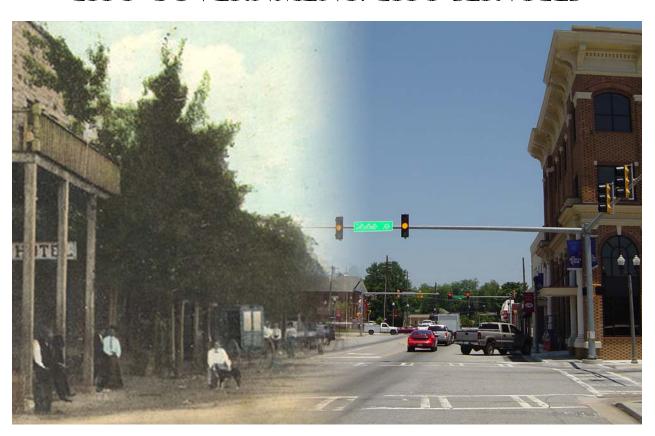
MINDER

GEORGIA, USA

CITIZENS' REPORT CITY GOVERNMENT/CITY SERVICES



FINANCIAL REVIEW OF FISCAL YEAR 2006





Front Cover - Broad Street: Then and Now

Trees are returning to Broad Street. This picture presents Broad Street in the late 1800's and as it looks today. In the early days of Winder, Broad Street was a tree lined center of commerce in northeast Georgia. As the City grew during the 20th Century the city streets were adapted to the physical requirements of the automobile. This resulted in the removal of trees, reduction of sidewalks, and expansion of pavement in the commercial core of Winder. Because the Mayor and Council want to reverse the trend of the past century and help Downtown Winder once again become a vibrant social, business, and entertainment center, it has approved funding for the Streetscape Master Plan for Historic Downtown Winder.

(Front Cover by Alex Wages)





CITY OF WINDER

BUDDY OUZTS

CITY COUNCIL:

SONNY MORRIS MAYOR PRO-TEM

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 PURCHASING DIRECTOR

JOHN E. STELL CITY ATTORNEY

Report to the Citizens

The fiscal year ended June 30, 2006, marks my first full fiscal year as City Administrator and I am pleased to present the First Annual *Citizens Report*, also known as the Popular Annual Financial Report (PAFR), for the City of Winder. The purpose of this report is to present useful information regarding your City's government operations, services, programs, and financial condition. As you review this report, I hope you will agree that we have made significant progress this year working together as a community.

While this report is unaudited, the financial information was derived from the City's Comprehensive Annual Financial Report (CAFR). The CAFR received a favorable opinion from the City's independent auditor, Wayne I. Bowen, CPA, stating the financial statements are fairly presented in conformity with generally accepted accounting principles (GAAP). Please note that the financial information shown here is abbreviated and condensed from the GAAP financial statements shown in the CAFR. Specifically, management's discussion and analysis, budgetary comparisons, component units, basic financial statements, and footnote disclosures are not included here. For more detailed financial information, I encourage you to contact the City's Finance Department at the address listed below to obtain a copy of the CAFR.

The City's Comprehensive Annual Financial Reports for the years ended in 2002 through 2005 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in financial reporting. To be awarded this Certificate, a government must publish an easily readable and efficiently organized report that is compliant with both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City's 2006 CAFR has been submitted to GFOA for consideration of this Certificate and we believe our current report continues to conform to the Certificate of Achievement program requirements.

The motto of the City of Winder is "City of Opportunity." We consider this report an opportunity to provide information that is useful for your understanding of the City's operations and financial condition. Powered by excellent people, your City government is committed to providing excellent service in a cost effective, efficient manner guided by and aligned with our organizational values: Integrity, Customer Focused, Accountability, Respect, Innovation, Leadership, Action-oriented, and Our Employees. Thank you for taking the time to read the Citizens' Report. We appreciate any feedback you may have about this report. Please address your comments to either me or to the City's Finance Department at the address listed below.

