

# 2006

Comprehensive Annual Financial Report  
City of Winder, Georgia  
For the Fiscal Year Ended June 30, 2006



*Broad Street: Then and Now*

Prepared By:  
City of Winder, Georgia  
Finance Department









# **CITY OF WINDER, GEORGIA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended**

**June 30, 2006**

**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, 2006**

# **Introductory Section**

Letter of Transmittal

Certificate of Achievement

Organizational Chart

City Officials and Administrative Personnel



# City Of Winder

## Letter of Transmittal

A Lamar Ouzts  
**Mayor**

November 30, 2006

**City Council:**

The Honorable Mayor Lamar Ouzts,  
Members of the City Council and Citizens of the  
City of Winder

Sonny Morris  
Mayor Pro-Tem  
Ward 1

Charlie Eberhart  
Ward 2

Ridley Parrish  
Ward 3

Frank Dunagan  
Ward 4

Mike Mingus  
At Large

Larry Evans  
At Large

---

Bob Beck  
City Administrator

Jane Skelton  
City Clerk - Treasurer

Leslie Ginn  
Finance Director

Sabrina Wall  
Deputy City Clerk

Ambrose Jackson  
Administrative Assistant

John E. Stell  
City Attorney

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, 2006.

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.

The accounting firm of Wayne Ivey Bowen, Certified Public Accountant, Gainesville, Georgia, a licensed certified public accountant, 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, 2006, are free of material misstatement. 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, 2006, 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 113.

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

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical, and auditor's compliance letter. The Introductory Section, which is unaudited, includes this transmittal letter, the City's Certificate of Achievement, organizational chart and an identification of principal officials.

The financial section includes the independent auditor's opinion letter, the management discussion and analysis document (MD&A), basic financial statements for the entity as a whole, fund financial statements, notes to the financial statements, required supplementary information which contains a schedule for the City's general fund presenting budget to actual data with notes, and the supplementary information section that includes the non-major governmental fund financial statements; schedules for the City's governmental funds presenting budget to actual data, the City's agency fund statement of changes in assets and liabilities; internal service funds schedules; SPLOST schedules; and capital assets used in the operations of governmental funds. The MD&A includes management's narrative on the financial statements of the City for the fiscal year ended June 30, 2006 and is found immediately after the report of the independent auditor.

The statistical section, which is also unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

## 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. Being geographically located between Atlanta to the west, Athens to the east, Interstate 85 to the north and state highway 316 to the south, Winder continues to enjoy many cultural and economic advantages.

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, and infrastructure.

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 the fifth fastest growing county in Georgia. Served primarily by Highway 316 and I-85, Barrow County is an escape from congested traffic and city noise.

The area's unemployment rate in June 2006 was 4.1 percent, compared to 5.6 percent for Georgia's statewide rate and comparable to the national rate of 5.0 percent which was at the lowest level since September 2001. Atlanta is the primary economic engine for the area and therefore the City has enjoyed a better economic growth and stability than other parts of the country. The region's growth and economic diversity are expected to be the basis for continued health of the local economy in coming years.

One factor in measuring the economic condition of a community is its overall property fair value. For Winder, the trend is impressive. In just five years the value has increased by 77%. Much of this was driven by new development. Even with this growth the City continues to operate without a property tax assessment. The City has not assessed a maintenance and operations property tax since 1977. The growth rate of the City with respect to fair values is shown below.

**ESTIMATED FAIR VALUES**  
(IN MILLIONS)

<b>YEAR</b>	<b>FAIR VALUES</b>	<b>PERCENT CHANGE</b>
1999	\$ 411.5	6.88%
2000	\$ 433.7	5.40%
2001	\$ 499.2	15.09%
2002	\$ 525.2	5.20%
2003	\$ 552.8	5.26%
2004	\$ 683.1	23.60%
2005	\$ 814.4	19.22%
2006	\$ 883.1	8.44%

*Source: Barrow County Tax Commissioner*

The City anticipates more private development activity and private sector employment. Our optimism is based on several factors. First, the City is strategically located for future commercial development and the influx of revenues that this brings. The City is located on highway 316 connecting Atlanta and Athens. Along this corridor there are large tracts of land available for commercial, industrial, and residential development. Second, the Bear Creek Reservoir has alleviated the water supply problem that has hampered development for the past few years. Third, plans are underway to improve and expand the wastewater treatment facility that will accommodate the anticipated growth. The new facility should be online in late 2007. Finally, the City has demonstrated a resolve to balance demands for service with reasonable fees. As with any business, it is vitally important to charge consumers a price that is fair and yet covers the costs of providing that service.

**Major Initiatives**

**Wastewater Treatment Plant**

Current and projected economic growth of the Winder-Barrow County area places additional demand on the City’s wastewater treatment facilities. Construction began in May 2006, on the City’s new Cedar Creek Wastewater Reclamation Facility. The facility will provide an additional 3 million gallons a day of wastewater treatment capacity. The cost estimates are approximately \$17 million. The Georgia Environmental Facilities Authority is providing financing for the facility in the form of long-term loans.

**Intergovernmental Agreements**

In June 2006, the City sold 1 million gallons a day capacity of its Cedar Creek Wastewater Reclamation Facility to Barrow County for approximately \$10,000,000, payable over a twenty year term, with an option for ten years to purchase an additional 1 million gallons a day capacity. This sewer capacity will insure that Barrow County can meet the anticipate growth demands for the next ten years.

The City provides billing for the Barrow County Sewer customers through an intergovernmental agreement. The City agreed to bill for the County since the City already meters these common customers. The City will also be collecting the County’s sewer taps. All monies collected for the County will be reimbursed less a billing and collection fee. The County Sewer customer base is also growing at an all time rate. This agreement provides the citizens of Barrow County with a more efficient and cost effective mode of government.

The City and Barrow County also signed an intergovernmental agreement to provide fire flow to Anderson Merchandising. With this agreement and certain conditions that Anderson Merchandising must meet, the Georgia Department of Community Affairs has awarded a grant to help with the cost of this increase in fire flow capacity.

### **Public Safety**

In the past year the City has reorganized the Municipal Court and related probation operations. New court and police management systems were installed to facilitate better reporting and management of both court and police activities. Additionally, the City appointed a full time code enforcement officer to address various City code violations in a timelier manner. This has resulted in a more efficient and effective justice system for the City.

The Fire Department personnel completed refurbishing the former City Hall building to house the fire administrative staff, meeting facilities and historic memorabilia of Winder. The *Bill Sheridan Fire Headquarters* honors Mr. Bill Sheridan who served as a member of the City Council from 1971 until in death in 2005. Mr. Sheridan was Chairman of the Fire Committee for most of those years. The fire fighters provided the labor for this renovation project while private enterprise provided a substantial amount of materials saving the City a significant amount of money.

The Fire Department also placed into service a new fully equipped fire truck. This truck together with new five inch water hoses gives the fire department major advantages in suppressing fires of all sizes.

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. The police officers raise funds for the Boys and Girls club through its annual golf tournament while the fire department's "Empty Stocking Fund" program will benefit more than 250 children at Christmas.

### **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 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 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 City Administrator is permitted to transfer appropriations within a function. Department heads may make transfers of 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.

### **Cash Management**

Cash is deposited in interest bearing accounts that are insured or fully collateralized in accordance with state law. Cash temporarily idle during the year was invested in the State of Georgia Local Government Investment Pool, demand deposits, certificates of deposit, obligations of the U.S. Treasury, and repurchase agreements in commercial banks collateralized by U.S. obligations.

### **Risk Management**

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The City has joined with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and

Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. Settled claims in the past three years have not exceeded the coverage provided by these plans.

### 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, 2005. The Certificate of Achievement is a prestigious 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.

### 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. The City of Winder has such a staff in the Finance Department under the direction of Leslie Ginn. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We also acknowledge 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,



G. Robert Beck  
City Administrator



Jane Skelton  
Treasurer



Leslie W. Ginn  
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, 2005

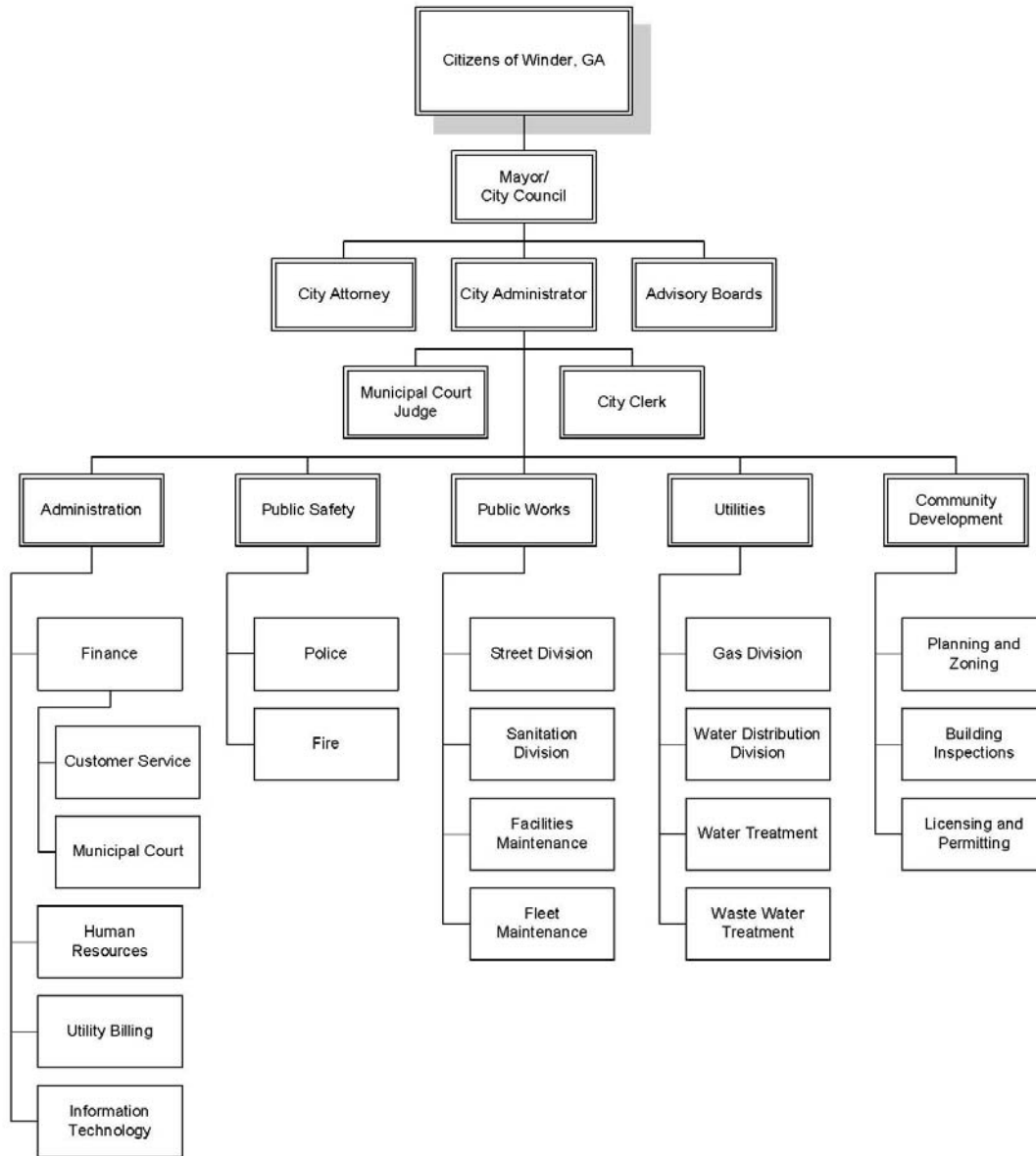
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# Organization Chart





# City Officials and Administrative Personnel

## PRINCIPAL OFFICIALS

June 30, 2006

### ELECTED OFFICIALS

#### Mayor

A. Lamar "Buddy" Ouzts

#### City Council

Charlie Eberhart  
Mike Mingus  
Ridley Parrish

Frank Dunagan  
Sonny Morris  
Larry Evans

### APPOINTED OFFICIALS

Bob Beck .....	Administrator
Jane Skelton.....	City Clerk/Treasurer
Leslie Ginn.....	Finance Director
John Stell.....	City Attorney

### MAILING ADDRESS

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

[www.cityofwinder.com](http://www.cityofwinder.com)





**CITY OF WINDER, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
For the Fiscal Year Ended  
**June 30, 2006**

# **Financial Section**

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



**WAYNE IVEY BOWEN**  
CERTIFIED PUBLIC ACCOUNTANT  
529 GREEN STREET - P.O. BOX 2335  
GAINESVILLE, GEORGIA 30503

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

(770) 536-9833  
FAX (770) 536-0136

MEMBER  
GEORGIA SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

November 30, 2006

Independent Auditor's Report

The Honorable Mayor Lamar Ouzts and  
Members of the City Council  
City of Winder, Georgia 30680

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate 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, 2006 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's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Winder, Georgia as of June 30, 2006 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the City has retroactively reported major general infrastructure assets, as allowed by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 30, 2006 on my consideration of the City of Winder's internal control over financial

reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 my audit.

The Management's Discussion and Analysis and Budget and Actual Comparisons are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My 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, supplementary section, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary section has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, I express no opinion on them.

  
\_\_\_\_\_  
Certified Public Accountant

## 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 (beginning on page 2) and the City's financial statements (beginning on page 23).

### Financial Highlights

The City's net assets increased approximately \$2,810,000 or 6.6%. This increase is attributable to business-type activities, primarily the water and sewer, and gas utilities.

Government-wide activity revenues increased by \$461,000 or 9.0%. This increase is attributable primarily to the increase in taxes collected and interest earned by the City.

Business-type activities revenues increased by \$6,204,000 or 31.8% due primarily to the substantial increase in the cost of gas that the City passes on to the customers with an additional add on of \$3.50 per 1000 MCF that the City retains to cover operational expenses and the increase in water and sewer rates and tap fees.

Overall City expenses increased by \$4,158,000 or 17.0%. This represents a substantial increase in the cost of gas and a modest increase in the cost of operations.

The City has paid down its outstanding debt by \$1,236,000, net of new debts in the amount of \$540,000.

### Report Layout

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 four

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.

- The City has two internal service funds to account for the cost of administration of the gas and water utility operations and fleet maintenance. 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.
- 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 non-major funds can find it in the Combining Statements of Non-major Funds and/or the Supplementary Information-Budgetary Comparison sections of this report. Components within this section include:
  - Nonmajor Funds Statements. Major funds are included within the Basic Financial Statements, whereas non-major funds are presented here. These statements include balance sheets and statements of revenues, expenditures and changes in fund balances.
  - Budgetary comparison information for non-major governmental funds and schedules of General Fund expenditures are presented here.
  - Agency Fund Changes in Assets and Liabilities represents the activities of the City of Winder Municipal Court.
  - Internal Service Funds Statements. The City has two 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 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.



**City as a Whole**  
**Statement of Net Assets at June 30, 2006 and 2005**

(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Government	
	2006	2005	2006	2005	2006	2005
Cash and Investments	\$ 1.2	\$ 1.1	\$ 6.1	\$ 3.4	\$ 7.3	\$ 4.5
Current Assets	0.8	1.3	3.0	3.2	3.8	4.5
Capital Assets	12.3	4.0	40.7	40.5	53.0	44.5
Total Assets	14.3	6.4	49.8	47.1	64.1	53.5
Current Liabilities	0.4	1.0	2.6	1.9	3.0	2.9
Long-Term Debt Outstanding	0.7	0.7	15.0	16.4	15.7	17.1
Total Liabilities	1.1	1.7	17.6	18.3	18.7	20.0
Net Assets:						
Invested in Capital Assets, Net of Related Debt	11.6	3.3	25.7	24.2	37.3	27.5
Restricted	0.1	0.4	0.5	0.6	0.6	1.0
Unrestricted	1.5	1.0	6.0	4.0	7.5	5.0
Total Net Assets	\$ 13.2	\$ 4.7	\$ 32.2	\$ 28.8	\$ 45.4	\$ 33.5

**Governmental Activities**

Growth in general governmental net assets is attributable to the City's infrastructure reporting requirements under GASB Statement #34. Long-Term Debts Outstanding remained the same because of regular principal payments plus additional financing in 2006 for the fire truck purchased during Fiscal Year 2005.

**Business-Type Activities**

The increase in net assets is due to increased operating income in the water, sewer, and gas funds. The liabilities decreased because of regular principal payments and no additional debt was issued.

