

CITY OF WINDER GEORGIA



ANNUAL FINANCIAL REPORT

For the Fiscal Year Ending June 30, 2022

CITY OF WINDER, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2022

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For the fiscal year ended June 30, 2022

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Winder, Georgia, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the City of Winder, Georgia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Winder Georgia, as of June 30, 2022 and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund and ARPA Grant Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Winder, Georgia and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Winder, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Winder, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Winder, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 15 and 76 through 88, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Winder, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2023, on our consideration of the City of Winder, Georgia's internal control over financial reporting and our 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 our testing of internal control over financial reporting and compliance and 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* in considering the City of Winder, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Gainesville, Georgia
April 21, 2023

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 City's financial statements.

Financial Highlights

The assets and deferred outflows of resources of the City of Winder's governmental activities and business-type activities exceeded its liabilities and deferred inflows of resources at the close of the current fiscal year by \$152.5 million. Of this amount, \$36.6 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's unrestricted cash and cash equivalents at the end of FY 2022 were approximately \$46.8 million, an increase of \$16.5 million from FY 2021. The increase is attributable to receipt of \$3.3 million in American Rescue Plan funds being held in cash in addition to capital asset purchases and construction projects that were deferred in part as the result of supply chain delays.

The primary government's total net position increased by \$19.9 million during FY 2022, as revenues of \$61.5 million exceeds expenses of \$41.6 million. Governmental activities contributed \$4.4 million and business-type activities contributed \$15.5 million of the overall increase in net position.

At June 30, 2022, the governmental funds reported combined ending fund balances of \$11 million, an increase of \$4.2 million from the prior year. The increase is due to transfers in the General Fund and capital asset purchases and construction projects that were deferred in part as the result of supply chain delays in the SPLOST Fund. Approximately \$2.6 million or 23.6% of the ending fund balance is available for spending at the government's discretion (unassigned fund balance).

General Fund unassigned fund balance at June 30, 2022, was approximately \$2.6 million, or 17% of total fund expenditures.

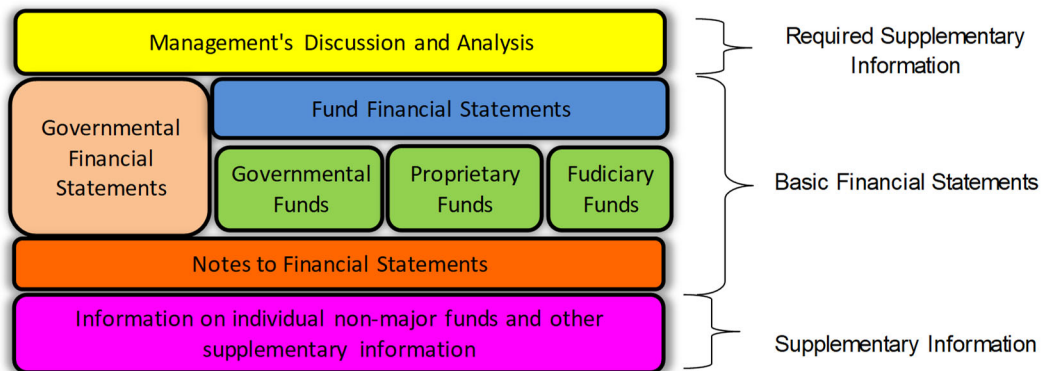
Enterprise (business-type) fund unrestricted net position at June 30, 2022 was \$36.7 million, or 143.3% of total enterprise fund operating expenses.

The City pays up to 90% of health insurance for the City of Winder's fulltime employees in addition to dental, short-term disability, long-term disability, and life insurance for the employees. In FY 2022, premiums paid by the City were \$1.92 million, which was a decrease of approximately 3% from FY 2021.

The City had approximately \$25.4 million in revenue bonds and notes payable outstanding at the end of the current fiscal year, which is a decrease of about \$2.2 million from the prior year. The City's net pension liability decreased by approximately \$3.4 million from prior year. This decrease in net pension liability is primarily attributable to an increase in the net investment income of the plan's fiduciary net position of \$2.86 million or 170.9%.

Report Layout

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



The Annual Financial Report 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 Position, a Statement of Activities, fund financial statements and the notes to the financial statements. Statements of Net Position 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 Position* 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 net investment in capital assets, 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 funds are presented in their own columns and the eight 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 position, revenues, expenses and changes in net position, and cash flows. There are two major enterprise funds (Water and Sewer Fund and Gas Fund) and four nonmajor enterprise funds which are combined into a column titled "Nonmajor Enterprise Funds".
 - The City has two internal service funds to account for the cost of administration of the solid waste, gas and water utility operations, and City buildings. Costs of the internal service funds are charged to the applicable funds. The combined internal service funds' net position, revenues, expenses, and changes in net position are presented in the proprietary fund statements.

- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.
 - The *Notes to the Basic Financial Statements* provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.
- **Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information about the City's defined benefit pension plan and other post-employment benefits plan.
 - **Supplementary Information.** Readers desiring additional information on nonmajor funds can find it in the Combining Statements of Nonmajor Funds and/or the Supplementary Information-Budgetary Comparison sections of this report. Components within this section include:
 - Nonmajor Governmental Funds Statements. Major funds are included within the Basic Financial Statements, whereas nonmajor funds are presented here. These statements include combining balance sheets and statements of revenues, expenditures and changes in fund balances.
 - Budgetary comparison information for nonmajor governmental funds, excluding the Capital Project Funds, and schedules of General Fund revenues and expenditures are presented here.
 - Nonmajor Proprietary Funds Statements. The City has six nonmajor proprietary funds, four of which are enterprise funds and are presented in the combining statements of net position, revenues, expenses, and changes in net position, and cash flows.
 - Internal Service Funds Statements. The City has two internal service funds that are presented in the combining statements of net position, revenues, expenses, and changes in net position, and cash flows.
 - Special Purpose Local Option Sales Tax reports complete the Financial Section of this report.
 - **Report by Independent Certified Public Accountant.** Supplemental communication on the City's compliance, internal controls, and other matters.

Government-Wide Financial Analysis

The government-wide statements report information about the City of Winder as a whole using accounting methods similar to those used by private sector companies. Net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Winder, assets exceeded liabilities by \$152.5 million at the close of Fiscal Year 2022.

The component of net position, which may be used to meet the City's ongoing obligations to its citizens and creditors, is unrestricted in the amount of \$36.6 million or 24%. Another component of the City's net position is net investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding, which comprises \$107.5 million or 70.5%. The City uses these capital assets to provide services to its citizens, and consequently these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$8.4 million or 5.5% represents resources that are subject to external restrictions on how they may be used and debt service.

Statement of Net Position at June 30, 2022 and 2021

	Net Position at Year-End					
	(in thousands of dollars)					
	Governmental Activities		Business-Type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
Cash and Investments	\$ 12,310	\$ 5,818	\$ 38,735	\$ 27,653	\$ 51,045	\$ 33,471
Current Assets	2,902	2,295	3,540	3,540	6,442	5,835
Capital Assets	27,686	28,212	105,330	102,226	133,016	130,438
Noncurrent Assets	557	-	22	-	579	-
Total Assets	<u>43,455</u>	<u>36,325</u>	<u>147,627</u>	<u>133,419</u>	<u>191,082</u>	<u>169,744</u>
Deferred Outflows of Resources	937	2,215	528	895	1,465	3,110
Current Liabilities	4,950	1,992	4,956	4,384	9,906	6,376
Other Liabilities	51	48	1	1	52	49
Noncurrent Liabilities	6,591	9,950	19,548	22,273	26,139	32,223
Total Liabilities	<u>11,592</u>	<u>11,990</u>	<u>24,505</u>	<u>26,658</u>	<u>36,097</u>	<u>38,648</u>
Deferred Inflows of Resources	2,829	997	1,125	623	3,954	1,620
Net Position:						
Net Investment in Capital Assets	23,336	22,821	84,204	78,756	107,540	101,577
Restricted	6,789	4,126	1,581	697	8,370	4,823
Unrestricted	(154)	(1,393)	36,740	27,579	36,586	26,186
Total Net Position	<u>\$ 29,971</u>	<u>\$ 25,554</u>	<u>\$ 122,525</u>	<u>\$ 107,032</u>	<u>\$ 152,496</u>	<u>\$ 132,586</u>

Statement of Activities for the Fiscal Years Ended June 30, 2022 and 2021

Governmental and Proprietary Activities For Fiscal Year Ending June 30, 2022 & 2021 (in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenue						
Charges for Services	\$ 947	\$ 918	\$ 39,853	\$ 33,852	\$ 40,800	\$ 34,770
Operating Grants and Contributions	358	1,694	-	-	358	1,694
Capital Grants and Contributions	4,129	3,411	4,101	1,525	8,230	4,936
General Revenues						
Taxes	11,442	9,091	-	-	11,442	9,091
Other	184	623	528	136	712	759
Total Revenues	<u>17,060</u>	<u>15,737</u>	<u>44,482</u>	<u>35,513</u>	<u>61,542</u>	<u>51,250</u>
Expenses (Including Indirect Cost)						
Governmental Activities						
General Government	910	677	-	-	910	677
Judicial	218	247	-	-	218	247
Public Safety	8,144	7,633	-	-	8,144	7,633
Public Works	3,319	3,073	-	-	3,319	3,073
Recreation	274	25	-	-	274	25
Housing and Development	1,361	1,012	-	-	1,361	1,012
Interest on Long-Term Debt	139	139	-	-	139	139
Business-Type Activities	-	-	27,267	23,151	27,267	23,151
Total Expenses	<u>14,365</u>	<u>12,806</u>	<u>27,267</u>	<u>23,151</u>	<u>41,632</u>	<u>35,957</u>
Excess (Deficiencies) Before Transfers	<u>2,695</u>	<u>2,931</u>	<u>17,215</u>	<u>12,362</u>	<u>19,910</u>	<u>15,293</u>
Transfers	1,722	569	(1,722)	(569)	-	-
Change in Net Position	<u>4,417</u>	<u>3,500</u>	<u>15,493</u>	<u>11,793</u>	<u>19,910</u>	<u>15,293</u>
Beginning Net Position (restated)	<u>25,554</u>	<u>22,054</u>	<u>107,032</u>	<u>95,239</u>	<u>132,586</u>	<u>117,293</u>
Ending Net Position	<u>\$ 29,971</u>	<u>\$ 25,554</u>	<u>\$ 122,525</u>	<u>\$ 107,032</u>	<u>\$ 152,496</u>	<u>\$ 132,586</u>

Governmental Activities

Governmental activities increased the City of Winder's net position by approximately \$4.4 million. The City's transfers into governmental activities from business-type activities increased by approximately \$1.2 million from FY 2021. Property taxes, sales taxes, and business taxes and other revenue provided 68.1% of the total governmental revenues and covered 80.9% of governmental expenses. Program revenues provided 31.9% of total governmental revenues and covered the remaining 19.1% of governmental expenses. Transfers from other funds increased governmental activities net position. The City's revenues from governmental activities are impacted by the general economy and local businesses.

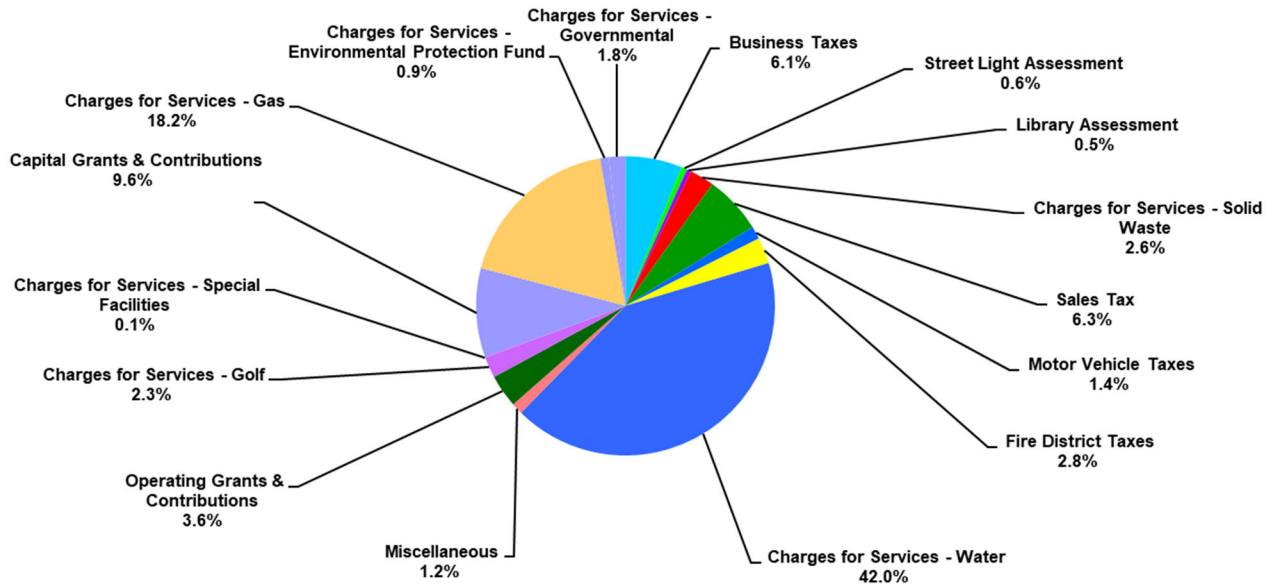
The most significant governmental expense for the City is providing Public Safety services, such as Fire and Police protection, which comprised 56.7% of the total governmental expenses. The second largest cost for the City is Public Works, totaling 23.1% of governmental expenses.

Business-type Activities

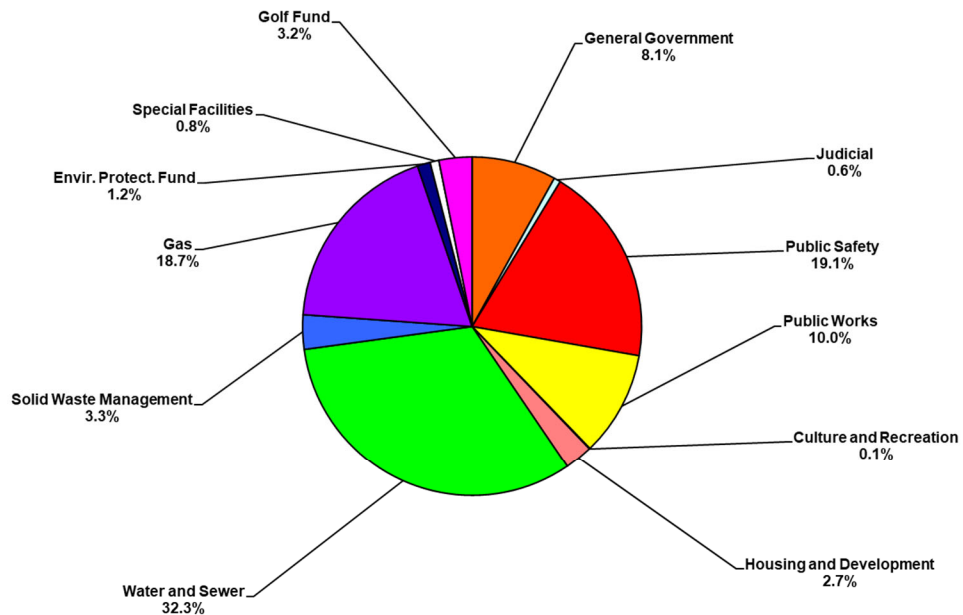
Business-type activities increased the City of Winder's net position by approximately \$15.5 million. The amounts paid by the users of the systems were approximately \$44.5 million while the cost of all business-type activities was \$25.5 million. Additionally, idle cash earned approximately \$62,000.

- The charges for services in the Water and Sewer Fund increased by approximately \$317,000, which was due in part to additional gallons of water consumed by our citizens. Tap-on fees increased by approximately \$280,000 due to more taps being sold. Water and sewer expenses increased by approximately \$210,000. Water and Sewer Fund net position increased \$10.8 million.
- In the Gas Fund, charges for services increased by approximately \$2.9 million and tap-on fees decreased by \$95,000. Gas expenses increased by approximately \$2.7 million due mostly to an increase in the cost of sales and service of \$2.4 million. Gas Fund net position increased approximately \$2.4 million.
- In the Solid Waste Fund, charges for services increased approximately \$387,000 and expenses decreased by approximately \$258,000. The net position increased by approximately \$751,000.
- The Environmental Protection (Stormwater) Fund, revenues increased by approximately \$297,000. Expenses increased by approximately \$53,000. Net position increased by approximately \$577,000.
- Special Facilities Fund revenues increased by approximately \$2,000 and expenses increased by approximately \$19,000. The fund reported an increase in net position of approximately \$527,000, primarily due to a gain on sale of capital assets of \$689,000.
- Fiscal year 2022 was the eighth full year of City ownership for the Chimneys Golf Course. Charges for services at the golf course increased by approximately \$670,000 while expenses increased by approximately \$190,000. The Golf Fund's net position increased by \$448,000.

