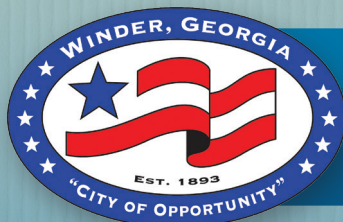


City of Winder

ANNUAL FINANCIAL REPORT / FISCAL YEAR ENDING 6.30.2023



LEADERSHIP

STEWARDSHIP

MOMENTUM

CITY OF WINDER, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2023

This page intentionally left blank.

CITY OF WINDER, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2023

TABLE OF CONTENTS

EXHIBIT		PAGE
	FINANCIAL SECTION	
	Independent Auditor's Report.....	1-3
	Management's Discussion and Analysis.....	4-15
	Basic Financial Statements:	
	Government-wide Financial Statements:	
A-1	Statement of Net Position.....	16-17
A-2	Statement of Activities.....	18
	Fund Financial Statements:	
	Governmental Funds:	
A-3	Balance Sheet.....	19
A-4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	20
A-5	Statement of Revenues, Expenditures and Changes in Fund Balances.....	21
A-6	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	22
A-7	General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual.....	23-24
A-8	ARPA Grant Special Revenue Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual.....	25
	Proprietary Funds:	
A-9	Statement of Net Position.....	26-27
A-10	Statement of Revenues, Expenses, and Changes in Net Position.....	28
A-11	Statement of Cash Flows.....	29-30
	Fiduciary Funds:	
A-12	Municipal Court Custodial Fund - Statement of Fiduciary Net Position.....	31
A-13	Municipal Court Custodial Fund - Statement of Changes in Fiduciary Net Position.....	32
A-14	Notes to the Financial Statements.....	33-78
	Required Supplementary Information:	
B-1	Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios.....	79-80
B-2	Schedule of Pension Contributions.....	81-82
B-3	Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios.....	83-84
B-4	Schedule of OPEB Contributions.....	85-86
B-5	Notes to the Required Supplementary Information.....	87-89
	Combining and Individual Fund Statements and Schedules:	
	Nonmajor Governmental Funds	
C-1	Combining Balance Sheet - Nonmajor Governmental Funds.....	90-91
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	92-93
C-3	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual - Hotel/Motel Tax Special Revenue Fund.....	94
C-4	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual - Police Escrow Special Revenue Fund.....	95

CITY OF WINDER, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2023

TABLE OF CONTENTS

EXHIBIT		PAGE
	FINANCIAL SECTION (continued)	
	Combining and Individual Fund Statements and Schedules (continued)	
C-5	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual - City Festivals Special Revenue Fund.....	96
C-6	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual - Cemetery Special Revenue Fund.....	97
C-7	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual - Library Assessment Special Revenue Fund.....	98
C-8	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual - CDBG Special Revenue Fund.....	99
	Nonmajor Enterprise Funds	
C-9	Combining Statement of Net Position.....	100-101
C-10	Combining Statement of Revenues, Expenditures and Changes in Net Position.....	102
C-11	Combining Statement of Cash Flows.....	103-104
	OTHER REPORTING SECTION	
	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 <i>Government Auditing Standards</i>	105-107
	State Reporting Section	
D-1	Schedule of Projects Financed with Special Purpose Local Option Sales Tax.....	108-109

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, 2023, 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, 2023 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 79 through 89, 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 November 30, 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
November 30, 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 \$166.6 million. Of this amount, \$40.8 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 2023 were approximately \$54.9 million, an increase of \$6 million from FY 2022. The increase is attributable to receipt of \$6.7 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. Additionally, the City implemented a three-facets investment strategy in FY 2023 moving idle cash to investment accounts.

The primary government's total net position increased by \$14.1 million during FY 2023, as revenues of \$63.8 million exceeds expenses of \$49.5 million. Governmental activities contributed \$2.5 million and business-type activities contributed \$11.8 million of the overall increase in net position. Net position was restated in FY 2023 as the result of an error in the calculation of SPLOST payout percentages by Barrow County, which resulted in the overstatement of receivables and net position in FY2022.

At June 30, 2023, the governmental funds reported combined ending fund balances of \$11.8 million, an increase of approximately \$1 million from the prior year. The increase is due in part to interest earnings greater than anticipated as well as capital asset purchases and construction projects that were deferred in part as the result of supply chain delays in the SPLOST Fund. Approximately \$4.2 million or 35.7% 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, 2023, was approximately \$4.2 million, or 25% of total fund expenditures.