**Statement of Activities for the Year Ended June 30, 2006 and 2005**

(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Government	
	2006	2005	2006	2005	2006	2005
<b>Revenues</b>						
Program Revenue						
Charges for Services	\$ 1.5	\$ 1.3	\$ 25.5	\$ 19.5	\$ 27.0	\$ 20.8
Grants and Contributions	1.2	1.0	0.2	-	1.4	1.0
General Revenues						
Taxes	2.7	2.4	-	-	2.7	2.4
Other	0.2	0.5	-	-	0.2	0.5
Total Revenues	5.6	5.2	25.7	19.5	31.3	24.7
<b>Expenses</b>						
Governmental Activities						
General Government	-	0.2	-	-	-	0.2
Public Safety	4.9	4.4	-	-	4.9	4.4
Public Works	2.1	1.5	-	-	2.1	1.5
Facilities Maintenance	0.3	-	-	-	0.3	-
Business-Type Activities	-	-	21.2	18.2	21.2	18.2
Total Expenses	7.3	6.1	21.2	18.2	28.5	24.3
<b>Excess (Deficiencies) Before Transfers</b>	<b>(1.7)</b>	<b>(0.9)</b>	<b>4.5</b>	<b>1.3</b>	<b>2.8</b>	<b>0.4</b>
Transfers	1.7	2.1	(1.7)	(2.1)	-	-
<b>Increase (Decrease) in Net Assets</b>	<b>-</b>	<b>1.2</b>	<b>2.8</b>	<b>(0.8)</b>	<b>2.8</b>	<b>0.4</b>
Beginning Net Assets	4.7	3.5	28.8	29.6	33.5	33.1
Prior Period Adjustments:						
Beginning Infrastructure	8.5	-	-	-	8.5	-
Rate Stabilization	-	-	0.6	-	0.6	-
<b>Ending Net Assets</b>	<b>\$ 13.2</b>	<b>\$ 4.7</b>	<b>\$ 32.2</b>	<b>\$ 28.8</b>	<b>\$ 45.4</b>	<b>\$ 33.5</b>

**Governmental Activities**

Total revenues increased \$ 461,000 or 9.0%. This increase is due to the continued increase in property values and the growth in the City. The sales, business, and fire taxes received increased by \$397,000. The fines and forfeitures also increased by \$53,000. The other increase in revenues was due to increase in license and permits revenues.

Expenses increased by \$1.1 million or 13.7%. This increase is the result of the City's GASB 34 reporting requirement of the current year's accumulated depreciation expense for the infrastructure which was put into service from Fiscal Year 1980 through Fiscal Year 2006. This additional depreciation amounted to \$664,000. The other increase in expenses was a modest increase over the previous year's expenses.

**Business-type Activities**

Total revenues increased \$6.2 million or 31.8%. On July 1, 2005, the City's water and sewer tap fees increased to provide the capital needed to pay for the financing of the new wastewater treatment facility currently under construction. The City also increased the water and sewer rates to enable the City to continue to improve and repair water and sewer lines within the City's service area. The increase in revenues is also due to the increase in the cost of natural gas. The City passes the cost of gas on to the customer with an additional \$3.50 per 1000 MCF. Since the cost of gas increased, the amounts billed to the customers increased, which is reflected in the increase in revenues.

The expenses increased \$ 3.1 million or 18.7%. The increase is directly related to the substantial increase in the cost of gas. The cost to purchase gas increased by \$2.9 million. The Solid Waste Fund expenses increased due to additional homes from where refuse is collected and increase in landfill fees.

Revenues of the Water Fund increased by 31.5% due to an increase in the water and sewer tap fees and rates, plus an increase in the customer base and the amount of water consumed. The expenses of the Water Fund decreased by 2.6%. This decrease is due the decrease in interest expense and fiscal agent charges in the current fiscal year

The Gas Fund revenues increased approximately 35.8%. Natural gas prices increased substantially over the last year. Operating expenses increased by 38.2%.

Solid Waste Management Fund revenues stayed the same and operating expenses increased by 23.6%.

**Budgetary Highlights**

The City Council approves all current year budget revisions in June of each year, at the same time the new fiscal year budget is approved. Budget variances are reviewed with the Mayor and Council on a monthly basis. The significant budget changes were related to capital improvements and related anticipated borrowings and adoption of the full indirect costs allocation procedure.

The significant budget expenditure changes pertained to the indirect cost allocations which were not budgeted in the original 2006 budget. As a result of these changes, some of the departments (such as public safety) are showing substantial increases between original budget and amended budget.

Sales tax receipts were higher than expected due to the performance of the local economy.

Actual Governmental capital outlay was less than budgeted because certain facility upgrades were deferred to future fiscal years.

**Capital Assets and Debt Administration**

**Capital Assets**

As of June 30, 2006 the City has invested \$ 53.0 million (net of depreciation) in capital assets reflected in the following table.

(in millions of dollars)

	Governmental Activities		Business-Type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Land	\$ 0.3	\$ 0.3	\$ 5.5	\$ 5.5	\$ 5.8	\$ 5.8
Buildings & Improvements	2.1	2.2	1.7	1.4	3.8	3.6
Plant & System	-	-	31.7	33.3	31.7	33.3
Infrastructure	9.0	9.2	-	-	9.0	9.2
Furniture & Equipment	0.4	0.4	0.2	0.2	0.6	0.6
Vehicles	0.5	0.5	0.1	0.1	0.6	0.6
Work In Progress	-	-	1.5	-	1.5	-
	<u>\$ 12.3</u>	<u>\$ 12.6</u>	<u>\$ 40.7</u>	<u>\$ 40.5</u>	<u>\$ 53.0</u>	<u>\$ 53.1</u>

The following table reconciles the change in capital assets.

(in millions of dollars)

	Governmental Activities	Business-Type Activities	Totals
Beginning Balance	\$ 12.6	\$ 40.5	\$ 53.1
Additions	0.9	2.2	3.1
Retirements	(0.2)	(0.1)	(0.3)
Depreciation	(1.0)	(1.9)	(2.9)
Ending Balance	<u>\$ 12.3</u>	<u>\$ 40.7</u>	<u>\$ 53.0</u>

Capital asset additions from governmental activities amounted to almost \$900,000, consisting of the purchase of three new police cars, street improvements, and TV Station equipment. Depreciation and retirements decreased total capital assets by \$1,000,000.

Business-type assets increased overall by \$200,000. The Water Fund increased assets by \$1.5 million for upgrading wastewater treatment facilities and installing a new fire flow line main to serve Anderson Merchandising and the Barrow County Industrial Park. The Special Facilities Fund increased assets by \$224,000 for the renovation of the community theatre.

The notes to the financial statements include more detailed information on capital asset activities on page 37.

**Debt Outstanding**

As of year-end, the City had \$ 15.9 million in debt outstanding compared to \$ 17.1 million last year. This included \$ 1.6 million due within one year. The following table presents a comparison of debts outstanding:

(in millions of dollars)

	Totals	
	2006	2005
Governmental:		
Capital Leases	\$ 0.3	\$ -
Notes	0.5	-
Compensated Absences	0.1	0.7
Sub-total	<u>0.9</u>	<u>0.7</u>
Business-type:		
Capital Leases	\$ 0.7	\$ 1.0
Notes	2.8	3.1
Water and Sewer Bonds	11.5	12.3
Sub-total	<u>15.0</u>	<u>16.4</u>
Total	<u>\$ 15.9</u>	<u>\$ 17.1</u>

The City financed the acquisition of a vehicle (fire truck) by means of a capital lease. The decrease in overall debt was due to continued payments during the year.

The outstanding water revenue bonds have bond insurance provided by MBIA and this essentially raises the rating to the highest level, AAA. Other debt of the City has not been rated.

The notes to the financial statements include more detailed information on long-term debt activities on page 49.

### **Economic Factors**

Funding for the operations of the City come from three primary sources: sales taxes, licensing and permitting activities, and utility profits. As the general economy continues to improve, the City remains focused on reducing operational costs through increasing the effectiveness and efficiency of the City's operations and administration.

Private development activity continues to be a bright spot in the City's economy, with over 1,400 houses under design or construction phase within the City during FY 2006. The City's water system customer base grew by 320 (a 2.6% increase) and the gas system customer base grew by 830 (a 16.5% increase). This new development, coupled with an 8% growth in assessed property values is reflective of the City's emergence as a part of the metro Atlanta economic area.

### **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 contact the City's Finance Director at 45 East Athens Street, Winder, Georgia 30680.



**CITY OF WINDER, GEORGIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended

**June 30, 2006**

**Basic Financial Statements**



**City of Winder, Georgia**  
**Statement of Net Assets**  
**June 30, 2006**

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Non-major Totals
<b>Assets</b>				
Cash and Cash Equivalents	\$ 999,776	\$ 5,651,653	\$ 6,651,429	\$ 4,636
Taxes Receivable - Net	47,060	-	47,060	-
Accounts Receivable	53,532	2,178,347	2,231,879	-
Intergovernmental Receivable	382,142	56,619	438,761	-
Due from Others	126,020	-	126,020	-
Supply Inventory	-	361,709	361,709	-
Investments	235,869	-	235,869	-
Prepaid Items	92,133	18,178	110,311	-
Bond Issue Costs - Net of Amortization	-	360,699	360,699	-
Loan Closing Costs - Net of Amortization	-	29,385	29,385	-
Restricted Assets				
Net Pension Asset	84,583	-	84,583	-
Investment Bond Sinking Accounts	-	452,046	452,046	-
Capital Assets				
Non-Depreciable	314,532	6,984,277	7,298,809	-
Depreciable, Net	12,030,074	33,706,492	45,736,566	-
<b>Total Assets</b>	<b>14,365,721</b>	<b>49,799,405</b>	<b>64,165,126</b>	<b>4,636</b>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	315,490	2,215,932	2,531,422	2,661
Customer Deposits	-	382,592	382,592	-
Other Current Liabilities	55,458	-	55,458	-
Long Term Liabilities				
Due Within One Year	172,817	1,272,940	1,445,757	-
Due in More Than One Year	590,074	13,756,367	14,346,441	-
<b>Total Liabilities</b>	<b>1,133,839</b>	<b>17,627,831</b>	<b>18,761,670</b>	<b>2,661</b>
<b>Net Assets</b>				
Invested In Capital Assets, Net Of Related Debt Restricted For	11,581,715	25,661,462	37,243,177	-
Debt Service	-	452,046	452,046	-
Retirement	84,583	-	84,583	-
Unrestricted	1,565,584	6,058,066	7,623,650	1,975
<b>Total Net Assets</b>	<b>\$ 13,231,882</b>	<b>\$ 32,171,574</b>	<b>\$ 45,403,456</b>	<b>\$ 1,975</b>

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

City of Winder, Georgia  
 Statement of Activities  
 For the Year Ended June 30, 2006

Function/Program	Expenses	Indirect Costs	Charges For Services
<b>Governmental Activities</b>			
General Government	\$ 2,282,797	\$ (2,381,233)	\$ 1,023,457
Public Safety	4,367,839	525,674	413,549
Public Works	1,938,343	205,209	109,104
Facilities Maintenance	303,219	-	-
Interest and Fiscal Agent Charges	32,060	-	-
<b>Total Governmental Activities</b>	<b>8,924,258</b>	<b>(1,650,350)</b>	<b>1,546,110</b>
<b>Business Type Activities</b>			
Water and Sewer	7,279,531	737,581	11,923,559
Gas	10,690,785	717,560	12,506,598
Solid Waste Management	1,429,381	178,308	1,023,772
Special Facilities	209,543	16,901	88,614
<b>Total Business Type Activities</b>	<b>19,609,240</b>	<b>1,650,350</b>	<b>25,542,543</b>
<b>Total Primary Government</b>	<b>\$ 28,533,498</b>	<b>\$ -</b>	<b>\$ 27,088,653</b>
<b>Component Unit</b>			
Downtown Development Authority	\$ 94,433	\$ -	\$ 7,509
<b>Total Component Unit</b>	<b>\$ 94,433</b>	<b>\$ -</b>	<b>\$ 7,509</b>

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 Downtown Development Authority
		Primary Government			
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	
\$ -	\$ -	\$ 1,121,893	\$ -	\$ 1,121,893	
820,394	-	(3,659,570)	-	(3,659,570)	
-	363,047	(1,671,401)	-	(1,671,401)	
-	-	(303,219)	-	(303,219)	
-	-	(32,060)	-	(32,060)	
<b>820,394</b>	<b>363,047</b>	<b>(4,544,357)</b>	<b>-</b>	<b>(4,544,357)</b>	
-	193,534	-	4,099,981	4,099,981	
-	-	-	1,098,253	1,098,253	
-	-	-	(583,917)	(583,917)	
-	-	-	(137,830)	(137,830)	
-	<b>193,534</b>	<b>-</b>	<b>4,476,487</b>	<b>4,476,487</b>	
<b>\$ 820,394</b>	<b>\$ 556,581</b>	<b>(4,544,357)</b>	<b>4,476,487</b>	<b>(67,870)</b>	
\$ 74,750	\$ -				\$ (12,174)
<b>\$ 74,750</b>	<b>\$ -</b>				<b>\$ (12,174)</b>
<b>General Revenues:</b>					
Taxes					
General Sales Taxes		1,764,368	-	1,764,368	-
Selective Sales Taxes		403,294	-	403,294	-
Business Taxes		510,902	-	510,902	-
Interest Earnings		176,458	-	176,458	-
Miscellaneous		23,277	-	23,277	-
<b>Transfers</b>		1,697,386	(1,697,386)	-	-
<b>Total General Revenues and Transfers</b>		<b>4,575,685</b>	<b>(1,697,386)</b>	<b>2,878,299</b>	<b>-</b>
<b>Change in Net Assets</b>		<b>31,328</b>	<b>2,779,101</b>	<b>2,810,429</b>	<b>(12,174)</b>
Beginning Net Assets		4,694,162	28,814,126	33,508,288	14,149
Prior Period Adjustments:					
Beginning Infrastructure, net		8,506,392	-	8,506,392	-
Rate Stabilization Fund		-	578,347	578,347	-
<b>Ending Net Assets</b>		<b>\$ 13,231,882</b>	<b>\$ 32,171,574</b>	<b>\$ 45,403,456</b>	<b>\$ 1,975</b>

City of Winder, Georgia  
 Governmental Funds  
 Balance Sheet  
 June 30, 2006

<u>Assets</u>	General Fund	Other Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 941,792	\$ 57,984	\$ 999,776
Taxes Receivable - Net	47,060	-	47,060
Accounts Receivable	47,142	6,390	53,532
Intergovernmental Receivable	300,000	82,142	382,142
Due From Agency Fund	126,020	-	126,020
Due From Other Funds	6,295	-	6,295
Prepaid Items	92,133	-	92,133
Investments	235,869	-	235,869
<b>Total Assets</b>	<b>\$ 1,796,311</b>	<b>\$ 146,516</b>	<b>\$ 1,942,827</b>
<u>Liabilities</u>			
Accounts Payable and Accrued Liabilities	\$ 191,159	\$ 24,556	\$ 215,715
Other Current Liabilities	55,458	-	55,458
Due To Other Funds	-	6,295	6,295
Deferred Revenues	43,394	-	43,394
<b>Total Liabilities</b>	<b>290,011</b>	<b>30,851</b>	<b>320,862</b>
<u>Fund Balance</u>			
Reserved For Capital Projects	-	45,064	45,064
Unreserved, Reported in Special Revenue	-	70,601	70,601
Unreserved and Undesignated	1,506,300	-	1,506,300
<b>Total Fund Balance</b>	<b>1,506,300</b>	<b>115,665</b>	<b>1,621,965</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,796,311</b>	<b>\$ 146,516</b>	<b>\$ 1,942,827</b>

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, 2006**

<b>Total fund balances for Governmental Funds</b>	<b>\$ 1,621,965</b>
<p>Amounts reported for governmental activities on the Statement of Net Assets differs from the amount reported on the Balance Sheet for Governmental Funds because:</p>	
Net pension asset not recorded on the fund financial statement	84,583
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, net of accumulated depreciation of \$17,977,188.	12,344,606
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Fire district taxes earned but unavailable	43,394
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(99,775)
Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the Government-wide Statement of Net Assets:	
Interfund receivables	6,295
Interfund payables	<u>(6,295)</u>
Notes and leases payable are not due and payable in the current period and therefore are not reported in the funds.	(762,891)
<b>Net Assets of Governmental Activities</b>	<b><u><u>\$ 13,231,882</u></u></b>