Sincerely,

Bob Beck, City Administrator

Babut







Your City Government

The City of Winder, by virtue of its charter, operates under a Mayor-Council form of government with an appointed City Administrator. The Mayor and two Council members are elected at large, and four Council members are elected by wards within the City. All elections are non-partisan, and the Mayor and Council serve four-year staggered terms.



Winder Mayor and City Council

Council (Standing, L-R) Ridley Parrish, Third Ward

Mike Mingus, At Large

Charlie Eberhart, Second Ward Frank Dunagan, Fourth Ward

Larry Evans, At Large Sonny Morris, First Ward

Mayor (Seated) A. Lamar "Buddy" Ouzts

Contact Information: Winder City Hall

P. O. Box 566

Winder, Ga. 30680 (770) 867-3106

Email: cityhall@cityofwinder.com



The City of Winder - Where Challenges Become Opportunities

Economic Trends and Outlook

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, a nucleus of research and technology. In close proximity to Atlanta, Barrow County is also just west of Athens, east of Gwinnett County, and served by SR 316 and I-85. This central location makes Barrow County the fifth fastest growing county in Georgia. Winder is strategically located to take advantage of this growth.

Because the City of Winder is *one of the few cities in the state that does not levy a property tax*, funding for city operations comes from other sources. The three primary sources are: sales taxes, business licenses, building permits, and utility sales. All of these activities are sensitive to economic conditions. Our location and the availability of utilities to prospective customers have enabled the City to enjoy better economic growth and stability than other areas of the state. The following economic indicators support this assumption:

The area's *unemployment rate* on June 30 was 4.1% compared with 5.6% for the state of Georgia and 5.0% nationally.

Over the past 4 years, the city's gross tax digest, reflecting both commercial and residential building activity, grew over 60%.

Over the last 4 years, the average number of water customers grew approximately 21%.

Over the last 4 years, average number of gas customers grew approximately 36%.

Over the last 4 years, sales tax receipts for all Barrow governments grew over 33%.

While the economic future looks solid, the City of Winder must continue to provide *opportunities* for growth by ensuring that its infrastructure can meet the demands of the future. The completion of the Bear Creek reservoir project which alleviated short-term water supply problems and the upgrade of its sewer treatment facilities will help meet these demands. The City has begun cultural and beautification initiatives that are important to the success of Winder and Barrow County. Please see the highlights of our Major Initiatives and Accomplishments next in the report as we seek *to transform challenges into opportunities*.



Major Initiatives and Accomplishments

Wastewater Treatment

• In order to meet projected demand, construction began in May, 2006 of the city's *new Cedar Creek Wastewater Reclamation Facility* which will provide an additional wastewater treatment capacity of three million gallons per day.



Intergovernmental Cooperation

- The City and Barrow County signed an intergovernmental agreement to provide *improved fire flow* to Anderson Merchandising and the Barrow County Industrial Park. The Georgia Department of Community Affairs awarded a grant to help with the cost of this project.
- One million gallons of wastewater treatment capacity was sold to Barrow County. Additionally, the City also agreed to bill and collect Barrow County sewer customers that have City water.
- The City and Barrow County reached an agreement whereby the City is furnishing space for *Barrow County EMS*, to enable the EMS to have a station *within the City limits of Winder*.



Community Television

• The City assumed the operation of the local public, education, and government channel (Channel 12), and has upgraded both the quantity and quality of the broadcasts. This station will be an important community asset, as we seek opportunities to improve communications with our citizens.



Community Auditorium

• The City continued work on a *community auditorium and theater*, named after the late *Colleen O. Williams*, the first drama teacher in the Winder Barrow School System. This auditorium is located in the old Duckhead building on East Athens Street and will seat approximately 200 people.