REVENUES BY SOURCE – GOVERNMENT-WIDE ACTIVITY



EXPENSES BY FUNCTION – GOVERNMENT-WIDE ACTIVITY



Financial Analysis of the Government's Funds

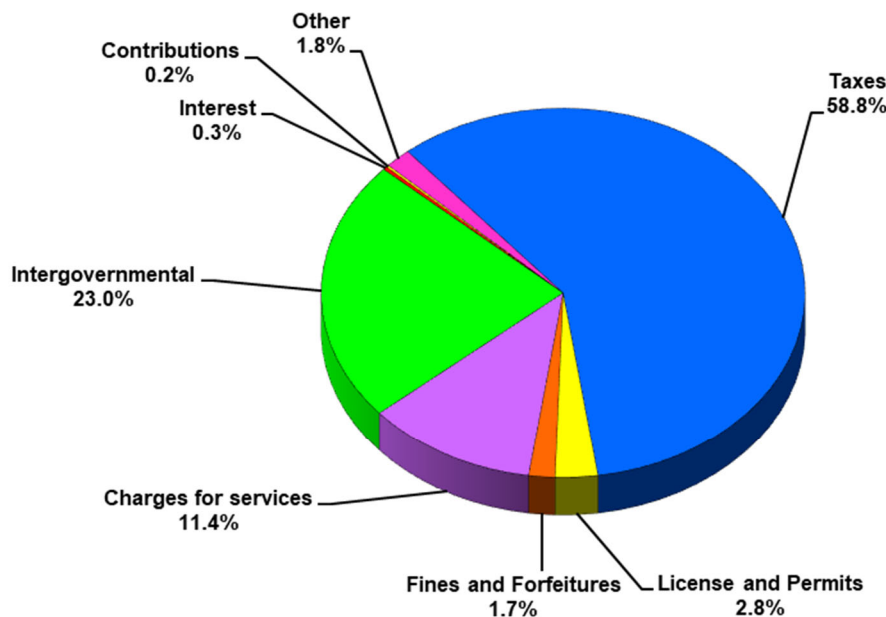
As noted earlier, the City of Winder employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements and financial reporting requirements.

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

As of the end of FY 2022, the City's governmental funds reported combined ending fund balances of approximately \$11.0 million, an increase of \$4.2 million. The City reported approximately \$2.6 million in unassigned fund balance and \$1.4 million in nonspendable fund balance. Nonspendable fund balance is mainly attributable to the General Fund loaning money, through an advance, to the Golf Fund. The City believes that those funds will repay the General Fund within the next 30 to 40 years. The remainder of fund balance is restricted or committed to indicate that it is not available for new spending because it has already been obligated for other restricted purposes.

The City of Winder levied property tax of 6 mills to finance current operations. Therefore, the City's General Fund reduced its reliance on transfers from the proprietary funds (or business-type activities). The transfers from the Water and Sewer Enterprise Fund was \$2.2 million.

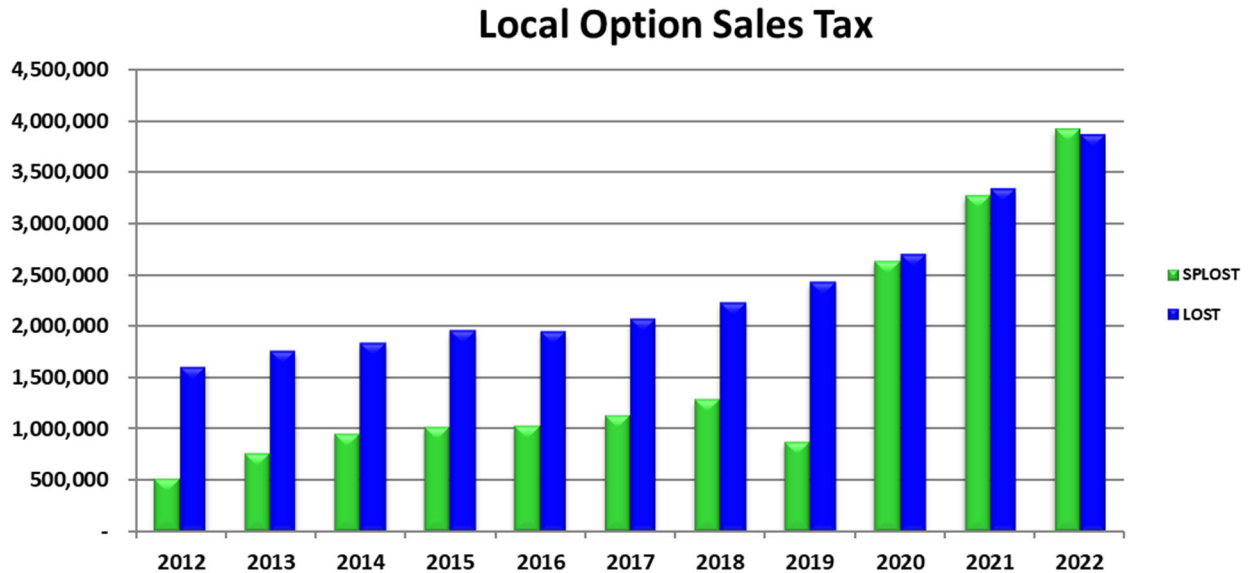
REVENUES BY SOURCE-GOVERNMENTAL FUNDS



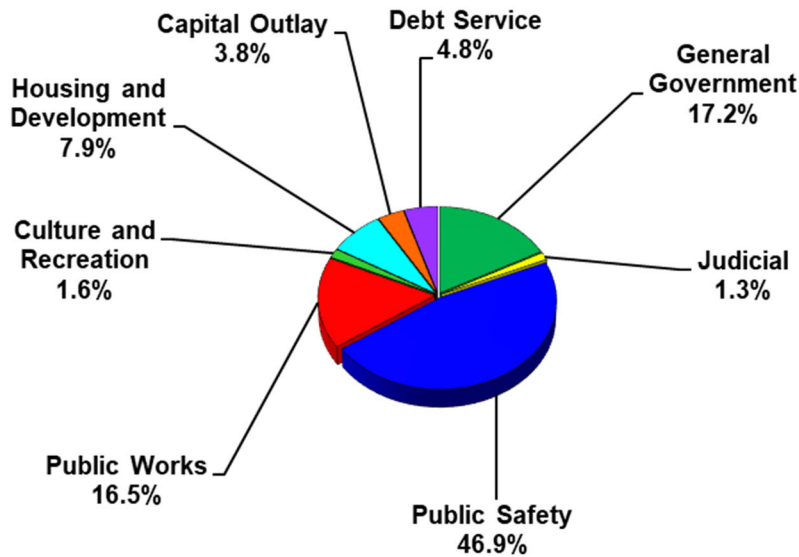
The City's governmental funds operating revenues (excluding indirect cost allocation) increased approximately \$645,000 over the prior year. Tax collections increased by approximately \$1.8 million or 18%. Intergovernmental revenues decreased by approximately \$752,000. This decrease is due to the CARES grant received in fiscal year 2021 that was not received in 2022 offset by an increase in SPLOST revenue.

The Capital Projects Fund accounts for the Special Purpose Local Option Sales Taxes received by the City which is authorized by voter referendum. During FY 2019, the City began receiving 2018 SPLOST revenue. Fiscal year 2022 was the third full year of 2018 SPLOST collections of approximately \$3.9 million. During FY 2022, the City began receiving 2022 SPLOST collections, totaling \$151,000.

Shown here is a graph of sales tax revenues received in the past 11 years:



EXPENDITURES BY FUNCTION-GOVERNMENTAL FUNDS



Expenditures in the governmental funds were \$17.2 million, an increase of approximately \$343,000 over the prior year. The City recognized approximately \$645,000 for capital outlay expenditures and \$820,000 in debt service expenditures. Expenditures of the City General Fund were \$15.3 million, a \$41,000 decrease over the prior year.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, however in more detail. Operating revenues increased by approximately \$4.8 million. Total proprietary funds operating expenses increased by approximately \$3.0 million in FY 2022.

Budgetary Highlights

General Fund operating revenues (excluding indirect cost allocation) were approximately \$289,000 more than budgeted. Tax revenues came in over budget by approximately \$89,000. Combined taxes were over budget primarily due to increases in franchise tax revenues and excise tax revenues.

General Fund expenditures were \$2.9 million less than budgeted. Personnel costs were under budget by approximately \$1.7 million, contract services expenditures were under budget by approximately \$673,000, supplies expenditures were approximately \$205,000 under budget, and capital outlay was approximately \$599,000 over budget.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2022, the City has invested \$133 million (net of depreciation) in capital assets reflected in the following table.

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

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 3,206	\$ 3,206	\$ 6,793	\$ 6,793	\$ 9,999	\$ 9,999
Buildings & Improvements	8,438	8,657	11,331	9,743	19,769	18,400
Plant & System	-	-	77,584	76,764	77,584	76,764
Infrastructure	14,766	13,008	-	-	14,766	13,008
Furniture & Equipment	274	401	1,374	744	1,648	1,145
Vehicles	901	902	708	666	1,609	1,568
Intangibles	11	18	-	-	11	18
Work In Progress	90	2,020	7,540	7,516	7,630	9,536
	<u>\$ 27,686</u>	<u>\$ 28,212</u>	<u>\$ 105,330</u>	<u>\$ 102,226</u>	<u>\$ 133,016</u>	<u>\$ 130,438</u>

The following table reconciles the change in capital assets.

Change In Capital Assets

(in thousands of dollars)

	Governmental Activities	Business- Type Activities	Totals
Beginning Balance	\$ 28,213	\$ 102,226	\$ 130,439
Additions	2,714	10,141	12,855
Reductions	(2,052)	(3,036)	(5,088)
Depreciation	(1,189)	(4,001)	(5,190)
Ending Balance	<u>\$ 27,686</u>	<u>\$ 105,330</u>	<u>\$ 133,016</u>

Capital asset additions to governmental activities amounted to over \$2.7 million, which included the continued construction of the Wilkins Trail and FDR Miles Patrick Rd, in addition to the new construction in progress for the Fleet Fueling Station and Fire Engine. Depreciation decreased total capital assets by about \$1.2 million.

Business-type additions to capital assets amounted to over \$10.1 million. The Water and Sewer Fund continued construction on various system improvements including plant upgrades, pond dredging, and the reservoir project. The Water and Sewer Fund also recognized \$4.1 million in contributed capital. The Gas Fund continues work on the various relocation and extension projects including the Barrow-Walton-Oconee Extension project. SPLOST funds were used to continue the construction of the Jug Tavern Park upgrades which was donated to the Special Facilities Fund. Depreciation decreased business-type capital assets by \$4 million.

Note 9 to the financial statements include more detailed information on capital asset activities.

Debt Outstanding

As of year-end, the City had \$25.7 million in debt outstanding compared to \$27.8 million last year. This includes \$3.2 million due within one year. The following table presents a comparison of debts outstanding:

Debt Outstanding At Year End

(in thousands of dollars)

	Totals	
	2022	2021
Governmental:		
Notes	\$ 4,557	\$ 5,026
Compensated Absences	216	220
Sub-total	<u>4,773</u>	<u>5,246</u>
Business-type:		
Notes	\$ 12,874	\$ 13,599
Water and Sewer Bonds	7,942	8,966
Compensated Absences	77	66
Sub-total	<u>20,893</u>	<u>22,631</u>
Total	<u>\$ 25,666</u>	<u>\$ 27,877</u>

The City issued approximately \$208,000 in financed purchases for the acquisition of equipment. Total debt service for FY 2022 was approximately \$2.9 million.

Notes 10 and 11 to the financial statements include more detailed information on long-term debt activities.

Economic Factors

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

The 2023 budget was developed and adopted to reflect conservative revenue figures, and the following indicators were considered:

- The City's FY 2022-2023 General Fund Budget increased by approximately \$523,000, or 2.8%, from the FY 2021-2022 General Fund Budget; and increased by approximately \$549,000, or 2.9%, over the FY 2020-2021 General Fund Budget.
- The City will assess each single residential and standard commercial parcel in the City of Winder \$32 to fund the Winder Library. The City will also assess multifamily parcels \$32 per Equivalent Residential Unit. Barrow County will bill and collect this assessment on the property tax bills and will remit the funds back to the City less the collection fee charged by the Barrow County Tax Commissioner. The City levied a maintenance and operations tax of 6 mills. As the funds are received from Tax Commissioner, the City will remit up to \$240,000 to the Winder Library. Amounts received in excess of \$240,000 will be used to maintain the Winder Library building located at 189 Bellview Street.
- The Winder Downtown Development Authority will be funded with \$150,000, which will be accounted for by the City of Winder.
- The Water and Sewer Fund is estimated to decrease due to a significant reservoir capital project and other infrastructure repairs and maintenance.
- The Gas Fund is expected to have a decrease of approximately \$1.4 million primarily due to a increase in construction as compared to FY 2022.
- The City of Winder assumes that all capital purchases will be acquired with proceeds from debt or revenues that exceed expenditures.
- In the FY 2022-2023 budget, the City's number of full-time authorized positions increased by 20 and part-time authorized positions decreased by 1.
- The City's total cost of personal services is 8.6% of the total operating budget. The FY 2023 budget reflects a 7% increase in insurance and a 7% cost of living adjustment and an up to 3% performance-based merit increase for the employees. The merit raises will only be considered if the economic conditions allow for it.

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

Financial Contact

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

Chief Financial Officer
City of Winder
P O Box 566
25 East Midland Avenue
Winder, Georgia 30680
770-867-3106

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BASIC FINANCIAL STATEMENTS

CITY OF WINDER, GEORGIA
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current assets				
Cash and cash equivalents	\$ 12,101,956	\$ 34,761,452	\$ 46,863,408	\$ 13,576
Investments	0	1,979,558	1,979,558	0
Restricted assets				
Cash and cash equivalents	207,583	1,993,884	2,201,467	0
Receivables (net)				
Accounts	50,700	3,445,912	3,496,612	0
Taxes	538,819	0	538,819	0
Intergovernmental	890,817	0	890,817	0
Leases	16,533	0	16,533	0
Prepaid items	100,619	29,790	130,409	0
Inventories	0	1,369,282	1,369,282	0
Internal balances	1,304,783	(1,304,783)	0	0
Total current assets	<u>15,211,810</u>	<u>42,275,095</u>	<u>57,486,905</u>	<u>13,576</u>
Noncurrent assets				
Net OPEB asset	32,422	21,614	54,036	0
Lease receivable	524,860	0	524,860	0
Capital assets				
Non-depreciable	3,296,753	14,333,256	17,630,009	0
Depreciable (net)	24,389,289	90,996,640	115,385,929	0
Total noncurrent assets	<u>28,243,324</u>	<u>105,351,510</u>	<u>133,594,834</u>	<u>0</u>
Total assets	<u>43,455,134</u>	<u>147,626,605</u>	<u>191,081,739</u>	<u>13,576</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	747,817	401,283	1,149,100	0
Deferred outflows related to other post employment benefits	189,651	126,433	316,084	0
Total deferred outflows of resources	<u>937,468</u>	<u>527,716</u>	<u>1,465,184</u>	<u>0</u>
LIABILITIES				
Current liabilities				
Payables				
Accounts	633,123	1,534,901	2,168,024	0
Retainages	0	25,454	25,454	0
Sales tax	0	25,039	25,039	0
Interest	9,894	0	9,894	0
Accrued salaries and payroll liabilities	109,583	48,605	158,188	0
Compensated absences	193,885	69,014	262,899	0
Unearned revenue	3,349,164	521,743	3,870,907	0
Other current liabilities	51,249	798	52,047	0
Notes payable	654,247	1,280,871	1,935,118	0
Liabilities payable from restricted assets				
Customer deposits payable	0	386,510	386,510	0
Interest payable	0	92,549	92,549	0
Bonds payable	0	971,000	971,000	0
Total current liabilities	<u>5,001,145</u>	<u>4,956,484</u>	<u>9,957,629</u>	<u>0</u>

CITY OF WINDER, GEORGIA
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Noncurrent liabilities				
Compensated absences	\$ 21,543	\$ 7,668	\$ 29,211	\$ 0
Notes payable	3,902,923	11,593,053	15,495,976	0
Bonds payable	0	6,971,000	6,971,000	0
Net pension liability	2,666,870	975,898	3,642,768	0
Total noncurrent liabilities	6,591,336	19,547,619	26,138,955	0
Total liabilities	11,592,481	24,504,103	36,096,584	0
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	0	236,725	236,725	0
Deferred inflows related to leases	529,566	0	529,566	0
Deferred inflows related to pensions	1,990,589	681,719	2,672,308	0
Deferred inflows related to other post employment benefits	309,335	206,224	515,559	0
Total deferred inflows of resources	2,829,490	1,124,668	3,954,158	0
NET POSITION				
Net investment in capital assets	23,336,455	84,205,141	107,541,596	0
Restricted for:				
Public Safety	140,768	0	140,768	0
Culture and Recreation	9,986	0	9,986	0
Capital projects	6,637,696	0	6,637,696	0
Debt service	0	1,580,520	1,580,520	0
Unrestricted	(154,274)	36,739,889	36,585,615	13,576
Total net position	\$ 29,970,631	\$ 122,525,550	\$ 152,496,181	\$ 13,576

