16,254
Net Increase (Decrease) in Cash	35,418	10,240	45,658
Cash - January 1, 2024	1,070,830	112,742	1,183,572
CASH - DECEMBER 31, 2024	$ 1,106,248	$ 122,982	$ 1,229,230
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:			
Operating Loss	$ (158,552)	$ (23,504)	$ (182,056)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:			
Depreciation	148,621	26,293	$ 174,914
Changes in Assets and Liabilities:			
Receivables, Net	(1,790)	1,725	(65)
Prepaid Expense	(189)	133	(56)
Accounts Payable	8,113	1,953	10,066
Accrued Expenses	1,845	1,081	2,926
Customer Deposits	310	0	310
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ (1,642)	$ 7,681	$ 6,039

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. Proprietary funds apply 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 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 current year infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in assets. 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 presents 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, 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. A 60 day availability period is also used for revenue recognition for all 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 two 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.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a statement of net position, statement of revenues, expenses, and changes in net position, 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 fund is accounted for as an enterprise fund and is considered a major fund:

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, 2024, are recorded as prepaid items in the proprietary funds. Governmental funds do not report 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 services 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 accumulated 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 in the 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 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 and acquisition of net position that applies to a future period and, therefore, 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 to include cash on hand, demand deposits, and short term certificates of deposit.

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 any 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 by a majority vote of the city council, the City's highest level of decision making authority, and that remain binding unless removed in the same manner.

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, net of related debt, consist of capital assets, net of accumulated depreciation, plus any outstanding balances of borrowings not yet expended, but restricted for the acquisition, construction or improvement of those assets. Net positions 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. 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, savings accounts, certificates of deposits)	5,171,282
Total Primary Government	$ 5,171,432

Credit Risk:

The City limits the credit risk of the primary government by investing its cash in 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

Receivables of the primary government at December 31, 2024, consist of the following:

	General Fund	Capital Projects Fund	Special Revenue Fund
Taxes	$ 75,156	$ 0	$ 0
Accounts	56,809	0	0
Interest	20,107	0	0
Due from Other Governments	0	75,358	0
Gross Receivables	152,072	75,358	0
Less Allowance for Uncollectables	0	0	0
Net Receivables	$ 152,072	$ 75,358	$ 0

	Water and Sewer Fund	Sanitation Fund	Total
Taxes	$ 0	$ 0	$ 75,156
Accounts	65,785	22,281	144,875
Interest	3,276	0	23,383
Due from Other Governments	0	0	75,357
Gross Receivables	69,061	22,281	318,773
Less Allowance for Uncollectables	(36,004)	(5,041)	(41,045)
Net Receivables	$ 33,058	$ 17,240	$ 277,728

4. CAPITAL ASSETS

The following schedule represents the changes in the capital assets of the City for the year ending December 31, 2024.

	Balance January 1, 2024	Additions	Transfers/ Deletions	Balance December 31, 2024
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 287,668	$ 0	$ 0	$ 287,668
Capital Assets being Depreciated:				
Infrastructure	$2,895,461	$ 0	$ 0	$2,895,461
Buildings and Improvements	1,873,761	0	0	1,873,761
Machinery and Equipment	782,756	174,503	(16,727)	940,532
Total Capital Assets being Depreciated	5,551,978	174,503	(16,727)	5,709,754

	Balance January 1, 2024	Additions	Transfers/ Deletions	Balance December 31, 2024
Less Accumulated Depreciation:				
Infrastructure	$ (588,680)	$ (57,909)	$ 0	$ (646,589)
Buildings and Improvements	(618,233)	(39,944)	0	(658,177)
Machinery and Equipment	(536,895)	(74,743)	16,727	(594,911)
Total Accumulated Depreciation	(1,743,808)	(172,596)	16,727	(1,899,677)
Net Capital Assets being Depreciated	3,808,170	1,907	0	3,810,077
Total Capital Assets, Net	$4,095,838	$ 1,907	$ 0	$4,097,745