Public Safety

- Public Safety, Municipal Court and Probation operations have been reorganized with new information management systems. A full time code enforcement officer has also been appointed to address Code violations. The Police Department handled some 16,000 calls for service and worked closely with the Boys and Girls Club, local school system and other organizations to provide a positive experience and opportunities for our children.
- Fire Department personnel completed the renovation of the former City Hall Building, which was renamed the *Billy Sheridan Fire Headquarters* after the late Councilman Billy Sheridan, who served on the Winder City Council from 1971 until his death in 2005. The Department responded to *1,261 emergency calls* with an average response time of *4.13 minutes*. The Department's slogan, "Together is Better," is shown with its involvement in the community by offering the smoke detector program for the seniors, blood pressure screening, and the annual Empty Stocking Drive.



Public Works

- *The Street Department* picked up and disposed of over *34,600 loads* of various types of debris, responded to *over 1,000 other work orders*, (grass cutting, etc.) maintained a 27 acre cemetery and patched potholes at 133 locations.
- *The Sanitation Department* picked up and disposed of some 7,561 tons of garbage, and provided weekly service to over 5,100 customers.



Utilities



- The *Utilities Department* complex on May Street was extensively remodeled by its own staff. The Utilities Administration handled over *17,500 utility locates*, and *answered 16,900 calls*. The months before and during Christmas, the Utilities Department raised money for the Barrow County Family Connection.
- The Gas Department installed 273 new meters, ran over 20,000 feet of new gas line to potentially serve 565 new connections.
- The Water Department installed 537 water taps/meters, reduced service leaks by 50%, added approximately 2,000 connections to the system, and maintained a system with over 14,000 accounts, representing a population of over 30,000 people. Water conservation kits are now available at the Utilities Department.
- The Fleet Maintenance Department handled over 1,000 work orders and maintained a city fleet of over 250 vehicles and equipment.
- The City, through a contract with H.S. Feldman, Inc. treated *an average of 3.87 million* gallons of water per day and processed *and average of 1.42 million gallons* of wastewater per day.
- In the *Utility Services Department*, over *175,000 utility bills* were calculated, mailed, processed and collected. This was an increase of over 10,000 bills from the prior year. The Meter Reading Department reads over 14,000 water meters and 4,800 gas meters monthly by *Electronic Radio Transmission (ERT)*, located on your meter, with a mobile unit mounted in their trucks. The Meter Readers also handled over *10,400 service calls*, including repairing and replacing damaged ERT's and meters.

Community Development

• The license and permit department handled some **2,230 building related transactions** and issued **1,128 business licenses**. The Planning Department updated several zoning ordinances, provided administrative support for all zoning requests, and provided technical assistance for the streetscape beautification program. The city inspection department performed all the inspections associated with the building-related transactions. Many permits required more than one inspection.

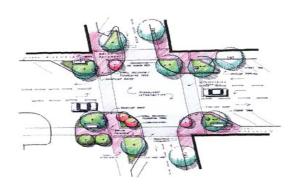
Downtown Redevelopment

• The City, in an effort to increase the *opportunity* for success in the central business district, had a study performed on the previously acquired *granite hotel building*. This study was



performed by Carter Watkins, Architects. This building, residing in the heart of the central business district, is the last *remaining granite hotel of its size in the state*. Long term plans are to renovate the facility for retail space or similar use.

• The City also began its "Streetscape" beautification program with sidewalk improvements and plantings on East Athens Street, Jackson Street and the corner of Candler and Broad Streets.



Administrative

- The Finance Department received a "Certificate of Achievement of Excellence in Financial Reporting" for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. This is the forth straight year the department has won the award.
- The *Personnel Department's mission* is to recruit, train, support, and retain the most capable and productive staff for the City of Winder, while ensuring fair employment and equal opportunity under State and Federal laws. At June 30, 2006, the City *employed* 192.4 full time equivalent employees within various departments. In December 2005, the City held its 5th annual Employee Health Fair that consists of numerous booths and experiences.

Building Maintenance

• The Building Maintenance Department, in addition to maintaining the many buildings of the City, devoted a great deal of time on the *construction of the Colleen O. Williams Theatre*. This department annually repairs donated bicycles and collects gifts for the children of this community.