CITY OF WINDER, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities						
General Government	\$ 3,068,139	\$ (2,158,000)	\$ 192,166	\$ 0	\$ 206,463	\$ (511,510)
Judicial	217,728	0	0	0	0	(217,728)
Public Safety	8,144,257	0	354,106	99,525	1,238,780	(6,451,846)
Public Works	3,318,944	0	15,910	0	2,064,634	(1,238,400)
Culture and Recreation	274,063	0	1,050	258,944	619,390	605,321
Housing and Development	1,361,087	0	384,039	0	0	(977,048)
Interest on long-term debt	139,371	0	0	0	0	(139,371)
Total governmental activities	<u>16,523,589</u>	<u>(2,158,000)</u>	<u>947,271</u>	<u>358,469</u>	<u>4,129,268</u>	<u>(8,930,581)</u>
Business-type activities						
Water and Sewer	11,934,965	1,097,500	22,097,445	0	4,100,605	13,165,585
Gas	8,954,026	785,400	12,127,563	0	0	2,388,137
Solid Waste Management	904,310	85,200	1,740,425	0	0	750,915
Environmental Protection	477,749	44,100	770,524	0	0	248,675
Special Facilities	309,318	28,500	32,440	0	0	(305,378)
Golf	1,270,987	117,300	1,826,779	0	0	438,492
Internal Service	1,257,772	0	1,257,772	0	0	0
Total business-type activities	<u>25,109,127</u>	<u>2,158,000</u>	<u>39,852,948</u>	<u>0</u>	<u>4,100,605</u>	<u>16,686,426</u>
Total primary government	<u>41,632,716</u>	<u>0</u>	<u>40,800,219</u>	<u>358,469</u>	<u>8,229,873</u>	<u>7,755,845</u>
Component Unit						
Downtown Development Authority						
	<u>31,631</u>	<u>0</u>	<u>0</u>	<u>45,207</u>	<u>0</u>	<u>13,576</u>
			Governmental Activities	Business-Type Activities	Total	Component Unit
Change in net position						
Net (expense) revenue			<u>\$ (8,930,581)</u>	<u>\$ 16,686,426</u>	<u>\$ 7,755,845</u>	<u>\$ 13,576</u>
General revenues						
Taxes						
Property			2,854,615	0	2,854,615	0
Motor vehicle			751,099	0	751,099	0
Street light assessment			3,687	0	3,687	0
Library assessment			222,596	0	222,596	0
Sales			3,857,569	0	3,857,569	0
Franchise			969,416	0	969,416	0
Occupational			232,076	0	232,076	0
Insurance premium			1,193,023	0	1,193,023	0
Alcoholic beverage			485,861	0	485,861	0
Hotel/Motel			343,608	0	343,608	0
Other			528,525	0	528,525	0
Interest			50,356	62,079	112,435	0
Net increase (decrease) in the fair value of investments			0	(232,263)	(232,263)	0
Miscellaneous			111,564	0	111,564	0
Gain on disposal of assets			21,405	698,881	720,286	0
Transfers			1,722,095	(1,722,095)	0	0
Total general revenues and transfers			<u>13,347,495</u>	<u>(1,193,398)</u>	<u>12,154,097</u>	<u>0</u>
Change in net position			4,416,914	15,493,028	19,909,942	13,576
Net position - beginning			<u>25,553,717</u>	<u>107,032,522</u>	<u>132,586,239</u>	<u>0</u>
Net position - ending			<u>\$ 29,970,631</u>	<u>\$ 122,525,550</u>	<u>\$ 152,496,181</u>	<u>\$ 13,576</u>

CITY OF WINDER, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General	ARPA Grant	SPLOST 2018	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 1,604,796	\$ 3,349,164	\$ 5,743,974	\$ 1,404,022	\$ 12,101,956
Restricted assets					
Cash and cash equivalents	0	0	207,583	0	207,583
Receivables (net)					
Accounts	50,700	0	0	0	50,700
Taxes	502,852	0	0	35,967	538,819
Intergovernmental	55,751	0	684,180	150,886	890,817
Leases	541,393	0	0	0	541,393
Prepaid items	100,619	0	0	0	100,619
Due from other funds	1,192,142	0	0	4,342	1,196,484
Advances to other funds	1,304,783	0	0	0	1,304,783
Total assets	\$ 5,353,036	\$ 3,349,164	\$ 6,635,737	\$ 1,595,217	\$ 16,933,154
LIABILITIES					
Accounts payable	\$ 598,137	\$ 0	\$ 1,785	\$ 33,201	\$ 633,123
Accrued salaries and payroll liabilities	109,583	0	0	0	109,583
Unearned Revenue	0	3,349,164	0	0	3,349,164
Due to other funds	4,342	0	1,051,463	140,679	1,196,484
Other liabilities	51,249	0	0	0	51,249
Total liabilities	763,311	3,349,164	1,053,248	173,880	5,339,603
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - taxes	57,754	0	0	5,761	63,515
Leases	529,566	0	0	0	529,566
Total deferred inflows of resources	587,320	0	0	5,761	593,081
FUND BALANCES					
Nonspendable:					
Prepaid items	100,619	0	0	0	100,619
Advances to other funds	1,304,783	0	0	0	1,304,783
Leases receivable	11,827	0	0	0	11,827
Restricted	0	0	5,582,489	1,407,783	6,990,272
Assigned	0	0	0	7,793	7,793
Unassigned	2,585,176	0	0	0	2,585,176
Total fund balances	4,002,405	0	5,582,489	1,415,576	11,000,470
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,353,036	\$ 3,349,164	\$ 6,635,737	\$ 1,595,217	\$ 16,933,154

CITY OF WINDER, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2022

Total fund balance - total governmental funds	\$	11,000,470
Some assets are not financial resources and, therefore, are not reported in the funds.		
These are:		
Capital assets, net of accumulated depreciation		27,686,042
Long-term assets (receivables) are not available to pay current period expenditures and; therefore, are unavailable in the funds.		
		63,515
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
These are:		
Compensated absences	\$	(215,428)
Interest payable		(9,894)
Notes payable		(4,557,170)
Net pension liability		(2,666,870)
Net OPEB asset		32,422
		(7,416,940)
Deferred outflows and inflows of resources related to pensions and other post employment benefits are applicable to future periods and, therefore, are not reported in the funds. These are:		
Deferred outflows of resources:		
Deferred outflows related to pensions	\$	747,817
Deferred outflows related to other post employment benefits		189,651
Deferred inflows of resources:		
Deferred inflows related to pensions		(1,990,589)
Deferred inflows related to other post employment benefits		(309,335)
		(1,362,456)
Internal service funds are used by management to charge the costs of certain activities, such as building maintenance costs and other costs to individual funds. Assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
Internal service funds net position	\$	0
Less capital assets included above		0
		0
Net position of governmental activities	\$	29,970,631

CITY OF WINDER, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2022

	General	ARPA Grant	SPLOST 2018	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	\$ 10,836,219	\$ 0	\$ 0	\$ 561,472	\$ 11,397,691
Licenses and permits	549,561	0	0	0	549,561
Fines, fees and forfeitures	300,736	0	0	38,140	338,876
Charges for services	2,199,104	0	0	17,730	2,216,834
Intergovernmental	250,669	73,202	3,768,279	358,300	4,450,450
Interest	50,356	0	2,120	568	53,044
Contributions	26,093	0	0	8,505	34,598
Other	111,565	0	0	0	111,565
Total revenues	14,324,303	73,202	3,770,399	984,715	19,152,619
EXPENDITURES					
Current					
General Government	2,944,878	0	0	0	2,944,878
Judicial	229,106	0	0	0	229,106
Public Safety	8,031,558	0	0	14,500	8,046,058
Public Works	2,786,926	0	0	48,928	2,835,854
Culture and Recreation	0	0	0	274,063	274,063
Housing and Development	1,261,802	0	0	98,203	1,360,005
Capital outlay	0	0	307,483	338,004	645,487
Debt service	61,549	0	758,856	0	820,405
Total expenditures	15,315,819	0	1,066,339	773,698	17,155,856
Excess (deficiency) of revenues over (under) expenditures	(991,516)	73,202	2,704,060	211,017	1,996,763
Other financing sources (uses)					
Transfers in	2,611,826	0	0	82,964	2,694,790
Transfers out	(411,663)	(73,202)	0	(250,911)	(735,776)
Proceeds from the sale of capital assets	21,405	0	0	0	21,405
Proceeds from the issuance of debt	0	0	207,557	0	207,557
Total other financing sources (uses)	2,221,568	(73,202)	207,557	(167,947)	2,187,976
Net change in fund balance	1,230,052	0	2,911,617	43,070	4,184,739
Fund balances, July 1	2,772,353	0	2,670,872	1,372,506	6,815,731
Fund balances, June 30	\$ 4,002,405	\$ 0	\$ 5,582,489	\$ 1,415,576	\$ 11,000,470

CITY OF WINDER, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2022

Net change in fund balances - total governmental funds \$ 4,184,739

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 669,078	
Depreciation	<u>(1,189,247)</u>	(520,169)

In the statement of activities, the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources.

Cost of assets disposed	\$ (105,998)	
Related accumulated depreciation	<u>99,685</u>	(6,313)

Revenues in the statement of activities that do not provide current financial resources are not in the governmental funds because they are not financial resources. 44,384

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	\$ 809,063	
Cost of benefits earned net of employee contributions	<u>(613,312)</u>	195,751

Other post employment benefits are reported in the statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

OPEB contributions	\$ 71,708	
Cost of benefits earned net of employee contributions	<u>27,180</u>	98,888

The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.

Net change in interest payable	\$ 1,057	
Debt issuance	(207,557)	
Debt repayments	<u>677,168</u>	470,668

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Change in compensated absences		4,594
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Internal service funds are used by management to charge the cost of certain activities, such as risk management and vehicle maintenance, to individual funds. Net revenue (expense) of internal service funds is reported with governmental activities.

Change in net position of internal service funds	\$ (8,541,175)	
Add capital asset transfers in	8,304,256	
Add depreciation expense included above	<u>181,291</u>	<u>(55,628)</u>

Change in net position for the governmental activities	\$	<u><u>4,416,914</u></u>
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CITY OF WINDER, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2022

	Budget		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes				
Motor vehicle	\$ 348,000	\$ 751,000	\$ 751,099	\$ 99
Intangible	140,000	449,000	448,978	(22)
Franchise	880,300	925,000	969,416	44,416
Local option	2,164,400	3,857,000	3,857,569	569
Fire district	1,305,600	2,810,600	2,810,521	(79)
Street lighting assessment	337,500	0	8,129	8,129
Library assessment	234,700	0	0	0
Excise	419,000	530,000	565,408	35,408
Occupational	210,000	225,000	232,076	7,076
Insurance premium	1,095,000	1,200,000	1,193,023	(6,977)
Total taxes	7,134,500	10,747,600	10,836,219	88,619
Licenses and permits				
Alcohol licenses	100,000	110,000	134,325	24,325
Building permits	156,000	300,000	384,039	84,039
Other permits	20,600	20,000	31,197	11,197
Total licenses and permits	276,600	430,000	549,561	119,561
Fines, fees and forfeitures				
	521,600	340,500	300,736	(39,764)
Charges for services				
Indirect cost allocation	3,373,200	2,025,100	2,158,000	132,900
Other	66,400	107,500	41,104	(66,396)
Total charges for services	3,439,600	2,132,600	2,199,104	66,504
Intergovernmental				
	1,001,700	250,000	250,669	669
Interest				
	50,000	25,000	50,356	25,356
Contributions				
	13,500	0	26,093	26,093
Other				
Rents	92,400	90,000	93,981	3,981
Other	0	20,000	17,584	(2,416)
Total other	92,400	110,000	111,565	1,565
Total revenues	12,529,900	14,035,700	14,324,303	288,603
EXPENDITURES				
Current				
General Government				
Legislative	686,100	950,500	397,911	552,589
General Administration	1,137,900	1,444,600	1,297,501	147,099
Finance	744,600	718,600	437,395	281,205
Information Technology	755,800	584,400	576,915	7,485
Human Resources	208,900	302,000	218,677	83,323
General Administrative Fees	16,000	16,500	16,479	21
Total General Government	3,549,300	4,016,600	2,944,878	1,071,722
Judicial				
Municipal Court	245,900	228,800	120,693	108,107
Probation	115,600	109,400	108,413	987
Total Judicial	361,500	338,200	229,106	109,094
Public Safety				
Police	5,142,400	5,188,700	4,147,969	1,040,731
Fire	3,880,600	3,880,200	3,883,589	(3,389)
Total Public Safety	9,023,000	9,068,900	8,031,558	1,037,342
Public Works				
	4,812,800	2,806,400	2,786,926	19,474

CITY OF WINDER, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2022

	Budget		Actual	Variance with
	Original	Final		Final
EXPENDITURES				
Housing and Development				
Planning and Zoning	\$ 503,800	\$ 1,079,200	\$ 755,615	\$ 323,585
Code Enforcement	253,600	249,100	177,079	72,021
GIS	257,000	263,100	258,713	4,387
Economic Development	121,700	287,800	70,395	217,405
Total Housing and Development	<u>1,136,100</u>	<u>1,879,200</u>	<u>1,261,802</u>	<u>617,398</u>
Debt Service				
Principal	51,200	119,900	57,781	62,119
Interest	5,200	15,000	3,768	11,232
Total Debt Service	<u>56,400</u>	<u>134,900</u>	<u>61,549</u>	<u>73,351</u>
Total expenditures	<u>18,939,100</u>	<u>18,244,200</u>	<u>15,315,819</u>	<u>2,928,381</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,409,200)</u>	<u>(4,208,500)</u>	<u>(991,516)</u>	<u>3,216,984</u>
Other financing sources (uses)				
Transfers in (out)				
Transfers in	6,495,400	4,208,500	2,611,826	(1,596,674)
Transfers out	(816,000)	0	(411,663)	(411,663)
Proceeds from sale of capital assets	729,800	0	21,405	21,405
Total other financing sources (uses)	<u>6,409,200</u>	<u>4,208,500</u>	<u>2,221,568</u>	<u>(1,986,932)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	1,230,052	1,230,052
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>2,772,353</u>	<u>2,772,353</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,002,405</u>	<u>\$ 4,002,405</u>

CITY OF WINDER, GEORGIA
ARPA GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 0	\$ 2,800,000	\$ 73,202	\$ (2,726,798)
EXPENDITURES	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	2,800,000	73,202	(2,726,798)
Other financing sources (uses)				
Transfers in (out)				
Transfers out	0	(2,800,000)	(73,202)	2,726,798
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
Fund balances, July 1	0	0	0	0
Fund balances, June 30	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF WINDER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business-Type Activities				Internal Service Funds
	Water and Sewer	Gas	Nonmajor Enterprise Funds	Totals	
ASSETS					
Current assets					
Cash and cash equivalents	\$ 26,618,723	\$ 3,719,157	\$ 4,377,417	\$ 34,715,297	\$ 46,155
Investments	1,979,558	0	0	1,979,558	0
Restricted assets					
Cash and cash equivalents	1,866,704	127,180	0	1,993,884	0
Accounts receivable (net)	2,402,096	805,102	238,714	3,445,912	0
Inventories	943,619	388,040	37,623	1,369,282	0
Prepaid items	0	8,359	2,538	10,897	18,893
Total current assets	<u>33,810,700</u>	<u>5,047,838</u>	<u>4,656,292</u>	<u>43,514,830</u>	<u>65,048</u>
Noncurrent assets					
Advances to other funds	420,000	0	0	420,000	0
Net OPEB asset	6,304	3,002	10,207	19,513	2,101
Capital assets					
Non-depreciable	9,596,023	2,512,190	2,225,043	14,333,256	0
Depreciable (net)	<u>77,525,691</u>	<u>5,668,395</u>	<u>7,802,554</u>	<u>90,996,640</u>	<u>0</u>
Total noncurrent assets	<u>87,548,018</u>	<u>8,183,587</u>	<u>10,037,804</u>	<u>105,769,409</u>	<u>2,101</u>
Total assets	<u>121,358,718</u>	<u>13,231,425</u>	<u>14,694,096</u>	<u>149,284,239</u>	<u>67,149</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	270,023	78,001	53,259	401,283	0
Deferred outflows related to other post employment benefits	<u>36,876</u>	<u>17,560</u>	<u>59,705</u>	<u>114,141</u>	<u>12,292</u>
Total deferred outflows of resources	<u>306,899</u>	<u>95,561</u>	<u>112,964</u>	<u>515,424</u>	<u>12,292</u>
LIABILITIES					
Current liabilities					
Payables					
Accounts	601,843	699,986	189,700	1,491,529	43,372
Retainages	25,454	0	0	25,454	0
Sales tax	0	25,039	0	25,039	0
Accrued salaries and payroll liabilities	20,521	6,929	13,659	41,109	7,496
Compensated absences	30,719	22,452	8,172	61,343	7,671
Unearned revenue	474,340	26,100	21,303	521,743	0
Other current liabilities	0	798	0	798	0
Advances from other funds	0	0	88,488	88,488	0
Notes payable	1,213,195	0	67,676	1,280,871	0
Liabilities payable from restricted assets:					
Interest	92,549	0	0	92,549	0
Customer deposits payable	259,330	127,180	0	386,510	0
Bonds payable	<u>971,000</u>	<u>0</u>	<u>0</u>	<u>971,000</u>	<u>0</u>
Total current liabilities	<u>3,688,951</u>	<u>908,484</u>	<u>388,998</u>	<u>4,986,433</u>	<u>58,539</u>

