

2012

Comprehensive Annual Financial Report
City of Winder, Georgia
For the Fiscal Year Ended June 30, 2012



10 Years of Excellence in Financial Reporting

Prepared By:
City of Winder, Georgia
Finance Department







CITY OF WINDER, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2012

**Prepared by the City of Winder, Georgia
Finance Department**

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CITY OF WINDER, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2012

Introductory Section

Letter of Transmittal

Certificate of Achievement

Organizational Chart

City Officials and Administrative Personnel

COUNCIL MEMBERS
Bob Dixon
Charlie Eberhart
Larry Evans
Sonny Morris
Ridley Parrish
Travis Singley



MAYOR
David Maynard

CITY ADMINISTRATOR
Donald Toms

City Of Winder

Letter of Transmittal

December 21, 2012

The Honorable Mayor David Maynard,
Members of the City Council, and
Citizens of the City of Winder

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Winder, Georgia for the fiscal year ended June 30, 2012.

This report consists of management's representations concerning the finances of the City of Winder, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Winder, Georgia has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Winder's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh its benefits, the City of Winder's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City.

Rushton & Company, LLC, Gainesville, Georgia, a licensed firm of certified public accountants, has audited the City of Winder's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Winder for the fiscal year ended June 30, 2012, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Winder's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The independent auditor's *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters* is presented on page 141.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Winder's MD&A can be found immediately following the report of the independent auditors.

45 East Athens Street, P.O. Box 566, Winder, Georgia 30680
www.cityofwinder.com Phone (770) 867-3106 Fax (770) 307-0424

General Information

The City of Winder, Georgia, incorporated by an act of the Georgia General Assembly in 1894, is the county seat for Barrow County, Georgia. Originally incorporated as Jug Tavern in 1884, Winder was named in honor of John H. Winder, general manager of the Seaboard Railroad, for his contribution in bringing the railroad and related passenger station to the City. The railroad provided the City with mobility as well as cultural and economic advantages. The Seaboard Railroad for many years ran six passenger trains and eight freights through Winder each day. The City is located between Atlanta to the west, Athens to the east, Interstate 85 to the north and state highway 316 to the south.

The City operates under a mayor-council form of government with a six member elected council, a mayor elected at large, and an appointed professional city administrator. The Mayor and Council members serve overlapping four-year terms. The City Administrator handles daily administration and management, with policy and guidance provided by the Mayor and Council. The City provides a full range of services. These services include police and fire protection; natural gas; water; sanitary sewer; solid waste disposal; cultural and recreational activities; planning and zoning; and the construction and maintenance of highways, streets, sidewalks, and stormwater infrastructure. During 2009, the City was designated as a "Certified City of Ethics" by the Georgia Municipal Association. Around a third of the cities in Georgia have received this designation.

Fire taxes, Local Option Sales Tax and utility revenues primarily fund municipal operations. This allows the city to operate without a property tax, which means businesses and homeowners have a lower tax burden and a higher level of service than comparable communities in the state. The City has not assessed a property tax since 1977.

Economic Condition and Outlook

The City of Winder is the largest city in Barrow County, and is the county seat. Barrow County is located in the center of Georgia's Golden Triangle and is the nucleus of research and technological advancements. In close proximity to Atlanta, Barrow County is just west of Athens and east of Gwinnett County. This central location, between four large employment and educational markets, makes Barrow County an escape from congested traffic and city noise. Like many other communities, Winder has seen a decline in residential growth over the last few years; however, Barrow County was among the top 20 fastest growing counties in the country during the last decade, and continues to attract new businesses to the area.

Funding for the operations of the City comes from the following primary sources: sales taxes, fire taxes, fines and forfeitures, licensing and permitting activities and utility profits. Fiscal Year 2012 saw an increase in sales taxes and licensing and permitting activities. The City's overall expenses were down during FY 2012 because of management's continued due diligence for fiscal responsibility.

The City's overall utility customer base has remained relatively stagnate over the past year. At June 30, 2012, the number of water customers increased by 1%, and the number of gas customers increase by 5% since the end of the fiscal year 2011. Another factor in measuring the economic condition of a community is its overall property fair market value, and Winder's has increased by approximately 25% during the last decade. However, the City's tax digest decreased by approximately 10.8% during 2012 with the lowest fair market values since 2004. Sales tax collections in 2012 equaled the amount of sales taxes the City received in 2004. These factors indicate that the recession continues to affect our local governments and community. The City of Winder continues to re-evaluate costs on a monthly basis and will adjust the budget as necessary. As the City continues its commitment to excellence and fiscal responsibility, it is moving forward with several important projects.

Major Initiatives

Utilities

The City's Water and Sewer Department was awarded the Georgia Association of Water Professionals Gold Awards for Water Treatment Plant Operations and Regulatory Compliance, for Cedar Creek and Marburg Creek NPDES Permit Compliance, and for Marburg Creek Reuse NPDES Permit Compliance.

Introductory Section

The City began the Embassy Walk sewer project which will enable the City to take two pump stations out of service. One of these pump stations has continually cost the City trying to contain a continuing odor problem. This project is primarily funded with a \$1,200,000 GEFA (Georgia Environmental Finance Authority) loan with an interest rate of 2.4% for 10 years.

The City's Gas Department was awarded The Golden Backhoe Award from the GUCC (Georgia Utility Coordinating Council), Marketing Excellence Award from the Municipal Gas Authority of Georgia, and H.E.A.T. Award from the Municipal Gas Authority of Georgia

The City issued a Solid Waste RFP during FY 2012 that resulted in a change of service provider from Republic Services to Waste Management. The change reduced the City's cost from \$12.24 per garbage cart to \$10 per cart plus including collection of yard debris and white goods that the City was responsible for collecting prior to this contract change.

Utility customers are now able to round up their utility bills which will be donated to the HEAT (Helping families in need with Energy Assistance) program. HEAT provides statewide assistance to qualified households regardless of the energy used. The families that are assisted are the elderly, the disabled, and families with children.

The GIS (Geographic Information Systems) Department provides support to all of the City's departments and to the public by creating and maintaining maps of the City's utilities and public works.

Community Center, Cultural Arts Center and WTV 21

The City of Winder's Community Center is available for rent by the general public, businesses, and non-profit organizations for a variety of events ranging from seminars, fundraisers, banquets, and large scale weddings. During 2012, almost 300 events were held in the Community Center.

The City of Winder's Cultural Arts Center celebrated its 5th anniversary and its 150th Winder Barrow Community Theatre performance in the Colleen O. Williams Theater. The Theater was also part of the Southern Circuit Tour of Independent Filmmakers Tour during FY 2011-2012 and will again host the 2012-2013 tour. The Center houses the Colleen O Williams Theater, WTV21 offices and studio, provided many opportunities for the citizens of Winder and Barrow County to enjoy many concerts, plays, and Children's Summer Drama Camp. The camp which was co-sponsored by the Winder-Barrow Community Theatre, offered introductory and advanced classes for many reduced tuition or scholarship campers.

WTV21 produces 3 original programs: *Talk of the Town with Karen Allen*, Barrow County Board of Commissioner meetings, and City of Winder City Council meetings. Channel 21 also airs special local events held throughout the year, such as the Winder festivals and Christmas parade, along with other programs received via satellite from third-party sources. During 2012, *Talk of the Town* won first place for Inter/Talk Show in the Government Programming Award category from the National Association of Telecommunications Officers and Advisors. We won first place for Interview/Talk Show. This is the third consecutive year that WTV21 has placed and the second time to win first place for *Talk of the Town*.

Public Safety

During FY 2012, the City approved the consolidation of the City's dispatch services with Barrow County's Emergency Services Emergency Communication Center. The consolidation of services should be finalized in FY 2013.

In the past year, the Winder Police Department was again awarded the Governor's Office of Highway Safety Heat Grant in the amount of \$20,200. This grant provided for one HEAT Officer, the maintenance of the HEAT patrol car, and other equipment. In 2009, the Department of Justice awarded the Police Department with a COPS Hiring Recovery Program grant totaling \$332,868. Two officers were hired because of this grant which covers the officers' salaries and benefits for three years. Both of these grants will end during FY 2013.

The City purchased the former People's Bank Operations Center at an FDIC auction which will be renovated for the Police Department on the lower level and offices for General Government Administrative services on the upper level.

The Winder Fire Department finished its burn building at the training center and held Open House in March 2012. The Fire Department also sponsored the Annual Fire Prevention Day which provided fire prevention/safety literature and classes for over 300 participants.

During FY 2012, the City Council awarded contracts for a new City Solicitor and Public Defender after the Municipal Court issued requests for proposals for each of these positions. These new contracts allowed the City to reduce its costs for these services.

Our police and fire officers continue to work closely with the schools, Boys and Girls Club and other community organizations to provide a positive experience for the children of Winder. These officers raise funds for the police department's annual "Christmas with a Cop" program and the fire department's "Empty Stocking Fund" program which benefit many local children at Christmas.

Public Works

The City of Winder Public Works Department has been concentrating its efforts on the upgrading of the City's signage, cleaning and maintaining the railroad right of ways, and revitalizing the City's sidewalks, roads, common areas, and stormwater system. During FY 2012, some of these projects include the following:

The City continued to move forward with its Streetscape program which is in conjunction with GDOT's project to grind, remove and lay new asphalt on Broad Street. The City has been awarded 2 grants for a total of \$1,000,000 from GDOT to allow the City to make enhancements to Broad Street from the Post Office to the Train Depot.

The Granite Hotel was demolished to improve the corner lot on Athens Street and Broad Street. The City plans to create a space that will enhance the downtown and add to the Streetscape Program.

The Public Works Department also completed the Laura Street realignment project that was accomplished when the brick wall around City Hall and the former drive thru building were demolished.

The City of Winder and GDOT completed the SR 211 (West Athens Street/Horton Street/McNeal Road) project. This project included new turn lanes, sidewalks, drainage, and upgraded utilities for the area and helps alleviate one of the most congested areas in the city.

Budgeting Controls

The annual budget serves as the foundation for the City of Winder's financial planning and control. The annual budget process begins with the City Administrator, Finance staff and department heads working together to analyze funding needs. Prior to May 1, the Finance Department prepares a draft budget for the City Administrator. After reviewing the draft budget and meeting with the departments, the City Administrator and Finance staff prepares a Proposed Budget. The Mayor presents the Proposed Budget to City Council in May. The Council conducts public hearings in May and June, and adopts budgeted revenues and appropriations for the upcoming fiscal year by ordinance no later than June 30, the close of the City's fiscal year. The budget is prepared both by fund, function (e.g. public safety) and department (e.g. police). The Budget Officer is permitted to transfer appropriations within a department. Transfers between departments and subsequent budgetary amendments require the approval of the City Council.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues meeting its responsibility for sound financial management.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Winder for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. This is the 10th consecutive year that the City has received this award. The Certificate of Achievement is a prestigious

Introductory Section

national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another Certificate of Achievement for the fiscal year ended June 30, 2012.

The GFOA has presented an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to the City of Winder for its PAFR for the fiscal year ended June 30, 2011. This is the 6th consecutive year that the City has received this distinguished award. The Award of Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Certificate of Achievement for the fiscal year ended June 30, 2012.

The GFOA has presented a Distinguished Budget Presentation Award to the City of Winder for its annual budget for the fiscal year beginning July 1, 2011. This is the 2nd year that the City has received this distinguished award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

A Distinguished Budget Presentation Award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the dedicated services and hard work of a highly qualified staff in the Finance Department. Each member of the department has a sincere appreciation for the contributions made in the preparation of this report and acknowledges the efforts of other departments who provided information that helped to make the report far more than a presentation of financial statements.

Finally, we acknowledge the Mayor and City Council for their unfailing support, leadership, and professional conservative financial management.

Sincerely,



Leslie W. Henderson
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Winder
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



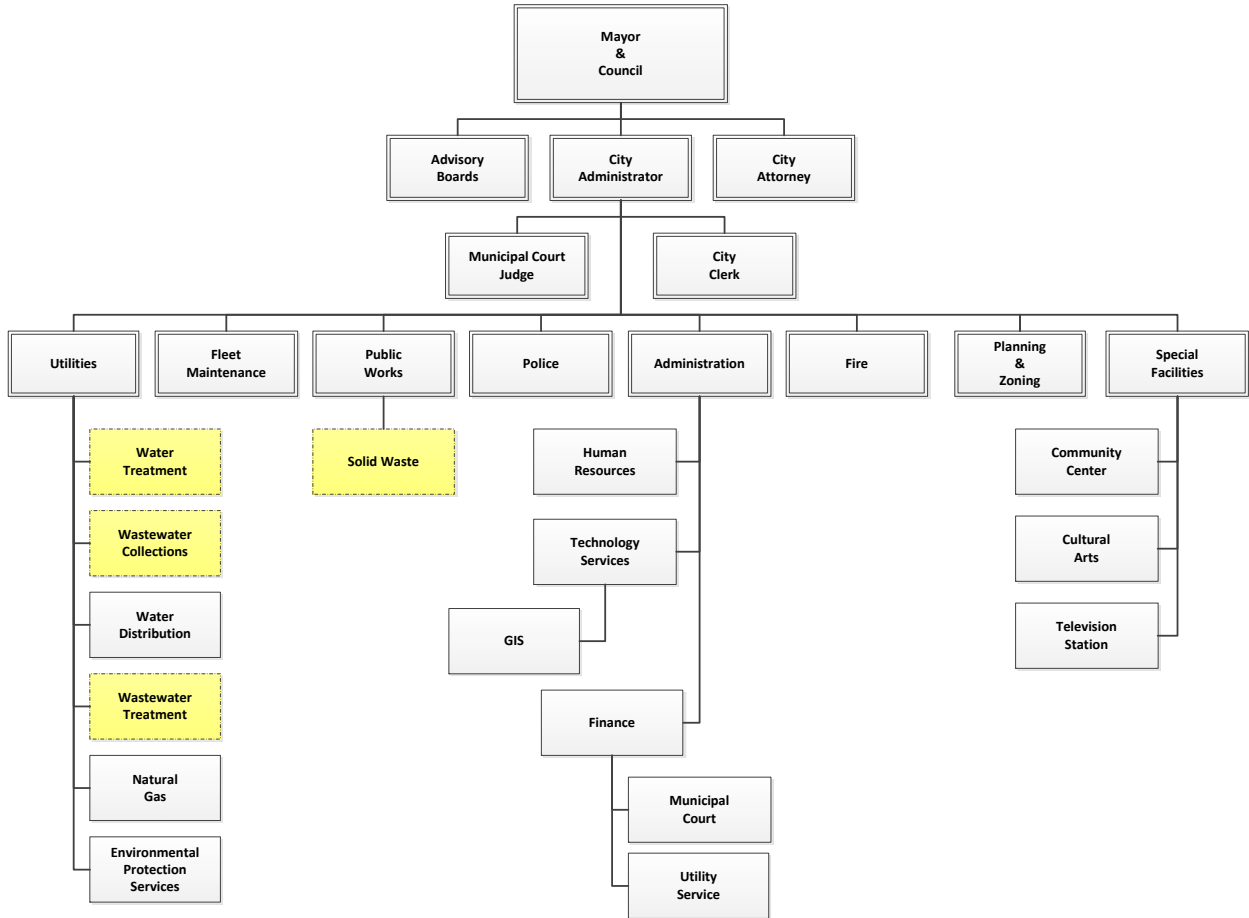
Linda C. Danison

President

Jeffrey R. Emer

Executive Director

Organization Chart



Note: Contractors shown in yellow

City Officials and Administrative Personnel

PRINCIPAL OFFICIALS

ELECTED OFFICIALS

Mayor



David Maynard

City Council



Sonny Morris, Mayor Pro-Tem
Ward 1



Charlie Eberhart
Ward 2



J. Ridley Parrish
Ward 3



Travis Singley
Ward 4



Bob Dixon
At-Large



Larry Evans
At-Large

John Stell, City Attorney
Gloria Andrews, City Clerk

DEPARTMENT DIRECTORS

Donald Toms	City Administrator	Leslie Henderson	Finance Director
Alex Wages	IT Director	Roger Wilhelm	Water Department Director
Mike Jewell	Gas Department Director	Barry Edgar	Planning Director
Don Wildsmith	Cultural Arts Director	Fawn Alexander	Community Center Director
Ricky Page	Vehicle Maintenance Director	Ken Chalker	Public Works Director
Matt Whiting	Fire Chief	Dennis Dorsey	Police Chief

MAILING ADDRESS

45 East Athens Street, P.O. Box 566, Winder, Georgia 30680
www.cityofwinder.com





CITY OF WINDER, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
June 30, 2012

Financial Section

Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements
Notes to the Financial Statements



Independent Auditor's Report

Honorable Mayor and
Members of the City Council
City of Winder, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Winder, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Winder, Georgia, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Winder, Georgia, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2012, on our consideration of the City of Winder, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 15 through 26 and 74 through 75 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Winder, Georgia's, basic financial statements. The introductory section, combining and individual financial statements, the statistical section, and the special purpose local option sales tax schedule of expenditures are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements, and the special purpose local option sales tax schedule of expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Rushon & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 20, 2012

Management's Discussion and Analysis

This discussion and analysis presents the highlights of financial activities and financial position for the City of Winder (City). The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City. Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please read it in conjunction with the Transmittal Letter and the City's financial statements.

Financial Highlights

The assets of the City of Winder's governmental activities and business-type activities exceeded its liabilities at the close of the fiscal year by \$77.8 million. Of this amount, \$13.2 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

The primary government's total net assets decreased by \$416,000 during FY 2012. Government-wide revenues decreased by \$1.3 million and expenses decreased by \$1.4 million from prior year.

As of the close of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$2.2 million an increase of \$600,000 from the prior year. This increase is, in part, attributable to a decrease in capital outlay and additional SPLOST proceeds and transfers in FY 2012.

At the end of the current fiscal year, unassigned fund balance for the General Fund was at a slight deficit due to \$1.6 million being classified as "non-spendable". The "non-spendable" fund balance consists of advances to the Environmental Protection Fund and Buildings Fund. These amounts are anticipated to be paid back to the General Fund in the future.

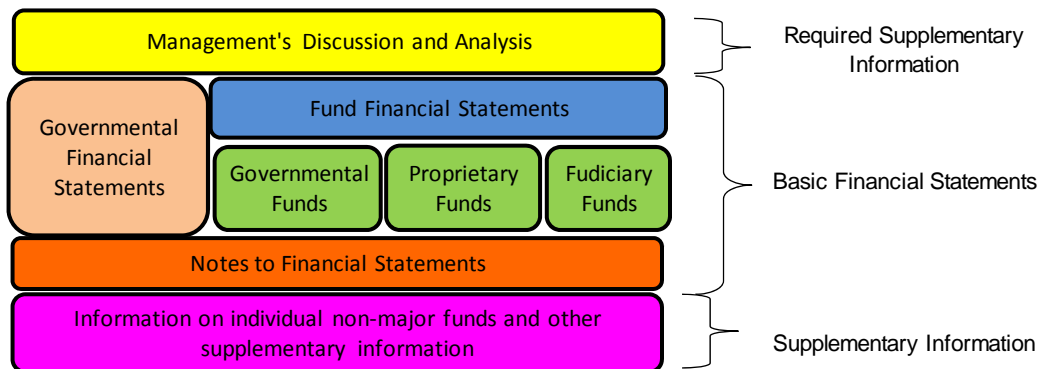
Enterprise (business-type) fund unrestricted net assets for the FY 2012 was \$12.6 million or 66% of total enterprise fund expenses.

The City's overall revenues were down by \$1.3 million and expenses had a decrease of \$1.4 million from FY 2011. Natural Gas sales and expenses were significantly down from FY 2011 due to a much milder winter. Water revenues were up, however, fines & forfeitures decreased. Sales tax revenues increased along with water and gas tap fee revenues. The City's salaries and wages declined by \$250,000, however, pension and health insurance increased by a combined amount of \$173,000.

The City of Winder forgave a receivable from the Downtown Development Authority in the amount of \$457,000. The initial debt was incurred by the purchase of a historical building intended for resale. In FY 2012 the building was demolished. Therefore, the building will not be resold and the debt was written off.

Report Layout

The following illustration is provided as a guide for the financial statements:



The City's Comprehensive Annual Financial Report (CAFR) consists of several sections. Taken together they provide a comprehensive financial look at the City. The components of the report include the following:

- ❑ **Independent Auditor's Report.**
- ❑ **Management's Discussion and Analysis.** This section of the report provides financial highlights, overview and economic factors affecting the City.
- ❑ **Basic Financial Statements.** Includes a Statement of Net Assets, a Statement of Activities, fund financial statements and the notes to the financial statements. Statements of Net Assets and Activities focus on a government-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated in total for the City.
 - The *Statement of Net Assets* focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the City owns, the liabilities it owes and the net difference. The net difference is further separated into amounts invested in capital assets net of related debt, restricted for specific purposes and unrestricted amounts.
 - The *Statement of Activities* focuses on gross and net costs of City programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
 - *Fund Financial Statements* focus separately on the major governmental fund and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental fund is presented in its own column and the six remaining funds are combined into a column titled "Nonmajor Governmental Funds." Statements for the City's proprietary funds follow the governmental funds and include net assets, revenues, expenses and changes in fund net assets, and cash flows. There are two major enterprise funds (Water and Sewer Fund and Gas Fund) and four nonmajor enterprise funds which are combined into a column titled "Nonmajor Enterprise Funds".
 - The City has three internal service funds to account for the cost of administration of the solid waste, gas and water utility operations, fleet maintenance and City buildings. Costs of the internal service funds are charged to the applicable funds. The combined internal service funds' net assets, revenues, expenses, and changes in net assets are presented in a single column in the proprietary fund statements.
 - *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.
 - The *Notes to the Basic Financial Statements* provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.
- ❑ **Required Supplementary Information.** Presents the General Fund's budget to actual comparison schedule and the notes to the required supplementary information. The General Fund is the City's only major governmental fund.
- ❑ **Other Supplementary Information.** Readers desiring additional information on nonmajor funds can find it in the Combining Statements of Nonmajor Funds and/or the Supplementary Information-Budgetary Comparison sections of this report. Components within this section include:
 - Nonmajor Governmental Funds Statements. Major funds are included within the Basic Financial Statements, whereas nonmajor funds are presented here. These statements include combining balance sheets and statements of revenues, expenditures and changes in fund balances.

- Budgetary comparison information for nonmajor governmental funds, excluding the Capital Projects Fund, and schedules of General Fund revenues and expenditures are presented here.
 - Agency Funds Changes in Assets and Liabilities represents the activities of the City of Winder's Municipal Court and Downtown Improvement Funds.
 - Nonmajor Proprietary Funds Statements. The City has seven nonmajor proprietary funds, four of which are enterprise funds and are presented in the combining statements of net assets, revenues, expenses, and changes in net assets, and cash flows.
 - Internal Service Funds Statements. The City has three internal service funds that are presented in the combining statements of net assets, revenues, expenses, and changes in net assets, and cash flows.
 - Capital assets used in governmental operations.
 - Special Purpose Local Option Sales Tax reports complete the Financial Section of this report.
- **Statistical Section.** Trend information and statistics.
- **Report by Independent Certified Public Accountant.** Supplemental communication on the City's compliance, internal controls, and other matters.

Government-Wide Financial Analysis

The government-wide statements report information about the City of Winder as a whole using accounting methods similar to those used by private sector companies.

Net assets may serve over time as a useful indicator of a government's financial condition. In the case of the City of Winder, assets exceeded liabilities by \$77,781,000 at the close of fiscal year 2012. This is a decrease from the prior year of \$416,000. The special item "Forgiveness of debt" created the overall loss. Net change prior to the special item was a \$41,500 gain in net assets. Water revenues increased by \$590,000, however, the Environmental Protection Fund remained unfunded and produced a net loss of \$155,000. A greater loss in the Environmental Protection Fund was circumvented by a reduction in professional fees by handling the work "in-house" and not contracting it out. Permits, tap fees and investment earnings are up slightly from post-recession years. Due to a very mild winter, the Gas fund's net operating revenues over expenses decreased by \$400,000 from FY 2011. At June 30, 2012, the City had \$62 million invested in capital assets, net of related debt and accumulated depreciation, and \$2.6 million in restricted net assets. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Assets at June 30, 2012 and 2011

Net Assets at Year-End						
<i>(in millions of dollars)</i>						
	Governmental Activities		Business-Type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
Cash and Investments	\$ 0.3	\$ 0.6	\$ 10.9	\$ 11.7	\$ 11.2	\$ 12.3
Current Assets	1.9	1.7	1.6	2.0	3.5	3.7
Other Non-Current Assets	-	-	3.8	3.6	3.8	3.6
Capital Assets	11.5	11.8	75.1	77.4	86.6	89.2
Total Assets	13.7	14.1	91.4	94.7	105.1	108.8
Current Liabilities	0.5	0.7	1.0	3.5	1.5	4.2
Other Liabilities	0.2	0.2	1.8	0.1	2.0	0.3
Long-Term Debt Outstanding	0.7	1.1	23.0	25.0	23.7	26.1
Total Liabilities	1.4	2.0	25.8	28.6	27.2	30.6
Net Assets:						
Invested in Capital Assets, Net of Related Debt	10.7	10.7	50.8	51.7	61.5	62.4
Restricted	0.3	0.2	2.2	0.8	2.5	1.0
Unrestricted	1.2	1.2	12.6	13.6	13.8	14.8
Total Net Assets	\$ 12.2	\$ 12.1	\$ 65.6	\$ 66.1	\$ 77.8	\$ 78.2

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets.

Statement of Activities for the Fiscal Year Ended June 30, 2012 and 2011

**Governmental and Proprietary Activities
For Fiscal Year Ending June 30, 2012**

(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenue						
Charges for Services	\$ 1.1	\$ 1.1	\$ 22.3	\$ 23.7	\$ 23.4	\$ 24.8
Grants and Contributions	0.7	0.5	-	-	0.7	0.5
General Revenues						
Taxes	4.6	4.5	-	-	4.6	4.5
Other	0.3	0.2	0.2	0.1	0.5	0.3
Total Revenues	6.7	6.3	22.5	23.8	29.2	30.1
Expenses						
Governmental Activities						
General Government	0.3	0.4	-	-	0.3	0.4
Judicial	0.2	0.2	-	-	0.2	0.2
Public Safety	6.3	6.5	-	-	6.3	6.5
Public Works	3.0	2.6	-	-	3.0	2.6
Recreation/Housing & Dev.	0.2	0.1	-	-	0.2	0.1
Business-Type Activities	-	-	19.0	20.6	19.0	20.6
Total Expenses	10.0	9.8	19.0	20.6	29.0	30.4
Excess (Deficiencies) Before Transfers & Special Items						
	(3.3)	(3.5)	3.5	3.2	0.2	(0.3)
Special Item	(0.5)	-	-	-	(0.5)	-
Transfers	4.0	2.5	(4.0)	(2.5)	-	-
Change in Net Assets	0.2	(1.0)	(0.5)	0.7	(0.3)	(0.3)
Beginning Net Assets	12.1	13.1	66.1	65.4	78.2	78.5
Ending Net Assets	\$ 12.3	\$ 12.1	\$ 65.6	\$ 66.1	\$ 77.9	\$ 78.2

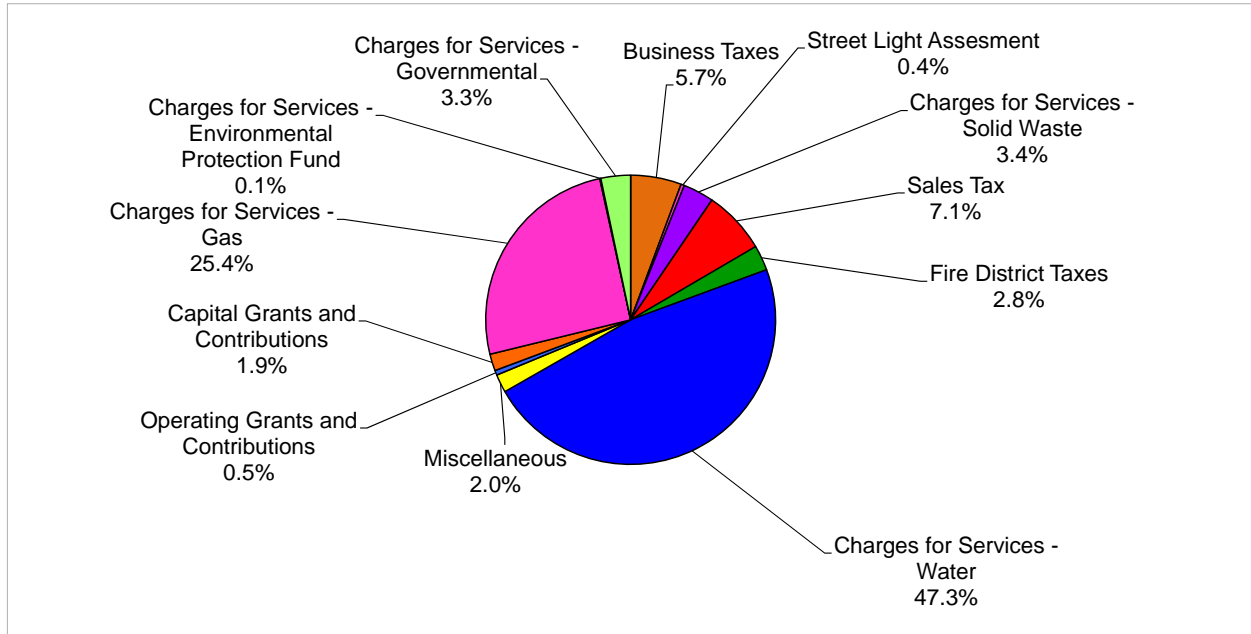
Governmental Activities

Governmental activities increased the City of Winder's net assets by \$162,000. The City's transfers into governmental funds from proprietary funds increased by \$1.5 million from FY 2011 due to advances to other funds. A comparison of prior year income and expenses before transfers and special items to FY 2012 reveals a slight decrease of \$92,000 in net loss. The City's fines and forfeitures declined by \$228,000, however, sales taxes increased by \$248,000 along with insurance premium taxes by \$112,000. An increase in infrastructure repair and maintenance in the street department increased cost by \$250,000, and a reorganization of indirect cost increased the cost of insurance and utilities reported in the general fund by \$267,000, which were then allocated out to all of the departments. Personnel expenses decreased by \$150,000 in FY 2012, as compared to prior year. As mentioned before, the City is still far behind pre-recession income in occupational tax revenues, building permit revenues, and interest revenues.