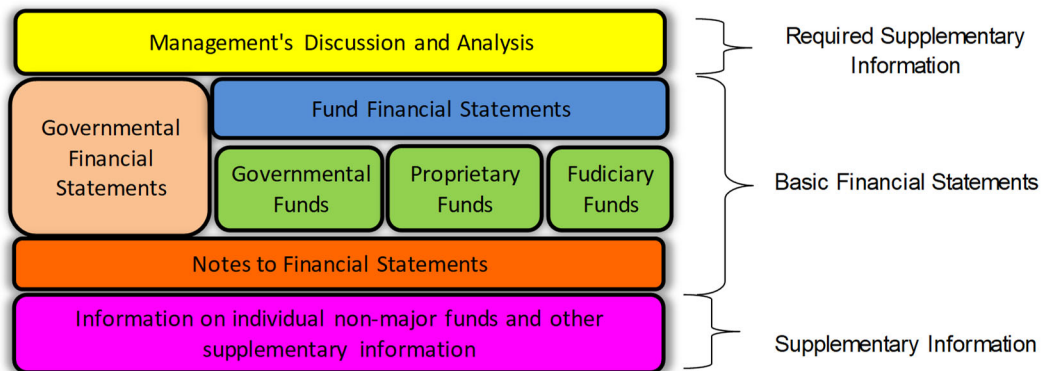
Enterprise (business-type) fund unrestricted net position at June 30, 2023 was \$38.6 million, or 122.7% of total enterprise fund operating expenses.

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 2023, premiums paid by the City were \$2 million, which was an increase of approximately 7% from FY 2022.

The City had approximately \$23.3 million in revenue bonds, notes, and capital leases outstanding at the end of the current fiscal year, which is a decrease of about \$2.1 million from the prior year. The City's net pension liability increased by approximately \$4.2 million over prior year. This increase in net pension liability is primarily attributable to a significant decrease in the net investment income of the plan's fiduciary net position of \$8.2 million or -180.3%.

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 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 three major enterprise funds (Water and Sewer Fund, Environmental Protection Fund, and Gas Fund) and remaining nonmajor enterprise funds which are combined into a column titled "Nonmajor Enterprise Funds".
 - The City has one internal service fund to account for the cost of administration of the solid waste, gas and water utility operations. Costs of the internal service fund are charged to the applicable funds. The internal service fund 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.
- **Other Supplementary Information.** Readers desiring additional information on nonmajor funds can find it in the Combining Statements of Nonmajor Funds and/or the Supplementary Information-Budgetary Comparison sections of this report. Components within this section include:
 - Nonmajor Governmental Funds Statements. Major funds are included within the Basic Financial Statements, whereas nonmajor funds are presented here. These statements include combining balance sheets and statements of revenues, expenditures and changes in fund balances.
 - Budgetary comparison information for nonmajor governmental funds, excluding the Capital Project Funds, and schedules of General Fund revenues and expenditures are presented here.
 - Nonmajor Enterprise Funds Statements. The City has three nonmajor enterprise funds and they 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 \$166.6 million at the close of Fiscal Year 2023.

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 \$40.8 million or 24.5%. 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 \$118.1 million or 70.9%. 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, \$7.7 million or 4.6% represents resources that are subject to external restrictions on how they may be used and debt service.

Statement of Net Position at June 30, 2023 and 2022

	Net Position at Year-End					
	(in thousands of dollars)					
	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Cash and Investments	\$ 17,532	\$ 12,310	\$ 39,741	\$ 38,735	\$ 57,273	\$ 51,045
Current Assets	2,857	2,902	4,337	3,540	7,194	6,442
Capital Assets	28,539	27,686	114,978	105,330	143,517	133,016
Noncurrent Assets	590	557	-	22	590	579
Total Assets	<u>49,518</u>	<u>43,455</u>	<u>159,056</u>	<u>147,627</u>	<u>208,574</u>	<u>191,082</u>
Deferred Outflow s of Resources	2,559	937	1,087	528	3,646	1,465
Current Liabilities	9,135	5,001	6,920	4,957	16,055	9,958
Noncurrent Liabilities	9,675	6,591	18,488	19,548	28,163	26,139
Total Liabilities	<u>18,810</u>	<u>11,592</u>	<u>25,408</u>	<u>24,505</u>	<u>44,218</u>	<u>36,097</u>
Deferred Inflow s of Resources	983	2,829	432	1,125	1,415	3,954
Net Position:						
Net Investment in Capital Assets	24,073	23,336	94,075	84,204	118,148	107,540
Restricted	6,020	6,789	1,665	1,581	7,685	8,370
Unrestricted	2,191	(154)	38,563	36,740	40,754	36,586
Total Net Position	<u>\$ 32,284</u>	<u>\$ 29,971</u>	<u>\$ 134,303</u>	<u>\$ 122,525</u>	<u>\$ 166,587</u>	<u>\$ 152,496</u>