CITY OF WINDER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business-Type Activities				Internal Service Funds
	Water and Sewer	Gas	Nonmajor Enterprise Funds	Totals	
Noncurrent liabilities					
Net pension liability	\$ 650,598	\$ 260,094	\$ 65,206	\$ 975,898	\$ 0
Compensated absences	3,413	2,495	908	6,816	852
Advances from other funds	0	0	1,636,295	1,636,295	0
Notes payable	11,191,979	0	401,074	11,593,053	0
Bonds payable	6,971,000	0	0	6,971,000	0
Total noncurrent liabilities	<u>18,816,990</u>	<u>262,589</u>	<u>2,103,483</u>	<u>21,183,062</u>	<u>852</u>
Total liabilities	<u>22,505,941</u>	<u>1,171,073</u>	<u>2,492,481</u>	<u>26,169,495</u>	<u>59,391</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred gain on refunding	236,725	0	0	236,725	0
Deferred inflows related to pensions	454,479	181,690	45,550	681,719	0
Deferred inflows related to other post employment benefits	60,148	28,642	97,384	186,174	20,050
Total deferred inflows of resources	<u>751,352</u>	<u>210,332</u>	<u>142,934</u>	<u>1,104,618</u>	<u>20,050</u>
NET POSITION					
Net investment in capital assets	66,507,408	8,156,043	9,541,690	84,205,141	0
Restricted for debt service	1,580,520	0	0	1,580,520	0
Unrestricted	30,320,396	3,789,538	2,629,955	36,739,889	0
Total net position	<u>\$ 98,408,324</u>	<u>\$ 11,945,581</u>	<u>\$ 12,171,645</u>	<u>\$ 122,525,550</u>	<u>\$ 0</u>

CITY OF WINDER, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2022

	Business-Type Activities				Internal Service Funds
	Water and Sewer	Gas	Nonmajor Enterprise Funds	Totals	
OPERATING REVENUES					
Charges for sales and services	\$ 22,075,317	\$ 12,125,293	\$ 4,366,896	\$ 38,567,506	\$ 1,257,772
Other	22,128	2,270	3,272	27,670	0
Total operating revenues	22,097,445	12,127,563	4,370,168	38,595,176	1,257,772
OPERATING EXPENSES					
Costs of sales and services	7,806,274	8,727,706	2,136,944	18,670,924	611,942
Personal services	1,418,464	787,404	754,554	2,960,422	463,772
Depreciation	3,435,823	224,316	340,401	4,000,540	182,058
Total operating expenses	12,660,561	9,739,426	3,231,899	25,631,886	1,257,772
Operating income (loss)	9,436,884	2,388,137	1,138,269	12,963,290	0
Non-operating revenues (expenses)					
Interest revenue	62,061	18	0	62,079	0
Interest expense	(371,321)	0	(5,565)	(376,886)	0
Net increase (decrease) in the fair value of investments	(232,263)	0	0	(232,263)	0
Gain (loss) on the sale of capital assets	(583)	0	698,881	698,298	0
Assets transferred to governmental activities	0	0	0	0	(8,304,256)
Total non-operating revenues (expenses)	(542,106)	18	693,316	151,228	(8,304,256)
Net income (loss) before capital contributions and transfers	8,894,778	2,388,155	1,831,585	13,114,518	(8,304,256)
Capital contributions	4,100,605	0	0	4,100,605	0
Net income (loss) before transfers	12,995,383	2,388,155	1,831,585	17,215,123	(8,304,256)
Transfers in (out)					
Transfers in	5,506	0	472,399	477,905	0
Transfers out	(2,200,000)	0	0	(2,200,000)	(236,919)
Total transfers in (out)	(2,194,494)	0	472,399	(1,722,095)	(236,919)
Change in net position	10,800,889	2,388,155	2,303,984	15,493,028	(8,541,175)
Net position, July 1	87,607,435	9,557,426	9,867,661	107,032,522	8,541,175
Net position, June 30	\$ 98,408,324	\$ 11,945,581	\$ 12,171,645	\$ 122,525,550	\$ 0

CITY OF WINDER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2022

	Business-Type Activities				Internal Service Funds
	Water and Sewer	Gas	Nonmajor Enterprise Funds	Totals	
Cash flows from operating activities:					
Receipts from customers	\$ 22,379,999	\$ 11,854,815	\$ 4,293,091	\$ 38,527,905	\$ 0
Receipts from interfund services provided	0	0	0	0	1,257,772
Payments to suppliers	(8,179,337)	(8,357,433)	(2,120,149)	(18,656,919)	(621,103)
Payments to employees	(1,458,493)	(812,598)	(736,781)	(3,007,872)	(469,653)
Other receipts	22,128	2,270	3,272	27,670	0
Net cash provided (used) by operating activities	12,764,297	2,687,054	1,439,433	16,890,784	167,016
Cash flows from non-capital financing activities:					
Receipts from other funds	99,300	0	1,737,182	1,836,482	0
Payments to other funds	(2,194,494)	0	(273,740)	(2,468,234)	(998,875)
Net cash provided (used) by non-capital financing activities	(2,095,194)	0	1,463,442	(631,752)	(998,875)
Cash flows from capital and related financing activities:					
Payment of capital related accounts payable	(414,621)	(45,467)	(148,256)	(608,344)	0
Proceeds from sale of capital assets	0	0	1,257,101	1,257,101	0
Acquisition of capital assets	(1,871,089)	(891,494)	(743,410)	(3,505,993)	0
Interest paid	(386,963)	0	(5,565)	(392,528)	0
Principal payments - bonds	(963,000)	0	0	(963,000)	0
Proceeds from issuance of notes	0	0	502,014	502,014	0
Principal payments - notes payable	(1,194,252)	0	(33,264)	(1,227,516)	0
Net cash provided (used) by capital and related financing activities	(4,829,925)	(936,961)	828,620	(4,938,266)	0
Cash flows from investing activities:					
Interest received	62,061	18	0	62,079	0
Purchases of investments	(711)	0	0	(711)	0
Net cash provided (used) by investing activities	61,350	18	0	61,368	0
Net increase (decrease) in cash and cash equivalents	5,900,528	1,750,111	3,731,495	11,382,134	(831,859)
Cash and cash equivalents, July 1	22,584,899	2,096,226	645,922	25,327,047	878,014
Cash and cash equivalents, June 30	\$ 28,485,427	\$ 3,846,337	\$ 4,377,417	\$ 36,709,181	\$ 46,155

CITY OF WINDER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2022

	Business-Type Activities				Internal Service Funds
	Water and Sewer	Gas	Nonmajor Enterprise Funds	Totals	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 9,436,884	\$ 2,388,137	\$ 1,138,269	\$ 12,963,290	\$ 0
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	3,435,823	224,316	340,401	4,000,540	182,058
(Increase) decrease in accounts receivable	(169,450)	(297,317)	(64,310)	(531,077)	0
(Increase) decrease in prepaids items	332	(1,523)	(2,538)	(3,729)	(7,409)
(Increase) decrease in inventories	(431,522)	(42,747)	(11,265)	(485,534)	0
(Increase) decrease in deferred outflows of resources	250,647	106,808	427	357,882	6,005
(Increase) decrease in net OPEB asset	(6,304)	(3,002)	(10,207)	(19,513)	(2,101)
Increase (decrease) in accounts payable	58,127	404,516	30,598	493,241	(1,752)
Increase (decrease) in other unearned revenue	474,340	26,100	(9,495)	490,945	0
Increase (decrease) in accrued salaries	1,848	410	2,074	4,332	2,184
Increase (decrease) in sales tax payable	0	10,027	0	10,027	0
Increase (decrease) in other current liabilities	0	(141)	0	(141)	0
Increase (decrease) in net pension liability	(543,927)	(217,716)	(54,246)	(815,889)	0
Increase (decrease) in net OPEB liability	(52,709)	(24,158)	(30,747)	(107,614)	(19,766)
Increase (decrease) in deferred inflows of resources	309,813	108,304	105,730	523,847	7,076
Increase (decrease) in compensated absences	603	4,160	4,742	9,505	721
Increase (decrease) in customer deposits payable	(208)	880	0	672	0
Total adjustments	3,327,413	298,917	301,164	3,927,494	167,016
Net cash provided (used) by operating activities	\$ 12,764,297	\$ 2,687,054	\$ 1,439,433	\$ 16,890,784	\$ 167,016
Cash reconciliation:					
Cash and cash equivalents	\$ 26,618,723	\$ 3,719,157	\$ 4,377,417	\$ 34,715,297	\$ 46,155
Restricted assets					
Cash and cash equivalents	1,866,704	127,180	0	1,993,884	0
Total cash and cash equivalents	\$ 28,485,427	\$ 3,846,337	\$ 4,377,417	\$ 36,709,181	\$ 46,155

Noncash investing, capital, and financing activities:

The net increase (decrease) in the fair value of investments totaled (\$232,263).

Acquisition of capital assets through accounts payable totaled \$46,652.

Acquisition of capital assets through retainage payable totaled \$10,975.

Contributions of capital assets from individuals totaled \$4,100,605.

CITY OF WINDER, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022

ASSETS

Cash and cash equivalents	\$ 19,943
Accounts receivable (net)	<u>319,445</u>
 Total assets	 <u>339,388</u>

LIABILITIES

Accounts payable	<u>23,966</u>
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NET POSITION

Restricted for judicial	<u><u>\$ 315,422</u></u>
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CITY OF WINDER, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2022

ADDITIONS	
Fines and forfeitures collected for other governments	\$ 188,313
DEDUCTIONS	
Distributions of fines and forfeitures to other governments	<u>156,566</u>
Change in net position	31,747
Net position, July 1	<u>283,675</u>
Net position, June 30	<u><u>\$ 315,422</u></u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

1. Description of Government Unit

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

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business- type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted account principles, the financial statements of the reporting entity include those of the City of Winder, Georgia (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component unit discussed below is included in the City's reporting entity because of the significance of its operation and financial relationship with the City. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board (GASB) No. 61 "The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and 34," the City's relationships with other governments and agencies have been examined.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

The financial statements of the component unit have been included as a discretely presented component unit.

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 fiscal year end, the City's reporting entity consists of the City of Winder, Georgia and the Downtown Development Authority, Winder, Georgia (a component unit). The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

Downtown Development Authority

The Downtown Development Authority ("Authority") is controlled and managed by a board of seven members appointed by the Mayor and council of the City. The purpose of the Authority is to foster the revitalization and redevelopment of Winder's Central Business District by facilitating projects that will promote trade, commerce, industry, and employment opportunities. Upon dissolution, the assets of the Authority would revert to the City. The Authority does not issue separate financial statements.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. The effect of interfund activity has been eliminated from the government-wide financial statements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has one discretely presented component unit. While the Downtown Development Authority is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund - The general operating fund of the City is used to account for all financial resources not accounted for and reported in another fund.

ARPA Grant Fund – This fund is used to account for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

SPLOST 2018 Fund – This fund is used to account for long-term projects financed by the passage of the 2018 special purpose local option sales tax.

The City reports the following major proprietary funds:

Water and Sewer Fund - This fund is used to account for operations of the water and sewer systems of the City. The system supplies water and sewer service to residents and commercial users in the City and Barrow County.

Gas Fund - This fund is used to account for the distribution and sale of natural gas in the City as well as the counties of Barrow, Walton, and Oconee.

Additionally, the City reports the following fund types:

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Governmental Fund Types

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditures for specific purposes.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by the proprietary funds).

Proprietary Fund Types

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Internal Service Funds – These funds are used to account for goods and services provided by one department to other departments or funds on a cost reimbursement basis. The City's internal service funds are used to account for utility services provided and building maintenance costs.

Fiduciary Fund Types

Custodial Funds – Custodial Funds are fiduciary in nature and are accounted for using the accrual basis of accounting. These funds are used to account for assets that are collected and disbursed by the City of behalf of parties outside the government. The City has a custodial fund to account for the activity of the Municipal Court.

Component Units

The Winder Downtown Development Authority is accounted for using a current financial resources measurement focus and uses the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. Certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The custodial fund is reported using the economic resources measurement focus and the accrual basis of accounting.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses

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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Certain indirect costs have been included as part of program expenses reported for the various functional activities.

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 of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

G. Budgets and Budgetary Accounting

The City Council adopts an annual operating budget for all governmental fund types, prior to July 1, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by the City Council when capital projects are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of a resolution.

During May of each year, the Mayor submits a proposed operating budget to the City Council for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the resources to finance them. Public hearings are conducted during this time to obtain citizen comments. Prior to July 1, the Mayor presents the final budget to the City Council to be legally enacted through the budget resolution.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. The budget officer is permitted to transfer appropriations within a department. All operating budget transfers between functions and subsequent budgetary amendments must be approved by City Council. Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year-end. The City does not use the encumbrance system of accounting.

H. Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, with accrued interest shown under a separate caption on the balance sheet.

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

I. Taxes Receivable

Taxes receivable represents local option sales taxes, property taxes, street lighting assessment taxes, library assessment taxes, and hotel/motel taxes. An amount equal to the difference between year-end taxes receivable collected within sixty days after year end and the total year-end collectable taxes receivable has been recorded as deferred inflows of resources.

J. Intergovernmental Receivables

Receivables for state and federal grants are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

K. Leases Receivable

Leases receivable are measured at the present value of lease payments expected to be received during the lease terms. Under the lease agreements, the City may receive variable lease payments that dependent upon the lessees' revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for each of the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the respective lease.

L. Inventories

Inventories of the proprietary funds are valued at cost on the first-in, first-out method.

M. Prepaid Items

Payments made to vendors for services that will benefit periods beyond current fiscal year are recorded as prepaid items. Prepaid items in the governmental funds are accounted for using the consumption method.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

N. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the fiscal year ended June 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical costs nor related depreciation has historically been reported in the financial statements. The City implemented the requirements for retroactive reporting of major general infrastructure assets during the fiscal year ended June 30, 2006.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value on the date donated.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life	Capitalization
	in Years	Threshold
Buildings	10 to 40	\$25,000
Infrastructure	5 to 60	\$25,000
Intangibles	3 to 10	\$5,000
Equipment	3 to 10	\$5,000
Furniture	3 to 10	\$5,000
Vehicles	5 to 10	\$5,000
Land	N/A	\$1

The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources for the defined benefit pension plan and OPEB plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item that arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only on the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City reports deferred inflows of resources for deferred gain on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports deferred inflows of resources for the defined benefit pension plan, OPEB plan, and leases.

P. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

R. Restricted Assets and Restricted Net Position

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

S. Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance in accordance with GASB No. 54:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable, by the City are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

S. Fund Balances – Governmental Funds, continued

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the City Council, the City of Winder’s highest level of decision-making authority, which include the language “committed for the purpose of”. Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number, title, and date of original adoption. A resolution committing amounts must be adopted prior to the end of the fiscal year; however, the amount to be committed may be determined within 60 days of fiscal year-end.

Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the City’s adopted policy, amounts may be assigned by the City Administrator, under the authorization of the City Council, through a written memorandum. Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year’s budget shall constitute assignments and are documented by adoption of the City’s annual operating budget. The City Administrator has determined that all equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance. Assignments must be adopted prior to the end of the fiscal year.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that should report positive amounts this category of fund balance.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

T. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Bond insurance costs are accounted for as prepayments and are amortized over the life of the bonds using the straight-line method. Deferred charge/gain on refunding of debt is reported as a deferred outflow/inflow of resources and is amortized over the life of the refunding debt using the straight-line method.

In the fund financial statements, governmental fund types, bond premiums and discounts are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

U. Compensation for Future Absences

It is the City's policy to allow employees to accumulate vacation time of up to 240 hours. Police and Fire Department employees are allowed to accrue up to 288 and 432 hours, respectively. Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits are accrued. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

V. Capital Contributions

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

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

W. Pension Plans

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Georgia Municipal Employees Benefit System (GMEBS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by GMEBS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

X. 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, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Y. Interfund Activity

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

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

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

3. Deposit and Investment Risk

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, the City's deposits may not be returned. The City investment policies require that all deposits be federally insured or fully collateralized.

Interest Rate Risk

The City's investment policies place no limits on the maximum maturity of investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The City's investment policies authorize investment in the following securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia or other states, and pooled investment programs of the State of Georgia. The City's policies do not establish a minimum credit rating for investments. Investments are reported at fair value.

Concentration of Credit Risk

City's policies place no limits on the amount they may invest in any one issuer, but require that the investment portfolio be diversified.

Foreign Currency Risk

The City's investment policies do not allow for investments denominated in a foreign currency.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

3. Deposit and Investment Risk (continued)

The City participates in the State of Georgia Local Government Investment Pool. Assets in this pool are invested in Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Fitch's criteria for AAAf rated money market funds. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board. 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 participant's shares sold and redeemed based on \$1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

Georgia Fund 1 is rated AAAf/S1 by Fitch. The weighted average maturity at the end of the current fiscal year was 43 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$12,673,855.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investments consist of negotiable certificates of deposits. All the City's investments are valued using level 1 inputs.