Business-type Activities

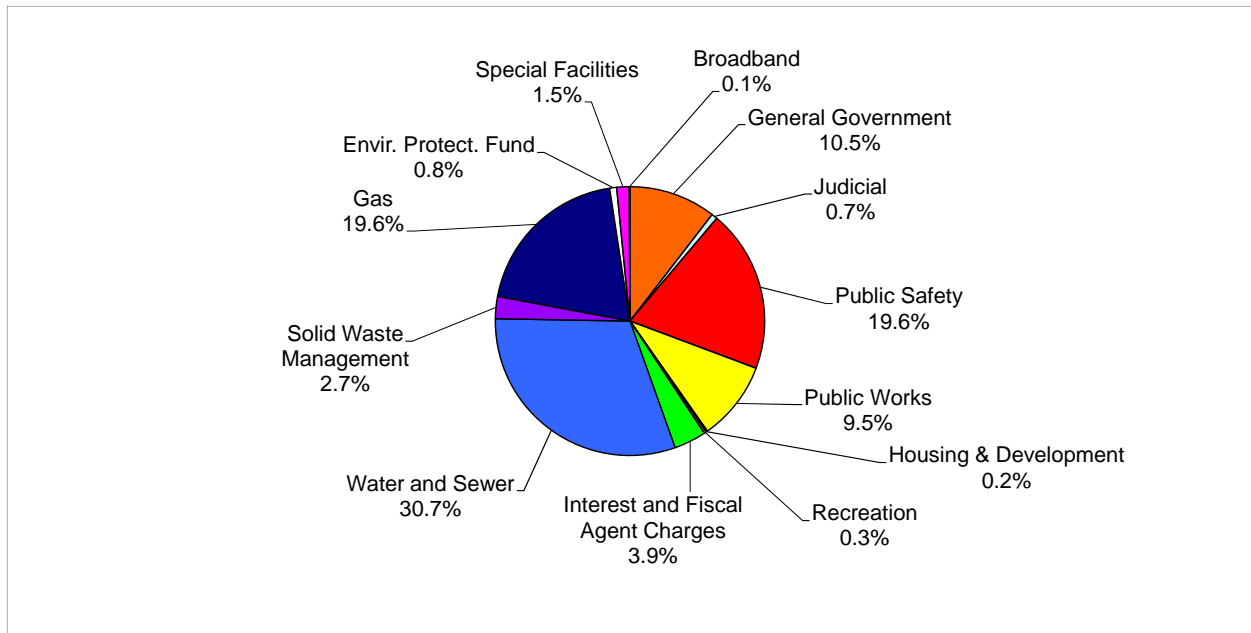
Business-type activities decreased the City of Winder's net assets by approximately \$587,000. The Water Fund revenues increased by \$591,000 and of this increase, \$274,000 was an increase in water and sewer taps. Water expenses increased by \$261,000, primarily due to the purchase of additional water from the Bear Creek reservoir during the drought in the summer of 2011. Due to a very mild winter, Gas revenues were down significantly along with the expenses in the Gas Fund. The Solid Waste Fund revenues were down by \$149,000 because the City no longer handles the billing and collection for customers with dumpsters, therefore the Solid Waste Fund expenses were also down by \$192,000. Transfers to the General Fund increased by \$1.5 million compared to FY 2011.

REVENUES BY SOURCE – GOVERNMENT-WIDE ACTIVITY



Note: Graph may not equal 100% due to rounding

EXPENSES BY FUNCTION – GOVERNMENT-WIDE ACTIVITY



Note: Graph may not equal 100% due to rounding

Financial Analysis of the Government's Funds

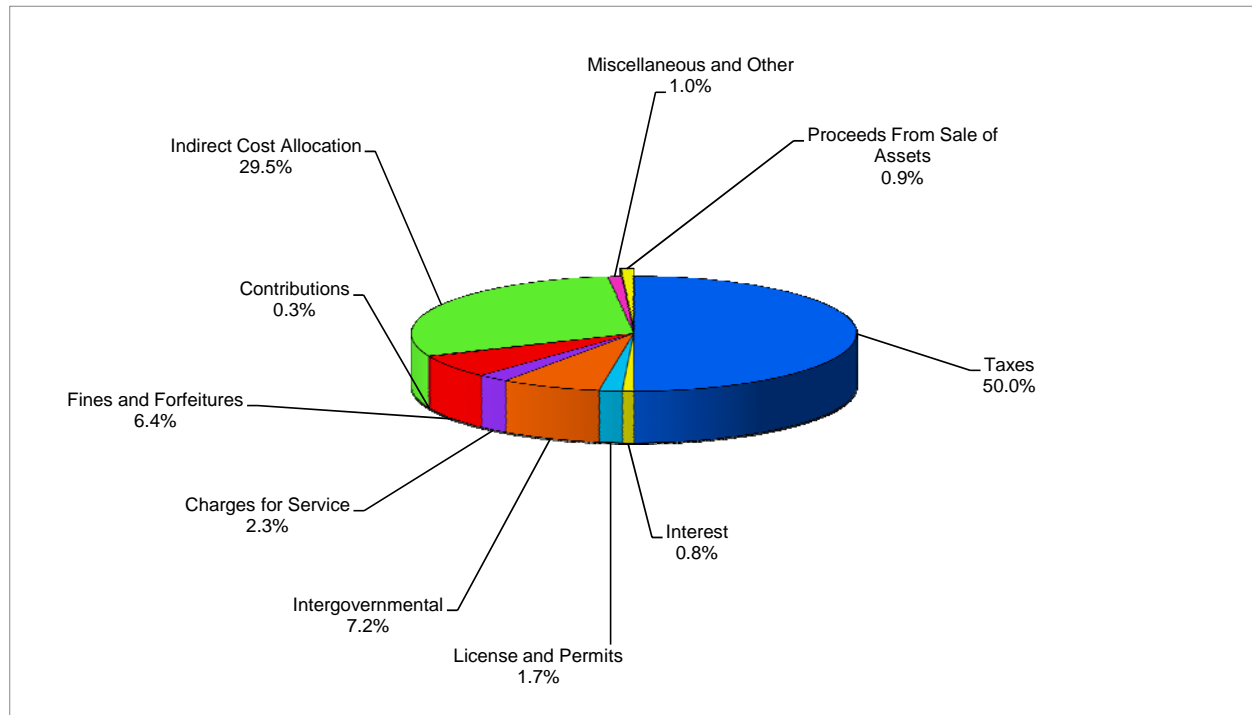
As noted earlier, the City of Winder employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements and financial reporting requirements.

Governmental Funds The focus of the City of Winder's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in evaluating a government's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As of the end of FY 2012, the City's governmental funds reported combined ending fund balances of \$2.2 million an increase of \$600,000. The City reported a deficit in unassigned fund balance. The deficit is attributable to the General Fund loaning money, through an advance, to the Environmental Protection Fund and the Buildings Fund. The City believes that those funds will repay the General Fund with in the next 10 years. The remainder of fund balance is restricted or committed to indicate that it is not available for new spending because it has already been obligated for other restricted purposes.

As in previous years, the City of Winder levied no property tax to finance current operations. Therefore, the City's General Fund relied on transfers from the proprietary funds (or business-type activities) to supplement the governmental activities of the City, such as public safety and public works. The transfers from the combined public utility enterprise funds were \$4,386,000.

REVENUES BY SOURCE-GOVERNMENTAL FUNDS



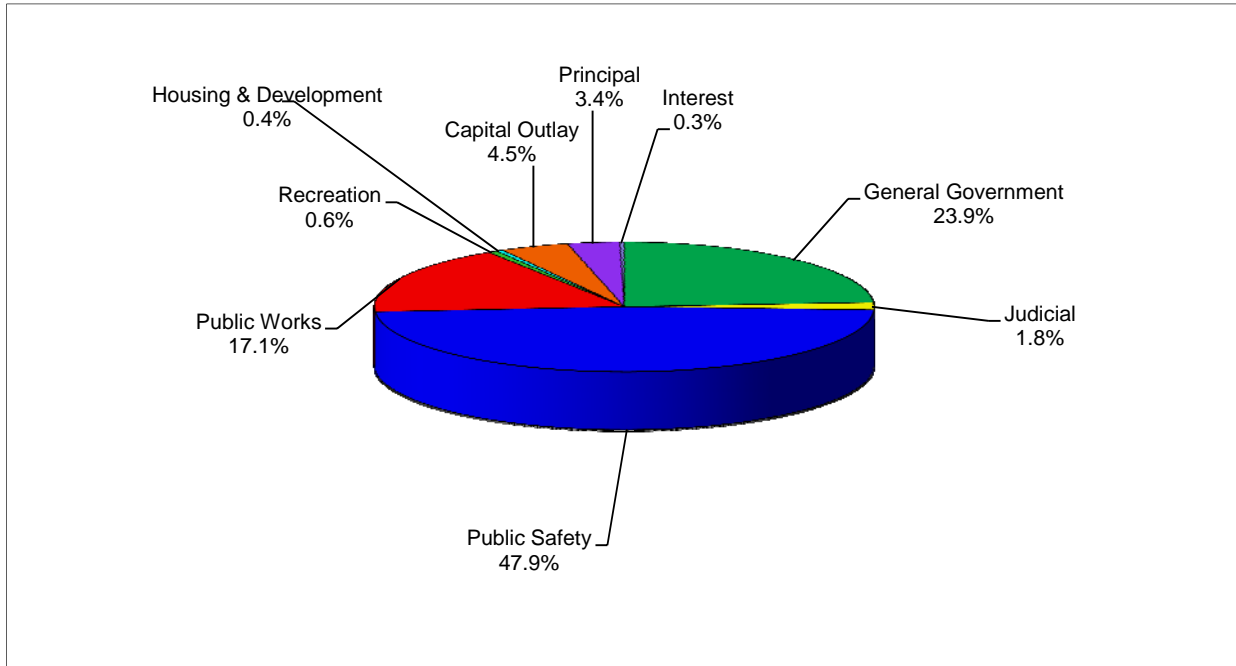
Note: Graph may not equal 100% due to rounding

The City's governmental funds operating revenues (excluding indirect cost allocation) were up \$290,000 from prior year which was primarily due to an increase in insurance premium taxes, franchise income, and sales tax income. Fines and forfeitures decreased by 16%. The City's Local Option Sales Tax yielded \$64,000 more than in the prior year. The Special Purpose Local Option Sales Tax (SPLOST) in the Capital Projects Fund accounts for the other sales tax received by the City which is authorized by voter referendum. The City received \$185,000 more in SPLOST proceeds than in FY 2011 due to a new calculation. Occupational taxes and building permits increased slightly by an additional \$23,000 from FY 2011.

Shown here is a graph of sales tax revenues received in the past 6 years:



EXPENDITURES BY FUNCTION-GOVERNMENTAL FUNDS



Note: Graph may not equal 100% due to rounding

Expenditures in the governmental funds were \$12.3 million, relatively the same as prior year. The City recognized \$549,000 for capital outlay expenditures. Operating expenditures of the City governmental funds were \$11.3 million due mainly to additional infrastructure repairs.

Proprietary Funds The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Overall revenues were down by \$1.2 million. Of this amount gas revenues were down by \$1.7 million due to a mild winter; which reveals all other revenue was up by \$496,000. Total expenses of the proprietary funds remained approximately the same excluding Gas expenses for the resale of gas.

Budgetary Highlights

The City Council approves all budget amendments prior to finalizing the audit. Budget variances are reviewed with the Mayor and Council on a monthly basis. Below are the significant budget amendments in FY 2012:

- Adjust the budgeted allocation of the Human Resources department. In FY 2012, the City decided to expense all retirement and workers compensation to this department then allocate it out to the rest of the City based on number of employees. The allocations were adjusted to cover the actual allocation at the end of the year.

General Fund expenditures were \$2.7 million less than budgeted. Personnel costs were under budget by \$816,000, professional/technical were over budget by \$2,000, as well as supplies expenditures, which were \$387,000 under budget. Purchased property expenditures were slightly over budget. Some capital outlay projects were put on hold because the funding sources were not available.

General Fund revenues were \$2.4 million less than budgeted. Fines and forfeitures came in \$278,000 under budget. Combined taxes were \$96,000 under budget primarily due to property values declining. Intergovernmental revenues were significantly under budget due to the City's streetscape project being delayed. The City implemented a new allocation for indirect cost which caused the indirect cost revenue to be \$1.9 million under budget. Investment earnings and license and permit revenue were over budget.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2012, the City has invested \$86.6 million (net of depreciation) in capital assets reflected in the following table.

Capital Assets At Year-End
(Net of Depreciation)
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land	\$ 1.1	\$ 1.0	\$ 5.5	\$ 5.5	\$ 6.6	\$ 6.5
Buildings & Improvements	1.6	1.2	3.7	3.9	5.3	5.1
Plant & System	-	-	63.9	66.5	63.9	66.5
Infrastructure	6.0	6.6	-	-	6.0	6.6
Furniture & Equipment	0.8	0.8	0.5	0.6	1.3	1.4
Vehicles	0.8	1.1	0.2	0.3	1.0	1.4
Work In Progress	1.2	1.1	1.3	0.6	2.5	1.7
	<u>\$ 11.5</u>	<u>\$ 11.8</u>	<u>\$ 75.1</u>	<u>\$ 77.4</u>	<u>\$ 86.6</u>	<u>\$ 89.2</u>

The following table reconciles the change in capital assets.

Change In Capital Assets
(in millions of dollars)

	Governmental Activities	Business-Type Activities	Totals
Beginning Balance	\$ 11.8	\$ 77.4	\$ 89.2
Additions	1.1	1.1	2.2
Reductions	-	-	-
Depreciation	(1.4)	(3.4)	(4.8)
Ending Balance	<u>\$ 11.5</u>	<u>\$ 75.1</u>	<u>\$ 86.6</u>

Capital asset additions to governmental activities amounted to over \$1,082,000, which included the completion of the Burn Building for the Fire Department, two new vehicles for the Police Department and a new vehicle for the Street Department, IT equipment, re-alignment of Laura Street behind City Hall, and various sidewalk and street improvements throughout the City. The City, in conjunction with the Georgia Department of Transportation, continued the Highway 211 improvements from Horton Street to McNeal Road. Depreciation decreased total capital assets by \$1.4 million.

Business-type additions to capital assets amounted to \$1.2 million. The Water Fund's capital assets increased by \$1.09 million. This amount included water and sewer line improvements, a telescopic electric crane, lawnmower, pumps and 2 radio telemetry units. The Gas Fund expanded the City's gas lines to serve poultry farms, relocated gas lines, and purchased a straw blower. The Environmental Protection Fund completed a stormwater project on Hwy 53 and purchased a vacuum excavator. The Buildings Fund purchased a building at 25 E Midland Avenue for police and administration to occupy for \$491,000.

Depreciation decreased business-type capital assets by \$3.5 million.

Note 6 to the financial statements include more detailed information on capital asset activities.

Debt Outstanding

As of year-end, the City had \$25.2 million in debt outstanding compared to \$27 million last year. This included \$2.1 million due within one year. The following table presents a comparison of debts outstanding:

Debt Outstanding At Year End
(in millions of dollars)

	Totals	
	2012	2011
Governmental:		
Capital Leases	\$ 0.7	\$ 1.2
Compensated Absences	0.1	0.1
Sub-total	0.8	1.3
Business-type:		
Capital Leases	\$ 0.2	\$ 0.4
Notes	0.6	17.1
Water and Sewer Bonds	23.6	8.2
Sub-total	24.4	25.7
Total	\$ 25.2	\$ 27.0

On February 21, 2012, the City issued Winder-Barrow Industrial Building Authority Revenue Refunding Bonds, Series 2012 due at various dates ending December 1, 2029, and with various yields ranging from 2% to 5%. The proceeds from this refunding were to pay off a GEFA note in the amount of \$15,711,640. Continued payments during the year decreased existing debt.

Note 8 to the financial statements includes more detailed information on long-term debt activities.

Economic Factors

Funding for the operations of the City comes primarily from: sales taxes, fines and forfeitures, licensing and permitting activities, and utility profits. As the general economy is fluctuating, the City remains focused on reducing operational costs through increasing the effectiveness and efficiency of the City's operations and administration. The City remains quality driven, committed to providing excellent service in a cost-effective and efficient manner guided by and aligned with our core values.

The 2013 budget was developed and adopted to reflect conservative revenue figures, and the following indicators were taken into account:

- The City of Winder implemented no utility rate increases for the FY 2012-2013 with a decrease in the city-wide operating budget of \$984,200 or 3.33% from the FY 2012 budget.
- The City of Winder plans to issue Request for Proposals for the following:
 - Utility bill printing and mailing services
 - Annual maintenance for HVAC services
 - Cemetery maintenance services
 - Audit Services for FY 2013
 - Pest Control
- The City of Winder will continue to work with the Department of Community Affairs (DCA) to help the City launch a locally based plan to meet the housing needs for the City through the Georgia Initiative for Community Housing (GICH).
- The City has also negotiated an agreement with Barrow County to handle the City's E911 and dispatching services that has always been handled within the Winder Police Department. This consolidation of services will ultimately reduce the cost of these services for the citizens of Winder; however, during the first three years, the City has agreed to pay the County.
- Capital purchases will only be acquired with proceeds from debt or revenues that exceed expenditures/expenses.

- The Environmental Protection Services have been brought in-house to enable the City to provide more services with lower costs.
- The City continues to reorganize to enable the most services for the money. In the FY 2012-2013 budget the overall number of FTE's decreased by 8.13

The goal of the City is to maintain and improve the City's quality of services while preserving the City's financial position without putting unjust financial burdens on our citizens.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this report or need additional financial information, please send your requests to:

Finance Director
City of Winder
P O Box 566
25 East Midland Avenue
Winder, Georgia 30680
770-867-3106.



CITY OF WINDER, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
June 30, 2012

Basic Financial Statements



City of Winder, Georgia
Statement of Net Assets
June 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Downtown Development Authority
Assets				
Cash and Cash Equivalents	\$ 336,766	\$ 8,240,099	\$ 8,576,865	\$ 15,708
Taxes Receivable - Net	66,452	-	66,452	-
Accounts Receivable	125,936	2,227,937	2,353,873	-
Intergovernmental Receivable	415,181	3,293,271	3,708,452	-
Internal Balances	1,091,202	(1,091,202)	-	-
Supply Inventory	-	377,255	377,255	-
Prepaid Items	165,190	8,979	174,169	-
Bond Issue Costs - Net of Amortization	-	522,600	522,600	-
Restricted Assets				
Cash - Bond Sinking Accounts	-	2,263,539	2,263,539	-
Restricted Cash	-	411,656	411,656	-
Capital Assets				
Non-Depreciable	2,310,357	6,853,071	9,163,428	758,642
Depreciable, Net	9,188,078	68,276,720	77,464,798	24,753
Total Assets	13,699,162	91,383,925	105,083,087	799,103
Liabilities				
Accounts Payable and Accrued Liabilities	532,942	921,037	1,453,979	5,734
Unearned Revenue	14,590	-	14,590	-
Liabilities Payable From Restricted Assets:				
Accounts Payable and Accrued Liabilities	-	68,133	68,133	-
Revenues Bonds Payable - Net, Cur Portion	-	1,403,380	1,403,380	-
Customer Deposits	-	411,656	411,656	-
Noncurrent Liabilities:				
Other Post-Employment Benefits Liability	179,721	63,378	243,099	-
Leases, Notes and Bonds Payable				
Due Within One Year	371,371	292,808	664,179	-
Due in More Than One Year	355,349	22,687,399	23,042,748	-
Total Liabilities	1,453,973	25,847,791	27,301,764	5,734
Net Assets				
Invested In Capital Assets, Net Of Related Debt Restricted For	10,771,715	50,746,204	61,517,919	783,395
Public Safety	86,092	-	86,092	-
Debt Service	-	2,195,406	2,195,406	-
Capital Projects	247,607	-	247,607	-
Unrestricted	1,139,775	12,594,524	13,734,299	9,974
Total Net Assets	\$ 12,245,189	\$ 65,536,134	\$ 77,781,323	\$ 793,369

The accompanying Notes to the Financial Statements are an integral part of this statement.

City of Winder, Georgia
 Statement of Activities
 For the Fiscal Year Ended June 30, 2012

Function/Program	Expenses	Indirect Costs	Charges For Services
Governmental Activities			
General Government	\$ 3,038,732	\$ (2,707,682)	\$ 222,498
Judicial	203,467	22,958	-
Public Safety	5,686,406	600,798	666,838
Public Works	2,776,550	214,395	32,268
Recreation	72,980	-	42,733
Housing & Development	55,410	-	-
Interest and Fiscal Agent Charges	32,252	-	-
Total Governmental Activities	11,865,798	(1,869,531)	964,337
Business Type Activities			
Water and Sewer	10,020,693	1,138,069	13,785,361
Gas	5,712,284	653,511	7,397,263
Solid Waste Management	771,977	1,179	1,001,855
Environmental Protection Fund	245,611	27,700	33,036
Special Facilities	435,105	49,072	97,680
Broadband	22,591	-	103
Total Business Type Activities	17,208,261	1,869,531	22,315,298
Total Primary Government	\$ 29,074,059	\$ -	\$ 23,279,635
Component Unit			
Downtown Development Authority	\$ 43,650	\$ -	\$ -
Total Component Unit	\$ 43,650	\$ -	\$ -

The accompanying Notes to the Financial Statements are an integral part of this statement.

Program Revenues		Net (Expenses) Revenues And Changes In Net Assets			Component Unit
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	Downtown Development Authority
\$ -	\$ -	\$ (108,552)	\$ -	\$ (108,552)	
-	-	(226,425)	-	(226,425)	
145,184	-	(5,475,182)	-	(5,475,182)	
-	546,953	(2,411,724)	-	(2,411,724)	
9,210	-	(21,037)	-	(21,037)	
-	-	(55,410)	-	(55,410)	
-	-	(32,252)	-	(32,252)	
154,394	546,953	(8,330,583)	-	(8,330,583)	
-	-	-	2,626,599	2,626,599	
-	-	-	1,031,468	1,031,468	
-	-	-	228,699	228,699	
-	-	-	(240,275)	(240,275)	
-	-	-	(386,497)	(386,497)	
-	-	-	(22,488)	(22,488)	
-	-	-	3,237,506	3,237,506	
\$ 154,394	\$ 546,953	(8,330,583)	3,237,506	(5,093,077)	
\$ 31,100	\$ -				\$ (12,550)
\$ 31,100	\$ -				\$ (12,550)
General Revenues:					
Taxes					
		1,598,787	-	1,598,787	-
		459,516	-	459,516	-
		1,649,935	-	1,649,935	-
		823,380	-	823,380	-
		108,574	-	108,574	-
		9,161	-	9,161	-
		75,272	182,146	257,418	-
		82,661	50,521	133,182	-
		94,644	-	94,644	-
		(457,236)	-	(457,236)	457,236
		4,047,999	(4,047,999)	-	-
		8,492,693	(3,815,332)	4,677,361	457,236
Change in Net Assets					
		162,110	(577,826)	(415,716)	444,686
		12,083,079	66,113,960	78,197,039	348,683
		\$ 12,245,189	\$ 65,536,134	\$ 77,781,323	\$ 793,369

City of Winder, Georgia
 Governmental Funds
 Balance Sheet
 June 30, 2012

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 12,277	\$ 324,489	\$ 336,766
Due From Other Funds	32,499	-	32,499
Taxes Receivable - Net	60,525	5,927	66,452
Accounts Receivable	125,936	-	125,936
Intergovernmental Receivable	162,596	252,585	415,181
Prepaid Items	159,545	5,645	165,190
Advances To Other Funds	1,624,346	-	1,624,346
Total Assets	\$ 2,177,724	\$ 588,646	\$ 2,766,370
Liabilities			
Accounts Payable and Accrued Liabilities	\$ 383,711	\$ 21,304	\$ 405,015
Due To Other Funds	-	32,499	32,499
Deferred Revenues	64,926	14,590	79,516
Total Liabilities	448,637	68,393	517,030
Fund Balance			
Nonspendable Fund Balance			
Prepaid Items	159,545	5,645	165,190
Advances to other Funds	1,624,346	-	1,624,346
Restricted Fund Balance			
Public Safety	-	86,092	86,092
Public Works	-	247,607	247,607
Committed Fund Balance			
General Government	-	42,338	42,338
Recreation	-	5,549	5,549
Assigned Fund Balance			
Housing and Development	-	133,022	133,022
Unassigned Fund Balance	(54,804)	-	(54,804)
Total Fund Balance	1,729,087	520,253	2,249,340
Total Liabilities and Fund Balance	\$ 2,177,724	\$ 588,646	\$ 2,766,370

The accompanying Notes to the Financial Statements are an integral part of this statement.

City of Winder, Georgia
Governmental Funds
Reconciliation of the Balance Sheet for Governmental Funds
To the Statement of Net Assets
June 30, 2012

Total fund balances for Governmental Funds	2,249,340
Amounts reported for governmental activities on the Statement of Net Assets differs from the amount reported on the Balance Sheet for Governmental Funds because:	
Net Other Post Employment Benefit liability does not consume current financial resources and, therefore, is not reported in governmental funds.	(179,721)
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, net of accumulated depreciation of \$25,195,817.	10,965,291
Internal Service Fund - Building is used by management to charge cost of City Buildings to individual funds. The Capital Assets of the Internal Service Fund- Buildings is included in governmental activities in the Statement of Net Assets	533,144
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Fire district taxes earned but unavailable	64,926
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(127,927)
Notes and leases payable are not due and payable in the current period and therefore are not reported in the funds.	(726,720)
Internal Service Fund - Building is used by management to charge cost of City Buildings to individual funds. The Assets and Liabilities of the Internal service fund- Buildings is included in governmental activities in the Statement of Net Assets.	(533,144)
Net Assets of Governmental Activities	\$ 12,245,189

The accompanying Notes to the Financial Statements are an integral part of this statement.