Community Center and Main Street



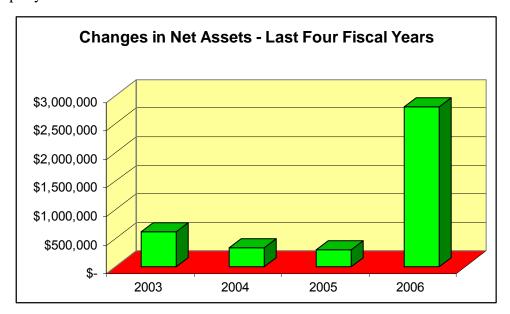
The Winder Community Center hosted *over* 300 events this past year. In addition to sponsoring several events, Winder Mainstreet hosted the annual *Chautauqua* celebration which had over 100 exhibits and was attended by several thousand people.





Financial Highlights

• The City of Winder had a successful year financially. The City's net assets (the difference between revenues and expenses) increased by \$2,810,429 or 6.6% from 2005 to 2006. By contrast, city's net assets only increased approximately \$302,000 between 2004 and 2005. The City of Winder did not levy a property tax in 2006 and has not levied a property tax since 1977.



- The government-wide Statement of Activities shows how the City's net assets changed during the current fiscal year. The graph entitled "Changes in Net Assets," summarizes the changes in net assets over the past 4 years. Net Assets are the difference between the City's assets and liabilities at a given point in time. Assets include cash, vehicles, equipment, and infrastructure, such as streets, water plants, and systems. Liabilities are financial obligations of the city and primarily consist of short-term and long-term debt. Over time, increases or decreases in net assets can serve as a useful indicator of whether the financial position of City as a whole is deteriorating or improving. As shown on the Statement, the City's financial position improved substantially from the prior year.
- The City also has fund financial statements. These statements are presented to provide a
 more narrow focus on the short-term resources and needs of the particular funds. A fund
 is an accounting unit used to maintain control over resources designated for activities or
 objectives. The City has two basic fund types: Governmental Funds and Business-Type
 activities or Enterprise Funds.
- The primary governmental fund is the General Fund. The General Fund includes primarily governmental activities such as general government, public safety (police and fire), and public works (streets, etc.) Sources of General Fund revenue include sales taxes, license and permit fees, fines and forfeitures, and transfers from business-type activities. *Revenues* from Governmental fund activities *increased by \$461,134* or 9% over 2005. Governmental *revenues exceeded expenditures by \$192,509*.



- The Business-Type activities consist primarily of utility funds such as Water/Sewer and Gas, and Solid Waste Management. The other business activity fund is the Special Facilities Fund, which consists primarily of the operation of the Community Center. As their names indicate, these funds are operated much like a business, in that their revenues are derived primarily by the sale of products or services.
- Business-type activity *revenues increased by \$6,204,288* or 31.8%. This increase is due primarily to an increase in the cost of natural gas that the city passes on to its customers.
- Overall, City expenses increased by approximately \$4,158,000 or 17% due to a modest increase in the cost of operations and the substantial increase in the cost of gas. Business-type *revenues exceeded expenses by \$2,779,101*.
- The last statement shown is a comparison of cash flows between fiscal year 2005 and fiscal 2006. Cash flow statements offer a unique look into the city's financial condition in that it is a virtual "checkbook" analysis of city operations. Cash flow statements are essential for evaluating the city's overall financial position, as it shows all monies received or spent by the city regardless of the source or how it is classified. This is important because in revenue and expense statements prepared in accordance with generally accepted accounting principals (GAAP), not all monies spent are recorded as current expenses. For example, in the business-type activities fund, if a pickup truck is purchased, it is not recorded as a current expense because the city is swapping one asset (cash) for another (the truck). However, the City still must have the *cash available* to purchase the truck.
- Another example of the importance of cash flow analysis is with the debt service in the utility funds. When the city embarks on a major infrastructure project, such as a new water or sewer plant, the cost can run into the millions of dollars. The city typically borrows the money for a twenty year period and makes principal and interest payments much like a home mortgage. Again in revenue/expense reports prepared according to GAAP, the principal payments are not shown as a current expense item. However, the City must still have the *cash available* to cover these obligations. The cash flow statement is set up on a non-departmental basis and clearly shows the cost of personnel, the cost of debt service, and the amount spent on capital outlay. The statement shows the *significant improvement in the City's cash flow* going *from a decrease of \$1,148,572* in 2005 to an *increase of \$2,089,604* in 2006.