4. Property Tax

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2022, based upon the assessments of January 1, 2021, were levied August 9, 2021, billed on September 15, 2021, and due on November 15, 2021. Taxes are billed and collected by Barrow County and remitted to the City.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

5. Accounts Receivable

Net accounts receivable at the end of the current fiscal year consist of the following:

Major Funds		
General	\$ 50,700	
Water & Sewer	2,402,096	
Gas	<u>805,102</u>	\$ 3,257,898
Nonmajor Funds		
Enterprise		
Solid Waste Management	212,985	
Environmental Protection	20,300	
Special Facilities	1,829	
Golf	<u>3,600</u>	<u>238,714</u>
Total primary government		<u>\$ 3,496,612</u>
Municipal Court Custodial Fund		<u>\$ 319,445</u>

6. Intergovernmental Receivables

Intergovernmental receivables at the end of the current fiscal year consist of the following:

Major Funds		
General	\$ 55,751	
SPLOST 2018		684,180
Nonmajor Funds		
Governmental		
SPLOST 2022		<u>150,886</u>
Total primary government		<u>\$ 890,817</u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

7. Lease Receivable

In 2017, the City entered into a five year lease with a cell phone service provider to provide the tenant the right to a portion of real property, together with the right to use the tower located thereon. The lease provides for four additional, five-year terms. Under the lease, the tenant pays the City an annual payment of \$30,000 for the first 5 years of the lease. On the anniversary date of the commencement date every five years, the annual rent amount is increased by 10% of the rent paid in the previous year. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at an imputed discount rate of 3.00%. During the current fiscal year, the City recognized \$27,872 of lease revenue (reported as other revenue on the statement of activities) and \$16,955 of interest revenue under the lease.

8. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables at the end of the current year is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	SPLOST 2018	\$ 1,051,463
	Nonmajor Governmental	140,679
Nonmajor Governmental	General	<u>4,342</u>
		<u><u>\$ 1,196,484</u></u>

The balance reported as Due to/Due from represent loans between the borrower fund and the lender fund. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

The General Fund advanced the Environmental Protection Fund \$1,368,702 for past operating expenses. The Environmental Protection Fund will repay the General Fund \$136,870 for 10 years. This balance was paid back during the current year.

The General Fund advanced the Building Fund \$885,144 for the purchase and renovations to the building at 25 E Midland Ave., Winder, GA to relocate the police and administrative offices. The Building Fund will repay the General Fund over 40 years which is the estimated useful life of the building. This balance was paid back during the current year.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

8. Interfund Receivables, Payables, and Transfers (continued).

The General Fund advanced the Golf Fund \$1,464,783 to encourage growth and for past operating expenses. The Golf Fund will repay the General Fund in amounts equal to 10% of the Golf Fund's net income each year until the advance is repaid. The balance at the end of the current fiscal year is \$1,304,783.

The Water Fund advanced the Golf Fund \$600,000 for the purchase of the Chimneys Golf Course. The Golf Fund will repay the Water Fund \$20,000 a year for 30 years. The balance at the end of the current fiscal year is \$420,000.

A summary of interfund transfers is as follows:

<u>Transfer out Fund</u>	<u>Transfer in Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 82,964
	Nonmajor Enterprise	328,699
ARPA Grant	General	73,202
Water and Sewer	General	2,200,000
Nonmajor Governmental	General	101,705
	Water and Sewer	5,506
	Nonmajor Enterprise	143,700
Internal Service	General	<u>236,919</u>
		<u>\$ 3,172,695</u>

Interfund transfers were used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

9. Capital Assets

Capital asset activity for the primary government for the current fiscal year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Non-depreciable assets				
Land	\$ 3,206,434	\$ 0	\$ 0	\$ 3,206,434
Construction in progress	2,020,147	115,969	(2,045,797)	90,319
Total non-depreciable assets	<u>5,226,581</u>	<u>115,969</u>	<u>(2,045,797)</u>	<u>3,296,753</u>
Depreciable assets				
Buildings	10,390,204	0	0	10,390,204
Intangibles	27,301	0	0	27,301
Vehicles	5,739,790	251,565	(105,998)	5,885,357
Furniture and equipment	4,179,009	41,844	0	4,220,853
Infrastructure	36,161,119	2,305,497	0	38,466,616
Total depreciable assets	<u>56,497,423</u>	<u>2,598,906</u>	<u>(105,998)</u>	<u>58,990,331</u>
Accumulated depreciation				
Buildings	(1,733,403)	(219,145)	0	(1,952,548)
Intangibles	(9,252)	(6,370)	0	(15,622)
Vehicles	(4,838,377)	(246,050)	99,685	(4,984,742)
Furniture and equipment	(3,777,835)	(169,146)	0	(3,946,981)
Infrastructure	(23,152,613)	(548,536)	0	(23,701,149)
Total accumulated depreciation	<u>(33,511,480)</u>	<u>(1,189,247)</u>	<u>99,685</u>	<u>(34,601,042)</u>
Total depreciable assets, net	<u>22,985,943</u>	<u>1,409,659</u>	<u>(6,313)</u>	<u>24,389,289</u>
Governmental activities capital assets, net	<u>\$ 28,212,524</u>	<u>\$ 1,525,628</u>	<u>\$ (2,052,110)</u>	<u>\$ 27,686,042</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 6,793,673	\$ 0	\$ 0	\$ 6,793,673
Construction in progress	7,516,087	2,500,977	(2,477,481)	7,539,583
Total non-depreciable assets	<u>14,309,760</u>	<u>2,500,977</u>	<u>(2,477,481)</u>	<u>14,333,256</u>
Depreciable assets				
Buildings	12,626,571	2,477,481	(1,115,784)	13,988,268
Vehicles	1,924,991	218,713	(24,407)	2,119,297
Distribution system	141,745,060	4,100,605	0	145,845,665
Furniture and equipment	3,260,605	843,930	0	4,104,535
Total depreciable assets	<u>159,557,227</u>	<u>7,640,729</u>	<u>(1,140,191)</u>	<u>166,057,765</u>
Accumulated depreciation				
Buildings	(2,883,713)	(330,673)	557,562	(2,656,824)
Vehicles	(1,258,889)	(175,775)	23,827	(1,410,837)
Distribution system	(64,982,033)	(3,280,649)	0	(68,262,682)
Furniture and equipment	(2,516,572)	(214,210)	0	(2,730,782)
Total accumulated depreciation	<u>(71,641,207)</u>	<u>(4,001,307)</u>	<u>581,389</u>	<u>(75,061,125)</u>
Total depreciable assets, net	<u>87,916,020</u>	<u>3,639,422</u>	<u>(558,802)</u>	<u>90,996,640</u>
Business-type activities capital assets, net	<u>\$ 102,225,780</u>	<u>\$ 6,140,399</u>	<u>\$ (3,036,283)</u>	<u>\$ 105,329,896</u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

9. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 173,163
Public Safety	322,821
Public Works	504,480
Housing and Development	7,492
Internal Service	181,291
	<hr/>
Total depreciation expense for governmental activities	\$ 1,189,247

Business-type activities

Water & Sewer	\$ 3,435,823
Gas	224,316
Solid Waste	27,247
Environmental Protection	105,292
Special Facilities	133,136
Golf	74,726
Internal Service	767
	<hr/>
Total depreciation expense for business-type activities	\$ 4,001,307

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

10. Long-Term Debt

Revenue Bonds

Revenue bonds issued for business-type activities are comprised of the following individual issues at the end of the current fiscal year:

On February 21, 2012, the City issued Winder-Barrow Industrial Authority Revenue Refunding Bonds, Series 2012 due at various dates ending December 1, 2029 with various yields ranging from 2.00% to 5.00%. The proceeds from this refunding were to pay off a GEFA note in the amount of \$15,711,640. The Series 2012 Bonds are secured by a pledge of the City's full faith and credit and taxing powers and will not expire as long as the Series 2012 Bonds remain outstanding and unpaid. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. The Series 2012 bonds were partially advance refunded during fiscal year 2021, and the remaining balance was paid off during fiscal year 2022.

On January 19, 2021, the City issued Public Facilities Authority Taxable Refunding Revenue Bonds, Series 2021 in the amount of \$8,095,000, due at various dates ending December 1, 2029 with a yield of 1.49%. The proceeds from this refunding were to pay off the Series 2012 Refunding Revenue Bonds. The Series 2021 Bonds are secured by a pledge of the City's full faith and credit and taxing powers and will not expire as long as the Series 2021 Bonds remain outstanding and unpaid. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. The outstanding balance at the end of the current fiscal year is \$7,942,000

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 971,000	\$ 111,102	\$ 1,082,102
2024	978,000	86,582	1,064,582
2025	994,000	81,890	1,075,890
2026	1,012,000	66,946	1,078,946
2027	1,023,000	51,785	1,074,785
2028-2030	2,964,000	478,320	3,442,320
Total	<u>\$ 7,942,000</u>	<u>\$ 876,625</u>	<u>\$ 8,818,625</u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

10. Long-Term Debt (continued)

Notes from Direct Borrowings

Governmental Activities

Financed Purchases

The City has entered into multiple agreements with various financial institutions to finance the purchase and construction of certain vehicles, equipment and other property. The notes are secured by the vehicles, equipment, and other property. The balances of these agreements at the end of the current year are \$4,557,170. Individual notes outstanding at the end of the current year are listed below with their related interest rate and maturity.

- \$490,000 equipment financed purchase due in monthly installments of \$4,738 through January 2024, interest at 2.53% to 3.07%, \$81,084 outstanding.
- \$6,000,000 building construction and other property improvements financed purchase due in monthly installments of \$56,487 through July 2029, interest at 2.62%, \$4,282,282 outstanding.
- \$207,557 equipment financed purchase due in monthly installments of \$9,147 through December 2028, interest at 2.28%, \$193,804 outstanding.

Annual debt service requirements for notes from direct borrowings are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 654,247	\$ 113,940	\$ 768,187
2024	640,988	95,316	736,304
2025	631,178	78,772	709,950
2026	647,814	62,137	709,951
2027	664,887	45,063	709,950
2028-2029	1,318,056	48,872	1,366,928
Total	<u>\$ 4,557,170</u>	<u>\$ 444,100</u>	<u>\$ 5,001,270</u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

10. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Business-type Activities

GEFA Loans

The City entered into an agreement with the Georgia Environmental Finance Authority (GEFA) in the amount of \$3,000,000 for improvements to the City's water and sewer system. Collateral for this obligation is the City's full faith and credit and revenue-raising power (including its taxing power). Monthly installments of principal and interest are due beginning on the first day of the calendar month following the date that the loan is fully disbursed (the Amortization Commencement Date) for 120 months; interest at 0.70%. Monthly installments began on August 1, 2016 (\$1,401,083 outstanding). In the event of default on this obligation or any other outstanding debt obligation greater than \$100,000, the timing of repayment of outstanding principal and accrued interest may be declared immediately due and payable.

The City entered into a second agreement with the Georgia Environmental Finance Authority (GEFA) in the amount of \$9,000,000 to finance the costs of constructing a 6.7 million gallons per day raw water intake, and transmission main that will deliver water from Fort Yargo Lake to the Highway 53 water treatment plant. Collateral for this obligation is the City's full faith and credit and revenue-raising power (including its taxing power). Monthly installments of principal and interest are due beginning on the first day of the calendar month following the date that the loan is fully disbursed (the Amortization Commencement Date) for 120 months; interest at 0.89%. Monthly installments began on September 1, 2018 (\$7,608,971 outstanding). In the event of default on this obligation or any other outstanding debt obligation greater than \$100,000, the timing of repayment of outstanding principal and accrued interest may be declared immediately due and payable.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

10. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Business-type Activities (continued)

Financed Purchases

The City has entered into multiple agreements with various financial institutions to finance the purchase and construction of certain vehicles, equipment and other property. The notes are secured by the vehicles, equipment, and other property. The balances of these agreements at the end of the current year are \$3,863,870. Individual notes outstanding at the end of the current year are listed below with their related interest rate and maturity.

- \$5,000,000 building construction and other property improvements financed purchase due in monthly installments of \$46,840 through December 2028, interest at 2.37%, \$3,395,120 outstanding
- \$502,014 equipment financed purchase due in monthly installments of \$9,147 through December 2028, interest at 2.28%, \$468,750 outstanding.

Annual debt service requirements to maturity for notes from direct borrowings are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,280,871	\$ 161,073	\$ 1,441,944
2024	1,299,893	141,960	1,441,853
2025	1,319,716	122,137	1,441,853
2026	1,339,751	102,102	1,441,853
2027	1,230,560	81,830	1,312,390
2028-2032	3,223,637	211,686	3,435,323
2033-2037	2,366,924	90,096	2,457,020
2038-2039	812,572	6,343	818,915
Total	<u>\$ 12,873,924</u>	<u>\$ 917,227</u>	<u>\$ 13,791,151</u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

11. Long-Term Liabilities

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the City for the current fiscal year:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Notes from direct borrowings	\$ 5,026,781	\$ 207,557	\$ (677,168)	\$ 4,557,170	\$ 654,247
Compensated absences	220,022	282,542	(287,136)	215,428	193,885
Total Governmental Activities	\$ 5,246,803	\$ 490,099	\$ (964,304)	\$ 4,772,598	\$ 848,132
Business-type Activities					
Revenue bonds	\$ 8,905,000	\$ 0	\$ (963,000)	\$ 7,942,000	\$ 971,000
Premium on bonds	61,023	0	(61,023)	0	0
Revenue bonds, net	8,966,023	0	(1,024,023)	7,942,000	971,000
Notes from direct borrowings	13,599,426	502,014	(1,227,516)	12,873,924	1,280,871
Compensated absences	66,456	103,104	(92,878)	76,682	69,014
Total Business-type Activities	\$ 22,631,905	\$ 605,118	\$ (2,344,417)	\$ 20,892,606	\$ 2,320,885

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. Compensated absences are liquidated by those funds that have salary and wage expenditures. The total interest incurred and charged to expense during the current fiscal year was \$139,371 for governmental activities and \$376,886 for business-type activities.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

12. Nonspendable, Restricted, and Assigned Fund Balances

The following is a summary of restricted, and assigned fund balances of the governmental funds for the current fiscal year are as follows:

	<u>General</u>	<u>ARPA Grant</u>	<u>2018 SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Prepaid items	\$ 100,619	\$ 0	\$ 0	\$ 0	\$ 100,619
Advances to other funds	1,304,783	0	0	0	1,304,783
Leases receivable	11,827	0	0	0	11,827
	<u>\$ 1,417,229</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,417,229</u>
Restricted for:					
Law enforcement	\$ 0	\$ 0	\$ 0	\$ 140,768	\$ 140,768
City festivals	0	0	0	4,225	4,225
Capital projects	0	0	5,582,489	1,262,790	6,845,279
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,582,489</u>	<u>\$ 1,407,783</u>	<u>\$ 6,990,272</u>
Assigned for:					
Promoting trade and tourism	\$ 0	\$ 0	\$ 0	\$ 7,793	\$ 7,793

13. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows at the end of the current fiscal year:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Cost of capital assets	\$ 62,287,084	\$ 180,391,021
Accumulated depreciation	(34,601,042)	(75,061,125)
Book value	27,686,042	105,329,896
Notes payable	(4,557,170)	(12,873,924)
Bonds payable	0	(7,942,000)
Deferred gain on refunding	0	(236,725)
Capital-related accounts payable	0	(46,652)
Retainages payable	0	(25,454)
Unspent debt proceeds	207,583	0
Net investment in capital assets	<u>\$ 23,336,455</u>	<u>\$ 84,205,141</u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

14. Pension Plan

Plan Description. The City is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), a state-wide agent, multiple-employer retirement system, administered by the Georgia Municipal Association. This is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. The City has established provisions, which assign the authority to the City Council members to establish and amend the benefit provisions of the plan. The plan was closed to new employees on October 1, 2013.

Control over the operation and administration of the plan is vested with GMEBS along with custody of the plan assets. The plan provides that the City has no liability with respect to payments or benefits or otherwise under the plan except to pay over to GMEBS such actuarially determined contributions as are required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after the satisfaction of all liabilities, such funds shall not revert to the City but shall be allocated to employees.

There are no loans to any of the City officials or other “party-in-interest,” and there are no prohibited transactions. The plan assets do not include any securities or investments in the City of Winder. The funds are managed by independent money managers.

The annual report and more detailed information regarding the plan can be obtained from the Plan Administrator, the Georgia Municipal Employees Benefit System.

At January 1, 2022, the date of the most recent actuarial valuation, the plan consisting of the following:

Retirees and beneficiaries currently receiving benefits	125
Terminated vested participants entitled to but not yet receiving benefits	69
Active participants	60
Total number of participants	254

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

14. Pension Plan (continued)

Benefits Provided. The plan provides retirement and death benefits. Benefits are based on years of credited service, equal to one year of full-time employment. Active participants with five years of total service are eligible to retire at age 65 with no reduction in benefit. Active participants with ten years of total service are eligible to retire at age 55 with no reduction in benefit. Officials are eligible to retire at age 65 with no reduction of benefits. Officials with twenty-five years of total service are eligible to retire at age 55 with no reduction in benefit. Terminated vested participants are eligible for early retirement with reduced benefits based on the early retirement reduction table at age 55 with 10 years of service. The benefit formula is 2.00% after a ten-year cliff vesting period. On March 2, 2007, the Solid Waste department was privatized and those who were employed in this department with at least five years of credited service were considered vested in the plan, notwithstanding the ten-year requirement otherwise applicable under the Plan.