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 Year Ended June 30, 2006

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 3,294,814	\$ 84,623	\$ 3,379,437
License and Permits	1,023,457	-	1,023,457
Intergovernmental	-	539,249	539,249
Charges for Service	62,319	-	62,319
Fines and Forfeitures	352,027	-	352,027
Interest	167,134	9,324	176,458
Miscellaneous and Other	23,277	-	23,277
Indirect Cost Allocation	2,425,711	-	2,425,711
<b>Total Revenues</b>	<b>7,348,739</b>	<b>633,196</b>	<b>7,981,935</b>
<b>Expenditures:</b>			
Current			
General Government	2,219,673	28,340	2,248,013
Public Safety	4,542,672	192,863	4,735,535
Public Works	1,417,267	-	1,417,267
Facilities Maintenance	297,098	-	297,098
Capital Outlay			
General Government	103,554	39,822	143,376
Public Safety	118,551	-	118,551
Public Works	133,284	474,773	608,057
Debt Service			
Principal	173,678	-	173,678
Interest and Fiscal Agent Charges	32,060	-	32,060
<b>Total Expenditures</b>	<b>9,037,837</b>	<b>735,798</b>	<b>9,773,635</b>
<b>Excess Of Revenues Over (Under) Expenditures</b>	<b>(1,689,098)</b>	<b>(102,602)</b>	<b>(1,791,700)</b>
<b>Other Financing Sources:</b>			
Transfers In	2,852,657	121,801	2,974,458
Transfers Out	(1,227,072)	(50,000)	(1,277,072)
Issuance of Debt Instruments	286,373	-	286,373
<b>Total Other Financing</b>	<b>1,911,958</b>	<b>71,801</b>	<b>1,983,759</b>
<b>Net Change In Fund Balance</b>	<b>222,860</b>	<b>(30,801)</b>	<b>192,059</b>
<b>Beginning Fund Balance</b>	1,283,440	146,466	1,429,906
<b>Ending Fund Balance</b>	<b>\$ 1,506,300</b>	<b>\$ 115,665</b>	<b>\$ 1,621,965</b>

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 Year Ended June 30, 2006**

<b>Net Change In Fund Balance - Total Governmental Funds</b>	<b>\$</b>	<b>192,059</b>
<p>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:</p> <p>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.</p>		
Expenditures for Capital Assets	869,984	
Less Current Year Depreciation	<u>(990,550)</u>	(120,566)
<p>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.</p>		
Issuance of Long-term Debt	(286,373)	
Payment of Long-term Debt	<u>173,678</u>	(112,695)
<p>The net pension asset creates a balance sheet item while reducing net expenses of pensionable functions on the government wide statements.</p>		
		84,583
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Fire District Taxes		7,148
<p>Expenditures in the Statement of Activities that do not require current financial resources and not reported in the funds.</p>		
Compensated Absences		(19,201)
<b>Change in Net Assets of Governmental Activities</b>	<b>\$</b>	<b><u>31,328</u></b>

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

City of Winder, Georgia  
 Enterprise Funds – Business-type Activities  
 Statement of Net Assets  
 June 30, 2006

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Water and Sewer</b>	<b>Gas Fund</b>
<b>Assets</b>	<b>Fund</b>	<b>Gas Fund</b>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 2,991,303	\$ 2,420,040
Accounts Receivable	1,227,992	815,437
Intergovernmental Receivable	46,749	9,870
Supply Inventory	134,746	226,963
Prepaid Items	2,423	14,644
Bond Issue Costs - Net	31,898	-
Loan Closing Costs - Net	7,174	-
<b>Total Current Assets</b>	<b>4,442,285</b>	<b>3,486,954</b>
<b>Non-Current Assets</b>		
Restricted Assets		
Investment - Bond Sinking Accounts	452,046	-
<b>Total Restricted Assets</b>	<b>452,046</b>	<b>-</b>
<b>Property, Plant and Equipment - Net</b>	<b>35,633,841</b>	<b>3,059,184</b>
Other Assets		
Bond Issue Costs - Net	328,801	-
Loan Closing Costs - Net	22,211	-
<b>Total Other Assets</b>	<b>351,012</b>	<b>-</b>
<b>Total Non-current Assets</b>	<b>36,436,899</b>	<b>3,059,184</b>
<b>Total Assets</b>	<b>40,879,184</b>	<b>6,546,138</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities	1,170,858	924,608
Customer Deposits	204,594	177,998
Revenue Bonds Payable - Net	599,926	-
Notes & Capital Leases Payable	673,014	-
<b>Total Current Liabilities</b>	<b>2,648,392</b>	<b>1,102,606</b>
<b>Long -Term Liabilities</b>		
Notes and Capital Leases Payable	2,838,804	-
Revenue Bonds Payable - Net	10,917,563	-
<b>Total Long-Term Liabilities</b>	<b>13,756,367</b>	<b>-</b>
<b>Total Liabilities</b>	<b>16,404,759</b>	<b>1,102,606</b>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	20,604,534	3,059,184
Restricted Net Assets		
Debt Service	452,046	-
Unrestricted Net Assets	3,417,845	2,384,348
<b>Total Net Assets</b>	<b>\$ 24,474,425</b>	<b>\$ 5,443,532</b>

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

Solid Waste Management Fund		Special Facilities Fund		Totals	Internal Service Funds		
\$	206,888	\$	29,898	\$	5,648,129	\$	3,524
	130,418		4,500		2,178,347		-
	-		-		56,619		-
	-		-		361,709		-
	606		202		17,875		303
	-		-		31,898		-
	-		-		7,174		-
	<b>337,912</b>		<b>34,600</b>		<b>8,301,751</b>		<b>3,827</b>
	-		-		452,046		-
	-		-		<b>452,046</b>		-
	<b>75,589</b>		<b>1,873,927</b>		<b>40,642,541</b>		<b>48,228</b>
	-		-		328,801		-
	-		-		22,211		-
	-		-		<b>351,012</b>		-
	<b>75,589</b>		<b>1,873,927</b>		<b>41,445,599</b>		<b>48,228</b>
	<b>413,501</b>		<b>1,908,527</b>		<b>49,747,350</b>		<b>52,055</b>
	71,586		1,025		2,168,077		47,855
	-		-		382,592		-
	-		-		599,926		-
	-		-		673,014		-
	<b>71,586</b>		<b>1,025</b>		<b>3,823,609</b>		<b>47,855</b>
	-		-		2,838,804		-
	-		-		10,917,563		-
	-		-		<b>13,756,367</b>		-
	<b>71,586</b>		<b>1,025</b>		<b>17,579,976</b>		<b>47,855</b>
	75,589		1,873,927		25,613,234		48,228
	-		-		452,046		-
	266,326		33,575		6,102,094		(44,028)
<b>\$</b>	<b>341,915</b>	<b>\$</b>	<b>1,907,502</b>		<b>32,167,374</b>	<b>\$</b>	<b>4,200</b>

Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.

	<b>4,200</b>
Net Assets of business-type activities	<b>\$ 32,171,574</b>

City of Winder, Georgia  
 Enterprise Funds – Business-type Activities  
 Statement of Revenues, Expenses and Changes in Net Assets  
 For the Year Ended June 30, 2006

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Water and Sewer</b>	
	<b>Fund</b>	<b>Gas Fund</b>
<b>Operating Revenues</b>		
Charges For Services	\$ 9,417,872	\$ 12,341,365
Tap-On Fees	2,126,518	26,800
Penalties and Interest	210,524	117,744
Miscellaneous and Other	-	19,272
<b>Total Revenues</b>	<b>11,754,914</b>	<b>12,505,181</b>
<b>Expenses</b>		
Personal Services	693,091	366,051
Professional and Technical	2,322,765	16,356
Purchased Property Services	173,522	59,140
Supplies	914,038	9,683,453
Depreciation	1,650,459	188,790
Amortization	198,945	-
Internal Fund Charges	647,986	361,269
Indirect Costs Allocation	737,581	717,560
Bad Debts	32,774	15,726
<b>Total Expenses</b>	<b>7,371,161</b>	<b>11,408,345</b>
<b>Net Operating Revenues (Expenses)</b>	<b>4,383,753</b>	<b>1,096,836</b>
<b>Non-Operating Revenues (Expenses)</b>		
Interest Income	168,645	1,417
Interest Expense and Fiscal Agent Charges	(650,151)	-
Intergovernmental	193,534	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(287,972)</b>	<b>1,417</b>
<b>Net Revenues (Expenses) Before Transfers</b>	<b>4,095,781</b>	<b>1,098,253</b>
<b>Transfers</b>		
Transfers Out	(2,819,004)	(3,653)
Transfers In	-	-
<b>Net Transfers</b>	<b>(2,819,004)</b>	<b>(3,653)</b>
<b>Change in Net Assets</b>	<b>1,276,777</b>	<b>1,094,600</b>
<b>Net Assets, Beginning of the Year</b>	<b>23,197,648</b>	<b>3,770,585</b>
Prior Period Adjustment-Rate Stabilization Reserve	-	578,347
<b>Net Assets, End of the Year</b>	<b>\$ 24,474,425</b>	<b>\$ 5,443,532</b>

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



Solid Waste Management Fund		Special Facilities Fund	Totals	Internal Service Funds			
\$	1,000,856	\$	88,614	\$	22,848,707	\$	1,507,267
	-		-		2,153,318		-
	22,916		-		351,184		-
	-		-		19,272		4,200
	1,023,772		88,614		25,372,481		1,511,467
	565,874		91,356		1,716,372		1,060,011
	-		-		2,339,121		10,489
	496,629		16,139		745,430		147,388
	79,759		52,171		10,729,421		284,014
	35,248		49,877		1,924,374		5,365
	-		-		198,945		-
	246,256		-		1,255,511		-
	178,308		16,901		1,650,350		-
	5,615		-		54,115		-
	1,607,689		226,444		20,613,639		1,507,267
	<b>(583,917)</b>		<b>(137,830)</b>		<b>4,758,842</b>		<b>4,200</b>
	-		-		170,062		-
	-		-		(650,151)		-
	-		-		193,534		-
	-		-		(286,555)		-
	<b>(583,917)</b>		<b>(137,830)</b>		<b>4,472,287</b>		<b>4,200</b>
	-		-		(2,822,657)		-
	786,957		338,314		1,125,271		-
	<b>786,957</b>		<b>338,314</b>		<b>(1,697,386)</b>		-
	<b>203,040</b>		<b>200,484</b>		<b>2,774,901</b>		<b>4,200</b>
	138,875		1,707,018		28,814,126		-
	-		-		578,347		-
<b>\$</b>	<b>341,915</b>	<b>\$</b>	<b>1,907,502</b>		<b>32,167,374</b>	<b>\$</b>	<b>4,200</b>

Some amounts reported for business-type activities in the statement of activities are different because the net revenue of certain internal service funds are reported with business-type activities.

	<b>4,200</b>
<b>\$</b>	<b>32,171,574</b>

**City of Winder, Georgia**  
**Enterprise Funds – Business-type Activities**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2006**

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Water and Sewer</b>	
	<b>Fund</b>	<b>Gas Fund</b>
<b>Cash Flows From (To) Operating Activities:</b>		
Receipts From Customers	\$ 11,653,980	\$ 12,314,229
Payments to Employees	(689,170)	(366,071)
Internal Activity	(1,385,567)	(1,078,829)
Payments to Suppliers	(2,634,130)	(9,443,282)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>6,945,113</b>	<b>1,426,047</b>
<b>Cash Flows From (To) Noncapital Financing Activities</b>		
Transfers to Other Funds	(2,819,004)	(3,653)
Transfers from Other Funds	-	-
<b>Net Cash From (To) Noncapital Financing Activities</b>	<b>(2,819,004)</b>	<b>(3,653)</b>
<b>Cash Flows From (To) Capital and Related Financing Activities:</b>		
Acquisition and Construction of Capital Assets, Net	(1,627,337)	(137,931)
Receipts from Intergovernmental	146,785	-
Interest and Fiscal Charges on Notes & Capital Leases	(650,151)	-
Principal Payments on Bonds	(877,000)	-
Principal Payments on Notes & Capital Leases	(649,818)	-
<b>Net Cash From (To) Capital and Related Financing Activities</b>	<b>(3,657,521)</b>	<b>(137,931)</b>
<b>Cash Flows From Investing Activities:</b>		
Interest on Investments	168,645	1,417
<b>Net Increase (Decrease) in Cash</b>	<b>637,233</b>	<b>1,285,880</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>2,806,116</b>	<b>1,134,160</b>
<b>Cash and Cash Equivalents, End of the Year</b>	<b>\$ 3,443,349</b>	<b>\$ 2,420,040</b>
<b>Reconciliation of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities</b>		
Operating Income (Loss)	\$ 4,383,753	\$ 1,096,836
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities		
Depreciation and Amortization	1,849,405	188,790
Changes in Current Assets and Liabilities		
Increase (Decrease) in Accounts Payable & Accrued Liabilities	762,136	400,577
(Increase) Decrease in Inventories	40,394	(85,707)
(Increase) Decrease in Prepaid Items	12,055	(88)
(Increase) Decrease in Accounts Receivables	(102,630)	(174,361)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 6,945,113</b>	<b>\$ 1,426,047</b>

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

Solid Waste Management Fund		Special Facilities Fund	Totals	Internal Service Funds
\$	1,004,764	\$ 93,578	\$ 25,066,551	\$ 1,511,467
	(564,742)	(91,185)	(1,711,168)	(1,055,231)
	(424,564)	(16,901)	(2,905,861)	-
	(545,328)	(69,308)	(12,692,048)	(434,156)
	<b>(529,870)</b>	<b>(83,816)</b>	<b>7,757,474</b>	<b>22,080</b>
	-	-	(2,822,657)	-
	786,957	338,314	1,125,271	-
	<b>786,957</b>	<b>338,314</b>	<b>(1,697,386)</b>	<b>-</b>
	(50,199)	(224,600)	(2,040,067)	(53,593)
	-	-	146,785	-
	-	-	(650,151)	-
	-	-	(877,000)	-
	-	-	(649,818)	-
	<b>(50,199)</b>	<b>(224,600)</b>	<b>(4,070,251)</b>	<b>(53,593)</b>
	-	-	170,062	-
	<b>206,888</b>	<b>29,898</b>	<b>2,159,899</b>	<b>(31,513)</b>
	-	-	3,940,276	35,037
<b>\$</b>	<b>206,888</b>	<b>\$ 29,898</b>	<b>\$ 6,100,175</b>	<b>\$ 3,524</b>
\$	(583,917)	\$ (137,830)	\$ 4,758,842	\$ 4,200
	35,248	49,877	2,123,320	5,365
	29,177	(1,787)	1,190,103	12,818
	-	-	(45,313)	-
	3,014	1,005	15,986	(303)
	(13,392)	4,919	(285,464)	-
<b>\$</b>	<b>(529,870)</b>	<b>\$ (83,816)</b>	<b>\$ 7,757,474</b>	<b>\$ 22,080</b>

City of Winder, Georgia  
Fiduciary Statement of Assets and Liabilities  
Agency Fund – Municipal Court  
June 30, 2006

**Assets**

Cash and Cash Equivalents	\$	99,655
Accounts Receivable		51,790
<b>Total Assets</b>	<b>\$</b>	<b>151,445</b>

**Liabilities**

Accounts Payable & Accrued Liabilities	\$	25,425
Due To General Fund		126,020
<b>Total Liabilities</b>	<b>\$</b>	<b>151,445</b>

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, and infrastructure.

The accompanying financial statements report on the financial activity for the City of Winder, Georgia for the year ended June 30, 2006. 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). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City has 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.

In June 1999, GASB approved Statement No. 34 Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. As a part of this Statement, there is a new reporting requirement regarding the local government's infrastructure (roads, paths, street lights, etc.) and is scheduled for phased implementation based on the size of the government. The City of Winder is required to comply with the infrastructure reporting requirements no later than the fiscal year ending June 30, 2007. The City of Winder's financial statements for the fiscal year ended June 30, 2006, comply with the financial reporting requirements of GASB Statement 34.

### 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, 2006, the City's reporting entity consists of the City of Winder, Georgia and the Downtown Development Authority, Winder, Georgia. 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.

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. These statements categorize primary activities as either governmental or business-type. Governmental activities, which are generally financed by taxes, intergovernmental revenues, and other nonexchange 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 fund is 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 activities of the City and its discretely presented component unit at year end, June 30, 2006.

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 all activities not included in other specified funds. 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 three funds of this type, which are the Hotel/Motel Tax Fund, Community TV Station 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 Road Fund accounts for the receipt and use of Special Purpose Local Option Sales Tax (SPLOST) proceeds for road improvement projects.

## Fiduciary Fund

### Agency Fund – Municipal Court

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

## Proprietary Funds

The City reports four 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:

### Water and Sewer Fund

The Water and Sewer Fund is the largest of the six 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 six 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

Solid Waste Management Fund

The Solid Waste Management Fund accounts for the costs of solid waste collection, disposal, and recycling. Because the costs of solid waste disposal and recycling are extremely high, this fund generally operates at a loss. Operating losses are financed from profits from the other proprietary funds.

Special Facilities Fund

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

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 related utility administration in the Utility Service Fund.