Changes in Net Assets For Fiscal Years Ended June 30, 2005 and 2006

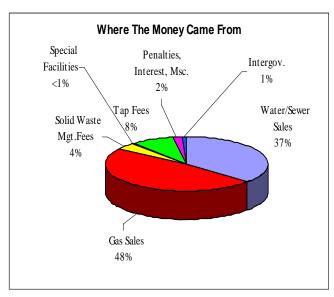
	Governmen	tal Activities	Utility Activities		Total Primary Government	
	2005	<u>2006</u>	<u>2005</u>	2006	2005	2006
Revenues						
Program Revenues						
Charges for Services	\$ 1,338,965	\$ 1,546,110	\$ 19,531,789	\$ 25,542,543	\$ 20,870,754	\$ 27,088,653
Operating Grants and Contributions	686,993	820,394	-	-	686,993	820,394
Capital Grants and Contributions	306,433	363,047	-	193,534	306,433	556,581
General Revenues						
General Sales Taxes	1,665,761	1,764,368	-	-	1,665,761	1,764,368
Selective Sales Taxes	279,860	403,293	-	-	279,860	403,293
Business Taxes	474,874	510,902	-	-	474,874	510,902
Interest Earnings and Msc.	393,829	199,735	-	-	393,829	199,735
Other Financial Sources						
Transfers in/(out)	2,121,694	1,697,386	(2,121,694)	(1,697,386)		-
Total Revenues and Other	7,268,409	7,305,235	17,410,095	24,038,691	24,678,504	31,343,926
Expenses						
General Government	2,023,751	2,303,934	-	-	2,023,751	2,303,934
Public Safety	3,892,786	4,378,760	-	-	3,892,786	4,378,760
Public Works	1,270,889	1,938,344	-	-	1,270,889	1,938,344
Maintenance Shop	398,294	-	-	-	398,294	-
Facilities Maintenance	265,652	303,219	-	-	265,652	303,219
Water/Sewer Operations	-	-	7,471,036	7,279,531	7,471,036	7,279,531
Gas Operations	-	-	7,737,640	10,690,785	7,737,640	10,690,785
Solid Waste Management	-	-	1,156,442	1,429,381	1,156,442	1,429,381
Special Facilities	-	-	159,458	209,543	159,458	209,543
Indirect Cost Allocation	(1,715,742)	(1,650,350)	1,715,742	1,650,350		-
Total Expenses	6,135,630	7,273,907	18,240,318	21,259,590	24,375,948	28,533,497
Change in Net Assets	1,132,779	31,328	(830,223)	2,779,101	302,556	2,810,429
Beginning Net Assets	3,561,383	4,694,162	29,644,349	28,814,126	33,205,732	33,508,288
Prior Period Adjustments						
Beginning Infrastructure, Net	-	8,506,392	-	-	-	8,506,392
Rate Stabilization Fund	-	-	-	578,347	-	578,347
End Net Assets	\$ 4,694,162	\$ 13,231,882	\$ 28,814,126	\$ 32,171,574	\$ 33,508,288	\$ 45,403,456