City of Winder, Georgia
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2012

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 4,502,510	\$ 177,693	\$ 4,680,203
License and Permits	155,823	-	155,823
Intergovernmental	33,517	643,196	676,713
Charges for Service	158,007	52,733	210,740
Fines and Forfeitures	576,681	21,092	597,773
Interest	75,272	107	75,379
Contributions	15,317	9,210	24,527
Miscellaneous and Other	94,644	-	94,644
Indirect Cost Allocation	2,756,528	-	2,756,528
Total Revenues	8,368,299	904,031	9,272,330
Expenditures:			
Current			
General Government	2,827,305	124,653	2,951,958
Judicial	226,517	-	226,517
Public Safety	5,698,126	212,870	5,910,996
Public Works	2,111,094	-	2,111,094
Recreation	-	72,980	72,980
Housing & Development	33,370	21,457	54,827
Capital Outlay			
General Government	199,546	-	199,546
Public Safety	95,234	-	95,234
Public Works	248,551	6,338	254,889
Debt Service			
Principal	417,191	-	417,191
Interest and Fiscal Agent Charges	32,252	-	32,252
Total Expenditures	11,889,186	438,298	12,327,484
Excess Of Revenues Over (Under) Expenditures	(3,520,887)	465,733	(3,055,154)
Other Financing Sources (Uses):			
Transfers In	4,385,799	113,150	4,498,949
Transfers Out	(422,350)	(28,600)	(450,950)
Proceeds From Sale of Assets	67,874	15,771	83,645
Total Other Financing Sources (Uses)	4,031,323	100,321	4,131,644
Special Item - Forgiveness of Debt	(457,236)	-	(457,236)
Net Change In Fund Balance	53,200	566,054	619,254
Beginning Fund Balance	1,675,887	(45,801)	1,630,086
Ending Fund Balance	\$ 1,729,087	\$ 520,253	\$ 2,249,340

The accompanying Notes to the Financial Statements are an integral part of this statement.

**City of Winder, Georgia
Governmental Funds**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2012**

Net Change in Fund Balance - Total Governmental Funds **\$ 619,254**

Amounts reported for governmental activities on the Statement of Activities are different from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized outlays exceeded depreciation in the current period.

Expenditures for Capital Assets	549,669	
Less Current Year Depreciation	<u>(1,406,432)</u>	(856,763)

The net effect of sale/scraping/transferring capital assets

Capital Assets Sold/Scrapped/Transferred	(322,994)	
Accumulated Depreciation	<u>322,010</u>	(984)

The issuance of long-term debt (e.g. notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. This amount is the net effect of these differences.

Payment of Long-term Debt	<u>417,191</u>	417,191
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The net OPEB liability does not require the use of current financial resources and is not reported as expenditures in the governmental funds.

10,748

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Fire District Taxes		(30,850)
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Expenditures in the Statement of Activities that do not require current financial resources and not reported in the funds.

Compensated Absences		3,514
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Change in Net Assets of Governmental Activities **\$ 162,110**

The accompanying Notes to the Financial Statements are an integral part of this statement.

City of Winder, Georgia
 Proprietary Funds
 Statement of Net Assets
 June 30, 2012

Business-type Activities - Enterprise Funds

<u>Assets</u>	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Water and Sewer Fund</u>	<u>Gas Fund</u>
Current Assets		
Cash and Cash Equivalents	\$ 5,102,523	\$ 3,117,724
Accounts Receivable	1,551,788	513,606
Intergovernmental Receivable	148,974	-
Supply Inventory	256,817	120,438
Prepaid Items	-	8,979
Due From Other Funds	26,000	-
Bond Issue Costs - Net	33,956	-
Restricted Assets:		
Cash	252,150	159,506
Cash - Bond Sinking Accounts	2,263,539	-
Total Current Assets	9,635,747	3,920,253
Non-Current Assets		
Property, Plant and Equipment - Net	68,184,965	2,581,441
Other Assets:		
Intergovernmental Receivable	3,144,297	-
Bond Issue Costs - Net	488,644	-
Total Other Assets	3,632,941	-
Total Non-current Assets	71,817,906	2,581,441
Total Assets	81,453,653	6,501,694
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Liabilities	461,771	304,067
Due to Other Funds	-	-
Notes & Capital Leases Payable	213,758	64,228
Liabilities Payable From Restricted Assets:		
Accounts Payable and Accrued Liabilities	68,133	-
Revenue Bonds Payable - Net	1,403,380	-
Customer Deposits	252,150	159,506
Total Current Liabilities	2,399,192	527,801
Long -Term Liabilities		
Other Post-Employment Benefits Liability	26,939	19,041
Notes and Capital Leases Payable	522,025	-
Revenue Bonds Payable - Net	22,165,374	-
Advances from Other Funds	-	-
Total Long-Term Liabilities	22,714,338	19,041
Total Liabilities	25,113,530	546,842
Net Assets		
Invested in Capital Assets, Net of Related Debt	43,880,428	2,517,213
Restricted Net Assets		
Debt Service	2,195,406	-
Unrestricted Net Assets	10,264,289	3,437,639
Total Net Assets	\$ 56,340,123	\$ 5,954,852

The accompanying Notes to the Financial Statements are an integral part of this statement.

Other Enterprise Funds	Totals	Internal Service Funds -Business - type	Internal Service Funds - Governmental
\$ 6,818	\$ 8,227,065	\$ 13,034	\$ -
162,543	2,227,937	-	-
-	148,974	-	-
-	377,255	-	-
-	8,979	-	-
-	26,000	-	-
-	33,956	-	-
-	411,656	-	-
-	2,263,539	-	-
169,361	13,725,361	13,034	-
4,262,653	75,029,059	100,732	533,144
-	3,144,297	-	-
-	488,644	-	-
-	3,632,941	-	-
4,262,653	78,662,000	100,732	533,144
4,432,014	92,387,361	113,766	533,144
93,855	859,693	61,344	-
-	-	26,000	-
-	277,986	14,822	-
-	68,133	-	-
-	1,403,380	-	-
-	411,656	-	-
93,855	3,020,848	102,166	-
5,798	51,778	11,600	-
-	522,025	-	-
-	22,165,374	-	-
1,091,202	1,091,202	-	533,144
1,097,000	23,830,379	11,600	533,144
1,190,855	26,851,227	113,766	533,144
4,262,653	50,660,294	85,910	533,144
-	2,195,406	-	-
(1,021,494)	12,680,434	(85,910)	(533,144)
\$ 3,241,159	65,536,134	\$ -	\$ -

City of Winder, Georgia
 Proprietary Funds
 Statement of Revenues, Expenses and Changes in Net Assets
 For the Fiscal Year Ended June 30, 2012

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Water and Sewer Fund</u>	<u>Gas Fund</u>
Operating Revenues		
Charges For Services	\$ 12,758,654	\$ 7,309,424
Tap-On Fees	576,305	10,500
Penalties and Interest	279,615	74,310
Miscellaneous and Other	170,787	3,029
Total Revenues	13,785,361	7,397,263
Operating Expenses		
Personal Services	947,239	543,949
Professional and Technical	2,826,843	24,908
Purchased Property Services	528,574	101,031
Supplies	905,493	4,568,942
Depreciation	2,991,953	261,577
Amortization	161,690	-
Internal Fund Charges	572,325	208,832
Indirect Costs Allocation	1,138,069	653,511
Total Expenses	10,072,186	6,362,750
Net Operating Revenues (Expenses)	3,713,175	1,034,513
Non-Operating Revenues (Expenses)		
Interest Income	182,056	90
Interest Expense and Fiscal Agent Charges	(1,086,576)	(3,045)
Gain on sale of assets	5,010	45,511
Total Non-Operating Revenues (Expenses)	(899,510)	42,556
Net Revenues (Expenses) Before Transfers	2,813,665	1,077,069
Transfers		
Transfers Out	(2,531,233)	(1,391,608)
Transfers In	-	-
Net Transfers	(2,531,233)	(1,391,608)
Change in Net Assets	282,432	(314,539)
Net Assets, Beginning of the Year	56,057,691	6,269,391
Net Assets, End of the Year	\$ 56,340,123	\$ 5,954,852

The accompanying Notes to the Financial Statements are an integral part of this statement.

Other Enterprise Funds	Totals	Internal Service Funds -Business - type	Internal Service Funds - Governmental
\$ 1,105,518	\$ 21,173,596	\$ 1,096,876	\$ -
-	586,805	-	-
27,156	381,081	-	-
-	173,816	-	-
<u>1,132,674</u>	<u>22,315,298</u>	<u>1,096,876</u>	<u>-</u>
190,070	1,681,258	664,624	-
938,926	3,790,677	84,758	-
60,446	690,051	122,955	-
99,599	5,574,034	173,505	-
175,788	3,429,318	50,331	-
-	161,690	-	-
10,455	791,612	-	-
77,951	1,869,531	-	-
<u>1,553,235</u>	<u>17,988,171</u>	<u>1,096,173</u>	<u>-</u>
(420,561)	4,327,127	703	-
-	182,146	-	-
-	(1,089,621)	(703)	-
-	50,521	-	-
-	(856,954)	(703)	-
(420,561)	3,470,173	-	-
(462,958)	(4,385,799)	-	-
337,800	337,800	-	-
(125,158)	(4,047,999)	-	-
(545,719)	(577,826)	-	-
3,786,878	66,113,960	-	-
\$ 3,241,159	65,536,134	\$ -	\$ -

City of Winder, Georgia
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012

Business-type Activities - Enterprise Funds

	Water and Sewer	
	Fund	Gas Fund
Cash Flows from (to) Operating Activities:		
Receipts from Customers	\$ 13,726,888	\$ 7,451,188
Receipts from Interfund Services Provided	-	-
Payments to Employees	(942,291)	(540,801)
Internal Activity	(1,710,394)	(862,343)
Payments to Suppliers	(4,627,309)	(5,455,668)
Net Cash Provided (Used) by Operating Activities	6,446,894	592,376
Cash Flows From (to) Noncapital Financing Activities		
Transfers to Other Funds	(2,531,233)	(1,391,608)
Transfers from Other Funds	-	-
Receipts from Other Funds	-	-
Payments to Other Funds	9,000	-
Net Cash from (to) Noncapital Financing Activities	(2,522,233)	(1,391,608)
Cash Flows from (to) Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets, Net	(1,092,025)	(57,718)
Receipts from Intergovernmental	143,025	-
Interest and Fiscal Charges on Notes & Capital Leases	(1,099,772)	(3,045)
Principal Payments on Bonds	(848,769)	-
Principal Payments on Notes & Capital Leases	(16,551,340)	(75,056)
Proceeds from the Sale of Capital Assets	5,010	45,511
Premium on Issuance of Bonds	1,322,772	-
Cost from Issuance of Bonds	(363,834)	-
Proceeds from Issuance of Long-Term Debt (Bonds)	14,740,000	-
Net Cash from (to) Capital and Related Financing Activities	(3,744,933)	(90,308)
Cash Flows from Investing Activities:		
Interest on Investments	182,056	90
Net Increase (Decrease) in Cash	361,784	(889,450)
Cash and Cash Equivalents, Beginning of the Year (Including \$1,739,303 and \$163,554 of restricted cash on the Water and Gas Fund respectively)	7,256,428	4,166,680
Cash and Cash Equivalents, End of the Year (Including \$2,515,689 and \$159,506 of restricted cash on the Water and Gas Fund respectively)	\$ 7,618,212	\$ 3,277,230
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 3,713,175	\$ 1,034,513
Adjustments to Reconcile Net Operating Income to Net Cash Provided (used) by Operating Activities		
Depreciation and Amortization	3,153,643	261,577
Changes in Current Assets and Liabilities		
Increase (Decrease) in Accounts Payable & Accrued Liabilities	(325,765)	(748,275)
Increase (Decrease) in OPEB Liability	(1,668)	(741)
Increase (Decrease) in Customer Deposits	22,332	(4,048)
(Increase) Decrease in Inventories	(34,017)	(9,738)
Increase (Decrease) in Unearned Revenue Revenues	(252,000)	-
(Increase) Decrease in Prepaid Items	-	1,115
(Increase) Decrease in Accounts Receivables	171,194	57,973
Net Cash Provided (used) by Operating Activities	\$ 6,446,894	\$ 592,376

The accompanying Notes to the Financial Statements are an integral part of this statement.

Other Enterprise Funds	Totals	Internal Service Funds -Business - type	Internal Service Funds - Governmental
\$ 1,156,245	\$ 22,334,321	\$ -	\$ -
-	-	1,096,876	-
(188,729)	(1,671,821)	(669,414)	-
(88,406)	(2,661,143)	-	-
(1,163,626)	(11,246,603)	(396,396)	-
(284,516)	6,754,754	31,066	-
(462,958)	(4,385,799)	-	-
337,800	337,800	-	-
245,000	245,000	26,000	533,144
-	9,000	(35,000)	-
119,842	(3,793,999)	(9,000)	533,144
(71,550)	(1,221,293)	-	(533,144)
-	143,025	-	-
-	(1,102,817)	(703)	-
-	(848,769)	-	-
-	(16,626,396)	(17,321)	-
-	50,521	-	-
-	1,322,772	-	-
-	(363,834)	-	-
-	14,740,000	-	-
(71,550)	(3,906,791)	(18,024)	(533,144)
-	182,146	-	-
(236,224)	(763,890)	4,042	-
243,042	11,666,150	8,992	-
\$ 6,818	\$ 10,902,260	\$ 13,034	\$ -
\$ (420,561)	\$ 4,327,127	\$ 703	\$ -
175,788	3,591,008	50,331	-
(63,036)	(1,137,076)	(18,903)	-
(278)	(2,687)	(1,065)	-
1,720	20,004	-	-
-	(43,755)	-	-
-	(252,000)	-	-
-	1,115	-	-
21,851	251,018	-	-
\$ (284,516)	\$ 6,754,754	\$ 31,066	\$ -

City of Winder, Georgia
Fiduciary Statement of Assets and Liabilities
Agency Funds
June 30, 2012

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 50,041
Accounts Receivable, Net	368,511
Total Assets	<u>\$ 418,552</u>
<u>Liabilities</u>	
Due to Others	\$ 418,552
Total Liabilities	<u>\$ 418,552</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Basic Financial Statements

1-Summary of Significant Accounting Policies

This summary of the City of Winder's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are an integral part of the accompanying financial statements.

The City of Winder, incorporated in 1894, operates under a Mayor-Council form of government. The City provides a full range of services. These services include police and fire protection; natural gas; water; sanitary sewer; solid waste disposal; cultural and recreational activities; planning and zoning; economic development; the construction and maintenance of highways, streets, sidewalks, and stormwater infrastructure.

The accompanying financial statements report on the financial activity for the City of Winder, Georgia for the fiscal year ended June 30, 2012. The statements include all the funds controlled by the Mayor and Council of the City of Winder, Georgia. The financial statements have been prepared in conformance with generally accepted accounting principles (GAAP) as applied to governmental units. The City has elected to apply the statements and pronouncements of the Governmental Accounting Standards Board (GASB) which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also elected to apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

The City presents in the accompanying financial statements those entities that comprise the primary government along with its component unit, an entity for which the City is considered to be financially accountable. At June 30, 2012, the City's reporting entity consists of the City of Winder, Georgia and the Downtown Development Authority, Winder, Georgia (a component unit). The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

Downtown Development Authority

The Downtown Development Authority ("Authority") is a nonmajor component unit of the City of Winder. The Authority solely serves the City and is controlled and managed by a board of seven members appointed by the Mayor and Council of the City. The purpose of the Authority is to foster the revitalization and redevelopment of Winder's Central Business District by facilitating projects that will promote trade, commerce, industry, and employment opportunities. Upon dissolution, the assets of the Authority would revert to the City.

Complete financial statements for the Downtown Development Authority may be obtained at the administrative offices.

City Hall
45 East Athens Street
Winder, Georgia 30680

Basic Financial Statements

The financial transactions of the City are presented in the basic financial statements that consist of the government-wide financial statements and the fund level financial statements. The government-wide financial statements categorize primary activities as either governmental or business-type. Governmental activities, which are generally financed by taxes, intergovernmental revenues, and other non-exchange

revenues, are reported separately from business-type activities, which are financed for the most part by fees and charges for goods and services.

Government-wide financial statements provide financial information about the City as a whole. They focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities. The primary government and the component unit are presented separately within these financial statements with the focus on the primary government. The fiduciary funds are not presented in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Where internal activity is representative of an interfund service provided and used, no elimination has been made. Internal activities have not been eliminated from the fund financial statements. Exceptions to this general rule include charges between the City's business-type activities/proprietary funds, as well as some special revenue funds, and the General Fund. The City allocates charges as reimbursement for services provided by the General Fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These allocated amounts charged through the City's indirect cost allocation plan are reported in a separate column on the Statement of Activities.

The *Statement of Net Assets* presents the financial position of the governmental and business-type activities of the City and its discretely presented component unit at year end, June 30, 2012.

The *Statement of Activities* matches the direct expenses of a given function or segment with the related program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Fund financial statements present information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

Basis of Presentation

The financial transactions of the City are recorded in individual funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

GAAP sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. Nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

Governmental Funds

The City reports only the General Fund as a major governmental fund. All other funds are considered non-major funds.

General Fund

The General Fund is the principal fund of City and is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund accounts for the normal recurring activities of the City (i.e., police, fire, public works, general government, etc.).

The City reports the following non-major funds within the governmental fund type:

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted legally to expenditures for specified purposes. The City utilizes five funds of this type, which are the Hotel/Motel Tax Fund, Community TV Station Fund, City Festivals Fund, Police Escrow Fund, and Grant Fund.

Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital projects. The Capital Projects Fund maintained by the City is as follows:

The Capital Projects Fund accounts for the receipt and use of Special Purpose Local Option Sales Tax (SPLOST) proceeds for road and sidewalk improvement projects, recreation facilities, downtown redevelopment projects, streetscape, and sewer facilities.

Fiduciary FundsAgency Fund – Municipal Court

The Municipal Court Fund is used to account for the monies received from fines collected that are due to other entities. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Agency Fund – Downtown Improvement

The Downtown Improvement Fund is used to account for the monies received and restricted for improvements to Downtown Winder. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Proprietary Funds

The City reports two of its proprietary funds as major funds. These funds are often called "income determination", "non-expendable," or "commercial-type" funds and are used to account for the ongoing activities of the City that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the City's business and quasi-business activities are accounted for through proprietary funds. The measurement focus is upon flow of economic resources. The report includes the following proprietary funds:

Enterprise Funds:Water and Sewer Fund

The Water and Sewer Fund is the largest of the nine proprietary funds operated by the City. The Water and Sewer Fund accounts for the operations of the water and sewer systems of the City. The system supplies water and sewer service to area residents and to industrial and commercial users in the City and County.

Gas Fund

The Gas Fund is the second largest of the nine proprietary funds and accounts for the distribution and sale of natural gas in the City of Winder and the counties of Barrow, Walton, and Oconee.

Non- Major Enterprise Funds:

Solid Waste Management Fund

The Solid Waste Management Fund accounts for the costs of solid waste collection, disposal, and recycling. In FY 2008, the City contracted with Republic Services to handle the solid waste functions for the City. In February 2012, Waste Management was awarded the new contract for the City.

Special Facilities Fund

The Special Facilities Fund is used to account for the rents and other income along with the related costs (including depreciation) of operating the City's Community Center, Cultural Arts Center, Adult Education Center and Historic Train Station.

Environmental Protection Services Fund

The Environmental Protection Services Fund (EPS) records revenues and expenses associated with the operation and maintenance of the City's stormwater systems and the management of the FOG program and Watershed Protection Plan.

Broadband Fund

The Broadband Fund is used to account for the fiber infrastructure installed that the City has available to lease to businesses in the City's downtown area.

Internal Service Funds:

Internal Service Funds account for goods and services provided by one department to other departments or funds on a cost-reimbursement basis. The City has the following Internal Service Funds:

Utility Service Fund

The City accounts for its utility billing, meter reading, and Customer Service in the Utility Service Fund.

Fleet Maintenance Fund

The City accounts for its vehicle maintenance costs in the Fleet Maintenance Fund.

Buildings Fund

The City accounts for the purchase and capital costs of its General Governmental Buildings in the Buildings Fund. The Building Fund then receives rental income from the departments that use these buildings.

Basis of Accounting and Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its basis of accounting and measurement focus. Basis of accounting refers to when transactions are recorded while measurement focus describes which transactions are recorded.

The Government-wide Financial Statements, the Proprietary Funds Financial Statements, and Fiduciary Fund Statements are presented on an *accrual* basis of accounting with an *economic resource* measurement focus. Agency funds have no measurement focus. An economic resource focus

concentrates on an entity or fund's net assets. All transactions and events that affect the total economic resources (net assets) during the period are reported. An economic resources measurement focus is inextricably connected with accrual accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

All Governmental Fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the transaction can be identified, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable. Principal and interest on general long-term debt is recorded as fund expenditures when due.

All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Revenues that are susceptible to accrual include certain intergovernmental revenues, sales taxes, interest on investments and charges for services.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the basic financial statements.

The Proprietary Fund types are accounted for on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when incurred.

All proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the balance sheet using this measurement focus. Fund equity (i.e., net total assets) is segregated into Invested in Capital Assets, Net of Related Debt: Restricted and Unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

The City reports deferred revenue in its governmental and unearned revenue in its proprietary funds. For governmental fund types, deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. For proprietary funds, unearned revenues arise when the City receives resources before it has a legal claim to them or has earned them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue and unearned revenue is removed from the funds and revenue is recognized.

Assets, Liabilities and Equity

Cash and Investments

The City considers currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts to be cash and cash equivalents. Cash equivalents that mature in three months or less are readily convertible to known amounts of cash.

Statutes authorize the City to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations, and Georgia Fund 1, the Local Government Investment Pool. Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds and is regulated by the Office of State Treasurer. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines a participant's shares sold and redeemed based on \$1.00 per share.

The City's investments are stated at fair value, which is determined using selected basis. Short-term investments are reported at cost, which approximates fair value. Investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which is fair value.

Receivables and Payables

Residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "Internal Balances".

Receivables of the proprietary funds are recognized as revenue when earned, including services provided but not billed. Receivables in governmental and proprietary funds are stated net of an allowance for collectibles.

Inventories

Inventories of materials and supplies in the proprietary funds are stated at cost on a first-in, first-out basis and charged to expense as used.

Prepaid Items

Payments made to vendors that will benefit periods beyond June 30, 2012, are recorded as prepaid items.

Bond Issue Costs

In Water and Sewer Fund, bond issue costs are deferred and amortized, using the bonds outstanding method, over the lives of the related issues. The original amount of the bond issue costs on the 1998, 2005, 2009, and 2012 series bonds were \$936,992. As of June 30, 2012 accumulated amortization was \$414,392, for a balance of \$522,600.

Loan Closing Costs

In the proprietary funds, when applicable, certain costs incurred in connection with the issuance of long-term debt are deferred and amortized over the lives of the related issues based on the annual principal reductions.

Restricted Assets

Certain proceeds of proprietary fund revenue bonds are classified as restricted assets on the Statement of net assets because their use is limited by applicable bond covenants. The Water and Sewer Fund sinking fund accounts are used to segregate resources accumulated for debt service payments. Other assets earmarked for restricted use in accordance with legal provisions or external requirements are indicated on the balance sheets. When an expense is incurred for which both restricted and unrestricted net assets are available, the City's policy is to apply the restricted net assets first.

Capital Assets

Property, plant, and equipment have been recorded at cost, if purchased, and if donated, at fair market value on the date of donation. The City maintains a capital threshold of \$5,000. Interest expense of the proprietary funds is capitalized during construction when assets are constructed with borrowed monies. Capital assets are reported in both the applicable governmental or business-type activities columns in the government-wide statements. Capital assets are charged to expenditures when purchased in the governmental fund statements, and capitalized in the proprietary fund statements.

Depreciation is calculated on the straight-line basis. Depreciation is based on the following estimated useful lives:

Depreciation Schedules

	Buildings	Infrastructure Plant/System	Vehicles and Equipment
Governmental Funds	10-40	30-60	1-20
Water and Sewer	10-40	10-50	3-10
Gas	10-40	5-50	3-10
Special Facilities	10-40	NA	3-10
Broadband	NA	5-40	NA
Internal Service Funds	10-40	NA	3-10
Component Unit - DDA	NA	30	NA

Infrastructure is depreciated over 60 years straight-line. Beginning with Fiscal Year 2006, the City has reported all infrastructure assets in accordance with GASB Statement #34.

Gains or losses from sale or retirement of assets are included in current operations in the government-wide statements and individual proprietary fund financials.

Major improvements that extend the life of an asset are capitalized. Normal maintenance and repairs are charged to expense as incurred.

Compensated Absences

Vacation pay is accrued when earned. Vacation leave must be used during the year earned. Sick leave benefits are not accrued because the payment of the benefits is contingent upon the future illness of an employee. Sick leave is generally earned and accumulated at the rate of 6 hours per month. Employees may elect to apply accumulated sick leave to time of service at their retirement. Upon termination of employment, individuals are not paid for unused sick leave.

Long-term Obligations

In the government-wide financial statements, long-term debt and other liabilities are reported as liabilities of governmental activities or business-type activities. They are also reported as liabilities in the proprietary fund financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the percent of bond principal retired method. The deferred book loss is presented as a reduction of the face amount of the bonds payable.

In the governmental fund financial statements, long-term debt is not reported as a liability. Instead, the face amount of debt issued is reported as other financing sources, and payment of principal and interest are reported as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue. Any other assets donated to the City are recorded in the same manner.

Classifications of Fund Balance

The GASB issued Statement No. 54. Fund Balance Reporting and Governmental Fund Type Definitions, to address issues related to how fund balance was being reported. Fund Balance will be displayed as nonspendable, restricted, committed, assigned, and unassigned depicting the relative strength of the spending constraints placed on the purposes for which resources can be used.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds (business-type activities). For the City of Winder, these revenues are charges for services for water, sewer, natural gas, solid waste, broadband, and building rentals. Operating expenses are necessary costs incurred to provide goods or services that are the primary activity of each fund.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and in the non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported after general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are also eliminated.

Comparative Data

Comparative data for the prior year has been presented in some of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data (presentation of prior year totals by fund type) has not been presented in each fund since its inclusion would make the statements unduly complex and difficult to read. Also, certain prior year amounts have been reclassified to conform to the current year presentation.

2-Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 1, the Mayor submits to the City Council a proposed operating budget, in a separate budget document, for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means to finance them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to July 1, the final budget is presented to the City Council by the Mayor and is legally enacted through passage of a budget resolution.
4. Budgetary control is maintained at the department level.
5. Formal budgetary integration is employed as a management control device during the year for all funds except the Agency Funds.
6. The annual budgetary data reported for the General Fund and the annually-budgeted Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles and represent the original appropriation ordinance and other budget amendments as adopted by the City Council. Appropriations lapse at the end of each fiscal year for these funds.

The Budget Officer is permitted to transfer appropriations within a department. City Council must approve transfers between functions and subsequent budgetary amendments. Expenditures may not legally exceed budgeted appropriations at the department level within the fund.

Significant departures must be in excess of \$75,000 and more than 4.0% of the budgeted amount, within each department. There were no significant departures from the total budgeted amounts in the General Fund.

3-Deposits and Investments

Total deposits and cash investments as of June 30, 2012, are summarized as follows:

Balances per statement of net assets:	
Cash-Primary Government	\$ 8,576,865
Cash-CU-Downtown Development Authority	15,708
Restricted assets:	
Bond Sinking Accounts	2,263,539
Cash for Customer Deposits	411,656
Balances per statement of fiduciary net assets:	
Cash-Agency Funds	50,041
Total	<u>\$ 11,317,809</u>
Cash deposited with financial institutions	\$ 8,863,607
Cash deposited with Georgia Fund 1	188,563
US Bank-Bond Sinking Fund	198,338
Verity Bank - Bond Sinking Fund	2,065,201
Petty Cash	2,100
Total	<u>\$ 11,317,809</u>

Credit risk

The City's investment policies authorize investment in the following securities approved by the State of Georgia for local governments. Authorized Investments include obligations of the State of Georgia or other states; obligations issued by the United States government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The City's policies do not establish a minimum credit rating for investments. Investments are reported at fair value.

As of June 30, 2012, the investments in the Georgia Fund 1 was rated AAAm and the investment in the US Bank was rated AAAm by Standard & Poor's.

At June 30, 2012, the City had the following investments reported as cash:

<u>Investments</u>	<u>Maturities</u>	<u>Rating</u>	<u>Value</u>
Investment Reported in Cash:			
Georgia Fund 1	48 day weighted average	AAAm	\$ 188,563
Investment Reported in Restricted Assets as Cash:			
First American Treasury Obligations Class Y	44 day weighted average	AAAm	198,338
Total			<u>\$ 386,901</u>

Interest rate risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk - deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) that are not covered by FDIC insurance must be collateralized by 110% the value of the deposits by obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. At June 30, 2012, all deposits of the City were adequately insured or collateralized.