Statement of Activities for the Fiscal Year Ended June 30, 2023 and 2022

Governmental and Proprietary Activities For Fiscal Year Ending June 30, 2023 & 2022 (in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenue						
Charges for Services	\$ 1,658	\$ 947	\$ 42,983	\$ 39,853	\$ 44,641	\$ 40,800
Operating Grants and Contributions	119	358	-	-	119	358
Capital Grants and Contributions	2,665	4,129	1,994	4,101	4,659	8,230
General Revenues						
Taxes	13,178	11,442	-	-	13,178	11,442
Other	1,133	184	26	528	1,159	712
Total Revenues	<u>18,753</u>	<u>17,060</u>	<u>45,003</u>	<u>44,482</u>	<u>63,756</u>	<u>61,542</u>
Expenses (Including Indirect Cost)						
Governmental Activities						
General Government	1,311	910	-	-	1,311	910
Judicial	280	218	-	-	280	218
Public Safety	8,620	8,144	-	-	8,620	8,144
Public Works	4,050	3,319	-	-	4,050	3,319
Recreation	660	274	-	-	660	274
Housing and Development	1,727	1,361	-	-	1,727	1,361
Interest on Long-Term Debt	20	139	-	-	20	139
Business-Type Activities	-	-	32,846	27,267	32,846	27,267
Total Expenses	<u>16,668</u>	<u>14,365</u>	<u>32,846</u>	<u>27,267</u>	<u>49,514</u>	<u>41,632</u>
Excess (Deficiencies) Before Transfers	<u>2,085</u>	<u>2,695</u>	<u>12,157</u>	<u>17,215</u>	<u>14,242</u>	<u>19,910</u>
Prior Period Adjustment	(151)	-	-	-	(151)	-
Transfers	379	1,722	(379)	(1,722)	-	-
Change in Net Position	<u>2,313</u>	<u>4,417</u>	<u>11,778</u>	<u>15,493</u>	<u>14,091</u>	<u>19,910</u>
Beginning Net Position (restated)	<u>29,971</u>	<u>25,554</u>	<u>122,525</u>	<u>107,032</u>	<u>152,496</u>	<u>132,586</u>
Ending Net Position	<u>\$ 32,284</u>	<u>\$ 29,971</u>	<u>\$ 134,303</u>	<u>\$ 122,525</u>	<u>\$ 166,587</u>	<u>\$ 152,496</u>

Governmental Activities

Governmental activities increased the City of Winder's net position by approximately \$2.3 million. The City's transfers into governmental activities from business-type activities decreased by approximately \$1.3 million from FY 2022. Property taxes, sales taxes, and business taxes and other revenue provided 76.3% of the total governmental revenues and covered 85.9% of governmental expenses. Program revenues provided 23.7% of total governmental revenues and exceeded the remaining 14.1% 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.