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. The City's actuarially determined contribution rate for the current the fiscal year was \$1,104,226 or 32.47% of covered payroll. The Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The administrative expenses set by contract with GMEBS are in addition to the state-required annual funding requirement. This funding policy, as specified by ordinance, has been the same since the inception of the plan.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension liability of \$3,642,768. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. During the current fiscal year, the City recognized pension expense of \$874,204. Net pension liability for governmental activities is liquidated by the General Fund.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

14. Pension Plan (continued)

At the end of the current fiscal year, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,205	\$ 0
Changes in participant fund allocation	127,632	(127,632)
Net difference between projected and actual earnings on pension plan investments	0	(2,544,676)
City contributions subsequent to the measurement date	1,017,263	0
Totals	\$ 1,149,100	\$ (2,672,308)

The \$1,017,263 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30		
2023	\$	(631,925)
2024		(557,949)
2025		(715,100)
2026		(635,497)
Totals	\$	(2,540,471)

Actuarial Assumptions. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	2.25% plus service-based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.375%

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

14. Pension Plan (continued)

Healthy mortality rates were based on the Sex-Distinct Pri-2012 Head-Count Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the Sex-Distinct Pri-2012 Head-Count Weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The mortality and economic actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.55%
International equity	20%	7.30%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
Domestic fixed income	20%	0.40%
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

14. Pension Plan (continued)

Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2020	\$ 25,806,144	\$ 18,758,448	\$ 7,047,696
Changes for the year:			
Service cost	183,625	0	183,625
Interest	1,860,405	0	1,860,405
Differences between expected and actual experience	8,409	0	8,409
Contributions—employer	0	957,499	(957,499)
Net investment income	0	4,538,463	(4,538,463)
Benefit payments, including refunds of employee contributions	(1,527,868)	(1,527,868)	0
Administrative expense	0	(38,595)	38,595
Net changes	524,571	3,929,499	(3,404,928)
Balances at September 30, 2021	\$ 26,330,715	\$ 22,687,947	\$ 3,642,768

Plan fiduciary net position as a percentage of the total pension liability	86.17%
Covered payroll	\$ 3,088,285
Employer's net pension liability as a percentage of covered payroll	117.95%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.375 percent) or one percentage-point higher (8.375 percent) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.375%	\$ 683,545
Current discount rate	7.375%	3,642,768
1% increase	8.375%	948,969

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

14. Pension Plan (continued)

Other Plans

In addition to the plan above, various City employees are also covered under the pension plans of the Georgia Firefighters' Pension Fund and the Peace Officers' Annuity and Benefit Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

15. Defined Contribution Plan

The City also provides retirement benefits for its employees through a deferred compensation, defined contribution plan. The Plan was created under Internal Revenue Code Sections 457 and 401(a). Since its inception, the Plan has been administered by the Security Benefit Life Insurance Plan, an independent third party. The City began participation in the plan during fiscal year 2004. The plan is administered by The Retirement Advantage, Inc. The City Council provides for the benefits and funding policy through a City resolution and maintains the authority to change the policy. Under the terms of the Plan, employees may defer a portion of their salary through voluntary contributions to the Plan. Employees may defer a maximum of 25% of their salary, up to the maximum allowable by federal law. After completing 90 days of service, the City will contribute a maximum of 6% of an employee's compensation per year. After five years of service, the City will contribute a maximum of 8% of an employee's compensation per year. Employee and employer contributions are vested 100% at the time of contribution. Amounts held in the Plan are not available to the employees until termination, retirement, death, or unforeseeable emergency.

During the current fiscal year, the City contributed \$239,488 to the plan based on covered salaries of \$4,159,506. Plan members made voluntary contributions of \$262,953 to the plan. Total payroll was \$8,207,653.

The City has no fiduciary relationship with the plans, and plan assets are not available to the City or its general creditors. The Plan assets are held in trust by Nationwide, Inc. for the exclusive benefit of the participants of the plans.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

16. Post-Employment Benefits Other Than Pensions

Plan Description. The City of Winder Other Post-Employment Benefits Plan (the “OPEB Plan”) is a defined benefit postretirement health care and prescription drug plan. The OPEB plan is administered through the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer OPEB Plan administered by the Georgia Municipal Association (GMA). The City has established provisions, which assign the authority to the City Council members to establish and amend the benefit provisions of the plan.

At January 1, 2021, the City plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	3
Vested terminated members entitled to but not yet receiving benefits	0
Active participants	145
Total number of participants	148

Benefits Provided. City employees become eligible after 20 years of service. Benefits valued herein are for Retiree Medical and Prescription Drug. Life Insurance is paid in full by the City for employees that retire from active employment and is not included in the valuation. Coverage is available to retirees who have attained age 55 with 10 years of service if retired before December 31, 2012. Employees retiring after this date must attain age 60 with ten years of service. Spousal coverage is subject to the same. As of December 31, 2012, spousal coverage is no longer available under the plan. Retirees are responsible for 50% of the billed premium for the retiree and spouse.

Contributions. The City has elected to advance fund the OPEB Plan, as well as maintain the current costs of the OPEB Plan on a “pay-as-you-go” basis, in that claims are paid as they arise. Contributions to the plan are held in an irrevocable trust. The City Council provides for the benefits and funding policy through City resolution and maintains the authority to change the policy. The City’s contributions for the current fiscal year totaled \$118,144, or 1.44% of covered employee payroll. Net OPEB liability for governmental activities is liquidated by the General Fund.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

16. Post-Employment Benefits Other Than Pensions (continued)

The administrative expenses set by contract with GMEBS are in addition to the state-required annual funding requirement. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS.

OPEB Liabilities (Assets), OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. At the end of the current fiscal year, the City reported a net OPEB liability (asset) of (\$54,036). The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined from actuarial valuations using data as of January 1, 2021 and measured by an actuarial valuation as of June 30, 2021. During the current fiscal year, the City recognized OPEB expense (income) of (\$14,277).

The components of the net OPEB liability (asset) are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2021	\$ 1,298,609	\$ 916,470	\$ 382,139
Changes for the year:			
Service cost	32,191	0	32,191
Interest	96,830	0	96,830
Differences between expected and actual experience	(193,639)	0	(193,639)
Changes of assumptions	45,833	0	45,833
Contributions—employer	0	118,144	(118,144)
Net investment income	0	306,749	(306,749)
Benefit payments, including refunds of employee contributions	(36,344)	(36,344)	0
Other changes	0	(6,818)	6,818
Administrative expense	0	(685)	685
Net changes	(55,129)	381,046	(436,175)
Balances at June 30, 2022	\$ 1,243,480	\$ 1,297,516	\$ (54,036)

Plan fiduciary net position as a percentage of the total pension liability	104.35%
Covered payroll	\$ 6,553,407
Employer's net pension liability as a percentage of covered payroll	-0.82%

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

16. Post-Employment Benefits Other Than Pensions (continued)

At the end of the current fiscal year, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 38,195	\$ (144,276)
Differences between expected and actual experience	158,376	(198,289)
Differences between projected and actual earnings on OPEB plan investments	0	(172,994)
City contributions subsequent to the measurement date	<u>119,513</u>	<u>0</u>
Totals	<u>\$ 316,084</u>	<u>\$ (515,559)</u>

The \$119,513 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	
2023	\$ (73,869)
2024	(71,669)
2025	(69,166)
2026	(79,649)
2027	<u>(24,635)</u>
Totals	<u>\$ (318,988)</u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

16. Post-Employment Benefits Other Than Pensions (continued)

Actuarial Assumptions. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	3.00 to 8.50%, including inflation
Actuarial cost method	Entry age normal
Discount rate	7.375%
Healthcare Cost Trend Rate	7.00% trended down 0.25% per anum to 4.50% by 2029
Mortality rates	Healthy mortality rates were based on sex distinct Pri-2012 head-count weighted Mortality Table with rates multiplied by 1.25, projected generationally from 2012
Amortization method	Open 30 years, level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Market value

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

Development of Long-Term Rate. The long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and (2) OPEB plan assets are expected to be invested using a strategy to achieve that return. Based on a projection of the plan's cash flow, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the total OPEB liability was determined using the long-term expected rate of 7.375%.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

16. Post-Employment Benefits Other Than Pensions (continued)

The target allocation and projected arithmetic real rates of return for each major asset class included in the OPEB plan's derivation of the long-term expected investment rate of return assumption as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.55%
International equity	20%	7.30%
Global fixed income	5%	3.30%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the Total OPEB liability was 7.375%. The projection of cash flows used to determine the discount rate assume that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all projected benefit payments of current plan members.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (6.375%) or one percentage-point higher (8.375%) than the current rate. Also, shown is the Net OPEB Liability as if it were calculated using healthcare cost trend rates that were on percentage point lower or on percentage point higher than the current healthcare trend rates:

<u>Discount Rate</u>		<u>Net OPEB Liability</u>
1% decrease	6.375%	\$ 62,471
Current discount rate	7.375%	(54,036)
1% increase	8.375%	(155,312)
<u>Healthcare Cost Trend Rates</u>		<u>Net OPEB Liability</u>
1% decrease		\$ (138,286)
Current discount rate		(54,036)
1% increase		44,437

OPEB Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

17. Risk Management

General Insurance

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 contracted with a private insurance carrier and is subject to various deductibles that are paid from City funds.

The City allows insurance carrier'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 contract.

The insurer is to defend and protect the City against liability or loss as prescribed in the contract and in accordance with laws of Georgia. The insurer is to pay all cost taxed against the City in any legal proceeding being defended, and all interest accruing after entry of judgement and all expenses incurred for investigation, negotiation, or defense

Health Insurance

The City provides health care benefits to its active and retired employees and their dependents. The City contracted with Cigna for health care coverage. The contract is a fully insured plan.

Workers Compensation

The City has obtained workers' compensation insurance from a Georgia Municipal Association Group Self Insurance Workers Compensation Fund. The limits of the coverage are \$1,000,000 for each employee claim with a \$10,000 deductible.

Settled claims for the past three years have not exceeded the coverage.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

18. Hotel/Motel Lodging Tax

The City has levied a 7% lodging tax, in accordance with Official Code of Georgia Annotated (OCGA) Section 48-13-51(4.4). A summary of the transactions for the current fiscal year, follows:

Lodging tax receipts	\$ 343,608
Disbursements to Chamber of Commerce, Festivals, and other tourism and visitor programs	\$241,903 70.4% of tax receipts

19. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Northeast Georgia Regional Commission and is required to pay annual dues thereto. During the fiscal year, the City's dues were paid by Barrow County, which did not request reimbursement from the City. According to the RC, all dues are billed to the County and the management of the County determines if each municipality within the County should be billed pro-rata for their share of the dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the NEGRC financial statements can be obtained from the Northeast Georgia Regional Commission, 305 Research Drive, Athens, Georgia 30605.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

20. Related Organizations

The City 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 these 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-Barrow Industrial Building Authority
Winder Tree Commission
Historic Preservation Commission
Public Facilities Authority

21. Commitments

The City has committed to planning, designing, and constructing a 1.1 billion-gallon pump storage reservoir. This project will be funded by loan proceeds from GEFA. The cost of this project has not yet been determined as of the date of this report.

During fiscal year 2015, the City entered into an agreement with the City of Auburn, Georgia for the acquisition and construction of a reservoir and the associated infrastructure required so that the City may withdraw raw water from the Mulberry River, Little Mulberry River, and Rock Creek, and store the raw water in the reservoir and transmit the water to each of the City's water treatment plants. The City's portion of the project is currently estimated to cost \$20.8 million. At the end of the current fiscal year, the City has spent \$2,549,480 pertaining to this project since its inception.

22. Subsequent Events

Subsequent to June 30, 2022, the City applied for funding from the Georgia Environmental Finance Authority (GEFA) in the form of a Note from Direct Borrowing in the amount of \$14,000,000. These funds will be used to upgrade the infrastructure at the Highway 53 Water Treatment Plant.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

23. New Accounting Pronouncements

The City implemented GASB Statement No. 87, *Leases*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2021. The beginning balance of leases receivable and related deferred inflows of resources was established in the amount of \$541,393. This adjustment had no effect on beginning net position.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WINDER, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2022
(Unaudited)

	Fiscal Year End			
	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 183,625	\$ 155,280	\$ 159,256	\$ 148,204
Interest	1,860,405	1,703,034	1,671,280	1,549,264
Differences between expected and actual experience	8,409	1,729,167	(965,738)	350,657
Changes of assumptions	0	0	1,348,241	888,088
Benefit payments, including refunds of employee contributions	(1,527,868)	(1,436,104)	(1,365,515)	(1,275,242)
Net change in total pension liability	524,571	2,151,377	847,524	1,660,971
Total pension liability - beginning	25,806,144	23,654,767	22,807,243	21,146,272
Total pension liability - ending (a)	\$ 26,330,715	\$ 25,806,144	\$ 23,654,767	\$ 22,807,243
Plan fiduciary net position				
Contributions - employer	\$ 957,499	\$ 996,453	\$ 1,003,136	\$ 961,342
Contributions - employee	0	6,685	31,816	12,084
Net investment income	4,538,463	1,675,230	506,528	1,590,479
Benefit payments, including refunds of employee contributions	(1,527,868)	(1,436,104)	(1,365,515)	(1,275,242)
Administrative expense	(38,595)	(36,925)	(37,164)	(39,142)
Net change in plan fiduciary net position	3,929,499	1,205,339	138,801	1,249,521
Plan fiduciary net position - beginning	18,758,448	17,553,109	17,414,308	16,164,787
Plan fiduciary net position - ending (b)	\$ 22,687,947	\$ 18,758,448	\$ 17,553,109	\$ 17,414,308
Net pension liability (asset) - ending : (a) - (b)	\$ 3,642,768	\$ 7,047,696	\$ 6,101,658	\$ 5,392,935
Plan's fiduciary net position as a percentage of the total pension liab	86.17%	72.69%	74.21%	76.35%
Covered payroll	\$ 3,088,285	\$ 3,661,543	\$ 3,482,985	\$ 3,505,675
Net pension liability as a percentage of covered payroll	117.95%	192.48%	175.18%	153.83%

Note: Fiscal year 2015 was the first year of implementation. Therefore, years prior are not reported.

Fiscal Year End

2018		2017		2016		2015	
\$	173,051	\$	179,037	\$	236,833	\$	328,917
	1,506,920		1,474,422		1,412,604		1,443,234
	268,580		67,694		463,073		(652,819)
	402,748		0		0		(240,685)
	(1,298,321)		(1,305,321)		(1,324,394)		(1,223,348)
	1,052,978		415,832		788,116		(344,701)
	20,093,294		19,677,462		18,889,346		19,234,047
\$	21,146,272	\$	20,093,294	\$	19,677,462	\$	18,889,346
\$	988,953	\$	1,032,165	\$	1,228,670	\$	1,409,342
	0		26,847		0		59,823
	2,138,768		1,461,014		151,347		1,334,881
	(1,298,321)		(1,305,321)		(1,324,394)		(1,223,348)
	(45,297)		(22,393)		(24,301)		(19,349)
	1,784,103		1,192,312		31,322		1,561,349
	14,380,684		13,188,372		13,157,050		11,595,701
\$	16,164,787	\$	14,380,684	\$	13,188,372	\$	13,157,050
\$	4,981,485	\$	5,712,610	\$	6,489,090	\$	5,732,296
	76.44%		71.57%		67.02%		69.65%
\$	3,730,435	\$	3,845,923	\$	4,034,416	\$	4,658,538
	133.54%		148.54%		160.84%		123.05%

CITY OF WINDER, GEORGIA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2022
(Unaudited)

	Fiscal Year End			
	2022	2021	2020	2019
Actuarially determined contribution	\$ 1,104,226	\$ 1,043,562	\$ 1,096,701	\$ 970,814
Contributions in relation to the actuarially determined contribution	(1,104,226)	(956,599)	(1,096,701)	(970,814)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 86,963</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 3,401,044	\$ 3,661,543	\$ 3,729,981	\$ 3,658,954
Contributions as a percentage of covered payroll	32.47%	26.13%	29.40%	26.53%

Note: Fiscal year 2015 was the first year of implementation. Therefore, years prior are not reported.