4-Accounts and Intergovernmental Receivables

Receivables as of year-end for the City's individual, major, and non-major governmental funds in the aggregate are as follows:

	<u>Major</u>		<u>Nonmajor</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>		
Receivables:					
Intergovernmental					
State of Georgia Sales Tax	\$162,596	\$ -	\$ -		\$ 162,596
Governors Office of Highway Safety	-	19,101	-		19,101
Department of Justice	-	23,978	-		23,978
Barrow County Board of Commissioners	-	1,000	208,506		209,506
Total Intergovernmental	<u>162,596</u>	<u>44,079</u>	<u>208,506</u>		<u>415,181</u>
Taxes					
Barrow County Tax Commissioner-Net	60,525	-	-		60,525
Hotel/Motel Taxes	-	5,927	-		5,927
Accounts	<u>125,936</u>	<u>-</u>	<u>-</u>		<u>125,936</u>
Total Receivables	<u>\$349,057</u>	<u>\$50,006</u>	<u>\$ 208,506</u>		<u>\$ 607,569</u>

The City does not maintain an allowance for bad debts on accounts. Annually, accounts that are determined to be uncollectible are written off.

5-Restricted Assets

The City's restricted assets include the following:

<i>Business-type Activities</i>	
Cash for Customer Deposits	\$ 411,656
Bond Sinking Accounts Cash	2,263,539
Total Business-Type Restricted Assets	<u>\$ 2,675,195</u>

6-Capital Assets

Capital asset activity for governmental activities for the fiscal year ended June 30, 2012 was as follows:

	Balance 06/30/11	Additions	Decreases	Balance 06/30/12
Non-Depreciable:				
Land	\$ 1,044,336	\$ 36,345	\$ -	\$ 1,080,681
Construction in Progress	1,101,395	164,190	(35,909)	1,229,676
Total Non-Depreciable	<u>2,145,731</u>	<u>200,535</u>	<u>(35,909)</u>	<u>2,310,357</u>
Depreciable:				
Buildings	1,910,123	477,596	-	2,387,719
Vehicles	4,215,992	108,004	(173,530)	4,150,466
Furniture and Equipment	3,293,208	199,547	(149,464)	3,343,291
Infrastructure	24,369,379	133,040	-	24,502,419
Total Depreciable	<u>33,788,702</u>	<u>918,187</u>	<u>(322,994)</u>	<u>34,383,895</u>
Accumulated Depreciation:				
Buildings	(756,993)	(52,535)	-	(809,528)
Vehicles	(3,114,190)	(404,887)	172,546	(3,346,531)
Furniture and Equipment	(2,452,198)	(202,990)	149,464	(2,505,724)
Infrastructure	(17,788,014)	(746,020)	-	(18,534,034)
Total Accumulated Depr.	<u>(24,111,395)</u>	<u>(1,406,432)</u>	<u>322,010</u>	<u>(25,195,817)</u>
Total Depreciable, net	<u>9,677,307</u>	<u>(488,245)</u>	<u>(984)</u>	<u>9,188,078</u>
Government Activities, Capital Assets, Net	<u>\$ 11,823,038</u>	<u>\$ (287,710)</u>	<u>\$ (36,893)</u>	<u>\$ 11,498,435</u>

Depreciation expense for governmental activities is charged to functions as follows:

General Government	\$ 138,359
Public Safety	384,628
Public Works	882,608
Judicial	279
Housing and Development	558
Total Depreciation	<u>\$ 1,406,432</u>

Capital asset activity for business-type activities for the fiscal year ended June 30, 2012 was as follows:

	Balance 06/30/11	Additions	Decreases	Balance 06/30/12
Non-Depreciable				
Land	\$ 5,548,950	\$ -	\$ -	\$ 5,548,950
Construction In Progress	572,174	894,649	(162,702)	1,304,121
Total Non-Depreciable	<u>6,121,124</u>	<u>894,649</u>	<u>(162,702)</u>	<u>6,853,071</u>
Depreciable				
Plant and System	102,662,353	389,668	-	103,052,021
Buildings	4,929,210	-	-	4,929,210
Vehicles	1,097,522	53,700	(141,661)	1,009,561
Furniture and Equipment	1,902,271	69,473	(69,850)	1,901,894
Total Depreciable	<u>110,591,356</u>	<u>512,841</u>	<u>(211,511)</u>	<u>110,892,686</u>
Accumulated Depreciation				
Plant and System	(36,148,528)	(3,048,698)	-	(39,197,226)
Buildings	(1,022,044)	(190,636)	-	(1,212,680)
Vehicles	(792,977)	(163,398)	132,471	(823,904)
Furniture and Equipment	(1,360,784)	(76,917)	55,545	(1,382,156)
Total Accumulated Depr.	<u>(39,324,333)</u>	<u>(3,479,649)</u>	<u>188,016</u>	<u>(42,615,966)</u>
Total Depreciable, net	<u>71,267,023</u>	<u>(2,966,808)</u>	<u>(23,495)</u>	<u>68,276,720</u>
Business Type Activities, Capital Assets, Net	<u>\$ 77,388,147</u>	<u>\$ (2,072,159)</u>	<u>\$ (186,197)</u>	<u>\$ 75,129,791</u>

Depreciation expense for business-type activities is charged to functions as follows:

Water and Sewer Fund	\$ 2,991,953
Gas Fund	261,577
Special Facilities Fund	149,329
Environmental Protection Fund	3,868
Broadband Fund	22,591
Internal Service Funds	50,331
Total Depreciation	<u>\$ 3,479,649</u>

Capital asset activity for the Component Unit, Downtown Development Authority, for the fiscal year ended June 30, 2012 was as follows:

	Balance 06/30/11	Additions	Decreases	Balance 06/30/12
Non-Depreciable:				
Land	\$ 314,000	\$ 257,609	\$ -	\$ 571,609
Construction in Progress	-	187,033	-	187,033
Total Non-Depreciable	<u>314,000</u>	<u>444,642</u>	<u>-</u>	<u>758,642</u>
Depreciable:				
Plant & System	29,150	-	-	29,150
Total Depreciable	<u>29,150</u>	<u>-</u>	<u>-</u>	<u>29,150</u>
Accumulated Depreciation:				
Plant & System	(3,426)	(972)	-	(4,398)
Total Accumulated Depr.	<u>(3,426)</u>	<u>(972)</u>	<u>-</u>	<u>(4,398)</u>
Total Depreciable, net	<u>25,724</u>	<u>(972)</u>	<u>-</u>	<u>24,752</u>
Government Activities, Capital Assets, Net	<u>\$ 339,724</u>	<u>\$ 443,670</u>	<u>\$ -</u>	<u>\$ 783,394</u>

Depreciation expense for Downtown Development Authority activities is as follows:

Downtown Development Authority	\$ 972
Total Depreciation	<u>\$ 972</u>

7-Risk Management

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund (the Fund), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The authority to participate in this pool rests with the City Council.

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

The Fund is to defend and protect the members of the Fund against liability or loss as prescribed in the member government contract and in accordance with the laws of Georgia. The Fund 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. Settled claims in the past three years have not exceeded the coverage.

The City has obtained workers' compensation insurance from a private insurance carrier. The limits of the coverage are \$1,000,000 for each employee claim with a \$2,500 deductible.

8-Long-Term Debt

Long-term debt information is presented separately for governmental and business-type activities. The table below presents current year changes in long-term debt and the current portions due for each issue.

	Balance 6/30/2011	Increase	Decrease	Balance 6/30/2012	Due In FY 2013
Governmental Activities:					
Capital Leases	\$ 1,143,911	\$ -	\$ (417,191)	\$ 726,720	\$ 371,371
Compensated Absences Payable	131,441	218,119	(221,631)	127,929	127,929
Total Governmental Activities	<u>\$ 1,275,352</u>	<u>\$ 218,119</u>	<u>\$ (638,822)</u>	<u>\$ 854,649</u>	<u>\$ 499,300</u>
Business-Type Activities:					
Notes Payable-					
1991 GEFA Sewer Treatment	\$ 7,780	\$ -	\$ (7,780)	\$ -	\$ -
1992 GEFA Sewer Treatment	46,876	-	(46,876)	-	-
1997 GEFA Water Tank & Lines	182,052	-	(182,052)	-	-
2002 GEFA Water Tank & Lines	63,922	-	(20,301)	43,621	20,713
2003 GEFA Water Tank & Lines	466,229	-	(25,703)	440,526	26,910
2006 GEFA Water - Cedar Creek	16,069,392	-	(16,069,392)	-	-
State Of Georgia Revolving	14,702	-	(14,702)	-	-
HSF Engineering	199,500	-	(57,000)	142,500	57,000
Bonds Payable-					
1998 Series	346,851	-	(178,769)	168,082	168,082
2005 Series	4,422,000	-	(380,000)	4,042,000	392,000
2009 Series	3,961,000	-	(290,000)	3,671,000	303,000
2012 Series	-	14,740,000	-	14,740,000	550,000
Deferred Premium on Bonds	-	1,322,772	-	1,322,772	75,949
Deferred Bond Refunding Loss	(517,062)	-	141,962	(375,100)	(141,962)
Capital Leases	408,094	-	(219,911)	188,183	188,183
Compensated Absences Payable	33,482	52,644	(58,523)	27,603	27,600
Total Business-Type Activities	<u>\$ 25,704,818</u>	<u>\$ 16,115,416</u>	<u>\$ (17,409,047)</u>	<u>\$ 24,411,187</u>	<u>\$ 1,667,475</u>

*Compensated absences do not carry over from year to year; therefore they are all current obligations.

Governmental Activities

The City has financed the acquisition of a vehicle (fire truck) by means of a 10-year lease at 4.18% interest. The lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date. The fire truck initially cost \$284,970, accumulated depreciation as of June 30, 2012, is \$199,479, for a net book value of \$85,491.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

Year Ending June 30,	Governmental Activities
2013	\$ 35,006
2014	35,006
2015	34,998
Total Minimum Lease Payments	105,010
Less Amount Representing Interest	(6,461)
Present Value of Minimum Lease Payments	<u>\$ 98,549</u>

The City entered into a 5 year lease agreement with Bank of America at 2.89% for the financing of new and replacement vehicles and equipment. The City received \$2,711,500 in advance of which \$1,602,803 is for governmental activities and the remainder is for business-type activities. In FY 2008, 2009 and 2010, the City's governmental funds purchased 27 vehicles, excavator, dump truck, brush truck, document imaging software, pressure jet, telephone system and other small equipment for a total of \$1,602,803 accumulated depreciation as of June 30, 2012, is \$1,004,775, for a net book value of \$598,028.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

Year Ending June 30,	Governmental Activities
2013	\$ 294,131
Total Minimum Lease Payments	294,131
Less Amount Representing Interest	(3,870)
Present Value of Minimum Lease Payments	\$ 290,261

In FY 2009 the City entered into a ten year lease at 3.76% for a ladder fire truck. The fire truck, initially costing \$519,387, accumulated depreciation as of June 30, 2012, is \$190,442, for a net book value of \$328,945.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

Year Ending June 30,	Governmental Activities
2013	\$ 61,480
2014	61,480
2015	61,480
2016	61,480
2017	61,480
2018-2019	71,727
Total Minimum Lease Payments	379,127
Less Amount Representing Interest	(41,217)
Present Value of Minimum Lease Payments	\$ 337,910

The City's obligation to pay such lease payments is conditional on the annual appropriation of funds by the City Council.

In the Governmental Activities, compensated absences will be liquidated by the General Fund.

Business-type Activities

Water and Sewer Revenue Bonds

The Water and Sewer Fund has issued Water and Sewer Revenue Bonds (Series 1998, Series 2005, and Series 2009) and Winder-Barrow Industrial Building Authority Revenue Refunding Bonds, Series 2012. These revenue bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the water and sewer system.

On April 1, 1998, the City issued the Water and Sewerage Revenue Bonds, Series 1998 in the amount of \$9,964,358 to finance the costs of making renovations, additions, extensions and expansions to the City's existing water and sewerage system and refund the City's Series 1987 Bonds. The principal on the Series 1998 bonds is payable in 21 annual installments which began December 1, 1998, and ends December 1, 2018. Interest is payable at a rate of 3.6% to 5.0% on June 1 and December 1 which began December 1, 1998, and ends December 1, 2018. In 2009, the Series 1998 Revenue Bonds were partially defeased with the Series 2009 Revenue Bonds. The annual requirements to amortize outstanding debt of the 1998 Water and Sewerage Revenue Bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2013	\$ 168,082	\$ 171,918	\$ 340,000
Totals	<u>\$ 168,082</u>	<u>\$ 171,918</u>	<u>\$ 340,000</u>

On February 1, 2005, the City issued Water and Sewerage Revenue Refunding Bonds, Series 2005, with an interest rate of 3.71% and payments due on June 1 and December 1, ending December 1, 2016. Water and Sewerage Revenue bonds of 1993 and 1996 were defeased amounting to \$290,000 and \$5,045,000 respectively.

The annual requirement to amortize outstanding debt of the 2005 Water and Sewerage Revenue Bonds is as follows:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2013	\$ 392,000	\$ 142,687	\$ 534,687
2014	859,000	119,481	978,481
2015	897,000	86,907	983,907
2016	929,000	53,034	982,034
2017	965,000	17,901	982,901
Totals	<u>\$ 4,042,000</u>	<u>\$ 420,010</u>	<u>\$ 4,462,010</u>

On February 10, 2009 the City issued Water and Sewerage Revenue Refunding Bonds, series 2009 due at various dates ending December 1, 2018 with a yield of 3.295%. A portion of the Water and Sewerage Revenue bonds of 1998 were defeased amounting to \$4,325,000.

The annual requirements to amortize outstanding debt of the 2009 Water and Sewerage Revenue Bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2013	\$ 303,000	\$ 115,792	\$ 418,792
2014	207,000	107,402	314,402
2015	210,000	100,542	310,542
2016	219,000	93,485	312,485
2017	227,000	86,149	313,149
2018-2019	2,505,000	83,155	2,588,155
Totals	<u>\$ 3,671,000</u>	<u>\$ 586,525</u>	<u>\$ 4,257,525</u>

On February 21, 2012, the City issued Winder-Barrow Industrial Building Authority Revenue Refunding Bonds, Series 2012 due at various dates ending December 1, 2029 and with various yields ranging from 2% to 5%. The proceeds from this refunding were to pay off a GEFA note in the amount of \$15,711,640. Analysis of cash flows is as follows:

Cash required to service the interest and principal of the GEFA Note	\$ 22,141,203
Total cash required	22,141,203
Cash required to service the interest and principal of the 2012 issue	20,900,478
Total cash required	20,900,478
Cash flow savings from refunding	1,240,725
Cash received February 21, 2012	12,614
Increase of total cash savings from refunding	\$ 1,253,339
The economic saving is as follows:	
The present value of the cash required to service the interest and principal of the GEFA Note Paid off	\$ 17,637,106
The present value of the cash required to service the interest and principal of the bonds issued (2012 Series)	16,476,189
Present value of cash savings from refunding	1,160,917
Cash received February 21, 2012	12,614
Economic gain from refunding	\$ 1,173,531

The annual requirements to amortize outstanding debt of the 2012 Winder-Barrow Industrial Building Authority Revenue Refunding Bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2013	\$ 550,000	\$ 533,250	\$ 1,083,250
2014	650,000	521,250	1,171,250
2015	670,000	508,050	1,178,050
2016	685,000	494,500	1,179,500
2017	700,000	477,150	1,177,150
2018-2022	3,810,000	2,050,500	5,860,500
2023-2027	4,625,000	1,202,625	5,827,625
2028-2029	3,050,000	223,500	3,273,500
Totals	\$ 14,740,000	\$ 6,010,825	\$ 20,750,825

The City is in compliance with all significant provisions of the bond indentures, series 1998, 2005, 2009 and 2012.

Notes Payable

The City's Water and Sewer Fund has entered into loan agreements in the original amount of \$3,071,647 with the Georgia Environmental Facilities Authority (GEFA), a State agency. The GEFA makes low interest long-term loans to fund improvements to publicly owned water and sewer systems. Once the loan commitment has been made, loan proceeds are drawn down as costs are incurred. Payback of the loan principal does not begin until after the funded project has been completed. Interest is paid on all outstanding amounts. The City's current GEFA loans outstanding have interest rates ranging from 1.55% to 5.8%.

In FY 2007, the City entered into an additional loan agreement with GEFA for financing the Cedar Creek Wastewater Reclamation Facility. At June 30, 2012 the outstanding balance of the GEFA loan was \$16,069,392. Construction of the Cedar Creek Wastewater Reclamation Facility cost \$18,204,208; however, in FY 2012, the City received a sales tax refund of \$245,052 which reduced the cost to \$17,959,156 with accumulated depreciation of \$935,858 for a net book value of \$17,023,298. In FY 2012, this GEFA note was paid off with Winder-Barrow Industrial Building Authority Revenue Refunding Bonds, Series 2012.

The following tables show the details of all GEFA Loans through June 30, 2012, and the annual requirements to amortize the debt outstanding:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2013	\$ 47,623	\$ 19,327	\$ 66,950
2014	49,206	17,744	66,950
2015	31,102	16,233	47,335
2016	30,605	14,949	45,554
2017	32,013	13,541	45,554
2018-2022	182,609	45,163	227,772
2023-2025	110,989	6,569	117,558
Totals	\$ 484,147	\$ 133,526	\$ 617,673

The City entered into a contract with HSF Engineering, Inc., in November 2004, to design and oversee the construction of the Cedar Creek Wastewater Reclamation Facility. The total cost was \$570,000, and the City paid, and continues to pay, \$4,750 monthly at 0% interest for 120 months. At May 2010, the facility was fully constructed, and at June 30, 2012, the remaining balance is \$142,500 as shown below.

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2013	\$ 57,000	\$ -	\$ 57,000
2014	57,000	-	57,000
2015	28,500	-	28,500
Totals	\$ 142,500	\$ -	\$ 142,500

Capital Lease

The City has entered into a five-year lease agreement with Bank of America at 2.89% for the financing of additional and replacement vehicles and equipment. The City received \$2,711,500, in advance, of which \$1,108,697 is for business-type activities and the remainder is for governmental activities. In FY 2009 and FY 2010, the City’s proprietary funds purchased 18 vehicles, utilities mapping system, a leak detector, four excavators, three loaders, three compressors, a hydro seeder, telephone system and other small equipment for a total of \$1,108,697 accumulated depreciation as of June 30, 2012, is \$637,599, for a net book value of \$471,098.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2013	<u>\$ 188,183</u>	<u>\$ 2,509</u>	<u>\$ 190,692</u>

In the business-type activities, compensated absences will be liquidated by the applicable fund.

9-Advance Bond Refunding

In fiscal year 1998, a portion of the Series 1998 Water and Sewerage Revenue Bonds was used to refund the Series 1987 Bonds in the amount of \$3,405,709. The City deposited with the paying agent for the Series 1987 Bonds, a portion of the proceeds of the sale of the Series 1998 Bonds, which was invested by the paying agent in certain direct obligations of the United States Government, maturing on or prior to June 1, 1998, the principal and interest on which was sufficient to provide for the payment of the interest on the Series 1987 Bonds to their redemption date and redemption price on June 1, 1998. In connection with this advance refunding the City recognized a loss in the amount of \$1,177,731. This loss is being amortized over a fourteen-year period (the life of the 1987 bonds) using the straight-line method, however, in FY 2009, the City refunded a portion of the Series 1998 Bonds with Series 2009 Bonds and amortized the above loss based on the portion of the Series 1998 Bonds that were refunded. As of June 30, 2012, accumulated amortization was \$1,177,731 with a net book value of \$0.

In fiscal year 1998, there were also bond issuance costs incurred with the issuance of the Series 1998 Bonds in the amount of \$365,541. As of June 30, 2012, the accumulated amortization was \$358,825 with a net book value of \$6,716. These costs have been deferred and are being amortized over the life of the bonds based on annual principal retired or refunded. At June 30, 2012, the outstanding balance on the defeased bond from the 1998 refunding is as follows:

1987	\$59,268
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In fiscal year 2006, the 1993 Water and Sewerage Revenue Bonds and a portion of the 1996 Water and Sewerage Revenue Bonds were defeased into the Series 2005 Water and Sewerage Revenue Bonds. In connection with this defeasement, the City recognized a book loss in the amount of \$605,674. This loss is being amortized over a 7 year 10 month period (the life of the defeased Series 1993 Bonds) using the straight-line method. As of June 30, 2012, accumulated amortization was \$573,460 with a net book value of \$32,214.

There were also bond issue costs incurred with the Series 2005 Bonds in the amount of \$114,750. As of June 30, 2012, accumulated amortization was \$37,627 with a net book value of \$77,123. These costs have been deferred and are being amortized over the life of the bonds based on annual principal retired. At June 30, 2012, the outstanding balances on the defeased bonds from the 2005 refunding are as follows:

1993	\$ 290,000
1996	\$3,800,000

In FY 2009, a portion of the 1998 Water and Sewerage Revenue Bonds were defeased into the Series 2009 Water and Sewerage Revenue Bonds. In connection with this defeasement, the City recognized a book loss in the amount of \$525,461. This loss is being amortized over a 9 year 10 month period (the life of the defeased Series 1998 Bonds) using the straight line method. As of June 30, 2012, accumulated amortization was \$182,575 with a net book value of \$342,886.

There were also bond issue costs incurred with the Series 2009 Bonds in the amount of \$92,867. As of June 30, 2012 accumulated amortization was \$17,941 with a net book value is \$74,926. These costs have been deferred and are being amortized over the life of the bonds based on annual principal retired. At June 30, 2012, the outstanding balances on the defeased bonds from the 2005 refunding are as follows:

1998	\$3,555,000
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In FY 2012, the City paid off the 2007 GEFA note with Winder-Barrow Industrial Building Authority Revenue Refunding Bonds, Series 2012. In connection with this refinance, the City recognized a book gain in the amount of \$1,348,088. This gain is being amortized over a 17 year 9 month period (the life of the Series 2012 bonds) using the straight line method. As of June 30, 2012, accumulated amortization was \$25,316 with a net book value of \$1,322,772.

There were also bond issue costs incurred with the Series 2012 Bonds in the amount of \$363,834. As of June 30, 2012, there was no accumulated amortization, therefore the net book value is \$363,834. These costs have been deferred and are being amortized over the life of the bonds based on annual principal retired. At June 30, 2012, the outstanding balances on the paid off note from the 2012 refinancing are as follows:

2013	\$	622,960
2014		649,311
2015		676,775
2016		705,402
2017		735,239
2018-2022		4,169,849
2023-2027		5,129,570
2028-2030		2,782,606

10-Water Fund Intergovernmental Receivable

On June 29, 2006, the City of Winder entered into an intergovernmental agreement with Barrow County, Georgia ("County") to sell 1,000,000 gallons per day of sewage treatment capacity rights at the City's Cedar Creek Wastewater Reclamation Facility for a total of \$10,416,000. The contract states that \$5,832,000 of the total is for immediate transfer and assignment of capacity to Barrow County from the City; therefore, the City has set up an intergovernmental receivable for this amount. This portion of the contract is to help fund the construction cost of the facility so the City is recognizing revenue. In FY 2007, the City recognized revenue of 20% (\$1,166,400) as a special item because the City provided the right for 200,000 gallons per day of the County's wastewater to enter the City's current wastewater treatment facility. In FY 2008, the City recognized the remaining \$4,665,600 as a special item due to the additional 800,000 gallons per day being available. The remaining balance of the contract (\$4,584,000) is a shared capacity charge and will be paid as the County collects tap fees of \$1,500 for each household equivalent. As the County collects and submits tap fees, the City will recognize this remaining revenue. As of June 30, 2012 the balance due the City on the shared capacity charge is \$4,564,500.

The Intergovernmental Receivable activity for the fiscal year ended June 30, 2012 is as follows:

Balance 6/30/2011	Increase	Decrease	Balance 6/30/2012	Due In FY 2013
\$3,436,296	\$ -	\$ (143,025)	\$3,293,271	\$ 148,975

A maturities schedule of the intergovernmental receivable is as follows:

Fiscal Year Ending June 30	Principal	4.16% Interest	Total Receivable Per Year
2013	\$ 148,974	\$ 137,000	\$ 285,974
2014	155,172	130,803	285,975
2015	161,627	124,348	285,975
2016	168,351	117,624	285,975
2017	175,354	110,621	285,975
2018-2022	992,453	437,422	1,429,875
2023-2027	1,216,787	213,088	1,429,875
2028	274,553	11,422	285,975
Totals	\$ 3,293,271	\$ 1,282,328	\$ 4,575,599

11-Interfund Receivables, Payables and Transfers

Interfund balances at June 30, 2012, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. Excluding advances, the City expects to repay all interfund balances within one year.

The interfund receivables or payables as of June 30, 2012 are as follows:

	Interfund	
	Due To/ Advances From	Due From/ Advances To
Major Governmental Fund:		
General Fund	\$ 1,656,845	\$ -
Non Major Governmental Fund:		
Capital Projects Fund	-	32,499
Major Proprietary Fund:		
Water Fund	26,000	-
Environmental Protection	-	1,091,202
Internal Service Funds:		
Building Fund	-	\$ 533,144
Utility Service Fund	-	26,000
Totals	\$ 1,682,845	\$ 1,682,845

Interfund transfers in (out) for the fiscal year ended June 30, 2012, are as follows:

Governmental Activities	Transfers in (out)											Net Transactions	
	General Fund	Hotel/Motel	Grants	Festivals	Broad-band	Environmental Protection	Special Facilities	Water & Sewer	Gas	Solid Waste	Transfers In		Transfers Out
General Fund	\$ -	\$ -	\$ (91,150)	\$ -	\$ 3,000	\$ (85,133)	\$ (246,067)	\$ 2,531,233	\$ 1,391,608	\$ 459,958	\$ 4,385,799	\$ (422,350)	\$ 3,963,449
Hotel/Motel	-	-	-	(22,000)	-	-	(6,600)	-	-	-	-	(28,600)	(28,600)
Festivals	-	22,000	-	-	-	-	-	-	-	-	22,000	-	22,000
Grants	91,150	-	-	-	-	-	-	-	-	-	91,150	-	91,150
Total Governmental	91,150	22,000	(91,150)	(22,000)	3,000	(85,133)	(252,667)	2,531,233	1,391,608	459,958	4,498,949	(450,950)	4,047,999
Business-type Activities													
Water & Sewer	(2,531,233)	-	-	-	-	-	-	-	-	-	-	(2,531,233)	(2,531,233)
Gas	(1,391,608)	-	-	-	-	-	-	-	-	-	-	(1,391,608)	(1,391,608)
Solid Waste	(459,958)	-	-	-	-	-	-	-	-	-	-	(459,958)	(459,958)
Environmental Protection	85,133	-	-	-	-	-	-	-	-	-	85,133	-	85,133
Special Facilities	246,067	6,600	-	-	-	-	-	-	-	-	252,667	-	252,667
Broadband	(3,000)	-	-	-	-	-	-	-	-	-	-	(3,000)	(3,000)
Total Business-type	(4,054,599)	6,600	-	-	-	-	-	-	-	-	337,800	(4,385,799)	(4,047,999)
Net Transactions	\$ (3,963,449)	13,200	\$ (91,150)	\$ (22,000)	\$ 3,000	\$ (85,133)	\$ (252,667)	\$ 2,531,233	\$ 1,391,608	\$ 459,958	\$ 4,836,749	\$ (4,836,749)	\$ -

Transfers are used to reclassify revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary operations.

12-Fund Balance in Governmental Funds

Fund balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing programs, or enhance the financial position of the City in accordance with policies established by the City Council.

The City of Winder established and will maintain classification of fund balance as defined herein in accordance with Governmental Accounting Standards Board statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This policy shall apply to the City's General Fund and all governmental funds and will become effective for the fiscal year ending June 30, 2011. Fund balance shall be composed of nonspendable, restricted, committed, assigned, and unassigned amounts, as defined herein.

Nonspendable Fund Balance – Amounts that are not in a spendable form, such as inventory, or will not be converted to cash in the next operating cycle, such as long-term notes receivable. Also, amounts that are legally or contractually required to remain intact, such as the corpus of a permanent fund.

Restricted Fund Balance – Amounts on which constraints have been placed by an external party, such as grantor, creditor, or laws or regulations of other governments. Also, amounts on which constraints have been placed by law through constitutional provisions or by enabling legislation and are legally enforceable by external parties. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed Fund Balance – Amounts on which constraints have been placed by the City Council, the City's highest level decision-making authority, through the adoption of a resolution which includes the verbiage "committed for the purpose of". Commitments may only be changed or rescinded through the adoption of a subsequent resolution; the subsequent resolution shall refer to the original resolution by number.