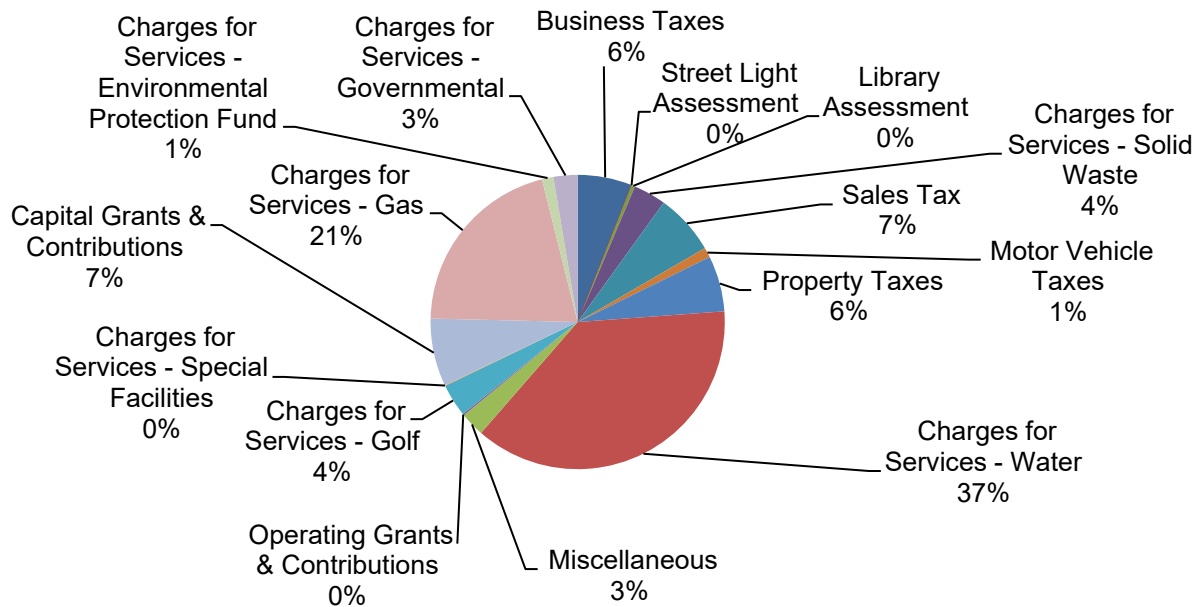
The most significant governmental expense for the City is providing Public Safety services, such as Fire and Police protection, which comprised 51.7% of the total governmental expenses. The second largest cost for the City is Public Works, totaling 24.3% of governmental expenses.

Business-type Activities

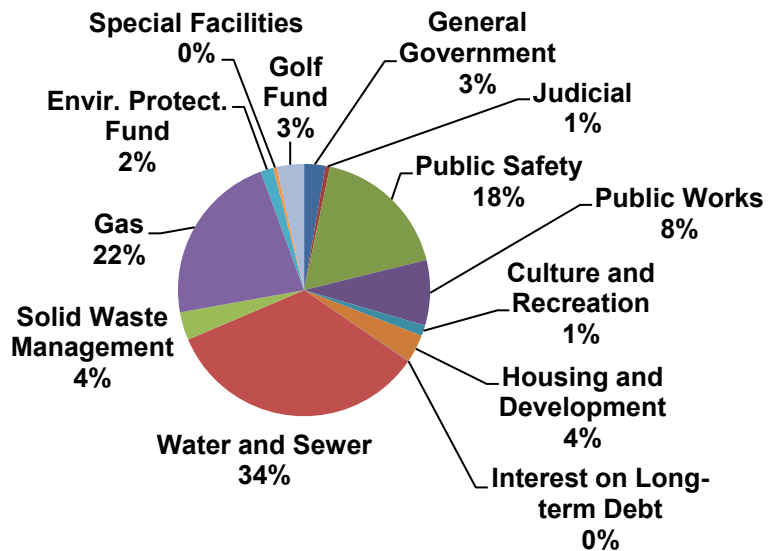
Business-type activities increased the City of Winder's net position by approximately \$11.8 million. The amounts paid by the users of the systems were approximately \$43 million while the cost of all business-type activities was \$32.8 million. Additionally, idle cash earned approximately \$18,000.

- The charges for services in the Water and Sewer Fund increased by approximately \$1.4 million, which was due in part to additional gallons of water consumed by our citizens. Tap-on fees decreased by approximately \$477,000 due to less taps being sold. Water and sewer expenses increased by approximately \$3.4 million. Water and Sewer Fund net position increased \$9.2 million.
- In the Gas Fund, charges for services increased by approximately \$816,000 and tap-on fees decreased by \$22,000. Gas expenses increased by approximately \$1 million due mostly to an increase in the cost of sales and service of \$911,000. Gas Fund net position increased approximately \$2.2 million.
- In the Solid Waste Fund, charges for services increased approximately \$497,000 and expenses increased by approximately \$751,000. Net position increased by approximately \$15,000.
- The Environmental Protection (Stormwater) Fund, revenues increased by approximately \$15,000. Expenses increased by approximately \$277,000. Net position decreased by approximately \$13,000.
- Special Facilities Fund revenues increased by approximately \$6,000 and expenses decreased by approximately \$134,000. The fund reported a decrease in net position of approximately \$156,000, due to expenses exceeding revenues.
- Fiscal year 2023 was the ninth full year of City ownership for the Chimneys Golf Course. Charges for services at the golf course increased by approximately \$411,000 while expenses increased by approximately \$302,000. The Golf Fund's net position increased by \$490,000.