Fleet Maintenance Fund

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

**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. 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 enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund 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 on its governmental funds balance sheet. 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. Deferred revenues also arise when the City receives resources before it has a legal claim to 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 is removed from the governmental funds balance sheet 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 Georgia Office of Treasury and Fiscal Services. 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 “Due to Other Funds” and “Due From Other Funds”.

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, 2006, 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 cost was \$808,049. As of June 30, 2006 accumulated amortization was \$447,349, for a balance of \$360,699.

*Loan Closing Costs*

In the proprietary funds, 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. The original closing costs were \$108,000. As of June 30, 2006 accumulated amortization was \$78,615 for a balance of \$29,385.

*Restricted Assets*

Certain proceeds of proprietary fund revenue bonds are classified as restricted assets on the balance sheet 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 to Enterprise 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	Plant/System	Vehicles and Equipment
Governmental Funds	10-40	33-40	3-10
Water and Sewer	10-40	33-40	3-10
Gas	10-40	40	3-10
Solid Waste Management	10-40	40	3-10
Special Facilities	40	NA	NA

Infrastructure is depreciated over 30-50 years straight-line. Beginning with Fiscal Year 2006, the City has reported all infrastructure assets in accordance with GASB Statement #34 using the depreciation method. The beginning balances of the infrastructure assets and its applicable accumulated depreciation from Fiscal Year 1980 to Fiscal Year 2002 are reported in the government wide statement as a prior period adjustment to fund balance. This amounted to \$21,965,540 in gross infrastructure assets with related accumulated depreciation of \$13,459,148.

One-half year of depreciation is taken in the year the assets are acquired or retired. 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. At the end of the calendar year, any unused vacation leave is paid to the employee. 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.

#### *Fund Equity*

In the government-wide statements, equity is classified as net assets and displayed as "Invested in Capital Assets, Net of Related Debt"; "Restricted Net Assets"; or "Unrestricted Net Assets". Invested in capital assets represents capital assets, including restricted capital assets, net of accumulated depreciation reduced by any bonds, mortgages, notes or other debt attributable to the acquisition, construction or improvement of those assets. Restricted net assets consist of net assets with constraints placed on their use. Unrestricted net assets are all other net assets that do not meet the criteria for classification as "invested in capital assets, net of related debt" or "restricted".

In the fund financial statements, fund equity has several components. Reserves of the fund balance represent funds that are not available for appropriation or are legally segregated for a future use. Designations of fund balance represent funds that have tentatively been set aside for future use. In the proprietary funds equity is presented in the same manner as the government-wide statements.

#### *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, 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).

In the government-wide financials, transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are 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 Fund.
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 City Administrator is permitted to transfer appropriations within a function. Department heads may make transfers of appropriations within a department. City Council must approve transfers between functions. Expenditures may not legally exceed budgeted appropriations at the department level within the fund.

The significant budget expenditure changes pertained to the indirect cost allocations which were not budgeted in the original 2006 budget. As a result of these changes, some of the departments (such as public safety) are showing substantial increases between original budget and amended budget.

In the Community TV Station Fund the material budget violation was due to the City taking over the operations of the TV station at the end of the fiscal year. The City miscalculated the cost of purchasing the new equipment necessary to run the station properly.

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. Internal Fund charges were not budgeted by department.

In the Capital Projects Fund the material budget violation is as follows:

Department	Final Appropriations	Expenditures	Excess
Capital Projects Fund	\$ 300,000	\$ 474,773	\$ (174,773)

At the beginning of Fiscal Year 2006, the City had \$146,447 of prior year SPLOST fund balance plus receipts of \$363,047 that must be expended for road improvement projects before the end of the current SPLOST period. The City only budgeted for current year receipts.

### 3-Deposits and Investments

Total deposits and cash investments as of June 30, 2006, are summarized as follows:

<b>Balances per statement of net assets:</b>	
Cash-Primary Government	\$ 6,651,429
Cash-CU-Downtown Development Authority	4,636
Restricted assets:	
Investment-Bond Sinking Accounts	452,046
<b>Balances per statement of fiduciary net assets:</b>	
Cash-Agency Fund	99,655
<b>Total</b>	<b>\$ 7,207,766</b>
Cash deposited with financial institutions	\$ 4,118,097
Cash deposited with Georgia Fund 1	2,635,223
US Bank-Bond Sinking Fund	452,046
Petty Cash	2,400
<b>Total</b>	<b>\$ 7,207,766</b>

#### Credit risk

State statutes authorize the City to invest in 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. As of June 30, 2006, the investments in the Georgia Fund 1 was rated AAAM and the investment in the US Bank was rated AAA by Standard & Poor's.

At June 30, 2006, the City had the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Rating</u>	<u>Value</u>
<b>Investment Reported in Cash:</b>			
Georgia Fund 1	26 day weighted average	AAAm	\$ 2,635,223
<b>Investment Reported in Restricted Assets:</b>			
US Bank Bond Sinking Fund	26 day weighted average	AAA	452,046
<b>Real Estate Investment:</b>			
Granite Building	N/A	N/A	235,869
	Total		<u>\$ 3,323,138</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) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. At June 30, 2006, all deposits of the City were adequately insured or collateralized.

**Granite Building**

The City's General Fund invested in a historical building in the amount of \$235,869. The City considers this a real estate investment since the Georgia Historical Society has identified this building as the oldest standing granite structure in Georgia and the City plans to resell the building to an investor/developer.

**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>Roads</u>		
<b>Receivables:</b>					
<b>Intergovernmental</b>					
State of Georgia Sales Tax	\$ 300,000	\$ -	\$ -		\$ 300,000
Department of Justice	-	37,203	-		37,203
Barrow County Board of Commissioners	-	-	44,939		44,939
<b>Total Intergovernmental</b>	<b>300,000</b>	<b>37,203</b>	<b>44,939</b>		<b>382,142</b>
<b>Taxes</b>					
Barrow County Tax Commissioner	47,060	-	-		47,060
<b>Accounts</b>	<b>47,142</b>	<b>6,390</b>	<b>-</b>		<b>53,532</b>
<b>Due From Agency Fund</b>	<b>126,020</b>	<b>-</b>	<b>-</b>		<b>126,020</b>
<b>Total Receivables</b>	<b>\$ 520,222</b>	<b>\$ 43,593</b>	<b>\$ 44,939</b>		<b>\$ 608,754</b>

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>	
Bond Sinking Accounts Investments	<u>\$ 452,046</u>

## 6-Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2006 was as follows:

	Balance 06/30/05	PPA GASB 34	Additions	Decreases	Balance 06/30/06
<b>Non-Depreciable:</b>					
Land	\$ 306,532	\$ -	\$ 8,000	\$ -	\$ 314,532
<b>Total Non-Depreciable</b>	<u>306,532</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>314,532</u>
<b>Depreciable:</b>					
Buildings	2,712,440	-	33,213	-	2,745,653
Vehicles	2,151,530	-	97,883	(199,387)	2,050,026
Furniture and Equipment	1,861,022	-	157,508	-	2,018,530
Infrastructure	654,132	21,965,540	573,381	-	23,193,053
<b>Total Depreciable</b>	<u>7,379,124</u>	<u>21,965,540</u>	<u>861,985</u>	<u>(199,387)</u>	<u>30,007,262</u>
<b>Accumulated Depreciation:</b>					
Buildings	(532,596)	-	(65,608)	-	(598,204)
Vehicles	(1,682,896)	-	(115,158)	199,387	(1,598,667)
Furniture and Equipment	(1,506,138)	-	(114,376)	-	(1,620,514)
Infrastructure	(5,247)	(13,459,148)	(695,408)	-	(14,159,803)
<b>Total Accumulated Depr.</b>	<u>(3,726,877)</u>	<u>(13,459,148)</u>	<u>(990,550)</u>	<u>199,387</u>	<u>(17,977,188)</u>
<b>Total Depreciable, net</b>	<u>3,652,247</u>	<u>8,506,392</u>	<u>(128,565)</u>	<u>-</u>	<u>12,030,074</u>
<b>Government Activities, Capital Assets, Net</b>	<u><b>\$ 3,958,779</b></u>	<u><b>\$ 8,506,392</b></u>	<u><b>\$ (120,565)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 12,344,606</b></u>

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

General Government	\$ 123,484
Public Safety	143,726
Public Works	<u>723,340</u>
Total Depreciation	<u><u>\$ 990,550</u></u>

Capital asset activity for business-type activities for the year ended June 30, 2006 was as follows:

	Balance 06/30/05	Additions	Decreases	Balance 06/30/06
<b>Non-Depreciable:</b>				
Land	\$ 5,463,522	\$ -	\$ -	\$ 5,463,522
Construction In Progress	65,266	1,520,755	(65,266)	1,520,755
<b>Total Non-Depreciable</b>	<b>5,528,788</b>	<b>1,520,755</b>	<b>(65,266)</b>	<b>6,984,277</b>
<b>Depreciable:</b>				
Plant and System	51,834,398	146,815	-	51,981,213
Buildings	1,637,654	324,009	-	1,961,663
Vehicles	899,419	118,826	(122,577)	895,668
Furniture and Equipment	1,399,281	48,521	-	1,447,802
<b>Total Depreciable</b>	<b>55,770,752</b>	<b>638,171</b>	<b>(122,577)</b>	<b>56,286,346</b>
<b>Accumulated Depreciation:</b>				
Plant and System	(18,509,297)	(1,749,754)	-	(20,259,051)
Buildings	(262,259)	(52,510)	-	(314,769)
Vehicles	(832,026)	(51,867)	122,577	(761,316)
Furniture and Equipment	(1,169,110)	(75,608)	-	(1,244,718)
<b>Total Accumulated Depr.</b>	<b>(20,772,692)</b>	<b>(1,929,739)</b>	<b>122,577</b>	<b>(22,579,854)</b>
<b>Total Depreciable, net</b>	<b>34,998,060</b>	<b>(1,291,568)</b>	<b>-</b>	<b>33,706,492</b>
<b>Business Type Activities, Capital Assets, Net</b>	<b>\$ 40,526,848</b>	<b>\$ 229,187</b>	<b>\$ (65,266)</b>	<b>\$ 40,690,769</b>

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

Water and Sewer Fund	\$ 1,650,459
Gas Fund	188,790
Solid Waste Management Fund	35,248
Special Facilities	49,877
Internal Service Funds	5,365
<b>Total Depreciation</b>	<b>\$ 1,929,739</b>

## 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 and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The authority to participate in this pool rests with the City Council.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage



descriptions issued, all incidents which could result in the 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 funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Settled claims in the past three years have not exceeded the coverage.

## 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 6/30/2005	Increase	Decrease	Balance 6/30/2006	Due In FY 2007
<b>Governmental Activities:</b>					
Capital Lease	\$ 10,074	\$ 286,373	\$ (34,247)	\$ 262,200	\$ 24,512
Mortgages Payable	640,122	-	(139,431)	500,691	148,305
Compensated Absences Payable	80,574	185,562	(166,361)	99,775	99,775
<b>Total Governmental Activities</b>	<b>\$ 730,770</b>	<b>\$ 471,935</b>	<b>\$ (340,039)</b>	<b>\$ 862,666</b>	<b>\$ 272,592</b>
<b>Business-Type Activities:</b>					
Notes Payable-					
1991 GEFA Sewer Treatment	\$ 477,685	-	\$ (67,441)	\$ 410,244	\$ 71,459
1992 GEFA Sewer Treatment	510,650	-	(65,857)	444,793	70,058
1997 GEFA Water Tank & Lines	336,787	-	(22,504)	314,283	23,726
2002 GEFA Water Tank & Lines	177,574	-	(18,008)	159,566	18,372
2003 GEFA Water Tank & Lines	599,190	-	(19,821)	579,369	20,703
State Of Georgia Revolving	1,012,522	-	(158,108)	854,414	161,299
Bonds Payable-					
1996 Series	415,000	-	(200,000)	215,000	215,000
1998 Series	6,959,358	-	(545,000)	6,414,358	452,370
2005 Series	6,014,000	-	(132,000)	5,882,000	94,000
Deferred Bond Refunding Loss	(1,155,313)	-	161,444	(993,869)	(161,444)
Capital Leases	1,047,228	-	(298,079)	749,149	307,397
Compensated Absences Payable	38,440	67,916	(70,173)	36,183	36,183
<b>Total Business-Type Activities</b>	<b>\$ 16,433,121</b>	<b>\$ 67,916</b>	<b>\$ (1,435,547)</b>	<b>\$ 15,065,490</b>	<b>\$ 1,309,123</b>

\*Compensated absences were not presented in prior year audits.

### 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, 2006, is \$28,497, for a net book value of \$256,473.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2006 were as follows:

Fiscal Year Ending June 30	Governmental Activities
2007	\$ 35,006
2008	35,006
2009	35,006
2010	35,006
2011	35,006
2012-2015	140,032
Total Minimum Lease Payments	315,062
Less Amount Representing Interest	(52,862)
<b>Present Value of Minimum Lease Payments</b>	<b>\$ 262,200</b>

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

The City financed the acquisition of new office facilities during FY 2004 for a total purchase price of \$770,310. As of June 30, 2006, accumulated depreciation was \$62,257 with a net book value of \$708,053. The purchase is being amortized over a 5 ½ year period at 2.95% annual interest rate. The annual requirements to amortize the debt outstanding are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2007	\$ 148,305	\$ 12,873	\$ 161,178
2008	152,633	8,544	161,177
2009	138,462	3,915	142,377
2010	61,291	538	61,829
Totals	<u>\$ 500,691</u>	<u>\$ 25,870</u>	<u>\$ 526,561</u>

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 1993, Series 1996, Series 1998, and Series 2005). 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.

The Series 1996 Revenue Bonds were originally issued in the amount of \$6,670,000. Principal is payable in 19 annual installments that began December 1, 1998 and were to end December 1, 2016. Interest is payable at a rate of 3.9% to 5.4% on June 1 and December 1 of each year that began June 1, 1997 was to end December 1, 2016. In 2005, the Series 1996 Revenue Bonds were partially defeased with the Series 2005 Revenue Bonds. The annual requirement to amortize the remaining obligation is as follows:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2007	\$ 215,000	\$ 5,053	\$ 220,053

On April 1, 1998, the City issued the Water and Sewerage Revenue Bonds, Series 1998 in the amount of \$9,964,358. The principal on these 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. 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
2007	\$ 452,370	\$ 267,582	\$ 719,952
2008	451,221	250,910	702,131
2009	450,399	233,830	684,229
2010	444,913	216,441	661,354
2011	448,605	198,644	647,249
2012-2016	1,466,850	784,302	2,251,152
2017-2019	2,700,000	255,750	2,955,750
Totals	<u>\$ 6,414,358</u>	<u>\$ 2,207,459</u>	<u>\$ 8,621,817</u>

On February 1, 2005 the City issued Water and Sewerage Revenue Refunding Bonds, series 2005 due at various dates 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
2007	\$ 94,000	\$ 216,479	\$ 310,479
2008	320,000	208,799	528,799
2009	335,000	196,649	531,649
2010	349,000	183,960	532,960
2011	362,000	170,771	532,771
2012-2016	3,457,000	559,115	4,016,115
2017	965,000	17,901	982,901
Totals	<u>\$ 5,882,000</u>	<u>\$ 1,553,674</u>	<u>\$ 7,435,674</u>

The City is in compliance with all significant provisions of the bond indentures, series 1996, 1998, and 2005.

## Notes Payable

The City's Water and Sewer Fund has also 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 following tables show the details of GEFA Loans through June 30, 2006 and the annual requirements to amortize the debt outstanding:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2007	\$ 204,317	\$ 91,495	\$ 295,812
2008	215,495	80,317	295,812
2009	227,696	68,116	295,812
2010	240,244	55,568	295,812
2011	253,640	42,172	295,812
2012-2016	431,449	116,906	548,355
2017-2021	184,652	53,004	237,656
2022-2025	150,762	12,355	163,117
Totals	<u>\$ 1,908,255</u>	<u>\$ 519,933</u>	<u>\$ 2,428,188</u>

Other liabilities of the Water and Sewer Fund include a loan agreement the City has entered into with the State of Georgia under the State Revolving Fund Program (SRF) in the original amount of \$2,158,982. The SRF makes low interest loans to public sewer systems for capital improvements. The SRF program is funded by a combination of State funds and a grant to the State from the Federal Environmental Protection Agency. At June 30, 2006 the City had a total of \$854,414 outstanding in SRF loans bearing interest at 2.0% per annum. The following table shows the annual requirements to amortize the outstanding loan:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2007	\$ 161,299	\$ 15,618	\$ 176,917
2008	164,536	12,381	176,917
2009	167,892	9,025	176,917
2010	171,265	5,652	176,917
2011	189,422	2,170	191,592
Totals	<u>\$ 854,414</u>	<u>\$ 44,846</u>	<u>\$ 899,260</u>

**Capital Lease**

The Water and Sewer Fund has one capital lease outstanding at June 30, 2006. The lease is for the replacement of the water and gas meters (Cost \$2,218,757, accumulated depreciation \$529,830, net book value \$1,688,927, interest rate 2.95%). The following table shows the annual requirements to amortize the outstanding capital lease:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2007	\$ 307,397	\$ 18,235	\$ 325,632
2008	315,713	9,919	325,632
2009	126,039	1,250	127,289
Totals	<u>\$ 749,149</u>	<u>\$ 29,404</u>	<u>\$ 778,553</u>

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

**9-Prior-Period Adjustment - Rate Stabilization Account**

The City created a Rate Stabilization Fund which was funded from its gas hedging gains. The purpose of the reserve is to protect the City and its gas customers from the extreme price variance in natural gas. The reserve will be used to off set any future hedge losses and reduce the impact of extremely high prices on the City's gas customers. No more than 10% of the balance can be used in a single month for these purposes. There were no additions or reduction in the Rate Stabilization Fund during the current fiscal year. The City posted a prior period adjustment in the amount of \$578,347 to transfer this Rate Stabilization Fund to Net Assets.