Resolutions committing amounts must be adopted prior to the end of the fiscal year. However, the amount to commit must be determined within 60 days of the fiscal year-end.

Assigned Fund Balance – Amounts on which constraints have been placed by the City to use for a special purpose. The City Council may assign amounts through the adoption of a motion made during a public meeting of the Council. The City Council also authorizes the City Manager to assign amounts through a written memorandum.

Transfers to special revenue, capital projects, debt service, or permanent funds shall constitute assignments and shall be documented through the adoption of the City's operating budgets or subsequent budget amendments.

Assignments must be adopted prior to the end of the fiscal year; the amount assigned must also be determined prior to fiscal year-end.

Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year's budget shall constitute assignments and be documented by adoption of the City's operating budgets.

Equity amounts reported in special revenue, capital projects, debt service, or permanent funds not otherwise classified as nonspendable, restricted, or committed should constitute assignments.

Unassigned Fund Balance – Equity amounts reported in the General Fund not otherwise classified as nonspendable, restricted, committed, or assigned. Unassigned amounts are the portion of fund balance that is available for any purpose. Governmental funds other than the General Fund shall not report positive unassigned fund balance.

HIEARCHY OF SPENDING

For the purpose of fund balance classification, the City considers restricted amounts spent first when expenditure is incurred for which both restricted and unrestricted fund balance is available. Furthermore, the City considers the following spending order when expenditures are incurred for purposes of which the following unrestricted fund balance classifications are available:

1. Committed
2. Assigned
3. Unassigned

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. GASB Statement No. 54 requires that special revenue funds have restricted or committed proceeds of specific revenue sources that are expected to continue to comprise a substantial portion of the inflows reported in the fund. For this purpose, the City defines proceeds from significant revenue sources as a single or combination of restricted or committed inflows which are expected to comprise 35% of the total revenue and other financing sources of the special revenue fund.

The Finance Director shall be charged with maintaining a listing of all special revenue funds reported by the City. This listing shall include the purpose of the fund and the significant restricted or committed revenue stream(s) this is (are) the basis for the fund.

COMPLIANCE

Compliance with the provisions of this policy shall be reviewed as part of the annual budget process and the amounts of nonspendable, restricted, committed, assigned, and minimum General Fund unassigned amounts shall be determined during this process. Fund balance for all governmental funds shall be reported in accordance to GASB statement No. 54.

13-Retirement Plan

The City maintains a defined benefit pension plan (the City of Winder Retirement Plan) to provide retirement and disability benefits for all full-time general and uniformed personnel of the City. The Plan is a participating member of the Georgia Municipal Employees Benefit System (The Plan) (GMEBS), an agent multiple-employer pension employee retirement system (PERS) that acts as a common investment and administrative agent for Cities in the State of Georgia. An annual report that includes financial statements and required supplemental information is issued by GMEBS. A copy of the report may be

obtained by writing to Georgia Municipal Association, 201 Pryor Street SW, Atlanta, Georgia 30303. The authority to participate in this plan rests with the City Council.

All full-time City employees are eligible to participate in the plan after one year of service. Employees are not required to contribute to the Plan. The City is required to contribute the amount necessary to fund the Plan, using the actuarial basis specified by the Plan. The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10).

Under the Plan, pension benefits vest after ten years of service. Benefits are based on the five highest year's average salary. Participants may retire at the earlier of age 65 with 5 years of service or age 55 with 30 years of service to receive normal benefit. Alternative early retirement is age 55 with 10 years of service. Benefits are payable for life and calculated using a formula equal to 2.00 percent of annual salary for employees with retirement dates before August 1, 2000 and after April 2, 2009 or 3.00 percent of annual salary for employees with retirements dates after August 1, 2000 and before April 1, 2009 which is then multiplied by the final average earnings (5 highest years average) and then multiplied by the amount of credited service. The plan also provides death benefits. These benefit provisions and all other requirements are established by the GMEBS Board of Trustees and the adoption agreement executed by the City.

As of January 1, 2012, employee membership data related to the pension plan was as follows:

Inactive Participants:	
Retiree and beneficiaries currently receiving benefits	83
Terminated employees entitled to benefits but not receiving benefits	48
Total	131
Active Plan Participants:	
Vested	48
Nonvested	95
Total	143
Total Number of Plan Participants	274

Data relating to the Plan for the past six years is as follows:

Fiscal Year	Annual Required Contribution (ARC)	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)	Interest on NPO	NPO at June 30
2007	\$ 477,451	\$ 419,842	87.93 %	\$ 57,609	\$ 432	\$ 58,041
2008	877,243	877,243	100.00	-	-	-
2009	1,002,251	1,002,251	100.00	-	-	-
2010	918,095	918,095	100.00	-	-	-
2011	1,221,335	1,221,335	100.00	-	-	-
2012	1,299,838	1,299,838	100.00	-	-	-

Analysis of funding progress is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Excess (Deficit) of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Deficit) as a Percentage of Covered Payroll ((a-b)/c)
5/1/2007	\$ 8,526,546	\$ 11,795,943	\$(3,269,397)	72.28 %	\$5,854,339	(55.85) %
5/1/2008	9,261,481	13,336,233	(4,074,752)	69.45	6,313,678	(64.54)
5/1/2009	6,554,906	14,903,805	(8,348,899)	43.98	5,805,508	(143.81)
1/1/2010	8,564,171	15,306,289	(6,742,118)	55.95	5,768,939	(116.87)
1/1/2011	9,020,369	15,909,449	(6,889,080)	56.70	5,816,330	(118.44)
1/1/2012	9,795,497	16,529,511	(6,734,014)	59.26	5,673,801	(118.69)

The Information was determined as part of the Actuarial Report as of January 1, 2012. Additional information included in the report follows:

Valuation Date	January 1, 2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed Level Dollar for remaining unfunded liability
Remaining Amortization Period	
Initial unfunded accrued liability	30 Years
Accrued liability arising from changes in plan	20 Years
Accrued liability arising from plan losses (gains)	15 Years
Accrued liability arising from plan assumptions/method	30 Years
Actuarial Assumptions:	
Assumed Rate of Return on Assets	7.75%
Projected Merit/Seniority Salary Increases	3.50%
Projected Inflation	0.0%

Asset Valuation Method – Sum of the actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 50% of market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years.

14-Deferred Compensation

The City offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all full time City employees (who work more than thirty hours per week) after the first ninety days of employment. The plan is funded through payroll deductions with the maximum contribution being 25% and a ceiling dollar amount of \$17,000 per year. The plan assets are invested, and administrated by public organizations unrelated to the City.

15-Contingent Liabilities

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

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City. There were no known contingent liabilities that would materially affect the financial statements.

16-Related Organizations

The City Council is responsible for appointing various members of the boards of other organizations, but the City's accountability for these organizations do not extend beyond making the appointments. In addition, City officials serve on the boards of several organizations in which the City does not have a voting majority. Organizations related to the City in one or both of these manners include the following –

- Housing Authority of the City of Winder
- Piedmont Regional Library
- Barrow County Board of Health
- Winder-Barrow Development Authority
- Winder Planning Board
- Winder-Barrow Industrial Building Authority
- Winder Tree Commission
- Historic Preservation Commission
- Public Facilities Authority

17-Joint Venture

Under Georgia law, the City, in conjunction with other cities and counties in the area, are members of the Northeast Georgia Regional Commission (RC) and is required to pay annual dues. During its year ended June 30, 2012, the City's dues were paid by Barrow County, which did not request reimbursement from the City. According to the RC, all dues are billed to the County and the management of the County determines if each municipality within the County should be billed for their pro-rata share of the dues. Membership in an RC is required by the official Code of Georgia Annotated (OCGA) Section 50-8-34 that provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the following location:

Northeast Georgia Regional Commission
305 Research Drive
Athens, Georgia 30605

18-Hotel/Motel Tax

The City levied and collects a 7% hotel/motel tax in accordance with OCGA 48-13-51. Collections for the fiscal year ended June 30, 2012, were \$71,578. The City expended all amounts required for the purpose of promoting tourism, conventions, and trade shows. The total amount of the tax expended for the purposes listed above for the fiscal year ended June 30, 2012, was \$ 50,057, or 69.9%. Of this amount \$21,457 was directly paid out to the Barrow County Chamber of Commerce. The City transferred \$22,000 to the Special Facilities Fund and \$6,600 to the City Festivals Fund for operations and advertising.

19-Special Local Option Sales Tax

Barrow County collects SPLOST funds for the City. In connection therewith, the County collects the revenues and remits the funds to the City on a monthly basis. The City expends the funds for streets, recreation facilities, downtown redevelopment projects, streetscape, and sewer facilities. All such transactions are reflected in the Capital Projects Fund.

20-Indirect Costs Allocations

Indirect expenses of general government and administrative support are fully allocated to the City's operational departments and funds. The purpose of the indirect costs allocations is to charge the operating departments and funds for administrative support services. Costs are allocated based on actual expenditure by functional activity. The following table presents the costs allocated:

Indirect Costs Allocations	
For The Year Ended June 30, 2012	
Costs for Allocation	
Administrative	\$ 2,756,529
Total	<u>\$ 2,756,529</u>
Distribution of Indirect Costs	
Water and Sewer Fund	\$ 1,138,069
Gas Fund	653,511
Solid Waste Management Fund	1,179
Special Facilities Fund	49,072
Environmental Protection Fund	27,700
Grant Fund	21,394
TV Station	12,634
General Fund	
General Government	36,211
Public Safety	579,406
Public Works	214,395
Judicial	22,958
Total	<u>\$ 2,756,529</u>

21-Other PostEmployment Benefits

Plan Description

The City of Winder provides postemployment health care benefits to retirees on a pay-as-you-go basis through the City of Winder OPEB Plan, a defined benefit, single employer other postemployment benefit plan. This plan was established in accordance with the City Charter and State statutes. The City is currently in negotiations with the Georgia Municipal Employees Benefit System (GMEBS), which is a service of Georgia Municipal Association (GMA), to administer the Plan.

City employees who have attained the age of 55 with 10 years of service are eligible to participate in the plan.

Health care coverage will continue for the employee at a cost of 50% of the billed premium until the employee is eligible for Medicare. Dependent coverage, if applicable, continues until the dependent or employee (whichever comes first) is eligible for Medicare or voluntarily coverage. All retirement benefits are reviewed and evaluated annually.

Current Membership is as follows:

Retirees and beneficiaries currently receiving benefits	21
Active Participants	<u>158</u>
Total Number of Participants	<u><u>179</u></u>

Funding Policy

The City pays part of the health insurance premiums for all retirees from City employment receiving a pension annuity earned through City services and participating in the City’s health insurance coverage on a pay-as-you-go basis. The City paid approximately \$123,445 and was reimbursed by the retirees \$61,577 under this program for the fiscal year ended June 30, 2011. An additional \$61,868 represents the actuary’s estimate of the City’s indirect subsidy toward retiree coverage during FY 2012. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The projection of benefits does not incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Annual OPEB Cost (AOC) and Net OPEB Obligation

The City implemented GASB 45 in fiscal year 2009 and elected to report a zero net OPEB obligation at the beginning of the transition year. The City’s annual postemployment benefit cost and net OPEB obligation for the plan as of and for the fiscal year ended June 30, 2012 using a 6.50% interest rate scenario were as follows:

Annual Required Contribution (ARC)	\$122,300
Interest on Net OPEB Obligation	16,700
Adjustment to ARC	<u>(14,600)</u>
Annual OPEB Cost	124,400
Contributions Made	<u>(138,901)</u>
Increase in Net OPEB Obligation	(14,501)
Net OPEB Obligation - Beginning of Year	<u>257,600</u>
Net OPEB Obligation - End of Year	<u><u>\$243,099</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed during the fiscal year, and the net OPEB obligation at the end of the transition year for the City’s post-retirement benefits plan were as follows:

Fiscal Year	Annual OPEB COST (AOC)	Actual City Contribution	Percentage of AOC Contributed	Net OPEB Obligation
2009	\$ 150,800	\$ 48,800	32.36 %	\$ 102,000
2010	164,600	74,700	45.38	191,900
2011	174,000	108,300	62.24	257,600
2012	124,400	138,901	111.66	243,099

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,675,900 and the value of the actuarial assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,675,900.

Actuarial Valuation Date July 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Actuarial Accrued Liability (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Deficit) as a Percentage of Covered Payroll ((a-b)/c)
2009	\$ -	\$ 1,345,700	\$(1,345,700)	- %	\$6,905,104	19.50 %
2010	-	1,792,000	(1,792,000)	-	5,810,000	30.80
2011	-	1,675,900	(1,675,900)	-	6,603,500	25.40

Actuarial Methods and Assumptions for OPEB Plans

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The more significant actuarial methods and assumptions used in the calculations of the annual OPEB cost, the annual required contribution, and the funded status and funding progress for the fiscal year ended June 30, 2012 are as follows:

Method/Assumptions	Retirement Program
Valuation Date	July 1, 2011
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar, Closed
Average Remaining Period	30 Years
Asset Valuation Method	Market Value of Assets
Interest Rate	6.50%
Inflation Rate	2.50%
Medical Trend Rate	Medical Per Capita costs, Average Costs and premiums are assumed to increase 10.00% for Pre-Medicare coverage and Medicare Supplement. This rate decreases at a rate of 0.5% per year until an ultimate rate of 5.00% is reached.

22- Negative Net Assets/Fund Balance

The Environmental Protection Services (EPS) Fund reported negative Net Assets of \$1,025,255 at June 30, 2012. This fund is responsible for fulfilling state mandates and requirements to protect the water quality of the state's waterways. The City contracted with HS. Feldman, Inc. in October 2009 to manage

and conduct the City's Stormwater Program, Watershed Protection Plan and the Fats, Oils and Grease (FOG) Program; however, in FY 2012, the City brought these services in house.

23- Special Item – Forgiveness of Debt Investment - Granite Building

The Component Unit of the City of Winder, Downtown Development Authority purchased a historical building from the City in the amount of \$257,609. In FY 2012 the historical building was demolished and a park is being constructed at the site. The City paid additional engineering cost of \$12,595, and demolishing cost of \$187,032 for a total loss on investment of \$457,236. The DDA no longer considers reselling the property so this is considered a special Item – Forgiveness of Debt.

24- GASB Statements Number 60, 61, 62, 63 and 64.

Statement Number 60

In November 2010, GASB issued Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements." The Objective of Statement No. 60 is to improve financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. This statement will be implemented on or before the fiscal year ending June 30, 2013 to meet GASB requirements.

Statement Number 61

In November 2010, GASB issued Statement No. 61, "The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34" The Objective of Statement No. 61 is to improve financial reporting for a governmental financial reporting entity. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This statement will be implemented on or before the fiscal year ending June 30, 2013 to meet GASB requirements.

Statement Number 62

In December 2010, GASB issued Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The requirements in this Statement will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. This statement will be implemented on or before the fiscal year ending June 30, 2013 to meet GASB requirements.

Statement Number 63

In June 2011, GASB issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This statement will be implemented on or before the fiscal year ending June 30, 2013 to meet GASB requirements.

Statement Number 64

In June 2011, GASB issued Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions-an amendment of GASB 53." The requirements of this Statement enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. This statement does not apply to the City; therefore, it will have no effect on the financial statements.

Statement Number 65

In March 2012, GASB issued Statement No. 65, "Items Previously Reported as Assets and Liabilities." The requirements of this Statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflow of resources and deferred inflows of resources to ensure

consistency in financial reporting. This statement will be implemented on or before the fiscal year ending June 30, 2014 to meet GASB requirements.

Statement Number 66

In March 2012, GASB issued Statement No. 66, "Technical Corrections – 2012-an amendment of GASB Statements No.10 and No. 62." The requirements of this Statement resolve conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. This statement will be implemented on or before the fiscal year ending June 30, 2014 to meet GASB requirements.

Statement Number 67

In June 2012, GASB issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25." The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope. The new information will enhance the decision-usefulness of the financial reports of these pension plans, their value for assessing accountability, and their transparency by providing information about measure of net pension liabilities and explanations of how and why those liabilities changed from year to year. This statement will be implemented on or before the fiscal year ending June 30, 2014 to meet GASB requirements.

Statement Number 68

In June 2012, GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27." The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This statement will be implemented on or before the fiscal year ending June 30, 2015 to meet GASB requirements.





CITY OF WINDER, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2012

Required Supplementary Information

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Notes to the Required Supplementary Information

City of Winder, Georgia
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2012
With Comparative Totals for the Fiscal Year Ended June 30, 2011

	2012		
	Budgeted Amounts		Actual
	Original	Final	
Revenues:			
Taxes	\$ 4,598,500	\$ 4,598,500	\$ 4,502,510
License and Permits	128,500	128,500	155,823
Intergovernmental	305,000	305,000	33,517
Charges for Service	160,700	160,700	158,007
Fines and Forfeitures	855,200	855,200	576,681
Interest	40,000	40,000	75,272
Contributions	-	-	15,317
Miscellaneous and Other	48,700	48,700	94,644
Indirect Cost Allocation	4,674,100	4,674,100	2,756,528
Total Revenues	10,810,700	10,810,700	8,368,299
Expenditures:			
Current			
General Government	4,409,600	4,304,600	2,827,305
Judicial	234,800	234,800	226,517
Public Safety	5,856,100	5,955,800	5,698,126
Public Works	2,446,000	2,446,000	2,111,094
Housing and Development	35,800	35,800	33,370
Capital Outlay			
General Government	549,800	549,800	199,546
Public Safety	201,100	201,100	95,234
Public Works	449,000	449,000	248,551
Debt Service			
Principal	417,400	417,400	417,191
Interest and Fiscal Charges	32,400	32,400	32,252
Total Expenditures	14,632,000	14,626,700	11,889,186
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(3,821,300)	(3,816,000)	(3,520,887)
Other Financing Sources (Uses):			
Transfers In	3,650,600	3,650,600	4,385,799
Transfers Out	(1,029,200)	(1,034,500)	(422,350)
Proceeds From Sale of Assets	-	-	67,874
Issuance of Debt Instruments	1,199,900	1,199,900	-
Total Other Sources	3,821,300	3,816,000	4,031,323
Special Item - Forgiveness of Debt	-	-	(457,236)
Net Change In Fund Balance	\$ -	\$ -	53,200
Beginning Fund Balance			1,675,887
Ending Fund Balance			\$ 1,729,087

The accompanying Notes to the Required Supplementary Information are an integral part of this statement.

Variance With Final Budget	2011 Actual
\$ (95,990)	\$ 4,315,323
27,323	125,893
(271,483)	52,735
(2,693)	149,544
(278,519)	810,427
35,272	51,572
15,317	5,171
45,944	98,212
(1,917,572)	2,589,248
(2,442,401)	8,198,125
1,477,295	2,598,410
8,283	237,701
257,674	5,822,907
334,906	1,649,445
2,430	146,930
350,254	30,029
105,866	69,121
200,449	128,323
209	404,518
148	44,925
2,737,514	11,132,309
295,113	(2,934,184)
735,199	2,951,483
612,150	(518,670)
67,874	27,134
(1,199,900)	-
215,323	2,459,947
(457,236)	-
\$ 53,200	(474,237)
	2,150,124
	\$ 1,675,887

Notes to the Required Supplemental Information

1-Budgetary Information

The City adopted annual budgets for the 2012 fiscal year for the General Fund and the annually-budgeted Special Revenue Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. Prior to May 1, the Finance Department prepares a draft budget for the City Administrator. After reviewing the draft budget and meeting with the departments, the City Administrator and Finance staff prepare a Proposed Budget as well as a five year Capital Improvement Plan. The Mayor presents both to City Council in May. The Council conducts public hearings in May and June, and adopts budgeted revenues and appropriations for the upcoming fiscal year by resolution no later than June 30, the close of the City's fiscal year.

The appropriated budget is prepared by fund, function and department. The Budget Officer may make transfers of appropriations within a department. Transfers between departments and subsequent budgetary amendments require the approval of the City Council. The department is the legal level of control. The legal level of control is the level at which expenditures may not legally exceed the budget without approval by the City Council. Appropriations lapse at year-end. Budgeted amounts shown on the financial statements are as adopted by the City Council.

Significant departures must be in excess of \$75,000 and more than 4.0% of the budgeted amount, within each department. The City had no significant departures from the total budgeted amounts in the General Fund.



CITY OF WINDER, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
June 30, 2012

Supplementary Information

Nonmajor Governmental Funds Financial Statements

Budgetary Comparisons
General Fund
Special Revenue Funds

Capital Projects Fund

Agency Funds Statement of Changes in Assets and Liabilities

Nonmajor Proprietary Funds Financial Statements

Internal Service Funds Combining Statements

Capital Assets Used in the Operations of Governmental Funds

Special Purpose Local Options Sales Tax

City of Winder, Georgia
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2012

	Special Revenue					Capital Project	Total
	Community TV Station	Hotel/Motel Tax	Police Escrow	City Festivals	Grant	Capital Projects	
Assets							
Cash and Cash Equivalents	\$ 44,263	\$ 132,809	\$ 54,630	\$ 20,630	\$ 557	\$ 71,600	\$ 324,489
Taxes Receivable-Net	-	5,927	-	-	-	-	5,927
Prepaid Items	-	-	-	5,645	-	-	5,645
Intergovernmental Receivable	1,000	-	-	-	43,079	208,506	252,585
Total Assets	\$ 45,263	\$ 138,736	\$ 54,630	\$ 26,275	\$ 43,636	\$ 280,106	\$ 588,646
Liabilities							
Accounts Payable and Accrued Liabilities	\$ 2,925	\$ 5,714	\$ 7,996	\$ 491	\$ 4,178	\$ -	\$ 21,304
Due To Other Funds	-	-	-	-	-	32,499	32,499
Deferred Revenues	-	-	-	14,590	-	-	14,590
Total Liabilities	2,925	5,714	7,996	15,081	4,178	32,499	68,393
Fund Balance							
Nonspendable Fund Balance							
Prepaid Items	-	-	-	5,645	-	-	5,645
Restricted Fund Balance							
Public Safety	-	-	46,634	-	39,458	-	86,092
Public Works	-	-	-	-	-	247,607	247,607
Committed Fund Balance							
General Government	42,338	-	-	-	-	-	42,338
Recreation	-	-	-	5,549	-	-	5,549
Assigned Fund Balance							
Housing and Development	-	133,022	-	-	-	-	133,022
Total Fund Balance	42,338	133,022	46,634	11,194	39,458	247,607	520,253
Total Liabilities and Fund Balance	\$ 45,263	\$ 138,736	\$ 54,630	\$ 26,275	\$ 43,636	\$ 280,106	\$ 588,646

City of Winder, Georgia
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2012

	Special Revenue					Capital Project	Total
	Community TV Station	Hotel/Motel Tax	Police Escrow	City Festivals	Grant	Capital Projects	
Revenues:							
Taxes	\$ 106,115	\$ 71,578	\$ -	\$ -	\$ -	\$ -	\$ 177,693
Intergovernmental	-	-	-	-	129,867	513,329	643,196
Fines and Forfeitures	-	-	21,092	-	-	-	21,092
Charges for Services	10,000	-	-	42,733	-	-	52,733
Interest	-	-	-	-	-	107	107
Contributions	-	-	-	9,210	-	-	9,210
Total Revenues	116,115	71,578	21,092	51,943	129,867	513,436	904,031
Expenditures:							
Current:							
General Government	124,653	-	-	-	-	-	124,653
Public Safety	-	-	1,785	-	211,085	-	212,870
Recreation	-	-	-	72,980	-	-	72,980
Housing and Development	-	21,457	-	-	-	-	21,457
Capital Outlay	-	-	-	-	-	6,338	6,338
Total Expenditures	124,653	21,457	1,785	72,980	211,085	6,338	438,298
Excess Revenues Over (Under) Expenditures	(8,538)	50,121	19,307	(21,037)	(81,218)	507,098	465,733
Other Financing Sources (Uses):							
Transfers In:							
General Fund	-	-	-	-	91,150	-	91,150
Hotel/Motel Tax Fund	-	-	-	22,000	-	-	22,000
Transfers Out:							
Special Facilities Fund	-	(6,600)	-	-	-	-	(6,600)
Festival Fund	-	(22,000)	-	-	-	-	(22,000)
Proceeds From Sale of Assets	-	-	-	-	-	15,771	15,771
Total Other Sources (Uses)	-	(28,600)	-	22,000	91,150	15,771	100,321
Net Change Increase (Decrease) in Fund Balance	(8,538)	21,521	19,307	963	9,932	522,869	566,054
Beginning Fund Balance	50,875	111,501	27,327	10,232	29,526	(275,262)	(45,801)
Ending Fund Balance	\$ 42,337	\$ 133,022	\$ 46,634	\$ 11,195	\$ 39,458	\$ 247,607	\$ 520,253

City of Winder, Georgia
 General Fund
 Schedule of Revenues
 Budget and Actual
 For the Fiscal Year Ended June 30, 2012
 With Comparative Totals for the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget	2011
	Original	Final			
Revenues:					
Taxes-					
Fire District Taxes	\$ 1,000,000	\$ 1,000,000	\$ 854,230	\$ (145,770)	\$ 922,715
Intangible/Transfer Tax	7,500	7,500	9,161	1,661	6,725
Street Light Assessment	100,000	100,000	108,574	8,574	90,688
General Sales Tax	1,620,000	1,620,000	1,598,787	(21,213)	1,535,228
Selective Sales Tax	380,000	380,000	387,938	7,938	361,373
Business Taxes	1,491,000	1,491,000	1,543,820	52,820	1,398,594
Total Taxes	4,598,500	4,598,500	4,502,510	(95,990)	4,315,323
License and Permits-					
Business Licenses	95,000	95,000	100,586	5,586	94,201
Building Permits	33,500	33,500	55,237	21,737	31,692
Total License and Permits	128,500	128,500	155,823	27,323	125,893
Intergovernmental-					
State Government Grants	-	-	33,517	33,517	-
Federal Government Grants	5,000	5,000	-	(5,000)	51,810
Other Intergovernmental	300,000	300,000	-	(300,000)	925
Total Intergovernmental	305,000	305,000	33,517	(271,483)	52,735
Charges for Service-					
General Government	68,700	68,700	56,674	(12,026)	44,043
Public Safety	62,000	62,000	69,065	7,065	71,123
Facility Maintenance	-	-	-	-	4,149
Public Works	30,000	30,000	32,268	2,268	30,229
Total Charges for Service	160,700	160,700	158,007	(2,693)	149,544
Fines and Forfeitures - Municipal Court	855,200	855,200	576,681	(278,519)	810,427
Contributions					
Public Safety	-	-	15,317	15,317	5,171
Total Contributions	-	-	15,317	15,317	5,171
Investment Earnings - Interest Income	40,000	40,000	75,272	35,272	51,572
Miscellaneous-					
Rents	48,700	48,700	47,826	(874)	50,201
Other	-	-	46,818	46,818	48,011
Total Miscellaneous	48,700	48,700	94,644	45,944	98,212
Indirect Cost Allocation	4,674,100	4,674,100	2,756,528	(1,917,572)	2,589,248
Total Revenues	\$ 10,810,700	\$ 10,810,700	\$ 8,368,299	\$ (2,442,401)	\$ 8,198,125

City of Winder, Georgia
 General Fund
 Schedule of Expenditures
 Budget and Actual
 For the Fiscal Year Ended June 30, 2012
 With Comparative Totals for the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>	<u>2011</u>
	<u>Original</u>	<u>Final</u>			
General Government:					
Legislative	\$ 437,100	\$ 527,100	\$ 526,462	\$ 638	\$ 480,293
Administration	3,914,100	3,719,100	2,219,583	1,499,517	1,834,560
Facilities Maintenance	665,200	665,200	337,665	327,535	381,174
Total General Government	5,016,400	4,911,400	3,083,710	1,827,690	2,696,027
Judicial	234,800	234,800	226,517	8,283	237,701
Housing and Development	35,800	35,800	33,370	2,430	146,930
Public Safety:					
Police Department	4,241,000	4,235,700	3,872,846	362,854	3,957,403
Fire Department	2,099,500	2,204,500	2,203,670	830	2,217,781
Total Public Safety	6,340,500	6,440,200	6,076,516	363,684	6,175,184
Public Works	3,004,500	3,004,500	2,469,072	535,428	1,876,467
Total General Fund Expenditures	\$ 14,632,000	\$ 14,626,700	\$ 11,889,185	\$ 2,737,515	\$ 11,132,309