REVENUES BY SOURCE – GOVERNMENT-WIDE ACTIVITY



EXPENSES BY FUNCTION – GOVERNMENT-WIDE ACTIVITY



Financial Analysis of the Government's Funds

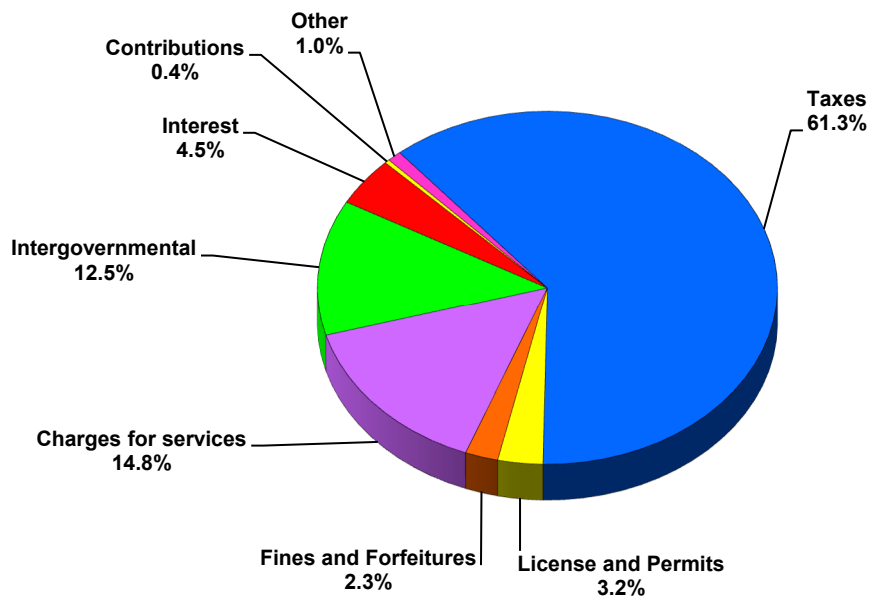
As noted earlier, the City of Winder employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements and financial reporting requirements.

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 2023, the City's governmental funds reported combined ending fund balances of approximately \$11.8 million, an increase of \$838,000. The City reported approximately \$4.2 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 in addition to examining fee and rate structures. 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 were \$0.