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

General Government	$ 25,478
Public Safety	67,235
Public Works	79,883
Total	$ 172,596

	Balance January 1, 2024	Additions	Transfers/ Deletions	Balance December 31, 2024
Business-Type Activities:				
Capital Assets not being Depreciated:				
Land	$ 590,175	$ 0	$ 0	$ 590,175
Capital Assets being Depreciated:				
Buildings	48,869	0	0	48,869
Distribution System	4,665,038	366,614	(680)	5,030,972
Machinery and Equipment	603,366	0	0	603,366
Total Capital Assets being Depreciated	5,317,273	366,614	(680)	5,683,207
Less Accumulated Depreciation:				
Buildings	(3,420)	(977)	0	(4,397)
Distribution System	(2,787,700)	(138,281)	680	(2,925,301)
Machinery and Equipment	(449,910)	(35,656)	0	(485,566)
Total Accumulated Depreciation	(3,241,030)	(174,914)	680	(3,415,264)
Net Capital Assets being Depreciated	2,076,243	191,700	0	2,267,943
Total Capital Assets, Net	$2,666,418	$ 191,700	$ 0	$2,858,118

6. 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, 2024:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due in One Year
Governmental Activities:					
Compensated Absences	$ 27,219	$ 23,274	$ (27,219)	$ 23,274	$ 0
Business-Type Activities:					
Compensated Absences	$ 5,690	$ 7,420	$ (5,690)	$ 7,420	$ 0
Note Payable - GEFA	0	25,350	0	25,350	25,350
Total Business-Type	$ 5,690	$ 32,770	$ (5,690)	$ 32,770	$ 25,350

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

The City received a Drinking Water State Revolving Fund (DWSRF) loan from the Georgia Environmental Finance Authority (GEFA) in January 2024 in the amount of $25,350, bearing no interest. The proceeds were used to finance a portion of the costs to acquire, construct, and install environmental facilities to test the amount of lead in the City's water pipes. Upon being notified of the award, the City was also informed the full amount of the loan would be forgiven. Refer to **Note 11. Subsequent Events** for further details.

6. INTERNAL BALANCES AND 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, 2024, the water and sewer fund had a balance of $4,485 payable to the general fund. During the year the special purpose local option sales tax fund and the ARPA fund transferred $106,441 and $260,173, respectively, to the water and sewer fund for capital improvements.

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 $36,285, consisting of $7,475 in employer contributions and $36,285 in employee contributions.

8. CONTINGENCES

The City had no material contingent liabilities at December 31, 2024.

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 pools. The pool's funds are 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's funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgement, and all expenses incurred for investigation, negotiation, or defense.

The City has purchased property and liability insurance from private insurance carriers to protect itself from other risks of loss. Claims settled in the past three years have not exceeded the commercial 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 the 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 31, 2025, the date when the financial statements were available to be issued, and identified the following:

As described in Note 5. Long-Term Debt, the City received a Drinking Water State Revolving Fund (DWSRF) loan in January 2024. The City received correspondence from GEFA on March 11, 2025, notifying that the loan cancellation was completed on March 1, 2025. The loan is recorded as a current liability in the water and sewer fund.

12. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The ARPA fund of the general fund expended more than its appropriated budget amount. The excess expenditures were the result of a deadline to expend all funds awarded by the American Rescue Plan Act of 2021 by December 31, 2024. Consequently, the fund balance of the ARPA fund at December 31, 2024 is $0.