City of Winder, Georgia
 Special Revenue Fund (Community TV Station)
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Cable Franchise Tax	\$ -	\$ -	\$ 106,115	\$ 106,115
Charges for Services	-	-	10,000	10,000
Total Revenues	-	-	116,115	116,115
Expenditures:				
General Government	213,800	213,800	124,653	89,147
Capital Outlay	21,500	21,500	-	21,500
Total Expenditures	235,300	235,300	124,653	110,647
Excess Revenues Over (Under) Expenditures	(235,300)	(235,300)	(8,538)	226,762
Other Financing Sources (Uses):				
Transfers In	213,800	213,800	-	(213,800)
Issuance of Debt Instruments	21,500	21,500	-	(21,500)
Total Other Sources	235,300	235,300	-	(235,300)
Net Change Increase (Decrease) in Fund Balance	\$ -	\$ -	(8,538)	\$ (8,538)
Beginning Fund Balance			50,875	
Ending Fund Balance			\$ 42,337	

City of Winder, Georgia
 Special Revenue Fund (Hotel/Motel Tax)
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes-				
Hotel Motel Tax (2%)	\$ 16,200	\$ 16,200	\$ 21,090	\$ 4,890
Hotel Motel Tax (5 %)	36,000	36,000	50,488	14,488
Total Revenues	52,200	52,200	71,578	19,378
Expenditures:				
Housing & Development	45,000	30,200	21,457	8,743
Total Expenditures	45,000	30,200	21,457	8,743
Transfers (Out):				
Special Facilities Fund	(7,200)	-	(6,600)	(6,600)
Festival Fund	-	(22,000)	(22,000)	(44,000)
Total Transfers (Out)	(7,200)	(22,000)	(28,600)	(50,600)
Total Expenditures and Transfers Out	52,200	52,200	50,057	(41,857)
Net Change Increase (Decrease) in Fund Balance	\$ -	\$ -	21,521	\$ (22,479)
Beginning Fund Balance			111,501	
Ending Fund Balance			\$ 133,022	

City of Winder, Georgia
 Special Revenue Fund (Police Escrow)
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 5,000	\$ 5,000	\$ 21,092	\$ 16,092
Total Revenues	5,000	5,000	21,092	16,092
Expenditures:				
Public Safety	5,000	5,000	1,785	3,215
Total Expenditures	5,000	5,000	1,785	3,215
Excess Revenues Over (Under) Expenditures	-	-	19,307	19,307
Net Change Increase (Decrease) in Fund Balance	\$ -	\$ -	19,307	\$ 19,307
Beginning Fund Balance			27,327	
Ending Fund Balance			\$ 46,634	

City of Winder, Georgia
 Special Revenue Fund (City Festivals)
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ -	\$ 41,000	\$ 42,733	\$ 1,733
Contributions	-	10,000	9,210	(790)
Total Revenues	-	51,000	51,943	943
Expenditures:				
Recreation	-	73,000	72,980	20
Total Expenditures	-	73,000	72,980	20
Excess Revenues Over (Under) Expenditures	-	(22,000)	(21,037)	963
Transfers In				
Hotel/Motel Fund	-	22,000	22,000	-
Total Transfers In	-	22,000	22,000	-
Net Change Increase (Decrease) in Fund Balance	\$ -	\$ -	963	\$ 963
Beginning Fund Balance			10,232	
Ending Fund Balance			\$ 11,195	

City of Winder, Georgia
 Special Revenue Fund (Grant)
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 108,000	\$ 126,700	\$ 129,867	\$ 3,167
Total Revenues	108,000	126,700	129,867	3,167
Expenditures:				
Public Safety	187,800	211,800	211,085	715
Total Expenditures	187,800	211,800	211,085	715
Excess Revenues Over (Under) Expenditures	(79,800)	(85,100)	(81,218)	3,882
Transfers In				
General Fund	79,800	85,100	91,150	6,050
Total Transfers In	79,800	85,100	91,150	6,050
Net Change Increase (Decrease) in Fund Balance	\$ -	\$ -	9,932	\$ 9,932
Beginning Fund Balance			29,526	
Ending Fund Balance			\$ 39,458	

City of Winder, Georgia
 Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2012

Revenues:	<u>Actual</u>
Intergovernmental	\$ 513,329
Interest	107
Total Revenues	<u>513,436</u>
Expenditures:	
Capital Outlay	6,338
Total Expenditures	<u>6,338</u>
Excess Revenues Over (Under) Expenditures	<u>507,098</u>
Other Financing Sources (Uses):	
Proceeds From Sale of Assets	15,771
Total Other Sources	<u>15,771</u>
Net Change Increase (Decrease) in Fund Balance	522,869
Beginning Fund Balance	<u>(275,262)</u>
Ending Fund Balance	<u>\$ 247,607</u>

City of Winder, Georgia
 Agency Funds
 Statement of Changes in Assets and Liabilities
 For the Fiscal Year Ended June 30, 2012

Municipal Court

	Balance 6/30/2011	Additions	Deductions	Balance 6/30/2012
<u>Assets</u>				
Cash and Cash Equivalents	\$ 44,596	\$ 289,503	\$ (284,258)	\$ 49,841
Accounts Receivable, Net	313,431	137,700	(82,620)	368,511
Total Assets	\$ 358,027	\$ 427,203	\$ (366,878)	\$ 418,352
<u>Liabilities</u>				
Due To Others	\$ 358,027	\$ 623,142	\$ (562,817)	\$ 418,352
Total Liabilities	\$ 358,027	\$ 623,142	\$ (562,817)	\$ 418,352

Downtown Improvement

	Balance 6/30/2011	Additions	Deductions	Balance 6/30/2012
<u>Assets</u>				
Cash and Cash Equivalents	\$ 200	\$ -	\$ -	\$ 200
Total Assets	\$ 200	\$ -	\$ -	\$ 200
<u>Liabilities</u>				
Due To Others	\$ 200	\$ -	\$ -	\$ 200
Total Liabilities	\$ 200	\$ -	\$ -	\$ 200

City of Winder, Georgia
 Nonmajor Enterprise Funds
 Combining Statement of Net Assets
 June 30, 2012

<u>Assets</u>	Solid Waste Management Fund	Environmental Protection Fund	Special Facilities Fund	Broadband Fund	Totals
Current Assets					
Cash and Cash Equivalents	\$ 998	\$ 2,375	\$ 612	\$ 2,833	\$ 6,818
Accounts Receivable	127,169	2,690	32,684	-	162,543
Total Current Assets	128,167	5,065	33,296	2,833	169,361
Non-Current Assets					
Property, Plant and Equipment - Net	-	78,404	4,149,992	34,257	4,262,653
Total Assets	128,167	83,469	4,183,288	37,090	4,432,014
<u>Liabilities</u>					
Current Liabilities					
Accounts Payable and Accrued Liabilities	53,950	17,522	22,383	-	93,855
Long -Term Liabilities					
Other Post-Employment Benefits Liability	-	-	5,798	-	5,798
Advances to Other Funds	-	1,091,202	-	-	1,091,202
Total Liabilities	53,950	1,108,724	28,181	-	1,190,855
<u>Net Assets</u>					
Invested in Capital Assets, Net of Related Debt	-	78,404	4,149,992	34,257	4,262,653
Unrestricted Net Assets	74,217	(1,103,659)	5,115	2,833	(1,021,494)
Total Net Assets	\$ 74,217	\$ (1,025,255)	\$ 4,155,107	\$ 37,090	\$ 3,241,159

City of Winder, Georgia
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Fiscal Year Ended June 30, 2012

	Solid Waste Management Fund	Environmental Protection Fund	Special Facilities Fund	Broadband Fund	Totals
Operating Revenues					
Charges For Services	\$ 974,802	\$ 33,036	\$ 97,680	\$ -	\$1,105,518
Penalties and Interest	27,053	-	-	103	27,156
Total Revenues	1,001,855	33,036	97,680	103	1,132,674
Expenses					
Personal Services	-	-	190,070	-	190,070
Professional and Technical	761,082	166,860	10,984	-	938,926
Purchased Property Services	440	41,704	18,302	-	60,446
Supplies	-	33,179	66,420	-	99,599
Depreciation	-	3,868	149,329	22,591	175,788
Internal Fund Charges	10,455	-	-	-	10,455
Indirect Costs Allocation	1,179	27,700	49,072	-	77,951
Total Expenses	773,156	273,311	484,177	22,591	1,553,235
Net Operating Revenues (Expenses)	228,699	(240,275)	(386,497)	(22,488)	(420,561)
Net Revenues (Expenses) Before Transfers	228,699	(240,275)	(386,497)	(22,488)	(420,561)
Transfers					
Transfers In(Out) - General Fund	(459,958)	85,133	252,667	(3,000)	(125,158)
Change in Net Assets	(231,259)	(155,142)	(133,830)	(25,488)	(545,719)
Net Assets, Beginning of the Year	305,476	(870,113)	4,288,937	62,578	3,786,878
Net Assets, End of the Year	\$ 74,217	\$ (1,025,255)	\$ 4,155,107	\$ 37,090	\$3,241,159

City of Winder, Georgia
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012

	Solid Waste Management Fund	Environmental Protection Fund	Special Facilities Fund	Broadband Fund	Totals
Cash Flows from (to) Operating Activities:					
Receipts from Customers	\$ 1,026,234	\$ 31,821	\$ 97,087	\$ 1,103	\$ 1,156,245
Payments to Employees	-	-	(188,729)	-	(188,729)
Internal Activity	(11,634)	(27,700)	(49,072)	-	(88,406)
Payments to Suppliers	(787,471)	(262,104)	(114,051)	-	(1,163,626)
Net Cash Provided (Used) by Operating Activities	227,129	(257,983)	(254,765)	1,103	(284,516)
Cash Flows from (to) Noncapital Financing Activities					
Receipts from (Payments to) Other Funds	-	245,000	-	-	245,000
Transfers from (to) General Fund	(459,958)	85,133	252,667	(3,000)	(125,158)
Net Cash from (to) Noncapital Financing Activities	(459,958)	330,133	252,667	(3,000)	119,842
Cash Flows (to) Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets, Net	-	(71,550)	-	-	(71,550)
Net Cash (to) Capital and Related Financing Activities	-	(71,550)	-	-	(71,550)
Net Increase (Decrease) in Cash	(232,829)	600	(2,098)	(1,897)	(236,224)
Cash and Cash Equivalents, Beginning of Year	233,827	1,775	2,710	4,730	243,042
Cash and Cash Equivalents, End of the Year	\$ 998	\$ 2,375	\$ 612	\$ 2,833	\$ 6,818
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 228,699	\$ (240,275)	\$ (386,497)	\$ (22,488)	\$ (420,561)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation and Amortization	-	3,868	149,329	22,591	175,788
Changes in Current Assets and Liabilities					
Increase (Decrease) in Accounts Payable & Accrued Liabilities	(25,949)	(20,361)	(16,726)	-	(63,036)
Increase (Decrease) in OPEB Liability	-	-	(278)	-	(278)
Increase (Decrease) in Customer Deposits	-	-	1,720	-	1,720
(Increase) Decrease in Accounts Receivables	24,379	(1,215)	(2,313)	1,000	21,851
Net Cash Provided (Used) by Operating Activities	\$ 227,129	\$ (257,983)	\$ (254,765)	\$ 1,103	\$ (284,516)

City of Winder, Georgia
Internal Service Funds
Combining Statement of Net Assets
June 30, 2012

<u>Assets</u>	<u>Utility Service</u>	<u>Vehicle Maintenance</u>	<u>Buildings</u>	<u>Totals</u>
Current Assets:				
Cash and Cash Equivalents	\$ 360	\$ 12,674	\$ -	\$ 13,034
Total Current Assets	360	12,674	-	13,034
<u>Non-Current Assets</u>				
Property, Plant and Equipment - Net	84,744	15,988	533,144	633,876
Total Non-Current Assets	84,744	15,988	533,144	633,876
Total Assets	85,104	28,662	533,144	646,910
<u>Liabilities</u>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	39,307	22,037	-	61,344
Due to Other Funds	26,000	-	-	26,000
Current Portion of Lease Payable	10,587	4,235	-	14,822
Total Current Liabilities	75,894	26,272	-	102,166
Long -Term Liabilities				
Other Post-Employment Benefits Liability	9,210	2,390	-	11,600
Advances to Other Funds	-	-	533,144	533,144
Total Long-Term Liabilities	9,210	2,390	533,144	544,744
Total Liabilities	85,104	28,662	533,144	646,910
<u>Net Assets</u>				
Invested in Capital Assets, Net of Related Debt	74,157	11,753	533,144	619,054
Unrestricted Net Assets	(74,157)	(11,753)	(533,144)	(619,054)
Total Net Assets	\$ -	\$ -	\$ -	\$ -

City of Winder, Georgia
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Fiscal Year Ended June 30, 2012

	Utility Service	Vehicle Maintenance	Buildings	Totals
Operating Revenues:				
Charges For Services	\$ 791,612	\$ 305,264	\$ -	\$ 1,096,876
Operating Expenses:				
Personal Services	496,089	168,535	-	664,624
Professional and Technical	83,908	850	-	84,758
Purchased Property Services	122,354	601	-	122,955
Supplies	51,895	121,610	-	173,505
Depreciation	36,864	13,467	-	50,331
Total Expenses	791,110	305,063	-	1,096,173
Net Operating Revenues (Expenses)	502	201	-	703
Non-Operating Revenues (Expenses)				
Interest Expense	(502)	(201)	-	(703)
Total Non-Operating Revenues (Expenses)	(502)	(201)	-	(703)
Change in Net Assets	-	-	-	-
Net Assets, Beginning of the Year	-	-	-	-
Net Assets, End of the Year	\$ -	\$ -	\$ -	\$ -

City of Winder, Georgia
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012

	Utility Service	Vehicle Maintenance	Buildings	Totals
Cash Flows from (to) Operating Activities:				
Receipts from Interfund Services Provided	\$ 791,612	\$ 305,264	\$ -	\$ 1,096,876
Payments to Suppliers	(268,402)	(127,994)	-	(396,396)
Payments to Employees	(502,526)	(166,888)	-	(669,414)
Net Cash Provided (Used) by Operating Activities	20,684	10,382	-	31,066
Cash Flows from (to) Noncapital Financing Activities				
Receipts From (Payments to) Other Funds	(9,000)	-	533,144	524,144
Net Cash from (to) Noncapital Financing Activities	(9,000)	-	533,144	524,144
Cash Flows from (to) Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	-	-	(533,144)	(533,144)
Principal Payments on Long-term Debts	(12,372)	(4,949)	-	(17,321)
Interest and Fiscal Charges on Long-Term Debt	(502)	(201)	-	(703)
Net Cash from (to) Capital and Related Financing Activities	(12,874)	(5,150)	(533,144)	(551,168)
Net Increase (Decrease) in Cash	(1,190)	5,232	-	4,042
Cash and Cash Equivalents, Beginning of Year	1,550	7,442	-	8,992
Cash and Cash Equivalents, End of the Year	\$ 360	\$ 12,674	\$ -	\$ 13,034
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 502	\$ 201	\$ -	\$ 703
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	36,864	13,467	-	50,331
Changes in Assets and Liabilities:				
Increase (Decrease) in Accounts Payables	(15,941)	(2,962)	-	(18,903)
Increase (Decrease) in OPEB Liability	(741)	(324)	-	(1,065)
Net Cash Provided (Used) by Operating Activities	\$ 20,684	\$ 10,382	\$ -	\$ 31,066

City of Winder, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
For the Fiscal Year Ended June 30, 2012

Function and Activity	Land	Buildings	Vehicles	Equipment and Other	Infrastructure	Construction in Progress	Total
General Government	\$ 350,877	\$2,154,784	\$ 188,542	\$ 1,174,226	\$ 15,571	\$ 68,081	\$ 3,952,081
Public Safety							
Law Enforcement	-	172,693	1,382,839	769,813	-	-	2,325,345
Fire Protection	-	22,428	1,387,781	406,104	-	-	1,816,313
Total Public Safety	-	195,121	2,770,620	1,175,917	-	-	4,141,658
Public Works	729,804	37,814	1,191,304	987,295	24,486,848	1,161,595	28,594,660
Judicial	-	-	-	1,951	-	-	1,951
Housing and Development	-	-	-	3,902	-	-	3,902
Total Capital Assets	\$ 1,080,681	\$2,387,719	\$ 4,150,466	\$ 3,343,291	\$ 24,502,419	\$ 1,229,676	\$36,694,252

City of Winder, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Fiscal Year Ended June 30, 2012

ALL ASSET TYPES	Balance 06/30/11	Additions	Decreases	Balance 06/30/12
General Government	\$ 3,241,332	\$ 732,692	\$ (21,943)	\$ 3,952,081
Public Safety				
Law Enforcement	2,281,352	81,519	(37,526)	2,325,345
Fire Protection	1,802,599	22,428	(8,714)	1,816,313
Total Public Safety	4,083,951	103,947	(46,240)	4,141,658
Public Works	28,603,297	282,084	(290,721)	28,594,660
Judicial	1,951	-	-	1,951
Housing and Development	3,902	-	-	3,902
Total Capital Assets	\$35,934,433	\$1,118,723	\$ (358,904)	\$ 36,694,252

City of Winder, Georgia
Special Purpose Local Options Sales Tax
Schedule of Expenditures
For the Fiscal Year Ended June 30, 2012

	Original Estimated Cost	Latest Estimated Cost	Prior Years Cumulative Expenditures	Total Current Year Expenditures	Total Cumulative Expenditures	Estimated Percent Complete
2005 SPECIAL PURPOSE LOCAL						
SALES TAX						
Local Street Projects	\$ 4,500,736	\$ 4,500,736	\$ 2,309,828	\$ 6,338	\$ 2,316,166	51.46%
Recreation Facilities, Downtown Redevelopment Projects, and Streetscapes	925,149	925,149	-	-	-	-
Sewer Facilities	696,945	696,945	-	-	-	-
Totals	<u>\$ 6,122,830</u>	<u>\$ 6,122,830</u>	<u>\$ 2,309,828</u>	<u>\$ 6,338</u>	<u>\$ 2,316,166</u>	

Notes: This schedule discloses projects that are funded by sales tax revenues.
Projects may have additional funding sources.





CITY OF WINDER, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2012

Statistical Section

Statistical Section

Statistical tables differ from financial statements in that they usually cover more than one fiscal year and may present non-accounting data, un-audited data, projections and the like.

The objective of the statistical section information is to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's economic condition. Where data is readily available, the City has presented data retroactively as well as for the current year. Some schedules are presented current year and prior year only as data is not readily available. The goal for most schedules is to build a 10 year history. Changes in prior year data reflect either more accurate information obtained after the FY 2010 Financials were released, actual data available to replace estimated data, or the availability of updated estimates and forecasts.

The statistical section information is presented in the following five categories:

Financial Trends Information:

Financial trends information is intended to assist the user in understanding and assessing how a government's financial position has changed over time.

Schedules in this category are:

- Net Assets by Component
- Changes in Net Assets
- Fund Balances – Governmental Funds
- Changes in Fund Balances – Governmental Funds

Revenue Capacity Information:

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenues. Note: Although the City of Winder has not assessed a property tax since 1977, the City has elected to present assessed and fair market value of property in the City, since this is a significant potential future revenue source for the City. Existing property tax rates (imposed by other entities) are also presented to show the tax burden being carried by City residents.

The Local Option Sales Tax is imposed county wide, collected by the State of Georgia, and then disbursed by the State according to an agreed upon formula. The sales tax is the largest source of general fund revenue, therefore, the City has elected to present a sales and use tax rate schedule which also includes city sales tax proceeds for the last ten years. Because of the importance of this income source for all political jurisdictions in Barrow County, the City has also elected to include retail sales information as well as other Business Pattern Data from the U.S. Economic Census.

Utility sales are the primary sources of income for the City, therefore, the City has elected to present several alternative schedules in these areas to further assist users in understanding this important aspect of City finances. For example, in lieu of the schedule of largest taxpayers, the City has chosen to present its largest gas, water, and sewer users.

Schedules in this category are:

- Assessed and Fair Market Value of Taxable Property
- Property Tax Millage Rates – Direct and Overlapping
- Sales and Use Taxes – Direct and Overlapping
- Comparison of Retail Trade Sector –Barrow County

Water and Sewer Rates/Water Sold by Customer Type
 Water and Sewer Connection/Tap Fees
 Largest Water and Sewer Customers
 Gas Rates/Gas Sold by Customer Type
 Largest Natural Gas Customers

Debt Capacity Information:

Debt Capacity information is intended to assist users in understanding and assessing a government's debt and its ability to issue debt. Note: The City of Winder has no outstanding General Bonded Debt. Therefore, schedules dealing specifically with this type of debt have been omitted.

Schedules in this category are:

Direct and Overlapping Debt
 Ratio of Outstanding Debt by Type
 Statement of Legal Debt Margin
 Statement of Pledged Revenue Coverage

Demographic and Economic Information:

Demographic and economic information is intend (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.

Schedules in this category are:

Demographic and Economic Statistics Schedule, which includes population, total personal income, per capita income, median age, unemployment rate and educational attainment.
 Principal Employers – 2009 and 2005

Operating Information:

Operating information is intended to provide contextual information about a government's operation and resources to assist readers in using financial statement information to understand and assess a government's economic condition.

Schedules in this category are:

Full Time Equivalent City Government Employees by Function/Program
 Operating Indicators by Function/Program
 Capital Assets Statistics by Function/Program

City of Winder, Georgia
Statistical Section – Financial Trends
Net Assets by Component (Accrual Basis of Accounting)
Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities:				
Invested in capital assets, net of related debt	\$ 2,262,897	\$ 2,149,205	\$ 3,308,583	\$ 11,581,715
Restricted	135,998	413,177	146,467	84,583
Unrestricted	565,089	999,001	1,239,112	1,565,584
Total Government activities net assets	\$ 2,963,984	\$ 3,561,383	\$ 4,694,162	\$ 13,231,882
Business-type activities:				
Invested in capital assets, net of related debt	\$ 24,639,966	\$ 24,306,003	\$ 24,132,167	\$ 25,661,462
Restricted	728,724	672,349	548,046	452,046
Unrestricted	4,529,367	4,665,997	4,133,913	6,058,066
Total Business-type activities net assets	\$ 29,898,057	\$ 29,644,349	\$ 28,814,126	\$ 32,171,574
Primary Government:				
Invested in capital assets, net of related debt	\$ 26,902,863	\$ 26,455,208	\$ 27,440,750	\$ 37,243,177
Restricted	864,722	1,085,526	694,513	536,629
Unrestricted	5,094,456	5,664,998	5,373,025	7,623,650
Total Primary Government Net Assets	\$ 32,862,041	\$ 33,205,732	\$ 33,508,288	\$ 45,403,456

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$11,743,364	\$ 11,208,521	\$ 10,727,054	\$ 10,594,827	\$ 10,679,127	\$ 10,771,715
-	-	-	-	168,354	333,699
1,823,629	944,433	2,514,126	2,476,139	1,235,598	1,139,775
\$13,566,993	\$ 12,152,954	\$ 13,241,180	\$ 13,070,966	\$ 12,083,079	\$ 12,245,189
\$30,513,067	\$ 58,384,414	\$ 57,281,815	\$ 53,239,533	\$ 51,716,811	\$ 50,746,204
1,720,266	591,091	812,007	969,465	778,147	2,195,406
2,786,401	10,634,015	9,532,718	11,260,891	13,619,002	12,594,524
\$35,019,734	\$ 69,609,520	\$ 67,626,540	\$ 65,469,889	\$ 66,113,960	\$ 65,536,134
\$42,256,431	\$ 69,592,935	\$ 68,008,869	\$ 63,834,360	\$ 62,395,938	\$ 61,517,919
1,720,266	591,091	812,007	969,465	946,501	2,529,105
4,610,030	11,578,448	12,046,844	13,737,030	14,854,600	13,734,299
\$48,586,727	\$ 81,762,474	\$ 80,867,720	\$ 78,540,855	\$ 78,197,039	\$ 77,781,323

City of Winder, Georgia
Statistical Section – Financial Trends
Changes in Net Assets (Accrual Basis of Accounting)
Last Ten Fiscal Years

	2003	2004	2005	2006
EXPENSES:				
Governmental Activities:				
General Government	\$ 1,480,598	\$ 1,682,832	\$ 1,997,146	\$ 2,282,796
Judicial**	-	-	-	-
Public Safety	3,405,996	3,550,090	3,891,632	4,367,839
Public Works	1,363,924	1,308,288	1,270,889	1,938,344
Recreation	-	-	-	-
Housing and Development**	-	-	-	-
Maintenance Shop*	284,278	342,969	398,294	-
Facilities Maintenance***	183,483	205,125	265,652	303,219
Interest and Fiscal Agent Charges	11,087	16,698	27,759	32,060
Total Governmental Activities Expenses	\$ 6,729,366	7,106,002	7,851,372	8,924,258
Business Type Activities:				
Water and Sewer	6,474,827	6,594,104	7,471,036	7,279,531
Gas	5,678,860	5,581,235	7,737,640	10,690,785
Solid Waste Management	1,065,700	1,124,311	1,156,442	1,429,381
Environmental Protection	-	-	-	-
Special Facilities	142,144	176,693	159,458	209,543
Broadband Fund	-	-	-	-
Total Business Type Activities Expenses	13,361,531	13,476,343	16,524,576	19,609,240
Total Primary Government Expenses	\$ 20,090,897	\$ 20,582,345	\$ 24,375,948	\$ 28,533,498
INDIRECT COSTS:				
Governmental Activities:				
General Government	\$ (465,400)	\$ (1,401,074)	\$ (1,966,593)	\$ (2,381,233)
Judicial**	-	-	-	-
Public Safety	112,000	230,828	506,842	525,674
Public Works	94,500	155,455	206,871	205,209
Recreation	-	-	-	-
Housing and Development**	-	-	-	-
Maintenance Shop*	20,400	(335,523)	(199,854)	-
Facilities Maintenance***	-	(205,125)	(263,008)	-
Total Governmental Activities Indirect Cost	(238,500)	(1,555,439)	(1,715,742)	(1,650,350)
Business Type Activities:				
Water and Sewer	133,000	759,172	713,784	737,581
Gas	52,700	640,975	826,480	717,560
Solid Waste Management	52,800	131,992	154,910	178,308
Environmental Protection	-	-	-	-
Special Facilities	-	23,300	20,568	16,901
Total Business Type Activities Indirect Cost	238,500	1,555,439	1,715,742	1,650,350
Total Primary Government Indirect Cost	\$ -	\$ -	\$ -	\$ -

* Maintenance Shop Department became an Internal Service Fund in FY 2006

** Judicial and Housing and Development Departments became a separate function in FY 2008. They were originally in General Government

*** Facility Maintenance was included in General Government beginning in FY 2008

	2007	2008	2009	2010	2011	2012
\$	2,897,153	\$ 3,232,060	\$ 3,229,756	\$ 2,810,922	\$ 2,868,643	\$ 3,038,732
	-	178,973	173,352	189,105	215,375	203,467
	4,996,553	5,852,810	5,816,040	5,887,673	5,944,901	5,686,406
	2,056,673	2,453,317	2,623,739	2,316,134	2,405,647	2,776,550
	-	526,562	295,585	365,202	48,690	72,980
	-	-	-	-	166,351	55,410
	314,028	-	-	-	-	-
	14,932	21,462	67,161	57,207	44,925	32,252
	10,279,339	12,265,184	12,205,633	11,626,243	11,694,532	11,865,798
	7,871,412	9,496,745	9,450,482	9,238,658	9,847,201	10,020,693
	9,252,798	9,603,579	9,286,664	7,506,769	7,017,572	5,712,284
	1,375,586	1,019,493	934,623	939,087	962,475	771,977
	-	-	-	497,475	377,182	245,611
	336,515	543,613	545,967	537,771	562,133	435,105
	341	21,881	22,591	22,591	22,591	22,591
	18,836,652	20,685,311	20,240,327	18,742,351	18,789,154	17,208,261
\$	29,115,991	\$ 32,950,495	\$ 32,445,960	\$ 30,368,594	\$ 30,483,686	\$ 29,074,059
\$	(2,181,680)	\$ (3,122,543)	\$ (2,971,556)	\$ (2,542,626)	\$ (2,423,379)	\$ (2,707,682)
	-	21,012	12,897	20,755	22,149	22,958
	557,429	645,674	697,391	572,042	518,208	600,798
	173,441	251,905	238,046	172,571	154,305	214,395
	-	-	-	-	-	-
	-	28,040	(43,042)	(126,778)	(131,629)	-
	-	-	-	-	-	-
	(312,360)	-	-	-	-	-
	(1,763,170)	(2,175,912)	(2,066,264)	(1,904,036)	(1,860,346)	(1,869,531)
	627,769	1,001,095	1,011,807	1,015,797	1,031,474	1,138,069
	981,041	1,098,859	995,152	828,127	731,106	653,511
	122,900	11,942	1,186	1,143	1,191	1,179
	-	-	-	-	38,756	27,700
	31,460	64,016	58,119	58,969	57,819	49,072
	1,763,170	2,175,912	2,066,264	1,904,036	1,860,346	1,869,531
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -