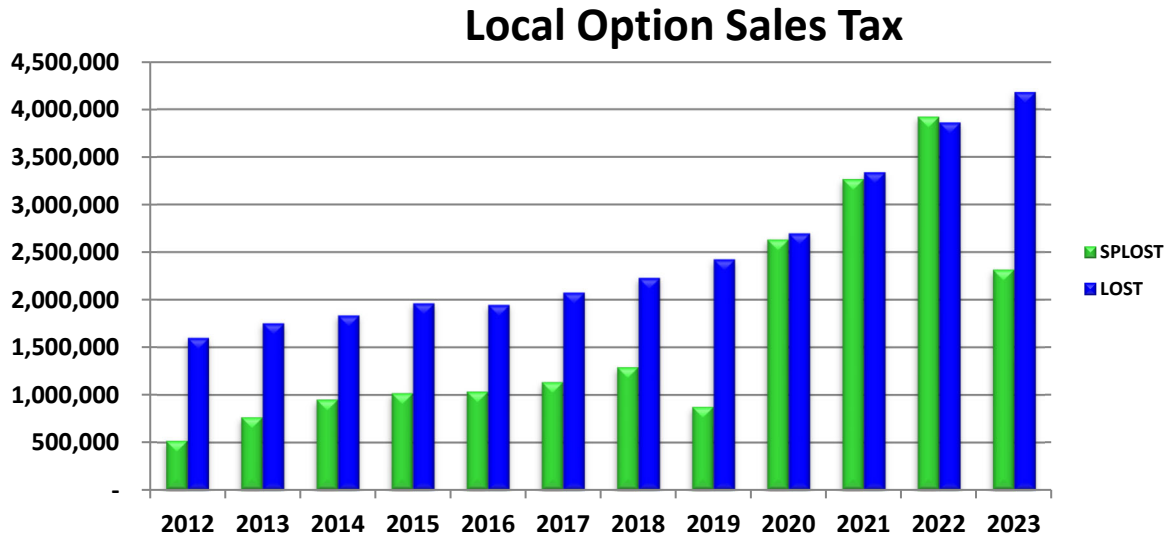
REVENUES BY SOURCE-GOVERNMENTAL FUNDS



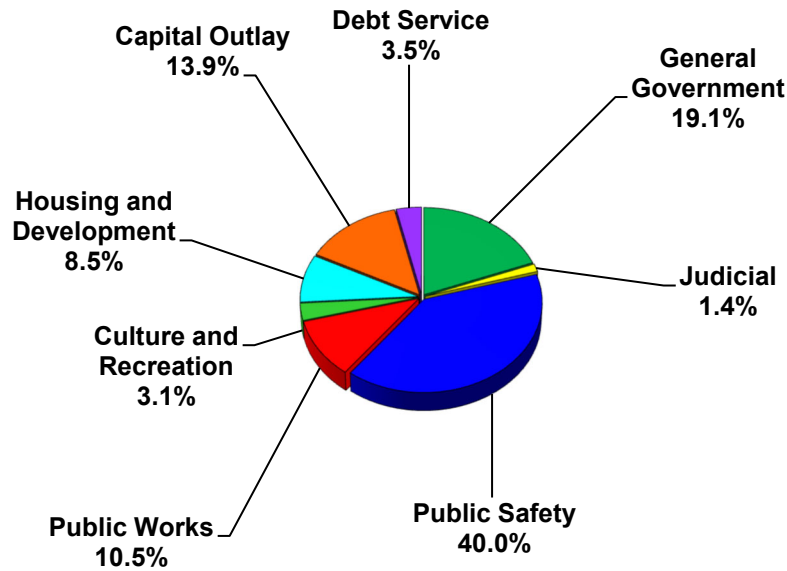
The City's governmental funds operating revenues (excluding indirect cost allocation) increased approximately \$2.2 million over the prior year. Tax collections increased by approximately \$1.7 million or 15.1%. Intergovernmental revenues decreased by approximately \$1.8 million or -40.2%. This decrease is due to the ARPA grant received in fiscal year 2022 that was not received in 2023.

The SPLOST Capital Projects Funds account for the Special Purpose Local Option Sales Taxes received by the City which is authorized by voter referendum. Fiscal year 2023 was the fourth and final year of 2018 SPLOST collections of approximately \$1 million. During FY 2023, the City received 2022 SPLOST collections, totaling \$1.3 million.

Shown here is a graph of sales tax revenues received in the past 12 years:



EXPENDITURES BY FUNCTION-GOVERNMENTAL FUNDS



Expenditures in the governmental funds were \$21.4 million, an increase of approximately \$4.2 million over the prior year. The City recognized approximately \$3 million for capital outlay expenditures and \$758,000 in debt service expenditures. Expenditures of the City General Fund were \$16.9 million, a \$1.6 million increase over the prior year. The increase is primarily attributable to more capital outlay expenditures than in 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 \$3.2 million. Total proprietary funds operating expenses increased by approximately \$5.8 million in FY 2023.

Budgetary Highlights

General Fund operating revenues (excluding indirect cost allocation) were approximately \$84,000 more than budgeted. Tax revenues came in over budget by approximately \$92,000. Combined taxes were over budget primarily due to increases in motor vehicle revenues and excise tax revenues offset in part by a decrease in franchise tax revenues.

General Fund expenditures were \$2 million less than budgeted. Personnel costs were under budget by approximately \$1,575,000, contract services expenditures were under budget by approximately \$115,000, supplies expenditures were approximately \$295,000 under budget, and capital outlay was approximately \$24,000 under budget.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2023, the City has invested \$144 million (net of depreciation) in capital assets reflected in the following table.

Capital Assets At Year-End						
(Net of Depreciation)						
<i>(in thousands of dollars)</i>						
	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,206	\$ 3,206	\$ 6,793	\$ 6,793	\$ 9,999	\$ 9,999
Buildings & Improvements	8,222	8,438	11,022	11,331	19,244	19,769
Plant & System	-	-	76,629	77,584	76,629	77,584
Infrastructure	14,211	14,766	-	-	14,211	14,766
Furniture & Equipment	545	274	1,468	1,374	2,013	1,648
Vehicles	1,865	901	1,206	708	3,071	1,609
Intangibles	5	11	192	-	197	11
Work In Progress	485	90	17,668	7,540	18,153	7,630
	<u>\$ 28,539</u>	<u>\$ 27,686</u>	<u>\$ 114,978</u>	<u>\$ 105,330</u>	<u>\$ 143,517</u>	<u>\$ 133,016</u>

The following table reconciles the change in capital assets.