**10-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. As of June 30, 2006, accumulated amortization was \$679,999 with a net book value of \$497,732.

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, 2006, the accumulated amortization was \$129,681 with a net book value of \$235,860. These costs have been deferred and are being amortized over the life of the bonds based on annual principal retired. At June 30, 2006, the outstanding balance on the defeased bond from the 1998 refunding is as follows:

1977                      \$280,000

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, 2006, accumulated amortization was \$109,537 with a net book value of \$496,137.

There were also bond issue costs incurred with the Series 2005 Bonds in the amount of \$114,750. As of June 30, 2006, accumulated amortization was \$2,519 with a net book value of \$112,231. These costs have been deferred and are being amortized over the life of the bonds based on annual principal retired. At June 30, 2006, the outstanding balances on the defeased bonds from the 2005 refunding are as follows:

1993                      \$ 290,000  
 1996                      \$5,045,000

## 11-Interfund Receivables, Payables and Transfers

Interfund balances at June 30, 2006, 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. The City expects to repay all interfund balances within one year.

Interfund receivable and payable balances as of June 30, 2006 are as follows:

	Interfund	
	Due To	Due From
General Fund	\$ 6,295	\$ -
Grant Fund	-	6,295
Totals	<u>\$ 6,295</u>	<u>\$ 6,295</u>

These balances are eliminated in the government-wide statements.

Interfund transfers in (out) for the year ended June 30, 2006, are as follows:

	General Fund	Hotel/Motel	Grants	TV Station	Capital Projects Roads	Special Facilities	Water & Sewer	Gas	Soild Waste	Transfers In	Transfers Out	Net Transactions
Governmental Activities												
General Fund	\$ -	\$ 30,000	\$ (94,801)	\$ (26,000)	\$ (1,000)	\$ (318,314)	\$ 2,819,004	\$ 3,653	\$ (786,957)	\$ 2,852,657	\$ (1,227,072)	\$ 1,625,585
Hotel/Motel	(30,000)	-	-	-	-	(20,000)	-	-	-	-	(50,000)	(50,000)
Grants	94,801	-	-	-	-	-	-	-	-	94,801	-	94,801
TV Station	26,000	-	-	-	-	-	-	-	-	26,000	-	26,000
Capital Projects - Roads	1,000	-	-	-	-	-	-	-	-	1,000	-	1,000
<b>Total Governmental</b>	<b>91,801</b>	<b>30,000</b>	<b>(94,801)</b>	<b>(26,000)</b>	<b>(1,000)</b>	<b>(338,314)</b>	<b>2,819,004</b>	<b>3,653</b>	<b>(786,957)</b>	<b>2,974,458</b>	<b>(1,277,072)</b>	<b>1,697,386</b>
Business-type Activities												
Water & Sewer	(2,819,004)	-	-	-	-	-	-	-	-	-	(2,819,004)	(2,819,004)
Gas	(3,653)	-	-	-	-	-	-	-	-	-	(3,653)	(3,653)
Soild Waste	786,957	-	-	-	-	-	-	-	-	786,957	-	786,957
Special Facilities	318,314	20,000	-	-	-	-	-	-	-	338,314	-	338,314
<b>Total Business-type</b>	<b>(1,717,386)</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,125,271</b>	<b>(2,822,657)</b>	<b>(1,697,386)</b>
<b>Net Transactions</b>	<b>\$ (1,625,585)</b>	<b>\$ 50,000</b>	<b>\$ (94,801)</b>	<b>\$ (26,000)</b>	<b>\$ (1,000)</b>	<b>\$ (338,314)</b>	<b>\$ 2,819,004</b>	<b>\$ 3,653</b>	<b>\$ (786,957)</b>	<b>\$ 4,099,729</b>	<b>\$ (4,099,729)</b>	<b>\$ -</b>

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-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 final five years average salary. Participants may retire at the earlier of age 65 with 5 years of service or age 55 with 30 years of service. Early retirement is at age 55 with 10 years of service. Benefits are payable for life in an amount equal to 2.00 percent of annual salary for employees with retirement dates before August 1, 2000 or 2.10 percent of annual salary for employees with retirements dates after August 1, 2000. The plan also provides death and disability 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 May 1, 2006, employee membership data related to the pension plan was as follows:

Inactive Participants:		
Retiree and beneficiaries currently receiving benefits		55
Terminated employees entitled to benefits but not receiving benefits		47
	Total	<u>102</u>
Active Plan Participants:		
Vested		39
Nonvested		107
	Total	<u>146</u>
Total Number of Plan Participants		<u>248</u>

Data relating to the Plan on May 1 for the past three years is as follows:

Fiscal Year	Annual Required Contr (ARC)	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2004	\$ 331,095	\$ 345,418	103.67%	\$ (14,323)
2005	423,802	473,314	111.68%	(49,512)
2006	369,702	454,285	122.88%	(84,583)

Analysis of funding progress is presented below:

Actuarial Valuation Date May 1	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)
2004	\$ 7,052,769	\$ 8,286,115	\$ (1,233,346)	85.12%	\$ 4,196,504	(29.39%)
2005	7,511,211	8,226,007	(714,796)	91.31%	4,491,236	(15.92%)
2006	8,000,559	8,899,011	(898,452)	89.90%	5,018,026	(17.90%)

The Information was determined as part of the Actuarial Report as of May 1, 2006. Additional information included in the report follows:

Valuation Date	May 1, 2006
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar Open
Remaining Amortization Period	
Initial unfunded accrued liability	21 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
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Assumed Rate of Return On Assets	8.0%
Projected Merit/Seniority Salary Increases	5.0%
Projected Inflation	0.5%

## 13-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 \$15,000 per year. The plan assets are invested, and administered by public organizations unrelated to the City.

## 14-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 effect the financial statements.

## 15-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

## 16-Joint Venture

Under Georgia law, the City, in conjunction with other cities and counties in the area, are members of the Northeast Georgia Regional Development Center (RDC) and is required to pay annual dues. During its year ended June 30, 2006, the City's dues were paid by Barrow County, which did not request reimbursement from the City. According to the RDC, 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 RDC is required by the official Code of Georgia Annotated (OCGA) Section 50-8-34 that provides for the organizational structure of the RDC in Georgia. The RDC 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 RDC. Separate financial statements may be obtained from the following location:

- Northeast Georgia Regional Development Center
- 305 Research Drive
- Athens, Georgia 30605



## 17-Hotel/Motel Tax

The City levied and collects a 7% hotel/motel tax in accordance with OCGA 48-13-51. Collections for the year ended June 30, 2006 were \$ 84,622. 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 year ended June 30, 2006 was \$ 44,216, or 52.5%.

## 18-Special Local Option Sales Tax - Roads

Barrow County administers the roads SPLOST funds for the City. In connection therewith, the County collects the revenues and expends the funds, as directed by the City, for streets and roads improvement and maintenance. All such transactions are reflected in the Capital Projects Fund - Roads.

## 19-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, capital employed in the activity or the number of employees within the functional activity. The following table presents the costs allocated:

<b>Indirect Costs Allocations</b>	
<b>For The Year Ended June 30, 2006</b>	
Costs for Allocation	
Administrative	\$ 2,128,613
Facilities Maintenance	297,098
	<u>\$ 2,425,711</u>
Distribution of Indirect Costs	
Water and Sewer Fund	\$ 737,581
Gas Fund	717,560
Solid Waste Management Fund	178,308
Special Facilities Fund	16,901
General Fund	
Public Safety	525,674
Public Works	205,209
Municipal Court	44,478
	<u>\$ 2,425,711</u>

## 20-Significant Subsequent Events

On July 7, 2006, the City received \$1,000,000 from the Barrow County Board of Commissioners in payment of the first installment on the purchase of 1,000,000 gallon per day capacity in the City's Cedar Creek Wastewater Reclamation Facility. The first 200,000 gallons per day capacity became available immediately with the remaining 800,000 gallon per day becoming available upon the completion the new direct discharge facility in January, 2008.

The City has entered into construction contracts totaling approximately \$15 million for the construction of the Cedar Creek Wastewater Reclamation Facility. Funding for this project is being provided by the Georgia Environmental Facilities Authority.

## 21- GASB Statements Numbers 43 and 45

In May 2004, the GASB issued Statement No. 43, "Financial Reporting for Other Postemployment Benefit Plans Other Than Pension Plans" and in June 2004, the GASB issued Statement No. 45, "Accounting

and Financial Reporting by Employers for Postemployment Benefit Other Than Pension Plans.” Statement No. 43 establishes accounting and financial reporting standards for healthcare and other nonpension benefits provided to employees as part of their compensation for services. The statement will be implemented in the City’s fiscal year ending June 30, 2007 to meet GASB requirements. Statement No. 45 establishes standards for the measurement, recognition, and display of other postemployment benefits expenses and related liabilities and assets, and other related disclosure requirements. This statement will be implemented on or before the fiscal year ending June 30, 2009 to meet GASB requirements. The City has not determined the impact, if any, upon its financial position, results of operations or cash flows upon adoption of these two Statements.

## **22- GASB Statements Numbers 42, 44, 46, 47**

### **Statement Number 42**

In November 2003, the GASB issued Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.” This statement will, among other things, establish accounting and financial reporting standards for the impairment of capital assets. Under this standard, a capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The City has determined that it does not have any assets at June 30, 2006, which are considered impaired under the standards set by GASB Statement No. 42.

### **Statement Number 44**

In May 2004, the GASB issued Statement No. 44, “Economic Condition Reporting: The Statistical Section – an amendment of NCGA Statement 1.” This statement clarifies various issues relative to the presentation of the statistical section of the CAFR. The statement has been implemented in the City’s fiscal year ended June 30, 2006 to meet GASB requirements.

### **Statement Number 46**

In December 2004, the GASB issued Statement No. 46, “Net Assets Restricted by Legislation – an amendment of GASB Statement No. 34.” Statement No. 46 enhances the usefulness and comparability of net asset information reported by state and local governments by clarifying the meaning of the phrase ‘legally enforceable’ as it applies to restrictions imposed on net asset use by enabling legislation and by specifying the accounting and financial reporting requirements for those restricted net assets. The City has determined that it has no Net Assets Restricted by Legislation in the fiscal year ended June 30, 2006.

### **Statement Number 47**

In July 2004, the GASB issued Statement No. 47, “Accounting for Termination Benefits.” Statement No. 47 requires employers to disclose a description of the termination benefit arrangement, the cost of the termination benefits (required in the period in which the employer becomes obligated if that information is not otherwise identifiable from information displayed on the face of the financial statements), and significant methods and assumptions used to determine termination benefit liabilities. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of this Statement should be implemented simultaneously with the requirements of Statement 45. For all other termination benefits, this Statement is effective for financial statements for periods beginning after June 15, 2005. The City has not determined the impact, if any, upon its financial position, results of operations or cash flows upon adoption.



**CITY OF WINDER, GEORGIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended

**June 30, 2006**

# **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 Year Ended June 30, 2006  
 With Comparative Totals for the Year Ended June 30, 2005

	2006		
	Budgeted Amounts		Actual
	Original	Final	
<b>Revenues:</b>			
Taxes	\$ 3,082,240	\$ 3,082,240	\$ 3,294,814
License and Permits	942,500	942,500	1,023,457
Intergovernmental	-	-	-
Charges for Service	30,000	30,000	62,319
Fines and Forfeitures	-	246,813	352,027
Interest	75,000	75,000	167,134
Miscellaneous and Other	-	-	23,277
Indirect Cost Allocation	-	2,340,204	2,425,711
<b>Total Revenues</b>	<b>4,129,740</b>	<b>6,716,757</b>	<b>7,348,739</b>
<b>Expenditures:</b>			
Current			
General Government	2,301,100	2,176,850	2,219,673
Public Safety	4,145,735	4,644,536	4,542,672
Public Works	1,320,055	1,499,907	1,417,267
Facilities Maintenance	292,550	324,550	297,098
Capital Outlay			
General Government	98,000	244,000	103,554
Public Safety	101,800	101,800	118,551
Public Works	193,000	233,000	133,284
Debt Service			
Principal	219,500	221,800	173,678
Interest and Fiscal Charges	46,700	46,700	32,060
<b>Total Expenditures</b>	<b>8,718,440</b>	<b>9,493,143</b>	<b>9,037,837</b>
<b>Excess Of Revenues Over (Under)</b>			
<b>Expenditures</b>	<b>(4,588,700)</b>	<b>(2,776,386)</b>	<b>(1,689,098)</b>
<b>Other Financing Sources:</b>			
Transfers In From Other Funds	-	1,927,586	1,625,585
Issuance of Debt Instruments	-	818,800	286,373
<b>Total Other Sources</b>	<b>-</b>	<b>2,746,386</b>	<b>1,911,958</b>
<b>Net Change In Fund Balance</b>	<b>\$ (4,588,700)</b>	<b>\$ (30,000)</b>	<b>222,860</b>
<b>Beginning Fund Balance</b>			<b>1,283,440</b>
<b>Ending Fund Balance</b>			<b>\$ 1,506,300</b>

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

<b>Variance With Final Budget</b>	<b>2005 Actual</b>
\$ 212,574	\$ 2,897,986
80,957	997,222
-	124,891
32,319	25,932
105,214	298,861
92,134	81,313
23,277	303,547
85,507	2,429,455
<b>631,982</b>	<b>7,159,207</b>
(42,823)	2,241,941
101,864	4,216,251
82,640	1,430,406
27,452	260,866
140,446	187,895
(16,751)	506,886
99,716	35,338
48,122	115,101
14,640	27,759
<b>455,306</b>	<b>9,022,443</b>
<b>1,087,288</b>	<b>(1,863,236)</b>
(302,001)	2,177,653
(532,427)	-
<b>(834,428)</b>	<b>2,177,653</b>
<b>\$ 252,860</b>	<b>314,417</b>
	969,023
	<b>\$ 1,283,440</b>

# Notes to the Required Supplemental Information

## 1-Budgetary Information

The City adopted annual budgets for the 2006 fiscal year for all governmental 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. Department heads 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.

The significant budget expenditure changes pertained to the indirect cost allocations which were not budgeted in the original 2006 budget.

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. Internal Fund charges were not budgeted by department.