City of Winder, Georgia
Statistical Section – Financial Trends
Changes in Net Assets (Accrual Basis of Accounting)
Last Ten Fiscal Years

	2003	2004	2005	2006
PROGRAM REVENUES:				
Governmental Activities:				
Charges for Service:				
General Government	\$ 907,711	\$ 948,424	\$ 1,005,824	\$ 1,023,457
Judicial**	-	-	-	-
Public Safety	713,113	315,699	315,811	413,549
Public Works	55,536	39,077	17,330	109,104
Recreation	-	-	-	-
Housing and Development**	-	-	-	-
Maintenance Shop*	-	-	-	-
Facilities Maintenance***	-	-	-	-
Operating Grants and Contributions				
General Government	-	-	-	-
Housing and Development**	-	-	-	-
Public Safety	353,183	505,760	686,993	820,394
Recreation	-	-	-	-
Capital Grants and Contributions				
Public Safety	-	-	-	-
Public Works	293,822	349,971	306,433	363,047
Total Governmental Activities Program Revenues	2,323,365	2,158,931	2,332,391	2,729,551
Business Type Activities:				
Charges for Service:				
Water and Sewer	7,950,019	8,130,205	9,216,420	11,923,559
Gas	7,020,706	7,139,095	9,206,529	12,506,598
Solid Waste Management	979,213	1,004,654	1,025,230	1,023,772
Environmental Protection	-	-	-	-
Special Facilities	91,577	103,382	83,610	88,614
Broadband Fund	-	-	-	-
Operating Grants and Contributions				
Capital Grants and Contributions-Water	-	-	-	193,534
Total Business Type Activities Program Revenues	16,041,515	16,377,336	19,531,789	25,736,077
Total Primary Government Program Revenues	\$ 18,364,880	\$ 18,536,267	\$ 21,864,180	\$ 28,465,628
NET REVENUES (EXPENSES):				
Governmental Activities	\$ (4,167,501)	\$ (3,391,632)	\$ (3,803,239)	\$ (4,544,357)
Business Type Activities	2,441,484	1,345,554	1,291,471	4,476,487
Total Primary Government Net Expense	\$ (1,726,017)	\$ (2,046,078)	\$ (2,511,768)	\$ (67,870)

* Maintenance Shop Department became an Internal Service Fund in FY 2006

** Judicial and Housing and Development Departments became a separate function in FY 2008. They were originally in General Government

*** Facility Maintenance was included in General Government beginning in FY 2008

**** Contributions have been included in Miscellaneous and Other for years prior to FY 2009.

	2007	2008	2009	2010	2011	2012
\$	404,764	\$ 253,621	\$ 198,895	\$ 145,447	\$ 174,130	\$ 222,498
	-	-	-	-	-	-
	483,103	734,176	798,111	879,502	895,404	666,838
	25,990	47,646	33,290	39,039	30,229	32,268
	-	-	-	-	28,302	42,733
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	41,790	43,447	64,337	-	-	-
	-	22,226	16,202	123,768	925	-
	92,399	78,429	44,950	158,655	117,684	145,184
	-	-	-	-	16,850	9,210
	-	-	136,800	-	51,810	-
	495,185	514,323	336,839	311,933	327,848	546,953
	1,543,231	1,693,868	1,629,424	1,658,344	1,643,182	1,665,684
	12,133,881	13,467,828	12,375,708	11,753,627	13,199,817	13,785,361
	10,606,003	11,655,148	11,268,216	10,037,680	9,184,061	7,397,263
	1,059,163	1,081,529	1,113,567	1,074,755	1,149,328	1,001,855
	-	-	-	23,389	19,911	33,036
	126,662	124,340	125,690	116,610	93,389	97,680
	8,164	12,000	12,000	12,000	12,409	103
	-	6,000	1,588	715	3,929	-
	970,864	-	-	-	-	-
	24,904,737	26,346,845	24,896,769	23,018,776	23,662,844	22,315,298
\$	26,447,968	\$ 28,040,713	\$ 26,526,193	\$ 24,677,120	\$ 25,306,026	\$ 23,980,982
\$	(6,972,938)	\$ (8,395,404)	(8,509,945)	(8,063,863)	(8,191,004)	\$ (8,330,583)
	4,304,915	3,485,622	2,590,178	2,372,389	3,013,344	3,237,506
\$	(2,668,023)	\$ (4,909,782)	\$ (5,919,767)	\$ (5,691,474)	\$ (5,177,660)	\$ (5,093,077)

City of Winder, Georgia
Statistical Section – Financial Trends
Changes in Net Assets (Accrual Basis of Accounting)
Last Ten Fiscal Years

	2003	2004	2005	2006
General Revenues and Other Changes in Net Assets:				
Governmental Activities:				
Taxes-				
General Sales Taxes (1)	\$ 1,432,078	\$ 1,522,457	\$ 1,665,761	\$ 1,764,368
Selective Sales Taxes	350,335	280,962	279,860	403,293
Business Taxes (1)	412,256	438,184	474,874	510,902
Fire District Taxes (2)	-	-	-	-
Street Light Assesment (2)	-	-	-	-
Other Taxes (2)	-	-	-	-
Interest Earnings	18,853	58,787	90,282	176,458
Miscellaneous Revenues	39,373	83,351	303,547	23,277
Special Item (4)	-	-	-	-
Gain on Sale of Assets	-	-	-	-
Transfers	1,835,548	1,605,290	2,121,694	1,697,386
Total Governmental Activities	4,088,443	3,989,031	4,936,018	4,575,684
Business Type Activities:				
Interest Earnings	93,251	6,028	-	-
Miscellaneous Revenues				
Special Item (3)	-	-	-	-
Gain on Sale of Assets	-	-	-	-
Transfers	(1,835,548)	(1,605,290)	(2,121,694)	(1,697,386)
Total Business Type Activities	(1,742,297)	(1,599,262)	(2,121,694)	(1,697,386)
Total Primary Government	\$ 2,346,146	\$ 2,389,769	\$ 2,814,324	\$ 2,878,298
Prior Period Adjustments:				
Governmental Activities	\$ -	\$ -	\$ -	\$ -
Business Type Activities	-	-	-	-
Total Prior Period Adjustments:	\$ -	\$ -	\$ -	\$ -
Changes in Net Assets:				
Governmental Activities	\$ (79,058)	\$ 597,399	\$ 1,132,779	\$ 31,327
Business Type Activities	699,187	(253,708)	(830,223)	2,779,101
Total Primary Government	\$ 620,129	\$ 343,691	\$ 302,556	\$ 2,810,428

(1) The variations on General Sales Tax, Selective Sales Tax, and Other Tax reflect a change in the chart of accounts and definitions of accounts mandated by the State of Georgia.

(2) In FY 2011, the City presented Fire District Taxes and Street Light Assessment's in a separate line rather than combining them and classifying them as "Other Taxes". FY 2007-2010 has been adjusted to show accurate trending data.

(3) The special item for FY 2007 and 2008 was wastewater capacity rights sold to Barrow County.

	2007	2008	2009	2010	2011	2012
\$	1,866,220	\$ 1,848,646	\$ 1,476,156	\$ 1,505,719	\$ 1,535,228	\$ 1,598,787
	441,576	441,903	454,108	437,928	430,245	459,516
	1,127,973	1,452,173	1,477,516	1,484,842	1,503,524	1,649,935
	645,568	702,919	986,235	1,002,662	932,107	823,380
	79,449	78,313	85,554	100,663	90,688	108,574
	16,851	10,887	8,974	12,444	6,725	9,161
	344,939	327,474	201,940	44,854	51,983	75,272
	78,890	69,096	93,623	56,948	98,212	94,644
	-	-	-	-	-	(457,236)
	-	32,050	42,295	9,254	22,222	82,661
	2,706,583	2,829,760	4,771,770	3,238,335	2,532,183	4,047,999
	7,308,049	7,793,221	9,598,171	7,893,649	7,203,117	8,492,693
	83,428	24,339	171,520	169,625	162,910	182,146
	1,166,400	4,665,600	-	-	-	-
	-	5,494	27,092	3,071	-	50,521
	(2,706,583)	(2,829,760)	(4,771,770)	(3,238,335)	(2,532,183)	(4,047,999)
	(1,456,755)	1,865,673	(4,573,158)	(3,065,639)	(2,369,273)	(3,815,332)
\$	5,851,294	9,658,894	5,025,013	4,828,010	4,833,844	4,677,361
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	(1,463,401)	-	-
\$	-	\$ -	\$ -	(1,463,401)	\$ -	\$ -
\$	335,111	\$ (602,183)	\$ 1,088,226	\$ (170,214)	\$ (987,887)	\$ 162,110
	2,848,160	5,351,295	(1,982,980)	(2,156,651)	644,071	(577,826)
\$	3,183,271	4,749,112	(894,754)	(2,326,865)	(343,816)	(415,716)

City of Winder, Georgia
Statistical Section – Financial Trends
Fund Balances,
Governmental Funds
Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund:				
Reserved For Prepaid Items	\$ 60,098	\$ -	\$ 39,830	\$ -
Reserved for Capital Projects	-	-	-	-
Unreserved/Undesignated	481,576	969,030	1,243,610	1,506,300
Nonspendable Fund Balance*	-	-	-	-
Unassigned Fund Balance	-	-	-	-
Total General Fund	<u>541,674</u>	<u>969,030</u>	<u>1,283,440</u>	<u>1,506,300</u>
All Other Governmental Funds:				
Reserved For Prepaid Items	\$ -	\$ -	\$ -	\$ -
Unreserved Reported in Capital Projects	135,998	413,177	146,467	45,065
Unreserved Reported in Special Funds	-	-	-	70,600
Designated for Budget	-	-	-	-
Nonspendable Fund Balance*	-	-	-	-
Restricted Fund Balance*	-	-	-	-
Committed Fund Balance*	-	-	-	-
Assigned Fund Balance*	-	-	-	-
Unassigned Fund Balance	-	-	-	-
Total All Other Governmental Funds	<u>\$ 135,998</u>	<u>\$ 413,177</u>	<u>\$ 146,467</u>	<u>\$ 115,665</u>
Total All Governmental Funds	<u>\$ 677,672</u>	<u>\$ 1,382,207</u>	<u>\$ 1,429,907</u>	<u>\$ 1,621,965</u>

*For FY 2011, the City adopted fund balance policies in accordance with GASB Statement # 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance shall be composed of nonspendable, restricted, committed, assigned, and unassigned amounts. Please see the notes to the financial statements for further information.

2007	2008	2009	2010	2011	2012
\$ 84,684	\$ 61,541	\$ 153,448	\$ -	\$ -	\$ -
-	1,566,865	266,387	-	-	-
1,429,568	241,081	1,520,899	2,150,124	-	-
-	-	-	-	25,818	1,783,891
-	-	-	-	1,650,069	(54,804)
1,514,252	1,869,487	1,940,734	2,150,124	1,675,887	1,729,087
\$ 52	\$ 742	\$ -	\$ -	\$ -	\$ -
371,085	618,178	798,639	291,474	-	-
64,442	88,774	148,549	196,821	-	-
-	-	-	15,000	-	-
-	-	-	-	6,687	5,645
-	-	-	-	168,354	333,699
-	-	-	-	54,420	47,887
-	-	-	-	-	133,022
-	-	-	-	(275,262)	-
\$ 435,579	\$ 707,694	\$ 947,188	\$ 503,295	\$ (45,801)	\$ 520,253
\$ 1,949,831	\$ 2,577,181	\$ 2,887,922	\$ 2,653,419	\$ 1,630,086	\$ 2,249,340

City of Winder, Georgia
Statistical Section – Financial Trends
Changes in Fund Balances
Governmental Funds
Last Ten Years

	2003	2004	2005	2006
Revenues:				
Taxes(1)	\$ 2,771,315	\$ 2,965,634	\$ 3,282,762	\$ 3,379,437
License and Permits(1)	891,211	899,005	997,222	1,023,457
Intergovernmental	69,189	125,137	124,891	539,249
Charges for Service	161,901	39,077	25,932	62,319
Fines and Forfeitures	606,748	300,453	298,861	352,027
Interest	18,853	58,787	90,282	176,458
Contributions****	-	-	-	-
Miscellaneous and Other	55,893	135,897	303,547	23,277
Indirect Cost Allocation	465,400	1,941,722	2,429,455	2,425,711
Total Revenues	5,040,510	6,465,712	7,552,952	7,981,935
Expenditures:				
General Government	1,391,720	1,593,934	1,873,045	2,248,013
Judicial**				
Public Safety	3,467,450	3,677,462	4,216,251	4,735,535
Public Works	1,361,504	1,402,579	1,430,406	1,417,268
Recreation	-	-	-	-
Housing and Development**	-	-	-	-
Maintenance Shop*	296,137	335,523	391,279	-
Facilities Maintenance***	183,483	205,125	260,866	297,098
Capital Outlay	339,010	825,747	1,312,232	869,983
Debt Service:				
Principal	164,282	51,406	115,101	173,678
Interest and Fiscal Agent Fees	11,087	16,698	27,759	32,060
Total Expenditures	7,214,673	8,108,474	9,626,939	9,773,635
Excess of Revenues Over (Under) Expenditures	(2,174,163)	(1,642,762)	(2,073,987)	(1,791,700)
Other Financing Sources (Uses):				
Transfers in	2,213,059	2,032,903	2,533,575	2,974,458
Transfers out	(377,511)	(427,613)	(411,881)	(1,277,072)
Gain on Sale of Assets	-	-	-	-
Proceeds From Borrowing	-	742,000	-	286,373
Total Other Financing Sources (Uses)	1,835,548	2,347,290	2,121,694	1,983,759
Special Item - Forgiveness of Debt	-	-	-	-
Net Change in Fund Balances	\$ (338,615)	\$ 704,528	\$ 47,707	\$ 192,059
Debt Service as a Percentage of Noncapital Expenditures	2.55%	0.94%	1.72%	2.31%
Total Debt Service Expenditures	\$ 175,369	\$ 68,104	\$ 142,860	\$ 205,738
Total Non-Capital Expenditures	\$ 6,875,663	\$ 7,282,727	\$ 8,314,707	\$ 8,903,652

(1) The variations on Taxes, and License and Permits reflect a change in the chart of accounts and definitions of accounts mandated by the State of Georgia.

* Maintenance Shop Department became an Internal Service Fund in FY 2006

** Judicial and Housing and Development Departments became a separate function in FY 2008. They were originally in General Government

*** Facility Maintenance was included in General Government beginning in FY 2008

	2007	2008	2009	2010	2011	2012
\$	4,166,213	\$ 4,525,879	\$ 4,469,227	\$ 4,540,971	\$ 4,489,125	\$ 4,680,203
	394,301	237,291	186,784	138,162	125,893	155,823
	629,374	622,671	576,625	559,567	492,929	676,713
	36,734	149,342	140,977	112,398	177,891	210,740
	482,823	648,811	702,535	813,428	824,281	597,773
	344,939	327,474	201,940	44,854	52,150	75,379
	-	-	22,503	34,789	22,021	24,527
	78,890	104,850	93,623	56,948	98,212	94,644
	2,514,700	3,180,289	3,082,893	2,721,083	2,589,248	2,756,528
	8,647,974	9,796,607	9,477,107	9,022,200	8,871,750	9,272,330
	2,640,760	3,245,648	3,147,929	2,698,082	2,756,303	2,951,958
		199,438	183,529	208,076	237,701	226,517
	5,366,315	6,285,820	6,152,733	5,998,713	6,013,634	5,910,996
	1,482,152	1,924,329	1,967,048	1,577,612	1,649,445	2,111,094
	-	-	-	-	48,690	72,980
	-	553,706	313,089	380,320	164,510	54,827
	-	-	-	-	-	-
	312,360	-	-	-	-	-
	1,008,491	1,170,749	2,176,084	1,192,047	1,134,674	549,669
	201,681	292,687	484,475	392,236	404,518	417,191
	14,932	21,462	67,161	57,206	44,925	32,252
	11,026,691	13,693,839	14,492,048	12,504,292	12,454,400	12,327,484
	(2,378,717)	(3,897,232)	(5,014,941)	(3,482,092)	(3,582,650)	(3,055,154)
	5,233,320	3,999,199	5,450,950	3,804,180	3,090,053	4,498,949
	(2,526,737)	(1,251,800)	(679,180)	(565,845)	(557,870)	(450,950)
	-	32,050	42,295	9,254	27,134	83,645
	-	1,645,000	511,617	-	-	-
	2,706,583	4,424,449	5,325,682	3,247,589	2,559,317	4,131,644
	-	-	-	-	-	(457,236)
\$	327,866	\$ 527,217	\$ 310,741	\$ (234,503)	\$ (1,023,333)	\$ 619,254
	2.16%	2.51%	4.48%	3.97%	3.97%	3.82%
\$	216,613	\$ 314,149	\$ 551,636	\$ 449,442	\$ 449,443	\$ 449,443
\$	10,810,078	\$ 12,523,090	\$ 12,315,964	\$ 11,312,245	\$ 11,319,726	\$ 11,777,815

City of Winder, Georgia
Statistical Section – Revenue Capacity
Assessed and Fair Market Value of Taxable Property
Last Ten Years

Tax Year	Gross Digest	Residential	Commercial	Industrial	All
Ended	Assessed Value	Property	Property	Property	Other
June 30					
2003	\$248,878,213	\$ 144,623,706	\$ 67,141,239	\$ 2,067,216	\$ 35,046,052
2004	303,857,107	191,458,252	69,999,671	3,072,732	39,326,452
2005	325,968,587	207,620,213	74,398,933	3,108,170	40,841,271
2006	353,228,843	223,000,014	83,933,556	3,076,393	43,218,880
2007	385,648,472	245,861,535	94,611,405	3,298,941	41,876,591
2008	406,481,717	261,671,803	97,286,043	2,869,842	44,654,029
2009	383,711,255	237,468,616	97,903,884	3,315,031	45,023,724
2010	350,013,348	218,833,561	87,686,428	3,157,112	40,336,247
2011	324,817,545	201,987,066	84,084,011	3,368,395	35,378,073
2012	289,154,541	172,157,903	76,475,016	3,584,060	36,937,562

* Assessed Value is 40 percent per state law

**Includes Homestead Exemptions and Exempt Property

Current rates and values will be shown if available by publication date

Sources: Barrow County Tax Commissioner
 Ga. Dept of Revenue

Note - Rates and values shown are those in effect at the end of each fiscal year

<u>Less Exempt Property**</u>	<u>Total Net Assessed Value</u>	<u>Total Direct Tax</u>	<u>Total Net Fair Market Value</u>	<u>Percentage Assessed Value To Fair Market Value</u>
\$ 43,712,029	\$205,166,184	\$ -	\$ 512,915,460	40 %
44,786,497	259,070,610	-	647,676,525	40
45,555,879	280,412,708	-	701,031,770	40
45,615,571	307,613,272	-	769,033,180	40
50,335,464	335,313,008	-	838,282,520	40
50,877,550	355,604,167	-	889,010,418	40
42,624,458	341,086,797	-	852,716,993	40
37,538,166	312,475,182	-	781,187,955	40
39,461,871	285,355,674	-	713,389,185	40
34,546,109	254,608,432	-	636,521,080	40

City of Winder, Georgia
Statistical Section – Revenue Capacity
Property Tax Millage Rates – Direct and Overlapping
Last Ten Fiscal Years as of June 30

Tax Year	City of Winder	School System	Barrow County M & O	Fire District Tax	State	Barrow County Total
2003	-	18.90	6.77	1.64	0.25	27.56
2004	-	17.50	6.77	2.15	0.25	26.67
2005	-	17.50	9.82	2.15	0.25	29.72
2006	-	18.50	7.57	2.15	0.25	28.47
2007	-	18.50	7.19	2.15	0.25	28.09
2008	-	18.50	7.18	3.00	0.25	28.93
2009	-	18.50	7.18	3.00	0.25	28.93
2010	-	18.50	8.18	3.00	0.25	29.93
2011	-	18.50	8.71	3.00	0.25	30.46
2012	-	18.50	10.96	3.00	0.20	32.66

Source: Ga. Department of Revenue

Note: The City of Winder has not assessed a property tax since 1977
 Millage rates are those in effect at the end of the city's fiscal year
 More current information will be added if available by publication date

City of Winder, Georgia
Statistical Section – Revenue Capacity
Sales and Use Taxes – Direct and Overlapping
Last Ten Fiscal Years

<u>Year of Levy</u>	<u>LOST</u> <u>City of Winder</u>	<u>LOST Proceeds</u> <u>City of Winder</u>	<u>LOST</u> <u>Barrow County/ Other Municipalities</u>	<u>SPLOST</u> <u>Barrow County</u>	<u>ELOST</u> <u>Barrow County School System</u>	<u>State of Georgia</u>	<u>Total All Sales Tax</u>
2003	0.2141 %	\$ 1,432,000	0.7859 %	1 %	1 %	4 %	7 %
2004	0.2089	1,523,000	0.7911	1	1	4	7
2005	0.2040	1,665,800	0.7960	1	1	4	7
2006	0.1987	1,764,000	0.8013	1	1	4	7
2007	0.1937	1,866,200	0.8063	1	1	4	7
2008	0.1937	1,848,600	0.8063	1	1	4	7
2009	0.1937	1,476,156	0.8063	1	1	4	7
2010	0.1937	1,505,719	0.8063	1	1	4	7
2011	0.1937	1,535,228	0.8063	1	1	4	7
2012	0.1937	1,598,767	0.8063	1	1	4	7

Note: All sales taxes are levied county-wide and collected by the State of Georgia. The State then distributes the various local option sales taxes to the local jurisdictions. There is no sales tax levied directly by the City of Winder. The City receives a portion of LOST based on a negotiated distribution formula. City proceeds are reported on a fiscal year basis and rounded. Sales tax rates are levied on a calendar year basis.

Sources of information: Ga. Department of Revenue, LOST Distribution Certificates

LOST = Local Option Sales Tax. Distribution rates among the various governments have been agreed to in an intergovernmental agreement.

SPLOST = Special Purpose Local Option Sales Tax. Projects are approved through referendum and revenues may be shared through intergovernmental agreements.

ELOST = Education Local Option Sales Tax. All proceeds go to the Barrow County School System.

City of Winder, Georgia
Statistical Section – Revenue Capacity
Comparison of Retail Trade Sector-Barrow County, GA
1997, 2007 and 2009

Description	Number of Establishments*			Sales (\$1,000)**	
	1997	2007	2010	1997	2007
Total of All Sectors	770	1,121	1,020	\$1,038,987	\$1,606,631
Selected Sector Statistics					
Construction	144	227	148	D	73,120
Manufacturing	63	65	63	509,871	768,413
Wholesale Trade	36	69	68	73,796	466,269
Retail Trade	146	159	161	344,841	660,898
Health Care	53	66	83	39,667	98,443
Professional/ Scientific	46	87	88	9,651	60,205
Finance and Insurance	32	57	54	D	D
Food/Accommodations	41	71	83	24,076	125,078

Sources

*County Business Patterns for Barrow County as published by the U.S. Census Bureau - Most Current Data 2010

*Annual Sales from Economic Census as Published by the U.S. Census Bureau

**Economic Census as Published by the U.S. Census Bureau

Notes: Economic Census Data is collected every five years. Data from the 2007 Census began being released in 2009.

The letter "D" indicates information withheld to avoid disclosing data of individual companies; data is included in higher level totals.

Annual Payroll (\$1,000)*			Paid Employees*		
1998	2007	2010	1997	2007	2010
\$ 207,358	\$ 418,731	\$ 412,943	8,958	13,090	12,762
11,469	50,714	34,540	553	1,429	979
77,611	D	D	2,624	D	D
9,828	52,506	46,527	338	1,479	1,120
33,924	61,062	54,180	1,085	2,440	2,205
19,896	48,865	58,810	857	1,173	1,353
4,951	20,827	25,405	202	558	874
6,853	27,455	16,331	256	526	355
6,424	13,509	22,996	703	1,186	1,487

City of Winder
Statistical Section – Revenue Capacity
Water and Sewer Rates/Water Sold by Customer
Last Ten Years

	2003	2004	2005	2006	2007
Water and Sewer Rates					
Water Monthly Service Rates:					
Inside City-					
Base Charge (no usage)	\$ -	\$ -	\$ -	\$ -	\$ -
First 2,000 gallons	10.50	10.50	11.50	12.60	12.60
Next 5,000 gallons (\$ per thousand)	3.30	3.43	3.63	4.15	4.15
Over 7,000 gallons (\$ per thousand)	3.70	3.83	4.03	4.99	4.99
Outside City-					
Base Charge (no usage)	\$ -	\$ -	\$ -	\$ -	\$ -
First 2,000 gallons	19.25	19.25	20.25	22.58	22.58
Next 5,000 gallons (\$ per thousand)	3.80	4.13	4.33	5.09	5.09
Over 7,000 gallons (\$ per thousand)	4.10	4.43	4.63	5.57	5.57

Notes: Effective 1/1/08 base charges increase by meter size and season conservation surcharges over and above the above standard rates were adopted.

Sewer Monthly Service Rates-

	2003	2004	2005	2006	2007
Inside City					
Minimum Charge (1st 2000 gallons beginning in 2011)	\$ 8.00	\$ 9.20	\$ 10.80	\$ 10.80	\$ 10.80
Next 5,000 gallons (\$ per thousand)	-	-	-	-	-
Over 7,000 gallons (\$ per thousand)	-	-	-	-	-
Percent of water consumption applied to sewer rates	80%	80%	80%	80%	80%
Outside City					
Minimum Charge (1st 2000 gallons beginning in 2011)	\$ 15.40	\$ 15.40	\$ 16.20	\$ 22.58	\$ 22.58
Next 5,000 gallons (\$ per thousand)	-	-	-	-	-
Over 7,000 gallons (\$ per thousand)	-	-	-	-	-
Percent of water consumption applied to sewer rates	80%	80%	100%	100%	100%

Water Sold by Customer Type

Annual Water Sales by Volume (000 gallons) by Category					
Residential	615,300	644,412	660,811	719,808	812,636
Commercial/Institutional/Other	182,083	217,405	194,993	232,115	209,882
Industrial	211,963	195,626	227,494	252,905	261,740
Total	1,009,346	1,057,443	1,083,298	1,204,828	1,284,258
Average Direct Rate (per 1000 gallons)					
	\$ 5.10	\$ 5.15	\$ 5.79	\$ 6.26	\$ 6.23
Average Number of Accounts by Category**					
Residential	9,799	10,553	11,539	11,790	12,308
Commercial/Institutional/Other	852	912	995	1,064	1,065
Industrial	6	6	6	6	6
Total	10,657	11,471	12,540	12,860	13,379

* Effective sewer bill was 80% of water bill inside City and 100% of water bill outside City.

**Average number of accounts is derived by dividing the total number of customers billed for the year by 12. This figure represents the equivalent number of "full time" customers or average number of customers on the systems all 12 months of the fiscal year. Commercial accounts may include more than one customer. Many commercial accounts have single meters for multiple commercial rental space. Small commercial accounts with residential size meters, including home based businesses may be included in residential totals.