Change In Capital Assets			
<i>(in thousands of dollars)</i>			
	Governmental Activities	Business-Type Activities	Totals
Beginning Balance	\$ 27,686	\$ 105,330	\$ 133,016
Additions	2,743	13,761	16,504
Reductions	(692)	-	(692)
Depreciation	(1,198)	(4,113)	(5,311)
Ending Balance	<u>\$ 28,539</u>	<u>\$ 114,978</u>	<u>\$ 143,517</u>

Capital asset additions to governmental activities amounted to over \$2.7 million, which included the installation of a fueling station for the City’s fleet, improvements to the Rose Hill Cemetery, and the addition of a new Fire Engine. Depreciation decreased total capital assets by about \$1.2 million.

Business-type additions to capital assets amounted to over \$13.8 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 \$2 million in contributed capital. The Gas Fund continues work on the various relocation and extension projects including the Barrow-Walton-Oconee Extension project. 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 \$23.7 million in debt outstanding compared to \$25.7 million last year. This includes \$3.4 million due within one year. The following table presents a comparison of debts outstanding:

	Totals	
	2023	2022
Governmental:		
Capital Leases	\$ 4,521	\$ 4,557
Compensated Absences	288	216
Sub-total	<u>4,809</u>	<u>4,773</u>
Business-type:		
Capital Leases	\$ 195	\$ 3,864
Notes	11,593	9,010
Water and Sewer Bonds	6,971	7,942
Compensated Absences	121	77
Sub-total	<u>18,880</u>	<u>20,893</u>
Total	<u>\$ 23,689</u>	<u>\$ 25,666</u>

The City issued approximately \$604,000 in financed purchases for the acquisition of equipment. Total debt service for FY 2023 was approximately \$2.4 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 2024 budget was developed and adopted to reflect conservative revenue figures, and the following indicators were considered:

- The City's FY 2023-2024 General Fund Budget increased by approximately \$2.7 million, or 14.4%, from the FY 2022-2023 General Fund Budget; and increased by approximately \$3.1 million, or 17.2%, over the FY 2021-2022 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 the 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 \$50,000, 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 \$1.6 million primarily due to an increase in construction as compared to FY 2023.
- The City of Winder assumes that all capital purchases will be acquired with proceeds from debt or revenues that exceed expenditures.
- In the FY 2023-2024 budget, the City's number of full-time authorized positions increased by 27 and part-time authorized positions increased by 6.
- The City's total cost of personal services is 68.6% of the total operating budget. The FY 2024 budget reflects a 7% increase in insurance and a 4% 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

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

CITY OF WINDER, GEORGIA
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current assets				
Cash and cash equivalents	\$ 16,203,134	\$ 25,746,886	\$ 41,950,020	\$ 13,526
Investments	1,121,309	11,877,872	12,999,181	0
Restricted assets				
Cash and cash equivalents	207,604	2,116,058	2,323,662	0
Receivables (net)				
Accounts	381,343	3,282,597	3,663,940	0
Taxes	630,507	0	630,507	0
Intergovernmental	433,618	0	433,618	0
Leases	51,533	0	51,533	0
Prepaid items	68,049	54,361	122,410	0
Inventories	42,163	2,250,625	2,292,788	0
Internal balances	1,250,212	(1,250,212)	0	0
Total current assets	<u>20,389,472</u>	<u>44,078,187</u>	<u>64,467,659</u>	<u>13,526</u>
Noncurrent assets				
Lease receivable	590,250	0	590,250	0
Capital assets				
Intangible right-of-use assets (net)	0	192,534	192,534	0
Non-depreciable	3,691,054	24,460,888	28,151,942	0
Depreciable (net)	24,847,532	90,324,985	115,172,517	0
Total noncurrent assets	<u>29,128,836</u>	<u>114,978,407</u>	<u>144,107,243</u>	<u>0</u>
Total assets	<u>49,518,308</u>	<u>159,056,594</u>	<u>208,574,902</u>	<u>13,526</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	2,369,284	951,208	3,320,492	0
Deferred outflows related to other post employment benefits	190,077	135,534	325,611	0
Total deferred outflows of resources	<u>2,559,361</u>	<u>1,086,742</u>	<u>3,646,103</u>	<u>0</u>
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,241,122	2,893,667	4,134,789	0
Retainages	0	461,126	461,126	0
Sales tax	0	18,075	18,075	0
Interest	10,193	0	10,193	0
Accrued salaries and payroll liabilities	165,593	117,947	283,540	0
Compensated absences	259,533	108,593	368,126	0
Unearned revenue	6,698,328	533,326	7,231,654	0
Other current liabilities	60,791	3,791	64,582	0
Leases payable	0	54,298	54,298	0
Notes payable	699,826	1,300,032	1,999,858	0
Liabilities payable from restricted assets				
Customer deposits payable	0	427,425	427,425	0
Interest payable	0	23,855	23,855	0
Bonds payable	0	978,000	978,000	0
Total current liabilities	<u>9,135,386</u>	<u>6,920,135</u>	<u>16,055,521</u>	<u>0</u>