**CITY OF WINDER, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended

**June 30, 2006**

## **Supplementary Information**

**Nonmajor Governmental Funds Financial Statements**

**Budgetary Comparisons**

**General Fund**

**Special Revenue Funds**

**Capital Project Fund**

**Agency Fund Statement of Changes in Assets and Liabilities**

**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, 2006

<u>Assets</u>	Special Revenue			Capital Project	Total
	Community TV Station	Hotel/Motel Tax	Grant	Roads	
Cash and Cash Equivalents	\$ 178	\$ 10,010	\$ 47,671	\$ 125	\$ 57,984
Accounts Receivable	-	6,390	-	-	6,390
Intergovernmental Receivable	-	-	37,203	44,939	82,142
<b>Total Assets</b>	<b>\$ 178</b>	<b>\$ 16,400</b>	<b>\$ 84,874</b>	<b>\$ 45,064</b>	<b>\$ 146,516</b>
<u>Liabilities</u>					
Accounts Payable and Accrued Liabilities	\$ 18,124	\$ 5,993	\$ 439	\$ -	\$ 24,556
Due To Other Funds	-	-	6,295	-	6,295
<b>Total Liabilities</b>	<b>18,124</b>	<b>5,993</b>	<b>6,734</b>	<b>-</b>	<b>30,851</b>
<u>Fund Balance</u>					
Reserved For Capital Projects	-	-	-	45,064	45,064
Unreserved, Undesignated	(17,946)	10,407	78,140	-	70,601
<b>Total Fund Balance</b>	<b>(17,946)</b>	<b>10,407</b>	<b>78,140</b>	<b>45,064</b>	<b>115,665</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 178</b>	<b>\$ 16,400</b>	<b>\$ 84,874</b>	<b>\$ 45,064</b>	<b>\$ 146,516</b>



City of Winder, Georgia  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 For the Year Ended June 30, 2006

	Special Revenue			Capital Project	Total
	Community TV Station	Hotel/Motel Tax	Grant	Roads	
<b>Revenues:</b>					
Taxes	\$ -	\$ 84,623	\$ -	\$ -	\$ 84,623
Intergovernmental	-	-	176,202	363,047	539,249
Interest	-	-	-	9,324	9,324
<b>Total Revenues</b>	<b>-</b>	<b>84,623</b>	<b>176,202</b>	<b>372,371</b>	<b>633,196</b>
<b>Expenditures:</b>					
Current:					
Business Development	-	24,216	-	-	24,216
Television Administration	4,124	-	-	-	4,124
Grant	-	-	192,863	-	192,863
Capital Outlay	39,822	-	-	474,773	514,595
<b>Total Expenditures</b>	<b>43,946</b>	<b>24,216</b>	<b>192,863</b>	<b>474,773</b>	<b>735,798</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(43,946)</b>	<b>60,407</b>	<b>(16,661)</b>	<b>(102,402)</b>	<b>(102,602)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers In:					
General Fund	26,000	-	94,801	1,000	121,801
Transfers Out:					
General Fund	-	(30,000)	-	-	(30,000)
Special Facilities	-	(20,000)	-	-	(20,000)
<b>Total Other Sources (Uses)</b>	<b>26,000</b>	<b>(50,000)</b>	<b>94,801</b>	<b>1,000</b>	<b>71,801</b>
<b>Net Change Increase (Decrease) in Fund Balance</b>	<b>(17,946)</b>	<b>10,407</b>	<b>78,140</b>	<b>(101,402)</b>	<b>(30,801)</b>
<b>Beginning Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146,466</b>	<b>146,466</b>
<b>Ending Fund Balance</b>	<b>\$ (17,946)</b>	<b>\$ 10,407</b>	<b>\$ 78,140</b>	<b>\$ 45,064</b>	<b>\$ 115,665</b>

City of Winder, Georgia  
 General Fund  
 Schedule of Revenues  
 Budget and Actual  
 For the Year Ended June 30, 2006  
 With Comparative Totals for the Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance	2005
	Original	Final		With Final Budget	
<b>Revenues:</b>					
<b>Taxes-</b>					
Fire District Taxes	\$ 536,000	\$ 536,000	\$ 637,044	\$ 101,044	\$ 555,834
Street Light Assessment	233,640	63,640	63,829	189	-
General Sales Tax	1,542,600	1,712,600	1,764,368	51,768	1,587,418
Selective Sales Tax	295,000	295,000	318,671	23,671	279,860
Business Taxes	475,000	475,000	510,902	35,902	474,874
<b>Total Taxes</b>	<b>3,082,240</b>	<b>3,082,240</b>	<b>3,294,814</b>	<b>212,574</b>	<b>2,897,986</b>
<b>License and Permits-</b>					
Franchise Fees	530,000	530,000	563,946	33,946	538,119
Business Licenses	185,000	185,000	194,806	9,806	180,215
Building Permits	227,500	227,500	264,705	37,205	278,888
<b>Total License and Permits</b>	<b>942,500</b>	<b>942,500</b>	<b>1,023,457</b>	<b>80,957</b>	<b>997,222</b>
<b>Intergovernmental-</b>					
Federal Government Grants	-	-	-	-	124,891
<b>Total Intergovernmental</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124,891</b>
<b>Charges for Service-</b>					
Public Safety	-	-	17,044	17,044	8,602
Cemetery Fees	30,000	30,000	45,275	15,275	17,330
<b>Total Charges for Service</b>	<b>30,000</b>	<b>30,000</b>	<b>62,319</b>	<b>32,319</b>	<b>25,932</b>
<b>Fines and Forfeitures - Municipal Court</b>	<b>264,735</b>	<b>246,813</b>	<b>352,027</b>	<b>105,214</b>	<b>298,861</b>
<b>Investment Earnings - Interest Income</b>	<b>75,000</b>	<b>75,000</b>	<b>167,134</b>	<b>92,134</b>	<b>81,313</b>
<b>Miscellaneous-</b>					
Rents	-	-	22,427	22,427	20,476
Other	-	-	850	850	283,071
<b>Total Miscellaneous</b>	<b>-</b>	<b>-</b>	<b>23,277</b>	<b>23,277</b>	<b>303,547</b>
<b>Indirect Cost Allocation</b>	<b>-</b>	<b>2,340,204</b>	<b>2,425,711</b>	<b>85,507</b>	<b>2,429,455</b>
<b>Total Revenues</b>	<b>\$ 4,394,475</b>	<b>\$ 6,716,757</b>	<b>\$ 7,348,739</b>	<b>\$ 631,982</b>	<b>\$ 7,159,207</b>

City of Winder, Georgia  
 General Fund  
 Schedule of Expenditures  
 Budget and Actual  
 For the Year Ended June 30, 2006  
 With Comparative Totals for the Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance	2005
	Original	Final		With Final Budget	
<b>General Government:</b>					
Legislative	\$ 177,925	\$ 210,925	\$ 210,394	\$ 531	\$ 131,581
Administration	2,221,175	2,209,925	2,112,833	97,092	1,906,976
<b>Total General Government</b>	<b>2,399,100</b>	<b>2,420,850</b>	<b>2,323,227</b>	<b>97,623</b>	<b>2,038,557</b>
<b>Public Safety:</b>					
Police Department	2,929,560	3,267,888	3,180,898	86,990	3,044,652
Fire Department	1,317,975	1,478,448	1,480,325	(1,877)	1,678,485
<b>Total Public Safety</b>	<b>4,247,535</b>	<b>4,746,336</b>	<b>4,661,223</b>	<b>85,113</b>	<b>4,723,137</b>
<b>Public Works</b>	<b>1,513,055</b>	<b>1,732,907</b>	<b>1,550,551</b>	<b>182,356</b>	<b>1,465,744</b>
<b>Facilities Maintenance</b>	<b>292,550</b>	<b>324,550</b>	<b>297,098</b>	<b>27,452</b>	<b>260,866</b>
<b>Total General Fund Expenditures</b>	<b>\$ 8,452,240</b>	<b>\$ 9,224,643</b>	<b>\$ 8,832,099</b>	<b>\$ 392,544</b>	<b>\$ 8,488,304</b>

City of Winder, Georgia  
 Special Revenue Fund (Hotel/Motel Tax)  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes-				
Hotel Motel Tax (2%)	\$ 20,000	\$ 20,000	\$ 24,217	\$ 4,217
Hotel Motel Tax (5 %)	50,000	50,000	60,406	10,406
<b>Total Revenues</b>	<b>70,000</b>	<b>70,000</b>	<b>84,623</b>	<b>14,623</b>
<b>Expenditures:</b>				
Business Development	20,000	20,000	24,216	(4,216)
<b>Total Expenditures</b>	<b>20,000</b>	<b>20,000</b>	<b>24,216</b>	<b>(4,216)</b>
<b>Transfers (Out):</b>				
General Fund	(30,000)	(30,000)	(30,000)	-
Special Facilities Fund	(20,000)	(20,000)	(20,000)	-
<b>Total Transfers (Out)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>-</b>
<b>Total Expenditures and   Transfers Out</b>	<b>70,000</b>	<b>70,000</b>	<b>74,216</b>	<b>(4,216)</b>
<b>Excess Of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>10,407</b>	<b>\$ 10,407</b>
<b>Beginning Fund Balance</b>			-	
<b>Ending Fund Balance</b>			<b>\$ 10,407</b>	

City of Winder, Georgia  
 Special Revenue Fund (Community TV Station)  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Proceeds - Debt	\$ -	\$ 39,000	\$ -	\$ (39,000)
<b>Total Revenues</b>	<b>-</b>	<b>39,000</b>	<b>-</b>	<b>(39,000)</b>
<b>Expenditures:</b>				
Television Administration	-	-	4,124	(4,124)
Capital Outlay	-	39,000	39,822	(822)
<b>Total Expenditures</b>	<b>-</b>	<b>39,000</b>	<b>43,946</b>	<b>(4,946)</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>(43,946)</b>	<b>(43,946)</b>
<b>Transfers In:</b>				
General Fund	-	-	26,000	26,000
<b>Total Transfers In</b>	<b>-</b>	<b>-</b>	<b>26,000</b>	<b>26,000</b>
<b>Net Change Increase (Decrease) in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(17,946)</b>	<b>\$ (17,946)</b>
<b>Beginning Fund Balance</b>			-	
<b>Ending Fund Balance</b>			<b>\$ (17,946)</b>	

City of Winder, Georgia  
 Special Revenue Fund (Grant)  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 110,000	\$ 163,300	\$ 176,202	\$ 12,902
<b>Total Revenues</b>	<b>110,000</b>	<b>163,300</b>	<b>176,202</b>	<b>12,902</b>
<b>Expenditures:</b>				
Grant Administration	155,800	209,100	192,863	16,237
<b>Total Expenditures</b>	<b>155,800</b>	<b>209,100</b>	<b>192,863</b>	<b>16,237</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(45,800)</b>	<b>(45,800)</b>	<b>(16,661)</b>	<b>29,139</b>
<b>Transfers In</b>				
General Fund	-	45,800	94,801	49,001
<b>Total Transfers In</b>	<b>-</b>	<b>45,800</b>	<b>94,801</b>	<b>49,001</b>
<b>Net Change Increase (Decrease) in Fund Balance</b>	<b>\$ (45,800)</b>	<b>\$ -</b>	<b>78,140</b>	<b>\$ 78,140</b>
<b>Beginning Fund Balance</b>			-	
<b>Ending Fund Balance</b>			<b>\$ 78,140</b>	

City of Winder, Georgia  
 Capital Projects Road Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 363,047	\$ 63,047
Interest	-	-	9,324	9,324
<b>Total Revenues</b>	<b>300,000</b>	<b>300,000</b>	<b>372,371</b>	<b>72,371</b>
<b>Expenditures:</b>				
Capital Outlay	300,000	300,000	474,773	(174,773)
<b>Total Expenditures</b>	<b>300,000</b>	<b>300,000</b>	<b>474,773</b>	<b>(174,773)</b>
<b>Excess Revenues Over (Under) Expenditures</b>	-	-	(102,402)	(102,402)
<b>Transfers In:</b>				
General Fund	-	-	1,000	1,000
<b>Total Transfers In</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>1,000</b>
<b>Net Change Increase (Decrease) in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(101,402)</b>	<b>\$ (101,402)</b>
<b>Beginning Fund Balance</b>			146,466	
<b>Ending Fund Balance</b>			<b>\$ 45,064</b>	

City of Winder, Georgia  
 Agency Fund - Municipal Court  
 Statement of Changes in Assets and Liabilities  
 For the Year Ended June 30, 2006

	<u>Balance 6/30/2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2006</u>
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 200	\$ 516,495	\$ (417,040)	\$ 99,655
Accounts Receivable	32,156	536,129	(516,495)	51,790
<b>Total Assets</b>	<b>\$ 32,356</b>	<b>\$ 1,052,624</b>	<b>\$ (933,535)</b>	<b>\$ 151,445</b>
<b><u>Liabilities</u></b>				
Accounts Payable & Accrued Liabilities	\$ 14,261	\$ 139,624	\$ (128,460)	\$ 25,425
Due To Others	18,095	414,600	(306,675)	126,020
<b>Total Liabilities</b>	<b>\$ 32,356</b>	<b>\$ 554,224</b>	<b>\$ (435,135)</b>	<b>\$ 151,445</b>



City of Winder, Georgia  
 Internal Service Funds  
 Combining Statement of Net Assets  
 June 30, 2006

<u>Assets</u>	<u>Utility Service</u>	<u>Vehicle Maintenance</u>	<u>Totals</u>
Current Assets:			
Cash and Cash Equivalents	\$ 82	\$ 3,442	\$ 3,524
Prepaid Items	-	303	303
<b>Total Current Assets</b>	<b>82</b>	<b>3,745</b>	<b>3,827</b>
<u>Non-Current Assets</u>			
Property, Plant and Equipment - Net	36,508	11,720	48,228
<b>Total Non-Current Assets</b>	<b>36,508</b>	<b>11,720</b>	<b>48,228</b>
<b>Total Assets</b>	<b>36,590</b>	<b>15,465</b>	<b>52,055</b>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	32,390	15,465	47,855
<b>Total Current Liabilities</b>	<b>32,390</b>	<b>15,465</b>	<b>47,855</b>
<b>Total Liabilities</b>	<b>32,390</b>	<b>15,465</b>	<b>47,855</b>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	36,508	11,720	48,228
Unrestricted Net Assets	(32,308)	(11,720)	(44,028)
<b>Total Net Assets</b>	<b>\$ 4,200</b>	<b>\$ -</b>	<b>\$ 4,200</b>

City of Winder, Georgia  
 Internal Service Funds  
 Combining Statement of Revenues, Expenses and Changes in Net Assets  
 For the Year Ended June 30, 2006

Operating Revenues:	Utility Service	Vehicle Maintenance	Totals
Charges For Services	\$ 1,017,781	\$ 489,486	1,507,267
Miscellaneous and Other	4,200	-	4,200
<b>Total Revenues</b>	<b>1,021,981</b>	<b>489,486</b>	<b>1,511,467</b>
<b>Operating Expenses:</b>			
Personal Services	815,013	244,998	1,060,011
Professional and Technical	8,390	2,099	10,489
Purchased Property Services	129,423	17,965	147,388
Supplies	60,895	223,119	284,014
Depreciation	4,060	1,305	5,365
<b>Total Expenses</b>	<b>1,017,781</b>	<b>489,486</b>	<b>1,507,267</b>
<b>Net Operating Revenues (Expenses)</b>	<b>4,200</b>	<b>-</b>	<b>4,200</b>
<b>Change in Net Assets</b>	<b>4,200</b>	<b>-</b>	<b>4,200</b>
<b>Net Assets, Beginning of the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets, End of the Year</b>	<b>\$ 4,200</b>	<b>\$ -</b>	<b>\$ 4,200</b>

**City of Winder, Georgia**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2006**

	Utility Service	Vehicle Maintenance	Totals
<b>Cash Flows From Operating Activities:</b>			
Receipts from Customers	\$ 1,021,981	\$ 489,486	\$ 1,511,467
Payments to Suppliers	(200,239)	(233,917)	(434,156)
Payments to Employees	(816,129)	(239,102)	(1,055,231)
<b>Net Cash Provided by Operating Activities</b>	<b>5,613</b>	<b>16,467</b>	<b>22,080</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Acquisition and Construction of Capital Assets	(40,568)	(13,025)	(53,593)
<b>Net Cash From (To) Capital and Related Financing Activities</b>	<b>(40,568)</b>	<b>(13,025)</b>	<b>(53,593)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(34,955)</b>	<b>3,442</b>	<b>(31,513)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>35,037</b>	<b>-</b>	<b>35,037</b>
<b>Cash and Cash Equivalents, End of the Year</b>	<b>\$ 82</b>	<b>\$ 3,442</b>	<b>\$ 3,524</b>
<b>Reconciliation of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:</b>			
Operating Income	\$ 4,200	\$ -	\$ 4,200
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and Amortization	4,060	1,305	5,365
Changes in assets and liabilities:			
Increase (decrease) in accounts payables	(2,647)	15,465	12,818
(Increase) in prepaid items	-	(303)	(303)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 5,613</b>	<b>\$ 16,467</b>	<b>\$ 22,080</b>

**City of Winder, Georgia**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**For the Year Ended June 30, 2006**

<b>Function and Activity</b>	<b>Land</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Equipment and Other</b>	<b>Infrastructure</b>	<b>Total</b>
General Government	\$ 314,532	\$ 2,710,861	\$ 155,128	\$ 614,547	\$ -	\$ 3,795,068
Public Safety						
Law Enforcement	-	34,792	611,430	429,895	-	1,076,117
Fire Protection	-	-	767,614	164,098	-	931,712
Total Public Safety	-	34,792	1,379,044	593,993	-	2,007,829
Public Works	-	-	515,854	770,168	23,193,053	24,479,075
TV Station	-	-	-	39,822	-	39,822
<b>Total Capital Assets</b>	<b>\$ 314,532</b>	<b>\$ 2,745,653</b>	<b>\$ 2,050,026</b>	<b>\$ 2,018,530</b>	<b>\$ 23,193,053</b>	<b>\$ 30,321,794</b>

City of Winder, Georgia  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes by Function and Activity  
 For the Year Ended June 30, 2006

<u>All Asset Types</u>	<u>Balance 06/30/05</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance 06/30/06</u>
General Government	\$ 3,693,231	\$ 103,555	\$ (1,718)	\$ 3,795,068
Public Safety				
Law Enforcement	1,139,067	97,783	(160,733)	1,076,117
Fire Protection	914,444	20,768	(3,500)	931,712
Total Public Safety	2,053,511	118,551	(164,233)	2,007,829
Public Works	23,904,454	608,057	(33,436)	24,479,075
TV Station	-	39,822	-	39,822
<b>Total Capital Assets</b>	<b>\$ 29,651,196</b>	<b>\$ 869,985</b>	<b>\$ (199,387)</b>	<b>\$ 30,321,794</b>

**City of Winder, Georgia  
 Special Purpose Local Options Sales Tax  
 Schedule of Expenditures  
 For the Year Ended June 30, 2006**

	<b>Original Estimated Cost (Unaudited)</b>	<b>Latest Estimated Cost (Unaudited)</b>	<b>Prior Years Cumulative Expenditures</b>	<b>Total Current Year Expenditures</b>	<b>Total Cumulative Expenditures</b>	<b>Estimated Percent Complete (Unaudited)</b>
<b>SPECIAL PURPOSE LOCAL</b>						
<b>SALES TAX - ROADS</b>						
Local Street Resurfacing	\$ 1,125,000	\$ 1,125,000	\$ 1,204,425	\$ 474,773	\$ 1,679,198	100.00%
Total Roads	<u>\$ 1,125,000</u>	<u>\$ 1,125,000</u>	<u>\$ 1,204,425</u>	<u>\$ 474,773</u>	<u>\$ 1,679,198</u>	
<b>SPECIAL PURPOSE LOCAL</b>						
<b>SALES TAX - EDUCATION</b>						
Adult Education Center Renovation	\$ 1,000,000	\$ 1,000,000	\$ 1,026,000	\$ -	\$ 1,026,000	100.00%
Total Education	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,026,000</u>	<u>\$ -</u>	<u>\$ 1,026,000</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, 2006**

**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 new schedules are presented prospectively (current year only) as data is not readily available. The goal for most schedules is to build a 10 year history.