Fiscal Year End

2018	2017	2016	2015
\$ 956,718 (957,818)	\$ 997,298 (999,098)	\$ 1,042,387 (1,042,387)	\$ 1,292,164 (1,469,165)
\$ (1,100)	\$ (1,800)	\$ 0	\$ (177,001)
\$ 3,844,876	\$ 3,871,009	\$ 3,880,640	\$ 4,188,210
24.88%	25.76%	26.86%	30.85%

CITY OF WINDER, GEORGIA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2022
(Unaudited)

	Fiscal Year End	
	2022	2021
Total OPEB liability		
Service cost	\$ 32,191	\$ 31,482
Interest	96,830	94,520
Differences between expected and actual experience	(193,639)	(55,386)
Changes in assumptions	45,833	0
Benefit payments, including refunds of member contributions	(36,344)	(43,539)
Net change in total OPEB liability	(55,129)	27,077
Total OPEB liability - beginning	1,298,609	1,271,532
Total OPEB liability - ending (a)	<u>\$ 1,243,480</u>	<u>\$ 1,298,609</u>
Plan fiduciary net position		
Contributions - employer	\$ 118,144	\$ 125,339
Net investment income	306,749	36,075
Benefit payments, including refunds of member contributions	(36,344)	(43,539)
Administrative expenses	(685)	(2,105)
Other	(6,818)	0
Net change in plan fiduciary net position	381,046	115,770
Plan fiduciary net position - beginning	916,470	800,700
Plan fiduciary net position - ending (b)	<u>\$ 1,297,516</u>	<u>\$ 916,470</u>
Net OPEB liability (asset) - ending : (a) - (b)	<u>\$ (54,036)</u>	<u>\$ 382,139</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	104.35%	70.57%
Covered employee payroll	\$ 6,553,407	\$ 7,228,982
Plan net OPEB liability as a percentage of covered employee payroll	-0.82%	5.29%

Note: Fiscal year 2018 was the first year of implementation. Therefore, years prior are not reported.

Fiscal Year End

2020	2019	2018
\$ 41,301	\$ 40,300	\$ 44,900
87,670	79,400	68,700
284,951	35,100	0
(255,552)	(1,300)	(49,000)
<u>(28,938)</u>	<u>(59,300)</u>	<u>(57,800)</u>
129,432	94,200	6,800
1,142,100	1,047,900	1,041,100
<u>\$ 1,271,532</u>	<u>\$ 1,142,100</u>	<u>\$ 1,047,900</u>
\$ 124,338	\$ 134,300	\$ 132,800
46,100	55,000	64,300
(28,938)	(59,300)	(57,800)
(1,800)	(600)	(900)
<u>0</u>	<u>0</u>	<u>0</u>
139,700	129,400	138,400
<u>661,000</u>	<u>531,600</u>	<u>393,200</u>
<u>\$ 800,700</u>	<u>\$ 661,000</u>	<u>\$ 531,600</u>
<u>\$ 470,832</u>	<u>\$ 481,100</u>	<u>\$ 516,300</u>
62.97%	57.88%	50.73%
\$ 6,952,819	\$ 6,952,800	\$ 6,489,900
6.77%	6.92%	7.96%

CITY OF WINDER, GEORGIA
SCHEDULE OF OPEB CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2022
(Unaudited)

	<u>Fiscal Year End</u>	
	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 57,959	\$ 62,929
Contributions in relation to the actuarially determined contribution	<u>(118,144)</u>	<u>(125,339)</u>
Contribution deficiency (excess)	<u>\$ (60,185)</u>	<u>\$ (62,410)</u>
Covered employee payroll	\$ 8,201,653	\$ 7,740,746
Contributions as a percentage of covered employee payroll	1.44%	1.62%

Note: Fiscal year 2018 was the first year of implementation. Therefore, years prior are not reported.

Fiscal Year End		
2020	2019	2018
\$ 62,929	\$ 59,300	\$ 57,800
<u>(124,340)</u>	<u>(134,300)</u>	<u>(132,800)</u>
<u>\$ (61,411)</u>	<u>\$ (75,000)</u>	<u>\$ (75,000)</u>
\$ 7,109,257	\$ 6,952,819	\$ 6,950,672
1.75%	1.93%	1.91%

CITY OF WINDER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

Pension Plan

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2022, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2023

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 15 years.

Asset valuation method = Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net investment rate of return = 7.375%

Projected salary increases = 2.25% plus service-based merit increases

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the Sex-Distinct Pri-2012 Head-Count Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the Sex-Distinct Pri-2012 Head-Count Weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

CITY OF WINDER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

Pension Plan (continued)

3. Changes in Benefits

There were no changes in benefit provisions in the last two fiscal years.

4. Changes of Assumptions

Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December of 2019:

The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25

The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25

The mortality table for active participants, terminated vested participants and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table

Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.

CITY OF WINDER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

Pension Plan (continued)

4. Changes of Assumptions (continued)

The prior retirement assumption was based on the Plan's Normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 or older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.

The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 6, 35% at ages 65 to 69, 25% at ages 66 to 71, and 100% at ages 72 and older.

Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increase by 30%.

Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.

Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.

CITY OF WINDER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

Pension Plan (continued)

4. Changes of Assumptions (continued)

The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.

The disability rates were changed to 50% of the rates in the prior age-based table.

The inflation assumption was decreased from 2.75% to 2.25%.

The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.

The investment return assumption was decreased from 7.50% to 7.375%.

OPEB Plan

1. Valuation Date

The actuarially determined contribution rates are determined as of July 1, 2021 based on the most recent valuation within 30 months of the fiscal year end.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry age normal

Amortization method = Open 30 years, level percent of payroll

Remaining amortization period = 30 years

Asset valuation method = Market value

Projected salary increases = 3.00% to 8.50%, including inflation

CITY OF WINDER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

OPEB Plan (continued)

2. Methods and Assumptions Used to Determine Contribution Rates, continued

Inflation = 2.25%

Discount rate = 7.375%

Healthcare cost trend rates = Medical per capita costs, retiree contributions, and premiums are assumed to increase 7.00% for fiscal year 2020 and then decrease 0.25% per year to an ultimate rate of 4.50%.

Mortality = Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Mortality Tables with rates multiplied by 1.25, projected generationally from 2012.

3. Changes in Benefits

None.

4. Changes of Assumptions

None.

COMBINING STATEMENTS

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

Nonmajor Internal Service Funds

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

Hotel/Motel Tax Fund – This fund is used to account for the hotel/motel taxes collected and expenditures related to tourism.

Police Escrow Fund – This fund is used to account for cash received for condemned funds received and disbursed for law enforcement purposes.

City Festivals Fund – This fund is used to account for revenues and expenditures related to festivals and events held by the city.

Cemetery Fund – This fund is used to account for revenues and expenditures related to cemetery operations by the city.

Library Assessment Fund – This fund is used to account for the library assessment collections and expenditures related to the library.

CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

LMIG Fund – This fund is used to account for the cost of Georgia Department of Transportation (GDOT) paving projects.

2012 Special Purpose Local Option Sales Tax Fund – This fund is used to account for the expenditures of the 2012 SPLOST.

2022 Special Purpose Local Option Sales Tax Fund – This fund is used to account for the expenditures of the 2022 SPLOST.

CITY OF WINDER, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Special Revenue				
	Hotel/ Motel Tax	Police Escrow	City Festivals	Cemetery	Library Assessment
ASSETS					
Cash and cash equivalents	\$ 6,446	\$ 140,768	\$ 4,225	\$ 0	\$ 0
Taxes receivable	30,584	0	0	0	5,383
Intergovernmental receivable	0	0	0	0	0
Due from other funds	0	0	0	1,000	3,342
Total assets	\$ 37,030	\$ 140,768	\$ 4,225	\$ 1,000	\$ 8,725
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 29,237	\$ 0	\$ 0	\$ 1,000	\$ 2,964
Due to other funds	0	0	0	0	0
Total liabilities	29,237	0	0	1,000	2,964
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - taxes	0	0	0	0	5,761
Fund balances					
Restricted for:					
Public Safety	0	140,768	0	0	0
Culture and Recreation	0	0	4,225	0	0
Capital Outlay	0	0	0	0	0
Assigned for Housing and Development	7,793	0	0	0	0
Total fund balances	7,793	140,768	4,225	0	0
Total liabilities, deferred inflows of resources, and fund balances	\$ 37,030	\$ 140,768	\$ 4,225	\$ 1,000	\$ 8,725

LMIG	Capital Projects		Total Nonmajor Governmental Funds
	SPLOST 2012	SPLOST 2022	
\$ 117,860	\$ 1,134,723	\$ 0	\$ 1,404,022
0	0	0	35,967
0	0	150,886	150,886
0	0	0	4,342
<u>\$ 117,860</u>	<u>\$ 1,134,723</u>	<u>\$ 150,886</u>	<u>\$ 1,595,217</u>
\$ 0	\$ 0	\$ 0	\$ 33,201
0	15,733	124,946	140,679
0	15,733	124,946	173,880
0	0	0	5,761
0	0	0	140,768
0	0	0	4,225
117,860	1,118,990	25,940	1,262,790
0	0	0	7,793
<u>117,860</u>	<u>1,118,990</u>	<u>25,940</u>	<u>1,415,576</u>
<u>\$ 117,860</u>	<u>\$ 1,134,723</u>	<u>\$ 150,886</u>	<u>\$ 1,595,217</u>

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2022

	Special Revenue				
	Hotel/ Motel Tax	Police Escrow	City Festivals	Cemetery	Library Assessment
REVENUES					
Taxes	\$ 343,608	\$ 0	\$ 0	\$ 0	\$ 217,864
Fines, fees, and forfeitures	0	38,140	0	0	0
Intergovernmental	0	0	0	0	0
Charges for services	0	0	1,050	16,680	0
Contributions	0	0	8,505	0	0
Interest	0	0	0	0	0
Total revenues	<u>343,608</u>	<u>38,140</u>	<u>9,555</u>	<u>16,680</u>	<u>217,864</u>
EXPENDITURES					
Current					
Public Safety	0	14,500	0	0	0
Public Works	0	0	0	48,928	0
Culture and Recreation	0	0	5,483	0	268,580
Housing and Development	98,203	0	0	0	0
Capital Outlay	0	0	0	0	0
Total expenditures	<u>98,203</u>	<u>14,500</u>	<u>5,483</u>	<u>48,928</u>	<u>268,580</u>
Excess (deficiency) of revenues over (under) expenditures	<u>245,405</u>	<u>23,640</u>	<u>4,072</u>	<u>(32,248)</u>	<u>(50,716)</u>
Other financing sources (uses)					
Transfers in	0	0	0	32,248	50,716
Transfers out	(245,405)	0	0	0	0
Total other financing sources (uses)	<u>(245,405)</u>	<u>0</u>	<u>0</u>	<u>32,248</u>	<u>50,716</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	23,640	4,072	0	0
Fund balances, July 1	<u>7,793</u>	<u>117,128</u>	<u>153</u>	<u>0</u>	<u>0</u>
Fund balances, June 30	<u><u>\$ 7,793</u></u>	<u><u>\$ 140,768</u></u>	<u><u>\$ 4,225</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

LMIG	Capital Projects		Total Nonmajor Governmental Funds
	SPLOST 2012	SPLOST 2022	
\$ 0	\$ 0	\$ 0	\$ 561,472
0	0	0	38,140
207,414	0	150,886	358,300
0	0	0	17,730
0	0	0	8,505
0	568	0	568
<u>207,414</u>	<u>568</u>	<u>150,886</u>	<u>984,715</u>
0	0	0	14,500
0	0	0	48,928
0	0	0	274,063
0	0	0	98,203
<u>213,058</u>	<u>0</u>	<u>124,946</u>	<u>338,004</u>
<u>213,058</u>	<u>0</u>	<u>124,946</u>	<u>773,698</u>
<u>(5,644)</u>	<u>568</u>	<u>25,940</u>	<u>211,017</u>
0	0	0	82,964
<u>0</u>	<u>(5,506)</u>	<u>0</u>	<u>(250,911)</u>
<u>0</u>	<u>(5,506)</u>	<u>0</u>	<u>(167,947)</u>
(5,644)	(4,938)	25,940	43,070
<u>123,504</u>	<u>1,123,928</u>	<u>0</u>	<u>1,372,506</u>
<u>\$ 117,860</u>	<u>\$ 1,118,990</u>	<u>\$ 25,940</u>	<u>\$ 1,415,576</u>

CITY OF WINDER, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	\$ 349,700	\$ 343,608	\$ (6,092)
EXPENDITURES			
Current			
Housing and Development	100,000	98,203	1,797
Excess (deficiency) of revenues over (under) expenditures	249,700	245,405	(4,295)
Other financing sources (uses)			
Transfers out	(39,700)	(245,405)	(205,705)
Contingency	(210,000)	0	210,000
Total other financing sources (uses)	(249,700)	(245,405)	4,295
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balances, July 1	0	7,793	7,793
Fund balances, June 30	\$ 0	\$ 7,793	\$ 7,793

CITY OF WINDER, GEORGIA
POLICE ESCROW SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 77,000	\$ 38,140	\$ (38,860)
EXPENDITURES			
Current			
Public Safety	48,500	14,500	34,000
Excess (deficiency) of revenues over (under) expenditures	28,500	23,640	(4,860)
Other financing sources (uses)			
Contingency	(28,500)	0	28,500
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	23,640	23,640
Fund balances, July 1	0	117,128	117,128
Fund balances, June 30	\$ 0	\$ 140,768	\$ 140,768

CITY OF WINDER, GEORGIA
CITY FESTIVALS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 19,500	\$ 1,050	\$ (18,450)
Contributions	0	8,505	8,505
Total revenues	<u>19,500</u>	<u>9,555</u>	<u>(9,945)</u>
EXPENDITURES			
Current			
Culture and Recreation	<u>102,000</u>	<u>5,483</u>	<u>96,517</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(82,500)</u>	<u>4,072</u>	<u>86,572</u>
Other financing sources (uses)			
Transfers in	116,200	0	(116,200)
Contingency	<u>(33,700)</u>	<u>0</u>	<u>33,700</u>
Total other financing sources (uses)	<u>82,500</u>	<u>0</u>	<u>(82,500)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	4,072	4,072
Fund balances, July 1	<u>0</u>	<u>153</u>	<u>153</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 4,225</u></u>	<u><u>\$ 4,225</u></u>

CITY OF WINDER, GEORGIA
CEMETERY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 14,400	\$ 16,680	\$ 2,280
EXPENDITURES			
Current			
Public Works	49,000	48,928	72
Excess (deficiency) of revenues over (under) expenditures	<u>(34,600)</u>	<u>(32,248)</u>	<u>2,352</u>
Other financing sources (uses)			
Transfers in	35,000	32,248	(2,752)
Contingency	<u>(400)</u>	<u>0</u>	<u>400</u>
Total other financing sources (uses)	<u>34,600</u>	<u>32,248</u>	<u>(2,352)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF WINDER, GEORGIA
LIBRARY ASSESSMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022

	Final Budget	Actual	Variance
REVENUES			
Taxes	\$ 260,000	\$ 217,864	\$ (42,136)
EXPENDITURES			
Current			
Culture and Recreation	269,000	268,580	420
Excess (deficiency) of revenues over (under) expenditures	(9,000)	(50,716)	(41,716)
Other financing sources (uses)			
Transfers in	9,000	50,716	41,716
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balances, July 1	0	0	0
Fund balances, June 30	\$ 0	\$ 0	\$ 0

NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

Solid Waste Management Fund – This fund is used to account for the contract costs of solid waste collection, disposal, and recycling.

Environmental Protection Fund – This fund is used to record revenues and expenses associated with the operation and maintenance of the City's stormwater systems and the management of the FOG program and Watershed Protection Plan.

Special Facilities Fund – This fund is used to account for the rents and other income and the related costs (including depreciation) of operating the City's Community Center, Adult Education Center, Historic Train Station, Cultural Arts Center, and other City-owned income producing buildings.

Golf Fund – This fund is used to account for the operation and maintenance associated with management of the Chimneys Golf Course which is located at 338 Monroe Highway, Winder, Georgia.

INTERNAL SERVICE FUNDS

Utility Service Fund – This fund is used to account for the City's utility billing, meter reading and Customer Service.

Buildings Fund – This fund is used to account for the purchase and capital costs of its General Government Buildings. The Building Fund then receives rental income from the departments that use these buildings.