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

General Fund
Omega, Georgia

Year Ended
December 31, 2024

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Local Options Sales Tax	$ 286,000	$ 286,000	$ 386,786	$ 100,786
Title Ad Valorem Tax	35,000	35,000	36,150	1,150
Fees, Fines, and Forfeitures	650,000	650,000	682,697	32,697
Franchise Fees	53,000	53,000	60,506	7,506
Beer and Wine Tax	50,500	50,500	44,756	(5,744)
Insurance Premium Tax	110,000	110,000	126,034	16,034
Licenses and Permits	18,400	18,400	22,662	4,262
Intergovernmental	26,000	26,000	59,186	33,186
Interest Income	3,500	3,500	53,364	49,864
Sale of Cemetery Lots	10,000	10,000	4,500	(5,500)
Rent	12,200	12,200	11,925	(275)
Miscellaneous	400	400	416	16
Total Revenues	1,255,000	1,255,000	1,488,982	233,982
Expenditures:				
General Government	278,000	278,000	264,208	13,792
Police	807,000	807,000	755,214	51,786
Fire	5,000	5,000	4,158	842
Streets	165,000	165,000	122,035	42,965
Total Expenditures	1,255,000	1,255,000	1,145,615	109,385
Excess of Revenues Over (Under) Expenditures	0	0	343,367	343,367
Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	0	0	343,367	343,367
Fund Balance - January 1, 2024	3,042,820	3,042,820	3,042,820	0
FUND BALANCE - DECEMBER 31, 2024	$ 3,042,820	$ 3,042,820	$ 3,386,187	$ 343,367

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ARPA Fund
Omega, Georgia

Year Ended
December 31, 2024

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Intergovernmental Revenue	$ 200,000	$200,000	$ 259,856	$ 59,856
Expenditures	0	0	10	10
Excess of Revenues Over (Under) Expenditures	200,000	200,000	259,846	59,846
Other Financing Sources (Uses):				
Operating Transfer Out	(200,000)	(200,000)	(260,173)	(60,173)
Net Change in Fund Balance	0	0	(327)	(327)
Fund Balance - January 1, 2024	327	327	327	0
FUND BALANCE - DECEMBER 31, 2024	$ 327	$ 327	$ 0	$ (327)

1. BUDGETARY BASIS

The City of Omega adopts its budgets 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, 2024

Project	Original Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Total	Estimated Percentage Completion
SPLOST V					
Sidewalk, Street, and Drainage Improvements	$ 300,000	$ 631,034	$ 105,062	$ 736,096	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	51,319	592,032	85%
Total	$ 1,800,000	$ 1,363,895	$ 156,381	$ 1,520,276	84%
SPLOST VI					
Sidewalk, Street, and Drainage Improvements		$ 40,208	$ 0	$ 40,208	
Water and Sewer System Improvements		521,398	106,441	$ 627,839	
Building and Facility Improvements		488,015	0	$ 488,015	
Vehicle Purchases		218,244	123,184	$ 341,428	
Total	$ 1,800,000	$ 1,227,657	$ 229,625	$ 1,497,490	83%

GILL & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Formerly Thomas K. Hall, CPA & David L. Deariso, CPA

1501 W Third Ave
Albany, GA 31707

Office: (229) 883-4420
Fax: (229) 883-0049

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, 2024, 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 31, 2025.

Report on 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.

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 items 24-1, 24-2, and 24-3 to be significant deficiencies.

Report on 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'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.

Gill & Associates CPAs, LLC
Albany, GA
October 27, 2025

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, 2024.

FINDINGS-FINANCIAL STATEMENTS AUDIT

24-1 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 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.

24-2 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.

24-3 Budget Compliance

One fund of the City of Omega, Georgia, exceeded budgeted expenditure amounts.
Criteria – Funds are only to spend their budgeted amounts of appropriated funds. Any excess expenditures should be approved by city council with appropriate budget amendments.
Effect – Overspending of budgeted amounts can result in deterioration of the City's financial condition and misuse of City funds.
Recommendation – Timely budget reports need to be prepared and presented to management and council to monitor each department's spending and its compliance with approved budgets.
Management's response – Management agrees with this finding and will put in place procedures to prepare timely budget reports and monitor departmental spending.