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 from the 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 and water users.

Schedules in this category are:

- Assessed and Fair Market Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Sales and Use Taxes – Direct and Overlapping
- Comparison of Retail Trade Data –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 – Current Year and Nine Years Ago

### 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 Four Fiscal Years**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Governmental Activities:</b>				
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
<b>Total Government activities net assets</b>	<b>\$ 2,963,984</b>	<b>\$ 3,561,383</b>	<b>\$ 4,694,162</b>	<b>\$ 13,231,882</b>
<b>Business-type activities:</b>				
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
<b>Total Business-type activities net assets</b>	<b>\$ 29,898,057</b>	<b>\$ 29,644,349</b>	<b>\$ 28,814,126</b>	<b>\$ 32,171,574</b>
<b>Primary Government:</b>				
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
<b>Total Primary Government Net Assets</b>	<b>\$ 32,862,041</b>	<b>\$ 33,205,732</b>	<b>\$ 33,508,288</b>	<b>\$ 45,403,456</b>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>EXPENSES:</b>				
<b>Governmental Activities:</b>				
General Government	\$ 1,480,598	\$ 1,682,832	\$ 1,997,146	\$ 2,282,796
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
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
<b>Total Governmental Activities Expenses</b>	<b>\$ 6,729,366</b>	<b>\$ 7,106,002</b>	<b>\$ 7,851,372</b>	<b>\$ 8,924,258</b>
<b>Business Type Activities:</b>				
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
Special Facilities	142,144	176,693	159,458	209,543
<b>Total Business Type Activities</b>	<b>13,361,531</b>	<b>13,476,343</b>	<b>16,524,576</b>	<b>19,609,240</b>
<b>Total Primary Government</b>	<b>\$ 20,090,897</b>	<b>\$ 20,582,345</b>	<b>\$ 24,375,948</b>	<b>\$ 28,533,498</b>
<b>INDIRECT COSTS:</b>				
<b>Governmental Activities:</b>				
General Government	\$ (465,400)	\$ (1,401,074)	\$ (1,966,593)	\$ (2,381,233)
Public Safety	112,000	230,828	506,842	525,674
Public Works	94,500	155,455	206,871	205,209
Maintenance Shop	20,400	(335,523)	(199,854)	-
Facilities Maintenance	-	(205,125)	(263,008)	-
Interest and Fiscal Agent Charges	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>\$ (238,500)</b>	<b>\$ (1,555,439)</b>	<b>\$ (1,715,742)</b>	<b>\$ (1,650,350)</b>
<b>Business Type Activities:</b>				
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
Special Facilities	-	23,300	20,568	16,901
<b>Total Business Type Activities</b>	<b>238,500</b>	<b>1,555,439</b>	<b>1,715,742</b>	<b>1,650,350</b>
<b>Total Primary Government</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>PROGRAM REVENUES:</b>				
<b>Governmental Activities:</b>				
Charges for Service-				
General Government	\$ 907,711	\$ 948,424	\$ 1,005,824	\$ 1,023,457
Public Safety	713,113	315,699	315,811	413,549
Public Works	55,536	39,077	17,330	109,104
Maintenance Shop	-	-	-	-
Facilities Maintenance	-	-	-	-
Interest and Fiscal Agent Charges	-	-	-	-
Operating Grants and Contributions				
Public Safety	353,183	505,760	686,993	820,394
Capital Grants and Contributions				
Public Works	293,822	349,971	306,433	363,047
<b>Total Governmental Activities</b>	<b><u>2,323,365</u></b>	<b><u>2,158,931</u></b>	<b><u>2,332,391</u></b>	<b><u>2,729,551</u></b>
<b>Business Type Activities</b>				
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
Special Facilities	91,577	103,382	83,610	88,614
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions-Water	-	-	-	193,534
<b>Total Business Type Activities</b>	<b><u>16,041,515</u></b>	<b><u>16,377,336</u></b>	<b><u>19,531,789</u></b>	<b><u>25,736,077</u></b>
<b>Total Primary Government Program Revenues</b>	<b><u>\$ 18,364,880</u></b>	<b><u>\$ 18,536,267</u></b>	<b><u>\$ 21,864,180</u></b>	<b><u>\$ 28,465,628</u></b>
<b>NET REVENUES (EXPENSES):</b>				
Government Activities	\$ (4,167,501)	\$ (3,391,632)	\$ (3,803,239)	\$ (4,544,356)
Business Type Activities	2,441,484	1,345,554	1,291,471	4,476,487
<b>Total Primary Government Net Expense</b>	<b><u>\$ (1,726,017)</u></b>	<b><u>\$ (2,046,078)</u></b>	<b><u>\$ (2,511,768)</u></b>	<b><u>\$ (67,869)</u></b>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>General Revenues and Other Changes in Net Assets:</b>				
<b>Governmental Activities:</b>				
Taxes-				
General Sales Taxes	\$ 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	412,256	438,184	474,874	510,902
Interest Earnings	18,853	58,787	90,282	176,458
Miscellaneous Revenues	39,373	83,351	303,547	23,277
Transfers	1,835,548	1,605,290	2,121,694	1,697,386
<b>Total Governmental Activities</b>	<b><u>4,088,443</u></b>	<b><u>3,989,031</u></b>	<b><u>4,936,018</u></b>	<b><u>4,575,684</u></b>
<b>Business Type Activities:</b>				
Interest Earnings	\$ 93,251	\$ 6,028	\$ -	\$ -
Transfers	(1,835,548)	(1,605,290)	(2,121,694)	(1,697,386)
<b>Total Business Type Activities</b>	<b><u>(1,742,297)</u></b>	<b><u>(1,599,262)</u></b>	<b><u>(2,121,694)</u></b>	<b><u>(1,697,386)</u></b>
<b>Total Primary Government</b>	<b><u>\$ 2,346,146</u></b>	<b><u>\$ 2,389,769</u></b>	<b><u>\$ 2,814,324</u></b>	<b><u>\$ 2,878,298</u></b>
<b>Changes in Net Assets:</b>				
Governmental Activities	\$ (79,058)	\$ 597,399	\$ 1,132,779	\$ 31,328
Business Type Activities	699,187	(253,708)	(830,223)	2,779,101
<b>Total Primary Government</b>	<b><u>\$ 620,129</u></b>	<b><u>\$ 343,691</u></b>	<b><u>\$ 302,556</u></b>	<b><u>\$ 2,810,429</u></b>

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

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

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Revenues:</b>				
Taxes	\$ 2,771,315	\$ 2,965,634	\$ 3,282,762	\$ 3,379,437
License and Permits	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
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
<b>Total Revenues</b>	<b><u>5,040,510</u></b>	<b><u>6,465,712</u></b>	<b><u>7,552,952</u></b>	<b><u>7,981,935</u></b>
<b>Expenditures:</b>				
General Government	1,391,720	1,593,934	1,873,045	2,248,013
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
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
<b>Total Expenditures</b>	<b><u>7,214,673</u></b>	<b><u>8,108,474</u></b>	<b><u>9,626,939</u></b>	<b><u>9,773,635</u></b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b><u>(2,174,163)</u></b>	<b><u>(1,642,762)</u></b>	<b><u>(2,073,987)</u></b>	<b><u>(1,791,700)</u></b>
<b>Other Financing Sources (Uses):</b>				
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)
Proceeds from borrowing	-	742,000	-	286,373
<b>Total Other Financing Sources (Uses)</b>	<b><u>1,835,548</u></b>	<b><u>2,347,290</u></b>	<b><u>2,121,694</u></b>	<b><u>1,983,759</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ (338,615)</u></b>	<b><u>\$ 704,528</u></b>	<b><u>\$ 47,707</u></b>	<b><u>\$ 192,059</u></b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b><u>2.55%</u></b>	<b><u>0.94%</u></b>	<b><u>1.72%</u></b>	<b><u>2.31%</u></b>
<b>Total Debt Service Expenditures</b>	<b>\$ 175,369</b>	<b>\$ 68,104</b>	<b>\$ 142,860</b>	<b>\$ 205,738</b>
<b>Total Non-Capital Expenditures</b>	<b>\$ 6,875,663</b>	<b>\$ 7,282,727</b>	<b>\$ 8,314,707</b>	<b>\$ 8,903,652</b>

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

<b>Fiscal Year</b>	<b>Gross Digest</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>All</b>
<b>Ended</b>	<b>Assessed Value</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Other</b>
<b>June 30</b>					
1997	\$ 168,163,559	\$ 81,794,613	\$ 57,698,140	\$ 2,673,999	\$ 25,996,807
1998	178,375,150	87,037,036	57,508,531	3,048,575	30,781,008
1999	189,925,983	92,583,908	62,166,868	3,020,348	32,154,859
2000	195,481,100	97,686,625	67,060,709	1,870,801	28,862,965
2001	224,181,894	119,720,816	70,515,072	2,184,577	31,761,429
2002	236,581,395	131,303,510	69,180,088	2,154,461	33,943,336
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

\* Assessed Value is 40 percent per state law

\*\*Includes Homestead Exemptions and Exempt Property

Sources: Barrow County Tax Commissioner  
 Ga. Dept of Revenue



Less Exempt Property**	Total Net Assessed Value	Total Direct Tax	Total Net Fair Market Value	Percentage Assessed Value To Fair Market Value
\$ 13,207,545	\$ 154,956,014	0.00%	\$ 387,390,035	40%
29,393,933	148,981,217	-	372,453,043	40%
29,746,248	160,179,735	-	400,449,338	40%
30,095,397	165,385,703	-	413,464,258	40%
20,289,428	203,892,466	-	509,731,165	40%
40,622,708	195,958,687	-	489,896,718	40%
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%

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

<u>Year</u>	<u>City of Winder</u>	<u>School System</u>	<u>Barrow County M &amp; O</u>	<u>Fire District Tax</u>	<u>State</u>	<u>Barrow County Total</u>
1997	-	19.52	9.50	-	0.25	29.27
1998	-	19.52	9.35	1.00	0.25	30.12
1999	-	20.60	7.57	1.00	0.25	29.42
2000	-	20.60	7.57	1.00	0.25	29.42
2001	-	20.60	6.83	0.93	0.25	28.61
2002	-	18.90	6.77	1.64	0.25	27.56
2003	-	18.90	6.77	1.64	0.25	27.56
2004	-	17.50	6.77	2.15	0.25	26.67
2005	-	15.50	9.82	2.15	0.25	27.72
2006	-	18.50	10.65	2.15	0.25	31.55

Source: Barrow County Tax Commissioner

Note: The City of Winder has not levied a property tax since 1977. Fire Taxes are levied by the Barrow County Board of Commissioners. The proceeds are then remitted to the City of Winder to assist in providing fire protection services in the Winder Fire District.

**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 City of Winder</u>	<u>LOST Proceeds City of Winder</u>	<u>LOST Barrow County/ Other Municipalities</u>	<u>SPLOST Barrow County</u>	<u>ELOST Barrow County School System</u>	<u>State of Georgia</u>	<u>Total All Sales Tax</u>
1997	0.2481%	\$ 1,029,000	0.7519%	1%	1%	4%	7%
1998	0.2481%	\$ 1,043,000	0.7519%	1%	1%	4%	7%
1999	0.2481%	\$ 1,205,000	0.7519%	1%	1%	4%	7%
2000	0.2481%	\$ 1,306,000	0.7519%	1%	1%	4%	7%
2001	0.2481%	\$ 1,404,000	0.7519%	1%	1%	4%	7%
2002	0.2481%	\$ 1,473,000	0.7519%	1%	1%	4%	7%
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%	\$ 1,665,761	0.7960%	1%	1%	4%	7%
2006	0.1987%	\$ 1,764,000	0.8013%	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 negotiated through 2007.

SPLOST = Special Purpose Local Option Sales Tax. Projects are approved through referendum and revenues may be shared through 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 and 2002**

NAICS Code	Description	Number of Establishments		Sales
		1997	2002	1997
44-45	Retail trade (Totals)	145	145	\$ 344,841
441	Motor vehicle & parts dealers	19	16	D
442	Furniture & home furnishings stores	10	10	D
443	Electronics & appliance stores	5	3	\$ 4,291
444	Building material & garden equipment & supplies dealers	8	10	\$ 30,007
445	Food & beverage stores	27	25	\$ 63,962
446	Health & personal care stores	11	9	D
447	Gasoline stations	25	30	\$ 22,921
448	Clothing & clothing accessories stores	13	9	\$ 6,904
451	Sporting goods, hobby, book, & music stores	2	4	D
452	General merchandise stores	5	7	D
453	Miscellaneous store retailers	15	17	D
454	Nonstore retailers	5	5	D

Source: 1997 and 2002 Economic Census - Barrow County Georgia as conducted by the U.S. Census Bureau

Notes: Economic Census Data is collected every five years and published during the next two years.