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2022

	Solid Waste Management	Environmental Protection	Special Facilities	Golf	Total Nonmajor Enterprise Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 1,284,646	\$ 0	\$ 1,372,718	\$ 1,720,053	\$ 4,377,417
Accounts receivable (net)	212,985	20,300	1,829	3,600	238,714
Prepaid items	0	0	0	2,538	2,538
Inventories	0	0	0	37,623	37,623
Total current assets	<u>1,497,631</u>	<u>20,300</u>	<u>1,374,547</u>	<u>1,763,814</u>	<u>4,656,292</u>
Noncurrent assets					
Net OPEB asset	0	901	0	9,306	10,207
Capital assets					
Non-depreciable	0	1,271,039	458,458	495,546	2,225,043
Depreciable (net)	<u>572,949</u>	<u>2,740,274</u>	<u>4,152,868</u>	<u>336,463</u>	<u>7,802,554</u>
Total noncurrent assets	<u>572,949</u>	<u>4,012,214</u>	<u>4,611,326</u>	<u>841,315</u>	<u>10,037,804</u>
Total assets	<u>2,070,580</u>	<u>4,032,514</u>	<u>5,985,873</u>	<u>2,605,129</u>	<u>14,694,096</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	0	53,259	0	0	53,259
Deferred outflows related to other post employment benefits	<u>0</u>	<u>5,268</u>	<u>0</u>	<u>54,437</u>	<u>59,705</u>
Total deferred outflows of resources	<u>0</u>	<u>58,527</u>	<u>0</u>	<u>54,437</u>	<u>112,964</u>
LIABILITIES					
Current liabilities					
Accounts payable	72,838	29,912	3,380	83,570	189,700
Accrued salaries and payroll liabilities	0	2,423	168	11,068	13,659
Compensated absences	0	4,498	0	3,674	8,172
Unearned revenue	0	0	0	21,303	21,303
Advances from other funds	0	0	0	88,488	88,488
Note payable	<u>67,676</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>67,676</u>
Total current liabilities	<u>140,514</u>	<u>36,833</u>	<u>3,548</u>	<u>208,103</u>	<u>388,998</u>
Noncurrent liabilities					
Advances from other funds	0	0	0	1,636,295	1,636,295
Compensated absences	0	500	0	408	908
Note payable	401,074	0	0	0	401,074
Net pension liability	<u>0</u>	<u>65,206</u>	<u>0</u>	<u>0</u>	<u>65,206</u>
Total noncurrent liabilities	<u>401,074</u>	<u>65,706</u>	<u>0</u>	<u>1,636,703</u>	<u>2,103,483</u>
Total liabilities	<u>541,588</u>	<u>102,539</u>	<u>3,548</u>	<u>1,844,806</u>	<u>2,492,481</u>

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2022

	<u>Solid Waste Management</u>	<u>Environmental Protection</u>	<u>Special Facilities</u>	<u>Golf</u>	<u>Total Nonmajor Enterprise Funds</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	\$ 0	\$ 45,550	\$ 0	\$ 0	\$ 45,550
Deferred inflows related to other post employment benefits	<u>0</u>	<u>8,593</u>	<u>0</u>	<u>88,791</u>	<u>97,384</u>
Total deferred inflows of resources	<u>0</u>	<u>54,143</u>	<u>0</u>	<u>88,791</u>	<u>142,934</u>
NET POSITION					
Net investment in capital assets	104,199	3,994,156	4,611,327	832,008	9,541,690
Unrestricted	<u>1,424,793</u>	<u>(59,797)</u>	<u>1,370,998</u>	<u>(106,039)</u>	<u>2,629,955</u>
Total net position	<u>\$ 1,528,992</u>	<u>\$ 3,934,359</u>	<u>\$ 5,982,325</u>	<u>\$ 725,969</u>	<u>\$ 12,171,645</u>

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2022

	<u>Solid Waste Management</u>	<u>Environmental Protection</u>	<u>Special Facilities</u>	<u>Golf</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES					
Charges for sales and services	\$ 1,740,425	\$ 770,524	\$ 32,440	\$ 1,823,507	\$ 4,366,896
Other	0	0	0	3,272	3,272
Total operating revenues	<u>1,740,425</u>	<u>770,524</u>	<u>32,440</u>	<u>1,826,779</u>	<u>4,370,168</u>
OPERATING EXPENSES					
Costs of sales and services	956,698	216,719	199,635	763,892	2,136,944
Personal services	0	199,838	5,047	549,669	754,554
Depreciation	27,247	105,292	133,136	74,726	340,401
Total operating expenses	<u>983,945</u>	<u>521,849</u>	<u>337,818</u>	<u>1,388,287</u>	<u>3,231,899</u>
Operating income (loss)	<u>756,480</u>	<u>248,675</u>	<u>(305,378)</u>	<u>438,492</u>	<u>1,138,269</u>
Non-operating revenues (expenses)					
Interest expense	(5,565)	0	0	0	(5,565)
Gain (loss) on sale of capital assets	0	0	688,966	9,915	698,881
Total non-operating revenues (expenses)	<u>(5,565)</u>	<u>0</u>	<u>688,966</u>	<u>9,915</u>	<u>693,316</u>
Net income (loss) before transfers	750,915	248,675	383,588	448,407	1,831,585
Transfers in (out)					
Transfers in	0	328,699	143,700	0	472,399
Change in net position	750,915	577,374	527,288	448,407	2,303,984
Net position, July 1	<u>778,077</u>	<u>3,356,985</u>	<u>5,455,037</u>	<u>277,562</u>	<u>9,867,661</u>
Net position, June 30	<u>\$ 1,528,992</u>	<u>\$ 3,934,359</u>	<u>\$ 5,982,325</u>	<u>\$ 725,969</u>	<u>\$ 12,171,645</u>

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2022

	Solid Waste Management	Environmental Protection	Special Facilities	Golf	Total Nonmajor Enterprise Funds
Cash flows from operating activities:					
Receipts from customers	\$ 1,686,590	\$ 760,049	\$ 18,815	\$ 1,827,637	\$ 4,293,091
Payments to suppliers	(951,882)	(206,896)	(197,012)	(764,359)	(2,120,149)
Payments to employees	0	(192,233)	(4,879)	(539,669)	(736,781)
Other receipts	0	0	0	3,272	3,272
	<u>734,708</u>	<u>360,920</u>	<u>(183,076)</u>	<u>526,881</u>	<u>1,439,433</u>
Net cash provided (used) by operating activities					
Cash flows from non-capital financing activities:					
Receipts from other funds	0	328,699	143,700	1,264,783	1,737,182
Payments to other funds	0	(273,740)	0	0	(273,740)
	<u>0</u>	<u>54,959</u>	<u>143,700</u>	<u>1,264,783</u>	<u>1,463,442</u>
Net cash provided (used) by non-capital financing activities					
Cash flows from capital and related financing activities:					
Payment of capital related accounts payable	0	(148,256)	0	0	(148,256)
Proceeds from sale of capital assets	0	0	1,247,186	9,915	1,257,101
Acquisition of capital assets	(387,318)	(268,353)	0	(87,739)	(743,410)
Interest paid	(5,565)	0	0	0	(5,565)
Proceeds from issuance of notes	502,014	0	0	0	502,014
Principal payments - notes payable	(33,264)	0	0	0	(33,264)
	<u>75,867</u>	<u>(416,609)</u>	<u>1,247,186</u>	<u>(77,824)</u>	<u>828,620</u>
Net cash provided (used) by capital and related financing activities					
Net increase (decrease) in cash and cash equivalents	810,575	(730)	1,207,810	1,713,840	3,731,495
Cash and cash equivalents, July 1	474,071	730	164,908	6,213	645,922
Cash and cash equivalents, June 30	<u><u>\$ 1,284,646</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,372,718</u></u>	<u><u>\$ 1,720,053</u></u>	<u><u>\$ 4,377,417</u></u>

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2022

	<u>Solid Waste Management</u>	<u>Enviromental Protection</u>	<u>Special Facilities</u>	<u>Golf</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 756,480	\$ 248,675	\$ (305,378)	\$ 438,492	\$ 1,138,269
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	27,247	105,292	133,136	74,726	340,401
(Increase) decrease in accounts receivable	(53,835)	(10,475)	0	0	(64,310)
(Increase) decrease in prepaid items	0	0	0	(2,538)	(2,538)
(Increase) decrease in inventories	0	0	0	(11,265)	(11,265)
(Increase) decrease in deferred outflows of resources	0	32,501	0	(32,074)	427
(Increase) decrease in net OPEB asset	0	(901)	0	(9,306)	(10,207)
Increase (decrease) in accounts payable	4,816	9,823	2,623	13,336	30,598
Increase (decrease) in unearned revenue	0	0	(13,625)	4,130	(9,495)
Increase (decrease) in accrued salaries	0	566	168	1,340	2,074
Increase (decrease) in compensated absences payable	0	3,478	0	1,264	4,742
Increase (decrease) in net pension liability	0	(54,246)	0	0	(54,246)
Increase (decrease) in net OPEB liability	0	(6,589)	0	(24,158)	(30,747)
Increase (decrease) in deferred inflows of resources	0	32,796	0	72,934	105,730
Total adjustments	<u>(21,772)</u>	<u>112,245</u>	<u>122,302</u>	<u>88,389</u>	<u>301,164</u>
Net cash provided (used) by operating activities	<u>\$ 734,708</u>	<u>\$ 360,920</u>	<u>\$ (183,076)</u>	<u>\$ 526,881</u>	<u>\$ 1,439,433</u>

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled \$17,157.

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2022

ASSETS	Utility Service	Buildings	Totals
Current assets			
Cash and cash equivalents	\$ 46,155	\$ 0	\$ 46,155
Prepaid items	18,893	0	18,893
Total current assets	65,048	0	65,048
Noncurrent asset			
Net OPEB asset	2,101	0	2,101
Total assets	67,149	0	67,149
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to other post employment benefits	12,292	0	12,292
LIABILITIES			
Current liabilities			
Accounts payable	43,372	0	43,372
Accrued salaries and other payroll liabilities	7,496	0	7,496
Compensated absences	7,671	0	7,671
Total current liabilities	58,539	0	58,539
Noncurrent liabilities			
Compensated absences	852	0	852
Total liabilities	59,391	0	59,391
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to other post employment benefits	20,050	0	20,050
NET POSITION			
Net investment in capital assets	0	0	0
Unrestricted	0	0	0
Total net position	\$ 0	\$ 0	\$ 0

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2022

	<u>Utility Service</u>	<u>Buildings</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for sales and services	\$ 672,511	\$ 585,261	\$ 1,257,772
Total operating revenues	<u>672,511</u>	<u>585,261</u>	<u>1,257,772</u>
OPERATING EXPENSES			
Costs of sales and services	207,972	403,970	611,942
Personal services	463,772	0	463,772
Depreciation	767	181,291	182,058
Total operating expenses	<u>672,511</u>	<u>585,261</u>	<u>1,257,772</u>
Operating income (loss)	0	0	0
Non-operating revenues (expenses)			
Assets transferred to governmental activities	<u>0</u>	<u>(8,304,256)</u>	<u>(8,304,256)</u>
Net income (loss) before transfers	0	(8,304,256)	(8,304,256)
Transfers in (out)			
Transfers out	<u>0</u>	<u>(236,919)</u>	<u>(236,919)</u>
Change in net position	0	(8,541,175)	(8,541,175)
Net position, July 1	<u>0</u>	<u>8,541,175</u>	<u>8,541,175</u>
Net position, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2022

	<u>Utility Service</u>	<u>Buildings</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 672,511	\$ 585,261	\$ 1,257,772
Payments to suppliers	(212,053)	(409,050)	(621,103)
Payments to employees	(469,653)	0	(469,653)
	<u>(9,195)</u>	<u>176,211</u>	<u>167,016</u>
Net cash provided (used) by operating activities			
Cash flows from non-capital financing activities:			
Payments to other funds	(59,300)	(939,575)	(998,875)
	<u>(59,300)</u>	<u>(939,575)</u>	<u>(998,875)</u>
Net increase (decrease) in cash and cash equivalents	(68,495)	(763,364)	(831,859)
Cash and cash equivalents, July 1	114,650	763,364	878,014
	<u>114,650</u>	<u>763,364</u>	<u>878,014</u>
Cash and cash equivalents, June 30	<u>\$ 46,155</u>	<u>\$ 0</u>	<u>\$ 46,155</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 0	\$ 0	\$ 0
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation expense	767	181,291	182,058
(Increase) decrease in deferred outflows of resources	6,005	0	6,005
(Increase) decrease in prepaid items	(10,493)	3,084	(7,409)
(Increase) decrease in net OPEB asset	(2,101)	0	(2,101)
Increase (decrease) in accounts payable	6,412	(8,164)	(1,752)
Increase (decrease) in accrued salaries	2,184	0	2,184
Increase (decrease) in compensated absences payable	721	0	721
Increase (decrease) in net OPEB liability	(19,766)	0	(19,766)
Increase (decrease) in deferred inflows of resources	7,076	0	7,076
	<u>(9,195)</u>	<u>176,211</u>	<u>167,016</u>
Total adjustments			
Net cash provided (used) by operating activities	<u>\$ (9,195)</u>	<u>\$ 176,211</u>	<u>\$ 167,016</u>

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OTHER REPORTING SECTION

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Winder, Georgia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Winder, Georgia's basic financial statements and have issued our report thereon dated April 21, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Winder Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Winder, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Winder, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described below, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies to be material weaknesses:

2022-001

Condition: The City lacks sufficient controls and procedures regarding year-end close to ensure timely and accurate financial reporting. This included material adjustments during the audit process and lack of monthly bank reconciliations performed on a timely basis.

Criteria: Internal controls should be in place to ensure the City can perform timely and accurate year-end close procedures and monthly bank reconciliations for the City to be able to produce its annual financial statements timely.

Effect: Failure to properly design and implement internal controls over year-end close procedures and perform timely bank reconciliations may lead to financial statements that are materially misstated and lead to delays in financial reporting.

2022-001, continued

Cause: Various posting and classification errors and bank reconciliations not being performed in a timely manner led to account balances not agreeing to subsidiary ledgers.

Recommendation: We recommend that the City's Finance Department continue to implement and/or strengthen internal controls over the year-end closeout procedures. We also recommend management reconcile account balances monthly to the subsidiary ledgers to ensure proper and timely recording.

Management Response: Management concurs with this finding. City management has hired finance personnel proficient in the application and implementation of proper internal controls over the year-end close procedures. The Finance Department implemented policies and procedures that will ensure that account balances are reconciled monthly to the subsidiary ledgers. This action was taken immediately upon receipt of the comment from our auditors.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies to be significant deficiencies:

2022-002

Condition: During audit procedures at the Golf Course, we noted a lack of segregation of duties. The same employee is performing the duties of processing cash receipts, recording cash receipts, voiding cash receipts, and taking the deposit to the bank. These duties should be performed by different employees when possible.

Criteria: Proper segregation of duties requires that the duties of taking receipts, recording receipts, voiding receipts, and depositing receipts be performed by different employees.

Effect: Failure to maintain adequate segregation of duties subjects the assets of the City to greater risk of misappropriation.

Cause: The duties of taking receipts, recording receipts, voiding receipts, and depositing receipts are being performed by the same employee.

Recommendation: To ensure that sufficient internal controls are in place, the City should properly segregate duties.

Management Response: Management has provided a copy of this finding to the Golf Course's Department Head. They concur with this finding. Action was taken immediately upon receipt of this comment from our auditors.

2022-003

Condition: While performing audit procedures at the Golf Course, we noted there is a lack of maintenance of appropriate supporting documentation with evidence of proper approval for voided receipts.

Criteria: Proper internal controls require that all voided transactions have appropriate supporting documentation with evidence of approval.

Effect: Failure to maintain proper supporting documentation with evidence of approval subjects the assets of the City to greater risk of misappropriation.

Cause: Management is not maintaining appropriate supporting documentation, including evidence of proper approval, for voided receipts.

2022-003, continued

Recommendation: Supporting documentation with evidence of approval for all voided receipts should be retained by management.

Management Response: Management has provided a copy of this finding to the appropriate Department Head, and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

Report on Compliance and Other Matters

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

City of Winder, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Winder, Georgia's response to the findings identified in our audit and described previously. The City of Winder, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Winder, Georgia's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushon, LLC

Gainesville, Georgia
April 21, 2023

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STATE REPORTING SECTION

This section contains additional reports required by the State of Georgia.

CITY OF WINDER, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2022

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
	2012 SPLOST				
Local Street Projects	\$ 2,451,259	\$ 2,451,259	\$ 2,528,349	\$ 0	\$ 2,528,349
Water and Sewer Infrastructure, Improvements, Facilities and Equipment	4,357,793	4,357,793	2,536,889	5,506	2,542,395
Total	\$ 6,809,052	\$ 6,809,052	\$ 5,065,238	\$ 5,506	\$ 5,070,744

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
	2018 SPLOST				
Roads/Sidewalks/Parking Areas/ Stormwater Projects	\$ 5,004,274	\$ 5,004,274	\$ 2,382,244	\$ 69,735	\$ 2,451,979
Police Department Facilities and Equipment	1,501,282	1,501,282	435,446	20,290	455,736
Fire Department Facilities and Equipment	1,501,282	1,501,282	1,814,693	149,690	1,964,383
Recreation/Parks/Greenspace Projects	1,501,282	1,501,282	2,541,617	20,920	2,562,537
Administrative Facilities and Equipment	500,428	500,428	1,810,271	186,317	1,996,588
Total	\$ 10,008,548	\$ 10,008,548	\$ 8,984,271	\$ 446,952	\$ 9,431,223

Current year expenditures	\$ 446,952
Principal paid on notes payable	619,387
Total expenditures and transfers out of the SPLOST 2018 fund	\$ 1,066,339

* Estimated cost represents the portion of these projects to be financed with Special Purpose Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

CITY OF WINDER, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2022

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2022 SPLOST					
Transportation Improvements	\$ 4,605,960	\$ 4,605,960	\$ 0	\$ 0	\$ 0
Police Department Facilities and Equipment	2,125,828	2,125,828	0	0	0
Fire Department Facilities and Equipment	2,125,828	2,125,828	0	0	0
Recreation/Parks/Cemetery/Greenspace Projects	1,771,523	1,771,523	0	0	0
Stormwater Infrastructure	2,657,285	2,657,285	0	0	0
Administrative Facilities and Equipment	2,657,285	2,657,285	0	124,946	124,946
Sanitation/Solid Waste Facilities and Equipment	1,771,523	1,771,523	0	0	0
Total	\$ 17,715,232	\$ 17,715,232	\$ 0	\$ 124,946	\$ 124,946

* Estimated cost represents the portion of these projects to be financed with Special Purpose Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.



**City of Winder, Georgia
Annual Financial Report
June 30, 2022**