Annual Water Sales (\$) by Category:

Residential	\$ 3,532,358	\$ 3,741,446	\$ 4,196,709	\$ 5,111,122	\$ 5,584,230
Commercial/Institutional/Other	768,893	814,405	906,924	1,108,308	972,898
Industrial	841,439	891,246	1,166,139	1,324,683	1,447,811
Total Water Sales	\$ 5,142,690	\$ 5,447,097	\$ 6,269,772	\$ 7,544,113	\$ 8,004,939
Sewer:					
Average Number of Users	3,883	3,968	4,084	4,266	4,446
Annual Sewer Sales	\$ 1,310,384	\$ 1,387,948	\$ 1,581,677	\$ 1,873,759	\$ 1,927,510
Total Annual Water/Sewer Sales	\$ 6,453,074	\$ 6,835,045	\$ 7,851,449	\$ 9,417,872	\$ 9,932,449

Source: City of Winder Water Department

	2008	2009	2010	2011	2012
\$	12.60	\$ 12.60	\$ 12.60	\$ 13.48	\$ 13.48
	8.30	8.30	8.30	4.78	4.78
	4.15	4.15	4.15	6.82	6.82
	4.99	4.99	4.99	8.21	8.21
\$	22.58	\$ 22.58	\$ 22.58	\$ 24.16	\$ 24.16
	10.18	10.18	10.18	5.86	5.86
	5.09	5.09	5.09	7.96	7.96
	5.57	5.57	5.57	8.71	8.71
\$	10.80	\$ 10.80	\$ 10.80	\$ 11.56	\$ 11.56
	-	-	-	4.09	4.09
	-	-	-	4.92	4.92
	80%	80%	80%	80%	80%
\$	22.58	\$ 22.58	\$ 22.58	\$ 24.16	\$ 24.16
	-	-	-	5.85	5.85
	-	-	-	6.41	6.41
	100%	100%	100%	100%	100%
	690,557	683,750	633,982	676,386	673,420
	189,309	180,322	176,825	206,723	254,877
	296,282	286,783	309,725	256,692	224,676
	<u>1,176,158</u>	<u>1,150,855</u>	<u>1,120,532</u>	<u>1,139,801</u>	<u>1,152,973</u>
\$	<u>7.80</u>	<u>7.92</u>	<u>8.49</u>	<u>9.39</u>	<u>9.54</u>
	12,808	12,820	12,787	12,723	12,760
	971	1,057	1,171	1,262	1,249
	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
	<u>13,875</u>	<u>13,884</u>	<u>13,965</u>	<u>13,992</u>	<u>14,016</u>
\$	6,198,306	\$ 6,581,518	\$ 6,281,381	\$ 6,834,541	\$ 6,935,368
	942,970	960,504	1,100,528	1,654,525	2,539,089
	2,122,889	2,114,293	2,131,270	2,210,454	1,529,744
\$	<u>9,264,165</u>	<u>9,656,315</u>	<u>9,513,179</u>	<u>10,699,520</u>	<u>11,004,201</u>
	4,575	4,625	4,677	4,723	4,781
\$	<u>1,925,781</u>	<u>1,773,163</u>	<u>1,560,246</u>	<u>1,862,749</u>	<u>1,754,453</u>
\$	<u>11,189,946</u>	<u>11,429,478</u>	<u>11,073,425</u>	<u>12,562,269</u>	<u>12,758,654</u>

City of Winder
Statistical Section – Revenue Capacity
Water and Sewer Connection/Tap Fees
Effective June 30, 2008

<u>Meter Size</u>	<u>Inside City</u>	<u>Outside City</u>
Water Connection Fee	\$ 3,500	\$ 3,500
5/8-3/4 Inch Water Tap	3,500	3,500
Sewer Connection Fee	3,500	3,500
4" Sewer Tap fee	3,500	3,500

Note: Larger meters and sewer taps are available at higher rates.
Sewer Fees can vary with usage volumes.
Source: City of Winder Water Department

City of Winder
Statistical Section – Revenue Capacity
Largest Water and Sewer Customers
Current and Nine Years Prior
June 30, 2012

2012			
<u>Customer</u>	<u>Product/Service</u>	<u>Total Billings</u>	<u>Percent of System Revenues</u>
Harrison Poultry	Poultry Processing	\$ 1,078,879	8.46 %
Stepan	Surfactant Mfg.	447,244	3.51
Harrison Feed	Poultry Feed	308,295	2.42
Johns-Manville	Fiberglass Insulation	266,686	2.09
Rhodia	Surfactant Mfg.	212,269	1.66
Barrow County Gov't	Public Safety Complex	127,560	1.00
Metro Corral	Restaurant	94,063	0.74
Mast Brothers	Tank Cleaning	94,011	0.74
Wal-Mart	Retail	67,058	0.53
Chico's	Distribution Center	60,219	0.47
Total			<u>21.62 %</u>

2003			
<u>Customer</u>	<u>Product/Service</u>	<u>Total Billings</u>	<u>Percent of System Revenues</u>
Harrison Poultry	Poultry Processing	\$ 628,600	9.74 %
Stepan	Surfactant Mfg.	352,335	5.46
Johns-Manville	Fiberglass Insulation	179,114	2.78
Rhodia	Surfactant Mfg.	165,465	2.56
Winder Health Care	Nursing Home	43,974	0.68
Total			<u>21.22 %</u>

Source: City of Winder Utility Billing Department

The earliest data readily available for statistical comparison is FY 2003

City of Winder
Statistical Section – Revenue Capacity
Gas Rates (Distribution Change)/Gas Sales by Customer Type
Last Ten Fiscal Years

	2003	2004	2005	2006
Gas Monthly Distribution Charge:*				
Base Charge (No Usage)	\$ -	\$ -	\$ -	\$ -
Residential/Small Comm (1st 300 cu) (Flat Rate)	8.00	8.00	8.00	8.00
Residential/Small Comm (\$ per mcf over 300 cu ft)	3.00	3.00	3.00	3.50
Commercial (\$ per mcf)	3.30	3.30	3.30	3.90
Interruptible (Industrial) (avg.):				
First 2,000 mcf (\$ per mcf)	\$ 1.72	\$ 1.72	\$ 1.72	\$ 1.72
Next 3,000 mcf (\$ per mcf)	1.05	1.05	1.05	1.05
Next 2,000 mcf (\$ per mcf)	0.70	0.70	0.70	0.70
Over 7,000 mcf (\$ per mcf)	0.55	0.55	0.55	0.55
Annual Gas Sales (\$) by Category:				
Residential	\$ 4,193,937	\$ 4,291,133	\$ 4,054,620	\$ 6,780,800
Commercial	803,368	821,987	737,658	1,277,792
Interruptible (Industrial):	1,793,531	1,835,097	4,291,477	4,282,773
Total	\$ 6,790,836	\$ 6,948,217	\$ 9,083,755	\$ 12,341,365
Annual Gas Sales by Volume (mcf) by Category:				
Residential/Small Commercial	301,432	310,755	298,416	288,601
Medium/Large Commercial	63,557	65,522	60,149	56,789
Interruptible (Industrial):	206,333	212,715	501,379	279,712
Total	571,322	588,992	859,944	625,102
Average Number of Customers by Category**				
Residential/Small Commercial	3,933	4,109	4,225	4,572
Medium/Large Commercial	42	46	54	54
Interruptible (Industrial):	5	5	6	6
Total	3,980	4,160	4,285	4,632

*Because the base cost of natural gas can fluctuate substantially on a monthly basis, the City has chosen to present its distribution charge or "mark up". This amount is added to the base cost of natural gas each month.

Any increase or decrease in the base cost of natural gas is automatically passed on to the customer on a monthly basis, however the distribution charge remains relatively constant. The gas flat rate minimum increased to \$12.00 per month effective 5/1/2007

**Average number of customers is derived by dividing the total number of customers billed for the year by 12. This figure represents the equivalent number of "full time" customers, or average number of customers on the system all 12 months of the fiscal year.

Source: City of Winder Gas Department

2007	2008	2009	2010	2011	2012
\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
1.05	1.05	1.05	1.05	1.05	1.05
3.50	3.50	3.50	3.50	3.50	3.50
3.90	3.90	3.90	3.90	3.90	3.90
\$ 1.72	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
1.05	1.50	1.50	1.50	1.50	1.50
0.70	0.75	0.75	0.75	0.75	0.75
0.55	0.75	0.75	0.75	0.75	0.75
\$ 5,084,226	\$ 5,175,130	\$ 5,762,515	\$ 5,382,961	\$ 4,330,975	\$ 3,735,851
1,246,827	1,299,041	1,072,202	754,595	774,771	707,796
4,143,015	4,998,191	4,283,514	3,772,449	3,966,608	2,865,777
<u>\$ 10,474,068</u>	<u>\$ 11,472,362</u>	<u>\$ 11,118,231</u>	<u>\$ 9,910,005</u>	<u>\$ 9,072,354</u>	<u>\$ 7,309,424</u>
326,526	308,384	322,908	390,214	349,967	264,401
106,169	107,034	111,189	64,439	52,190	62,784
477,885	499,225	503,700	581,030	611,896	580,643
<u>910,580</u>	<u>914,643</u>	<u>937,797</u>	<u>1,035,683</u>	<u>1,014,053</u>	<u>907,828</u>
4,847	4,963	5,029	5,038	5,058	5,037
54	55	54	62	63	69
6	6	6	8	8	8
<u>4,907</u>	<u>5,024</u>	<u>5,089</u>	<u>5,108</u>	<u>5,129</u>	<u>5,114</u>

City of Winder

Statistical Section – Revenue Capacity
 Largest Natural Gas System Customers
 Current and Nine Years Prior
 June 30, 2012

2012

<u>Customer</u>	<u>Product/Service</u>	<u>Total Billings</u>	<u>Percent of System Revenues</u>
Johns-Manville	Fiberglass Insulation	\$ 1,125,697	15.40 %
Stepan	Surfactant Mfg.	794,462	10.87
Harrison Poultry	Poultry Processing	396,984	5.43
Rhodia	Surfactant Mfg.	381,742	5.22
Harrison Feed Mill	Poultry Feed	308,295	4.22
Barrow County Gov't	Public Safety Complex	127,560	1.75
Harrison Hatchery	Poultry	99,103	1.36
Metro Corral	Restaurant	94,603	1.29
Mast Tank Cleaning	Tanker Truck Wash	94,011	1.29
Wal Mart	Retail Goods	67,059	0.92
Total			<u>47.75 %</u>

2003

<u>Customer</u>	<u>Product/Service</u>	<u>Total Billings</u>	<u>Percent of System Revenues</u>
Johns-Manville	Fiberglass Insulation	\$ 1,423,843	20.97 %
Rhodia	Surfactant Mfg.	455,903	6.71
Harrison Poultry	Poultry Processing	290,290	4.27
Stepan	Surfactant Mfg.	266,794	3.93
Foley Products	Concrete Products	105,809	1.56
Total			<u>37.44 %</u>

Source: City of Winder Utility Billing Department

The earliest data readily available for statistical comparison is FY 2003

City of Winder, Georgia
Statistical Section – Debt Capacity
Direct and Overlapping Debt
June 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Barrow County Schools:			
For New Construction/expansion/renovation			
General Obligation Bonds	\$ 64,320,000	20.50%	\$ 13,185,600
Capital Leases	955,491	20.70%	197,787
Total Barrow County Schools Overlapping Debt			13,383,387
Barrow County Government:			
Debt Repaid With Property Taxes			
General Obligation Bonds	\$ 50,100,000	20.50%	10,270,500
Contracts Payable	53,404,496	20.70%	11,054,731
Capital Leases/Other	217,840	20.70%	45,093
Total Barrow County Government Overlapping Debt			21,370,324
Total Overlapping Debt			34,753,710
City of Winder:			
Direct Debt			726,720
Total Direct and Overlapping Debt			\$ 35,480,430

Notes: For debt repaid with property taxes, the percentage of overlapping debt is estimated using the ratio of the City's assessed taxable value as a percentage of the county digest of total assessed taxable value (20.7%).

For debt paid by sales taxes, the percentage of overlapping debt is estimated using 2011 Census population estimates for the City as a percentage of the total County 2011 Census estimated population (20.3%).

For debt where sales tax revenues are used but the debt is a general obligation of the taxpayer (due to potential sales tax shortfalls or future sales tax referendums not approved) an average of the above percentages was used (20.5%). This is the case with the Barrow County School System and most large projects for Barrow County.

Source of Debt Service numbers:

Barrow County - most recent audit report - FYE 9/30/11

Barrow County School System - most recent audit report - FYE ending 6/30/11

City of Winder, Georgia
Statistical Section – Debt Capacity
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	\$ Per Capita
	G/O Bonds	Capital Leases	Mortgages	Water/Sewer Bonds	Capital Leases	GEFA/SRF Loans/Notes			
2003	\$ -	\$ 74,703	\$ -	\$ 14,164,358	\$ 219,597	\$ 2,978,669	\$ 17,437,327	6.42 %	\$ 1,504
2004	-	36,723	728,574	12,788,379	1,381,813	3,329,963	18,265,452	6.25	1,510
2005	-	10,074	640,122	12,233,045	1,047,228	3,114,408	17,044,877	5.54	1,380
2006	-	262,200	500,691	11,517,489	749,149	2,762,669	15,792,198	4.75	1,209
2007	-	237,688	323,522	10,917,565	441,752	9,304,719	21,225,246	5.66	1,557
2008	-	1,802,207	111,316	10,307,788	1,156,930	15,931,945	29,310,186	7.33	2,065
2009	-	1,940,665	-	9,615,347	829,272	17,063,363	29,448,647	7.21	2,009
2010	-	1,548,429	-	8,906,414	621,730	18,108,610	29,185,183	7.52	2,070
2011	-	1,143,911	-	8,212,789	408,094	16,850,953	26,615,747	6.91	1,873
2012	-	726,720	-	22,245,982	188,183	484,147	23,645,032	5.64	1,665

Source: City of Winder Finance Department and Georgia Department of Community Affairs

Prior year(s) data may change when actual data is available to replace estimated data or when estimates are updated

City of Winder, Georgia
Statistical Section – Debt Capacity
Statement of Legal Debt Margin
Last Ten Years

Tax Year	Assessed Value of Tax Digest	General Bonded Debt Limit (10%)	Total Debt Applicable To Limit	Legal Debt Margin	Total Net Applicable Debt as a % of Debt Limit
2003	\$ 248,878,213	\$ 24,887,821	\$ -	\$ 24,887,821	- %
2004	303,857,107	30,385,711	-	30,385,711	-
2005	325,968,587	32,596,859	-	32,596,859	-
2006	353,228,843	35,322,884	-	35,322,884	-
2007	385,648,472	38,564,847	-	38,564,847	-
2008	406,481,717	40,648,172	-	40,648,172	-
2009	383,711,255	38,371,126	-	38,371,126	-
2010	350,013,349	35,001,335	-	35,001,335	-
2011	324,817,545	32,481,755	-	32,481,755	-
2012	289,154,541	28,915,454	-	28,915,454	-

Source: City of Winder Finance Department and Barrow County Tax Commissioner

City of Winder, Georgia
Statistical Section – Debt Capacity
Statement of Pledged Revenue Coverage – Water and Sewer Fund
Last Ten Years

Thousands of Dollars

Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Current Revenue Bond Debt Service			Coverage
				Principal	Interest	Total	
2003	\$ 7,950	\$ 4,163	\$ 3,787	\$ 685	\$ 647	\$ 1,332	2.84
2004	8,130	4,198	3,932	710	617	1,327	2.96
2005	9,210	4,267	4,943	745	688	1,433	3.45
2006	11,755	4,784	6,971	877	521	1,398	4.99
2007	12,134	5,292	6,842	761	489	1,250	5.47
2008	13,468	6,061	7,407	771	460	1,231	6.02
2009	12,376	5,985	6,391	785	484	1,269	5.04
2010	11,754	4,745	7,009	852	469	1,321	5.31
2011	13,200	4,823	8,377	837	457	1,294	6.47
2012	13,785	5,208	8,577	849	444	1,293	6.64

Note: Operating Expenses excludes Depreciation, Amortization and Indirect Costs Allocations

Source: City of Winder Finance Department

City of Winder, Georgia
Statistical Section – Demographic and Economic
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population City</u>	<u>Population County</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>Unemployment Rate</u>	<u>Educational Attainment</u>	
							<u>% High School Degree or Higher</u>	<u>% Bachelors Degree or Higher</u>
2002	11,236	50,982	\$ 262,281,948	\$ 23,343	32.5	4.6	73.3	10.9
2003	11,596	53,069	271,485,552	23,412	32.5	4.5	73.3	10.9
2004	12,098	56,198	292,251,386	24,157	32.5	4.5	73.3	10.9
2005	12,354	59,390	307,626,954	24,901	32.7	4.6	75.5	13.8
2006	13,059	63,317	332,547,435	25,465	32.7	4.2	75.5	13.8
2007	13,630	67,170	374,770,480	27,496	32.2	4.3	76.6	13.2
2008	14,195	70,255	399,901,540	28,172	32.1	6.1	75.6	13.4
2009	14,656	72,158	408,242,880	27,855	32.0	10.0	77.4	17.0
2010	14,099	69,367	388,258,262	27,538	33.6	10.0	77.4	17.0
2011	14,209	69,912	420,756,908	29,612	33.6	9.3	75.8	14.5

Sources of Information and basis for estimates:

U.S. Census Bureau - City & County Populations, Median Age, and Educational Attainment
 Bureau of Economic Analysis - Income Data for Barrow County, Georgia County Guide
 Georgia Department of Labor - Unemployment Data for Barrow County

*Statistics not available on an annual basis

**When city statistics are unavailable, Barrow County statistics are used.

*** FY 2012 data is not available in most categories

Prior year(s) data may change when actual data is available to replace estimated data or when estimates are updated

City of Winder, Georgia
Statistical Section – Demographic and Economic
Principal Employers – 2011 and 2002
 June 30, 2012

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Total Percentage of Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Total Percentage of Employment</u>
Barrow County School System	2,005	1	15.71 %	1,350	1	10.58 %
Harrison Poultry	945	2	7.40	876	2	6.86
Chico's FAS, Inc	630	3	4.94	-	-	-
Republic Services	550	4	4.31	-	-	-
Barrow County Government	480	5	3.76	360	6	2.82
Chateau Elan	390	6	3.06	650	3	5.09
Wal-Mart	355	7	2.78	-	-	-
Johns Manville	300	8	2.35	330	7	2.59
Anderson Merchandisers	275	9	2.15	369	5	2.89
Barrow Regional Medical Center	270	10	2.12	-	-	-
Athens Packaging/Keebler	-	-	-	550	4	4.31
United Waste Services	-	-	-	300	8	2.35
Ty Cobb Health Systems/Barrow Hospital	-	-	-	225	9	1.76
City of Winder	-	-	-	188	10	1.47
All Employment	<u>34,673</u>		<u>48.58 %</u>	<u>23,913</u>		<u>40.72 %</u>

Notes: Statistics are kept only on a county-wide basis, therefore, Barrow County statistics are used.
 * = Employers that are not within the City Limits of Winder, nor are in the City's utilities service areas.
 Some data not available on an annual basis.

Barrow County - 2011 Audit

City of Winder, Georgia
Statistical Section – Operating Information
Full Time-Equivalent Government Employees
Last Eight Fiscal Years

Function/Program	Full Time Equivalents as of June 30							
	2005	2006	2007	2008	2009	2010	2011	2012
General Government								
Administration/Personnel	6.75	8.75	7.75	9.25	8.75	7.75	7.75	7.75
Planning and Development	-	-	-	-	2.00	2.00	2.00	2.00
Finance	3.75	3.00	3.00	3.00	2.00	2.00	2.00	3.00
IT	1.50	2.00	2.00	3.00	3.00	3.00	4.00	4.00
License and Permitting	4.00	4.00	4.00	4.00	2.00	2.00	2.00	2.00
Television Station	-	1.00	2.00	3.00	3.00	3.00	3.00	3.00
Facility Maintenance	6.00	9.50	10.00	8.63	5.63	5.63	5.63	-
Housing & Development								
Code Enforcement	-	1.00	2.00	2.00	-	-	1.00	1.00
Mainstreet	-	1.00	1.00	1.00	1.00	-	-	-
Public Safety								
Police Department:								
Police Administration	5.00	5.00	6.00	7.00	5.00	7.00	7.00	7.00
Officers	43.00	43.00	50.00	46.75	49.00	49.00	48.00	47.50
Fire Department:								
Fire Administration	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Fire Fighters	18.00	18.00	18.00	21.00	21.00	21.00	21.00	21.00
Part Paid Fire Fighters (Not included in totals)	-	-	-	24.00	24.00	24.00	24.00	24.00
Judicial								
Municipal Court/Probation	2.25	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Public Works								
Street/Cemetery	18.75	18.65	30.00	30.00	26.00	26.00	26.00	25.00
Special Facilities:								
Community Center	2.50	3.25	3.25	3.25	2.50	2.63	2.63	2.63
Cultural Arts	-	-	1.00	2.00	2.00	2.00	2.00	1.00
Component Unit- Downtown Development	1.00	-	-	-	-	-	-	-
Utilities (Business-Type Activities)								
Water Distribution	20.00	19.00	21.00	22.00	16.00	16.00	16.00	16.00
Water Treatment	*	*	*	*	*	*	*	*
Wastewater Treatment	*	*	*	*	*	*	*	*
Sewer Collection	*	*	*	*	*	*	*	*
Gas	16.00	11.00	12.00	13.00	12.00	12.00	12.00	12.00
Solid Waste	20.25	15.25	*	*	*	*	*	*
Internal Services:								
Utility Services (Billing and Collection)	20.00	19.00	24.00	25.00	11.00	11.00	11.00	11.00
Fleet Maintenance	5.00	5.00	5.00	6.00	4.00	4.00	4.00	3.67
Total	196.75	192.40	208.00	215.88	181.88	182.01	183.01	176.55

Source: City of Winder Budget

* Water Plant operations, sewer plant operations and sewer collection operations are operated by H.S. Feldman, Inc. by contract with the City of Winder.

Does not include part-time elected officials.

Information Prior to FY 2005 was not readily available in this format.

Solid Waste collections are operated by Republic Servcies.

City of Winder, Georgia
Statistical Section – Operating Information
Operating Indicators by Function/Program
Last Seven Fiscal Years

	2006	2007	2008	2009	2010	2011	2012
Function/Program							
Public Safety							
Police Department:							
Total Calls for Service	16,000	16,000	15,000	14,500	16,400	16,000	16,500
Motor Vehicle Accident Reports	811	793	826	649	594	483	445
Criminal Investigation Cases	3,417	4,612	4,100	4,500	4,000	3,700	3,300
Clearance Rate	54%	71%	78%	91%	87.5%	79.0%	84.3%
Miles Patrolled	376,000	407,000	420,000	410,000	420,000	420,000	435,000
Fire Department							
Total Emergency Responses	1,166	1,261	1,006	1,031	1,207	1,256	1,520
Fire Calls	63	88	88	95	68	65	67
Rescue Calls	753	822	625	656	750	879	1097
Other Emergency Calls	350	351	293	280	389	312	356
Average Response Time (Minutes)	3:28	3:36	3:57	4:04	3:47	4:00	3:58
Public Works							
Streets/Cemetery:							
Loads of Loose Debris Picked up	1,077	959	537	615	656	723	643
Number of bags of leaves/yard waste or tons*	33,602	22,565	13,292	11,983	189*	419	281
Graves Opened/Closed	44	30	32	31	31	34	27
Number of street locations patched	133	142	298	227	198	190	175
Other work orders (signs, grass cutting, etc.)	1,069	1,828	1,551	1,474	1,720	2,068	2,400
Special Facilities - Community Center							
Number of Events- Community Center	331	342	334	300	274	256	274
Number of Events- Cultural Arts Center	-	-	185	327	476	550	378
Internal - Fleet Maintenance							
Number of vehicle service/repairs	1,018	973	1,012	742	683	586	528

City of Winder, Georgia
Statistical Section – Operating Information
Operating Indicators by Function/Program
Last Seven Fiscal Years

	2006	2007	2008	2009	2010	2011	2012
Utilities (Business-Type Activities)							
Water Distribution:							
New Taps/Meters Installed	567	631	598	175	85	64	182
Leaks Repaired	422	431	551	407	567	614	495
Total Number of Water Customers - Year End	13,328	13,930	14,094	14,015	14,006	14,058	14,200
Water Plants - Average Daily Production (mgd)*	3.87	4.37	3.55	3.775	3.913	3.86	3.75
Sewer Plants- Average Daily Treatment (mgd)*	1.42	1.22	1.24	1.63	2.13	1.68	1.56
Sewer Collection - New Taps	385	70	90	33	22	7	12
Total Number of Sewer Customers - Year End	4,563	4,760	4,780	4,732	4,741	4,778	4,758
Gas:							
New Meters Installed	273	301	263	158	72	56	65
Leaks Repaired	65	72	240	235	422	90	14
New Gas Line Run (ft)	20,262	10,666	72,859	32,816	8,059	31,800	14,919
Total Number of Gas Customers- Year End	5,084	5,380	5,419	5,443	5,481	5,525	5,801
Solid Waste:							
Tons of Garbage Collected	7,561	6,341	6,584	6,330	7,485	7,512	3,765
Total Number of Customers - Year End	5,195	5,447	5,447	5,398	5,386	5,406	4,981
Utility Services (Billing and Collection):							
Number of bills processed, sent and collected	175,309	180,525	187,709	188,493	188,430	188,868	189,438

Source: City of Winder Operational Reports and Billing Records.

*Water plant operations, sewer plant operations and sewer collection operations are operated by H.S. Feldman, Inc. by contract with the City of Winder. MGD = millions gallons per day

Most utility taps are made by the developer and later deeded to the City.

Operational indicators not available for certain administrative functions

Major street paving projects are contracted to privately owned paving companies

Year End Service Accounts are as of June 30 for each fiscal year.

Effective April 1, 2007, the City of Winder contracted with a private operator to collect and dispose of garbage. However the City continues to bill and collect for garbage collection.

Operating Indicators were not readily available in this format for years prior to FY 2006. FY 2010 and forward totals for water, gas, and sewer include inactive

City of Winder, Georgia
Statistical Section – Operating Information
Capital Assets Statistics by Function/Program
Last Seven Fiscal Years

	2006	2007	2008	2009	2010	2011	2012
Public Safety							
Police Department:							
Stations	1	1	1	1	1	1	1
Precincts	2	2	2	2	2	2	1
Number of Police Vehicles	34	36	40	53	53	52	52
Fire Department:							
Stations	2	2	2	2	2	2	2
Pumpers	3	3	3	3	3	3	3
Ladder/Rescue	2	2	3	2	2	2	2
Public Works							
Streets:							
Miles of Streets	107	112	114	114	114	114	114
Number of Refuse Collection Trucks	3	3	4	7	7	7	7
Cemetery:							
Acres in Cemetery	27	27	27	27	27	27	27
Special Facilities							
Community Center							
Rooms available for rental	3	3	3	3	3	3	3
Cultural Arts Center/Theater							
Theater and rooms available for rental	-	3	3	3	3	3	3
Internal - Fleet Maintenance							
Number of Maintenance Facilities	1	1	1	1	1	1	1
Utilities (Business-Type Activities)							
Water Distribution							
Water Mains (Miles)	344	354	362	362	362	362	362
Fire Hydrants	2,298	2,351	2,393	2,424	2,438	2,444	2,444
Number of Meters-Year End	13,328	13,930	14,094	14,015	14,722 *	14,802 *	15,091 *
Water Treatment and Supply							
Number of Plants	2	2	2	1	1	1	1
Production Capacity (mgd)	5.1	5.1	5.1	5.1	5.1	5.1	5.1
Purchase Contract (mgd)	5	5	5	5	5	5	5
Wastewater Treatment							
Number of Plants	2	2	2	2	2	2	2
Treatment Capacity (mgd)	3.15	3.15	5.5	5.5	5.5	5.5	5.5
Wastewater Collection							
Miles of Sewer Line	102	107	112	112	112	112	112
Number of Connections - Year End	4,563	4,760	4,780	4,732	4,741	4,778	4,775
Gas							
Miles of gas line	180	184	204	205.5	207.5	213.5	213.5
Base Supply Contract (mcf per day)	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Number of Meters-Year End	5,084	5,380	5,419	5,443	5,879 *	5,904 *	5,904 *
Solid Waste Collection							
Number of Garbage Trucks	5	5	-	-	-	-	-
Number of Service Accounts - Year End	5,195	5,447	5,447	5,398	5,386	5,406	5,412
Miscellaneous							
Approximate City Land Area (sq miles)	11	13	13	13	13	13	13

Note: mgd = million gallons per day

mcf = thousand cubic feet

Capital Asset Statistics were not available in this format prior to FY 2006

*Modified in 2010 to include inactive meters/connections

Sanitation operations were privatized in April, 2007

Source: Various City Departments



CITY OF WINDER, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
June 30, 2012

**Report of Independent Certified Public Accountant 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**



**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***

Honorable Mayor and
Members of the City Council
City of Winder, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Winder, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the City of Winder, Georgia's basic financial statements and have issued our report thereon dated December 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the City of Winder, Georgia, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Winder, Georgia's internal control over financial reporting as a basis for designing our auditing procedures 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 Winder, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Winder, Georgia's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Winder, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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*.

We noted certain matters involving the internal control over financial reporting that we have reported to management of the City of Winder, Georgia in a separate letter dated December 20, 2012.

This report is intended solely for the information and use of the City Mayor and Council, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 20, 2012





**City of Winder, Georgia
Comprehensive Annual Financial Report
June 30, 2012**