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

\$000)	Annual Payroll (\$000)		Paid Employees		
	2002	1997	2002	1997	2002
\$ 525,648	\$ 30,825	\$ 46,183	1,798	2,104	
D	D	D	(250-499)	(250-499)	
D	D	D	(20-99)	(20-99)	
D	\$ 660	D	37	(20-99)	
\$ 63,909	\$ 5,957	\$ 9,705	234	316	
\$ 67,785	\$ 6,353	\$ 6,952	536	454	
\$ 24,390	D	\$ 1,743	(100-249)	107	
\$ 38,023	\$ 1,584	\$ 1,829	134	111	
D	\$ 719	D	67	(20-99)	
D	D	D	(1-19)	(1-19)	
\$ 78,069	D	\$ 8,658	(250-499)	576	
D	D	D	(20-99)	(20-99)	
\$ 9,891	D	\$ 1,201	(20-99)	30	

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Water and Sewer Rates</b>				
<b>Water Monthly Service Rates:</b>				
<b>Inside City-</b>				
First 2,000 gallons	\$ 10.50	\$ 10.50	\$ 11.50	\$ 12.60
Next 5,000 gallons (\$ per thousand)	\$ 3.30	\$ 3.43	\$ 3.63	\$ 4.15
Over 7,000 gallons (\$ per thousand)	\$ 3.70	\$ 3.83	\$ 4.03	\$ 4.99
<b>Outside City-</b>				
First 2,000 gallons	\$ 19.25	\$ 19.25	\$ 20.25	\$ 22.58
Next 5,000 gallons (\$ per thousand)	\$ 3.80	\$ 4.13	\$ 4.33	\$ 5.09
Over 7,000 gallons (\$ per thousand)	\$ 4.10	\$ 4.43	\$ 4.63	\$ 5.57
<b>Sewer Monthly Service Rates-</b>				
Minimum Charge	\$ 8.00	\$ 9.20	\$ 9.20	\$ 10.80
Effective sewer rate as percent of water bill	80%	80%	80%	85%
<b>Water Sold by Type Customer</b>				
<b>Annual Water Sales by Volume (000 gallons)</b>				
<b>by Category</b>				
Residential	615,300	644,412	660,811	719,808
Commercial/Institutional/Other	182,083	217,405	194,993	232,115
Industrial	211,963	195,626	227,494	252,905
<b>Total</b>	<u>1,009,346</u>	<u>1,057,443</u>	<u>1,083,298</u>	<u>1,204,829</u>
<b>Average Direct Rate (per 1000 gallons)</b>	<u>\$ 5.10</u>	<u>\$ 5.15</u>	<u>\$ 5.79</u>	<u>\$ 6.26</u>
<b>Average Number of Customers*</b>				
Residential	9,799	10,553	11,539	11,790
Commercial/Institutional/Other	852	912	995	1,064
Industrial	6	6	6	6
<b>Total</b>	<u>10,657</u>	<u>11,471</u>	<u>12,540</u>	<u>12,860</u>
*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 systems all 12 months of the fiscal year.				
<b>Annual Water Sales (\$) by Category:</b>				
Residential	\$ 3,532,358	\$ 3,741,446	\$ 4,196,709	\$ 5,111,122
Commercial/Institutional/Other	768,893	814,405	906,924	1,108,308
Industrial	841,439	891,246	1,166,139	1,324,683
<b>Total Water Sales</b>	<u>\$ 5,142,690</u>	<u>\$ 5,447,097</u>	<u>\$ 6,269,773</u>	<u>\$ 7,544,113</u>
<b>Sewer:</b>				
Average Number of Users	3,883	4,011	4,178	4,516
<b>Annual Sewer Sales</b>	<u>\$ 1,310,384</u>	<u>\$ 1,387,948</u>	<u>\$ 1,581,677</u>	<u>\$ 1,873,759</u>
<b>Total Annual Water/Sewer Sales</b>	<u>\$ 6,453,074</u>	<u>\$ 6,835,045</u>	<u>\$ 7,851,450</u>	<u>\$ 9,417,872</u>

**City of Winder**  
**Statistical Section – Revenue Capacity**  
**Water and Sewer Connection/Tap Fees**  
 Effective June 30, 2006

**Current Fees**

<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

**City of Winder**  
**Statistical Section – Revenue Capacity**  
**Largest Water and Sewer Customers**  
**June 30, 2006**

<u>Customer</u>	<u>Product/Service</u>		<u>Total</u> <u>Billings</u>	<u>Percent of</u> <u>System</u> <u>Revenues</u>
Harrison Poultry	Poultry Processing	\$	830,310	8.78%
Stepan	Surfactant Mfg.	\$	441,935	4.57%
Johns-Manville	Fiberglass Insulation	\$	304,469	3.22%
Rhodia	Surfactant Mfg.	\$	216,225	2.29%
Total				<hr/> 18.86%

Note: No other single customer exceeds .5% of total billings



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

	2003	2004	2005	2006
<b>Gas Monthly Distribution Charge:*</b>				
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
<b>Annual Gas Sales by Volume (mcf) by Category:</b>				
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
<b>Total</b>	<b>571,322</b>	<b>588,992</b>	<b>859,944</b>	<b>625,102</b>
<b>Average Number of Customers by Category**</b>				
Residential/Small Commercial	4,226	4,756	4,969	5,799
Medium/Large Commercial	42	46	52	52
Interruptible (Industrial):	5	5	8	8
<b>Total</b>	<b>4,273</b>	<b>4,807</b>	<b>5,029</b>	<b>5,859</b>

\*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 the the customer on a monthly basis, however the distribution charge remains relatively constant.

\*\*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 systems all 12 months of the fiscal year.

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
<b>Total</b>	<b>\$ 6,790,836</b>	<b>\$ 6,948,217</b>	<b>\$ 9,083,755</b>	<b>\$ 12,341,365</b>

City of Winder  
 Statistical Section – Revenue Capacity  
 Largest Natural Gas System Customers  
 June 30, 2006

<u>Customer</u>	<u>Product/Service</u>		<u>Total Billings</u>	<u>Percent of System Revenues</u>
Johns-Manville	Fiberglass Insulation	\$	2,918,165	23.38%
Rhodia	Surfactant Mfg.	\$	1,098,994	8.83%
Harrison Poultry	Poultry Processing	\$	758,244	6.10%
Stepan	Surfactant Mfg.	\$	562,081	5.52%
Harrison Feed Mill	Animal Feed	\$	478,403	3.85%
Total				47.68%

**City of Winder, Georgia**  
**Statistical Section – Debt Capacity**  
**Direct and Overlapping Debt**  
**June 30, 2006**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Barrow County Schools:</b>			
For New Construction/expansion/renovation			
General Obligation Bonds	\$ 23,785,000	19.36%	\$ 4,604,776
Capital Leases	2,382,744	20.77%	494,896
<b>Total Barrow County Schools         Overlapping Debt</b>			<b>5,099,672</b>
<b>Barrow County Government:</b>			
Debt Repaid With Property Taxes			
General Obligation Bonds	\$ 1,185,000	17.96%	212,826
Capital Leases	95,734	17.96%	17,194
<b>Total Barrow County Government         Overlapping Debt</b>			<b>230,020</b>
<b>Total Overlapping Debt</b>			<b>5,329,692</b>
<b>City of Winder:</b>			
Direct Debt			762,891
<b>Total Direct and Overlapping Debt</b>			<b>\$ 6,092,583</b>

**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 (17.96%).

For debt paid by sales taxes, the percentage of overlapping debt is estimated using 2005 Census population estimates for the City as a percentage of the total County 2005 Census estimated population (20.77%).

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 (19.36%). This is the case with the Barrow County School System.

Barrow County's Fiscal Year ends on September 30. The current year audit had not been completed. Therefore, figures are taken from the audit of the FY ended September 30, 2005.

Although the Barrow County School System ends June 30, the audit for the FY ending 6/30/06 will not be conducted until 2007. Therefore figures are taken from the audit of the FY ending 6/30/05.

**City of Winder, Georgia**  
**Statistical Section – Debt Capacity**  
**Ratio of Outstanding Debt by Type**  
**Last Four 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	7.29%	\$ 1,501
2004	\$ -	\$ 36,723	\$ 728,574	\$ 12,788,379	\$ 1,381,813	\$ 3,329,963	\$ 18,265,452	6.43%	\$ 1,512
2005	\$ -	\$ 10,074	\$ 640,122	\$ 12,233,045	\$ 1,047,228	\$ 3,114,408	\$ 17,044,877	5.86%	\$ 1,369
2006	\$ -	\$ 262,200	\$ 500,691	\$ 11,517,489	\$ 749,149	\$ 2,762,669	\$ 15,792,198	5.12%	\$ 1,224

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

Thousands of Dollars

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Assessed Value (Net) Tax Digest	\$ 387,390	\$ 372,453	\$ 400,449	\$ 413,464	\$ 509,731	\$ 489,897	\$ 512,915	\$ 647,677	\$ 701,032	\$ 769,033
General Bonded Debt Limit (10% of Tax Digest)	\$ 38,739	\$ 37,245	\$ 40,045	\$ 41,346	\$ 50,973	\$ 48,990	\$ 51,292	\$ 64,768	\$ 70,103	\$ 76,903
Total Debt Applicable to Limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to the limits as a % of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

**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	
1997	\$ 4,601	\$ 2,009	\$ 2,592	\$ 265	\$ 254	\$ 519	4.99
1998	\$ 4,586	\$ 2,316	\$ 2,270	\$ 280	\$ 606	\$ 886	2.56
1999	\$ 5,354	\$ 2,493	\$ 2,861	\$ 355	\$ 809	\$ 1,164	2.46
2000	\$ 5,885	\$ 2,891	\$ 2,994	\$ 605	\$ 726	\$ 1,331	2.25
2001	\$ 6,857	\$ 3,071	\$ 3,786	\$ 630	\$ 701	\$ 1,331	2.84
2002	\$ 7,758	\$ 3,708	\$ 4,050	\$ 655	\$ 675	\$ 1,330	3.05
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

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

**City of Winder, Georgia**  
**Statistical Section – Demographic and Economic**  
**Demographic and Economic Statistics**  
**Last Six 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>
2000	10,201	46,144	\$203,724,171	\$19,971	32.5	3.0	73.3	10.9
2001	10,772	51,231	\$227,580,044	\$21,127	32.5	3.8	73.3	10.9
2002	11,276	51,016	\$228,778,764	\$20,289	32.4	4.6	73.3	10.9
2003	11,617	53,479	\$239,077,860	\$20,580	32.4	4.5	73.3	10.9
2004	12,145	56,656	\$285,419,645	\$23,501	32.3	4.3	73.3	10.9
2005	12,451	59,954	\$290,855,360	\$23,360	32.3	4.5	73.3	10.9
2006	12,905	62,101	\$308,521,556	\$23,907	32.3	4.1	73.3	10.9

Sources of Information and basis for estimates:

U.S. Census Bureau - City & County Populations, Median Age, and Educational Attainment

Ga. Dept of Community Affairs - Personal Income and Per Capita Income

Ga. Statistics - Estimate of 2006 City & County Populations

Bureau of Labor Statistics - Unemployment Rate

\*Statistics not available on an annual basis

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

**City of Winder, Georgia**  
**Statistical Section – Demographic and Economic**  
**Principal Employers – Current and Nine Years Ago**  
**June 30, 2006**

<u>Employer</u>	<u>2005</u>			<u>1996</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	1,757	1	7.36%	-	-	0.00%
Harrison Poultry	896	2	3.75%	560	1	2.99%
Chateau Elan	550	3	2.30%	420	3	2.25%
Anderson Merchandisers	489	4	2.05%	-	-	0.00%
Barrow County Government	380	5	1.59%	245	6	1.31%
John's Manville	330	6	1.38%	293	4	1.57%
United Waste Services	300	7	1.26%	-	-	0.00%
Akins Ford	234	8	0.98%	-	-	0.00%
Barrow Community Hospital	225	9	0.94%	-	-	0.00%
Total Logistics Control	201	10	0.84%	-	-	0.00%
Duckead Apparel	-	-	-	290	5	1.55%
Thrall Car Mfg.	-	-	-	500	2	2.67%
All Employment	23,868			18,700		

Notes: Statistics are kept only on a county-wide basis, therefore, Barrow County statistics are used.  
 Shading indicates employers that are either within the City Limits of Winder, or are in the City's utilities service areas.  
 Some data not available:  
 The 2006 data not available until year end.  
 The 1996 data only ranked the top 5 non-governmental employers and public employers were not included in these rankings.

Sources of Information:  
 Barrow County Chamber of Commerce - 2005  
 Bureau of the Census - All Employment  
 Barrow County Comprehensive Plan - 1996



**City of Winder, Georgia**  
**Statistical Section – Operating Information**  
**Full Time-Equivalent Employees**  
**June 30, 2006**

	<u>2006</u>
<b>Function/Program</b>	
<b>General Government</b>	
Administration/Personnel	8.75
Finance/IT	5.00
Planning, License and Permits	4.00
Other	1.00
<b>Public Safety</b>	
Police Department:	
Police Administration	5.00
Officers	43.00
Fire Department	
Fire Administration	3.00
Fire Fighters	19.00
Municipal Court/Probation	2.00
<b>Public Works</b>	
Street/Cemetery	18.65
Facilities Maintenance	9.50
<b>Special Facilities - Community Center</b>	3.25
<b>Internal - Fleet Maintenance</b>	5.00
<b>Component Unit- Downtown Development</b>	1.00
<b>Utilities (Business-Type Activities)</b>	
Water Distribution	19.00
Water Treatment	*
Wastewater Treatment	*
Sewer Collection	*
Gas	11.00
Solid Waste	15.25
Utility Services (Billing and Collection)	19.00
<b>Total</b>	<b><u>192.40</u></b>

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.

**City of Winder, Georgia**  
**Statistical Section – Operating Information**  
**Operating Indicators by Function/Program**  
**June 30, 2006**

	<u>2006</u>
<b>Function/Program</b>	
<b>Public Safety</b>	
<b>Police Department:</b>	
Total Calls for Service	16,000
Motor Vehicle Accident Reports	811
Criminal Investigation Cases	3,417
Clearance Rate	54%
Miles Patroled	378,000
<b>Fire Department</b>	
Total Emergency Responses	1,166
Fire Calls	63
Rescue Calls	753
Other Emergency Calls	350
Average Response Time (Minutes)	3:28
<b>Public Works</b>	
Streets/Cemetery:	
Loads of Loose Debris Picked up	1,077
Number of bags of leaves/yard waste picked up	33,602
Graves Opened/Closed	44
Number of street locations patched	133
Other work orders (signs, grass cutting, etc.)	1,069
<b>Special Facilities - Community Center</b>	
Number of Events	331
<b>Internal - Fleet Maintenance</b>	
Number of vehicle service/repairs	1,018

**City of Winder, Georgia**  
**Statistical Section – Operating Information**  
**Operating Indicators by Function/Program**  
**June 30, 2006**

	<u>2006</u>
<b>Utilities (Business-Type Activities)</b>	
<b>Water Distribution:</b>	
New Taps/Meters Installed	567
Leaks Repaired	422
Total Number Customers - Year End	13,328
Water Plants - Average Daily Production (mgd)*	3.87
Sewer Plants- Average Daily Treatment (mgd)*	1.42
Sewer Collection - New Taps	385
Total Number of Customers - Year End	4,563
<b>Gas:</b>	
New Meters Installed	273
Leaks Repaired	65
New Gas Line Run (ft)	20,262
Locates (Water and Gas)	17,591
Total Number of Customers- Year End	5,084
<b>Solid Waste:</b>	
Number of New Sanitation Customers	560
Tons of Garbage Collected	7,561
Total Number of Customers - Year End	5,195
<b>Utility Services (Billing and Collection):</b>	
Number of bills processed, sent and collected	175,309
Increase (decrease) from prior year	10,244

Source: City of Winder Operational Reports  
Water Plant operations, sewer plant operations and sewer collection operations are operated by H.S. Feldman, Inc. by contract with the City of Winder. Operational indicators not available for certain administrative functions  
\*mgd = million gallons per day

**City of Winder, Georgia**  
**Statistical Section – Operating Information**  
**Capital Assets Statistics by Function/Program**  
**June 30, 2006**

	<u>2006</u>
<b>Public Safety</b>	
<b>Police Department:</b>	
Stations	1
Precincts	2
Number of Police Vehicles	34
<b>Fire Department:</b>	
Stations	2
Pumpers	3
Ladder/Rescue	2
<b>Public Works</b>	
Streets:	
Miles of Streets	65
Cemetery:	
Acres in Cemetery	27
<b>Special Facilities - Community Center</b>	
Rooms available for rental	3
<b>Internal - Fleet Maintenance</b>	
Number of Maintenance Facilities	1
<b>Utilities (Business-Type Activities)</b>	
<b>Water Distribution</b>	
Water Mains (Miles)	364
Fire Hydrants	2,017
Number of Connections-Year End	13,328
<b>Water Treatment and Supply</b>	
Number of Plants	2.00
Production Capacity (mgd)	5.10
Purchase Contract (mdg)	5.00
<b>Wastewater Treatment</b>	
Number of Plants	2.00
Treatment Capacity (mgd)	3.15
<b>Wastewater Collection</b>	
Miles of Sewer Line	65
Number of Connections - Year End	4,563
<b>Gas</b>	
Miles of gas line	149
Base Supply Contract (mcf per day)	5,000
Number of Connections-Year End	5,084
<b>Solid Waste Collection</b>	
Number of Garbage Trucks	5
Number of Refuse Collection Trucks	3
<b>Miscellaneous</b>	
<b>Approximate City Land Area (sq miles)</b>	11
Note: mgd = million gallons per day	
mcf = thousand cubic feet	







**CITY OF WINDER, GEORGIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended

**June 30, 2006**

**Report of Independent Certified Public Accountant on Internal Control  
Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of the Basic Financial Statements Performed in  
Accordance with Government Auditing Standards**





**WAYNE IVEY BOWEN**  
CERTIFIED PUBLIC ACCOUNTANT  
529 GREEN STREET - P.O. BOX 2335  
GAINESVILLE, GEORGIA 30503

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

(770) 536-9833  
FAX (770) 536-0136

MEMBER  
GEORGIA SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

November 30, 2006

Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

The Honorable Mayor Lamar Ouzts and  
Members of the City Council  
City of Winder, Georgia 30680

I have audited the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2006, which collectively comprise the City's basic financial statements, and have issued my report thereon dated November 30, 2006. I conducted my 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Winder, Georgia's financial statements are free of material misstatements, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the City of Winder, Georgia's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk

that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

  
\_\_\_\_\_  
Certified Public Accountant









**City of Winder, Georgia  
Comprehensive Annual Financial Report  
June 30, 2006**