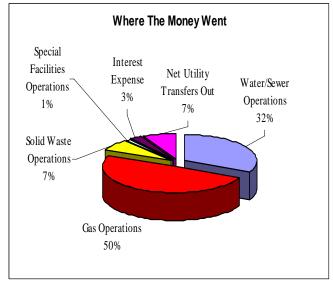


Utility Funds - Revenues and Expenses

For the Fiscal Year Ended June 30, 2006

Revenues	
Charges for Service: Water/Sewer Sales Gas Sales Solid Waste Mgt .Fees Special Facilities Tap Fees Penalties, Interest, Msc. Intergovernmental	\$ 9,417,872 12,341,365 1,000,856 88,614 2,153,318 540,518 193,534
Total Revenues	25,736,077
Expenses	
Water/Sewer Operations	7,371,161
Gas Operations Solid Waste Operations	11,408,345 1,607,689
Special Facilities Operations	226,444
Interest Expense Net Utility Transfers Out	650,151 1,697,386
Total Expenses	22,961,176
Net Revenues Over Expenses	2,774,901
Internal Services Fund (Net)	4,200
Change in Net Assets	\$ 2,779,101







Governmental Funds - Revenues and Expenses

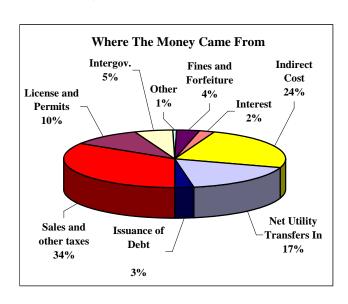
For the Fiscal Year Ended June 30, 2006

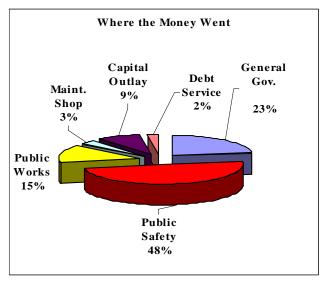
Revenues and Other Financing	g Sources
Sales and other taxes License and Permits Intergovernmental Charges for Service Fines and Forfeitures Interest/Msc/Other Indirect Cost Allocation Net Utility Transfers In Issuance of Debt Instruments	\$ 3,379,437 1,023,457 539,249 62,319 352,027 199,735 2,425,711 1,697,386 286,373
Total Revenues Other Financing Sources	9,965,694
Expenses	
General Government	2,248,013
Public Safety Public Works	4,735,535 1,417,268
Maintenance Shop	297,098
Capital Outlay Debt Service (includes	869,983
principal and interest)	205,738
Total Expenses	9,773,635
Net Revenues Over Expenses	192,059
Net Reconciliation to GAAP	(160,731)

\$

31,328

Change in Net Assets







Government-Wide Combining Statement of Cash Flows – 2006 and 2005

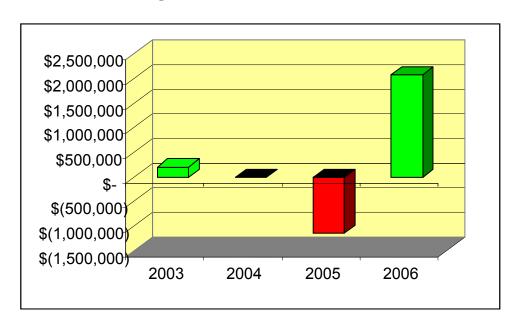
				2006		
		UTILITY	GO\	VERNMENTAL	GOVERNMENT-WIDE	<u> </u>
		FUNDS		FUNDS	TOTAL	
Cash Flows From Operating Activities:		_				
Receipts From Customers	\$	25,066,551	\$	1,652,166	\$ 26,718,7	717
Receipts From Taxes	,	-	·	3,377,476	3,377,4	
Net Receipts from Municipal Court		_		352,027	352,0	
Operating Expenditures		(11,698,058)		(4,032,220)	(15,730,2	
Payments to Employees		(2,766,399)		(5,286,864)	(8,053,2	
Internal Activity		(2,822,541)		2,822,541	,	. ′
Net Cash Provided by Operating Activities		7,779,553		(1,114,874)	6,664,6	579
Cash Flows From Noncapital Financing Activities	_					
Intergovernmental Grants		146,785		-	146,7	785
Transfers to (from) Other Funds		(1,697,386)		1,697,386	ĺ.	
Net Cash From (To) Noncapital						
Financing Activities		(1,550,601)		1,697,386	146,7	/85
Cash Flows From Capital and Related		,				
Financing Activities:						
Acquisition and Construction of Capital Assets		(2,093,660)		(878,386)	(2,972,0)46)
Principal Payments on Long-term Debts		(649,818)		(173,679)	(823,4	1 97)
Principal Payments on Bonds		(877,000)		-	(877,0	•
Interest and Fiscal Charges on Long-Term Debt		(650,151)		(32,060)	(682,2	
Proceeds from Issuance of Long-Term Debt				286,373	286,3	373
Net Cash From (To) Capital and Related						
Financing Activities		(4,270,629)		(797,752)	(5,068,3	J81)
Cash Flows From Investing Activities:						
Interest On Investments		170,062		176,459	346,5	21
Net Increase (Decrease) in Cash	\$	2,128,385	\$	(38,781)	\$ 2,089,6	04



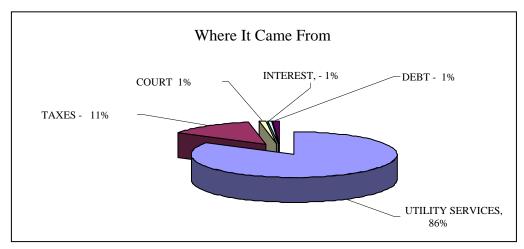
	2005	
GOVERNMENT-WIDE	GOVERNMENTAL	UTILITY
TOTAL	FUNDS	FUNDS
\$ 20,144,968	\$ 1,199,693	\$ 18,945,275
3,297,662	3,297,662	-
298,861	298,861	-
(14,046,702)	(2,313,431)	(11,733,271)
(6,749,935)	(5,265,885)	(1,484,050)
	2,419,940	(2,419,940)
2,944,854	(363,160)	3,308,014
•	<u>.</u>	<u>-</u>
-	2,121,694	(2,121,694)
	2 121 604	(2.121.604)
	2,121,694	(2,121,694)
(2,143,354)	(1,539,700)	(603,654)
(843,800)	(115,101)	(728,699)
(538,007)	-	(538,007)
(668,214)	(27,759)	(640,455)
-		
(4.400.075)	(4 000 500)	(0.540.045)
(4,193,375)	(1,682,560)	(2,510,815)
99,949	90,282	9,667
\$ (1,148,572)	\$ 166,256	\$ (1,314,828)

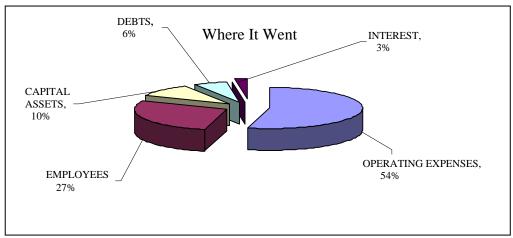


Net Change in Cash – Last Four Fiscal Years



Cash Flow for Fiscal Year Ended June 30, 2006







Quick Contact Guide for Citizens

Winder City Hall
webmaster@cityofwinder.com
Winder Police Department
Winder Fire Department
Winder Utilities Department
Water Treatment/Sewer Treatment and Collection
Public Works Street (770) 867-2780 83 West May Street Solid Waste (770) 867-7121 Winder, Georgia 30680 Rose Hill Cemetery (770) 867-2780
Planning, Inspections, License and Permits. (678) 425-6812 23 N. Jackson Street Winder, GA 30680
Winder Community Center
Code Enforcement Officer
Main Street Winder/Downtown Development Authority
City Attorney



Citizens Report For the Fiscal Year Ended June 30, 2006 Prepared by the City of Winder Finance Department