CITY OF WINDER, GEORGIA
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Noncurrent liabilities				
Compensated absences	\$ 28,837	\$ 12,066	\$ 40,903	\$ 0
Leases payable	0	141,014	141,014	0
Notes payable	3,820,829	10,293,112	14,113,941	0
Bonds payable	0	5,993,000	5,993,000	0
Net pension liability	5,798,674	2,029,537	7,828,211	0
Net OPEB liability	26,967	19,228	46,195	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total noncurrent liabilities	9,675,307	18,487,957	28,163,264	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	18,810,693	25,408,092	44,218,785	0
	<hr/>	<hr/>	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	0	207,135	207,135	0
Deferred inflows related to leases	618,617	0	618,617	0
Deferred inflows related to pensions	188,004	99,680	287,684	0
Deferred inflows related to other post employment benefits	175,936	125,450	301,386	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	982,557	432,265	1,414,822	0
	<hr/>	<hr/>	<hr/>	<hr/>
NET POSITION				
Net investment in capital assets	24,073,072	94,074,831	118,147,903	0
Restricted for:				
Public Safety	133,494	0	133,494	0
Culture and Recreation	116,014	0	116,014	0
Capital projects	5,771,179	0	5,771,179	0
Debt service	0	1,664,778	1,664,778	0
Unrestricted	2,190,660	38,563,370	40,754,030	13,526
	<hr/>	<hr/>	<hr/>	<hr/>
Total net position	\$ 32,284,419	\$ 134,302,979	\$ 166,587,398	\$ 13,526
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF WINDER, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2023

FUNCTIONS/PROGRAMS	Program Revenues					Net (Expense) Revenue
	Expenses	Indirect Costs	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities						
General Government	\$ 4,230,063	\$ (2,918,900)	\$ 205,083	\$ 0	\$ 133,245	\$ (972,835)
Judicial	279,562	0	0	0	0	(279,562)
Public Safety	8,619,971	0	927,020	61,342	799,469	(6,832,140)
Public Works	4,050,368	0	38,650	0	1,332,448	(2,679,270)
Culture and Recreation	659,560	0	1,260	57,993	399,734	(200,573)
Housing and Development	1,727,230	0	486,067	0	0	(1,241,163)
Interest on long-term debt	20,148	0	0	0	0	(20,148)
Total governmental activities	19,586,902	(2,918,900)	1,658,080	119,335	2,664,896	(12,225,691)
Business-type activities						
Water and Sewer	14,928,906	1,519,300	23,495,173	0	1,993,732	9,040,699
Gas	9,756,498	988,000	12,956,391	0	0	2,211,893
Solid Waste Management	1,573,803	160,800	2,237,629	0	0	503,026
Environmental Protection	724,082	74,300	785,057	0	0	(13,325)
Special Facilities	185,023	19,200	48,021	0	0	(156,202)
Golf	1,532,870	157,300	2,235,000	0	0	544,830
Internal Service	1,225,372	0	1,225,372	0	0	0
Total business-type activities	29,926,554	2,918,900	42,982,643	0	1,993,732	12,130,921
Total primary government	49,513,456	0	44,640,723	119,335	4,658,628	(94,770)
Component Unit						
Downtown Development Authority	50	0	0	0	0	(50)
			Governmental Activities	Business-Type Activities	Total	Component Unit
Change in net position			\$ (12,225,691)	\$ 12,130,921	\$ (94,770)	\$ (50)
General revenues						
Taxes						
Property			3,825,061	0	3,825,061	0
Motor vehicle			690,941	0	690,941	0
Street light assessment			326	0	326	0
Library assessment			250,599	0	250,599	0
Sales			4,177,282	0	4,177,282	0
Franchise			1,018,315	0	1,018,315	0
Occupational			309,841	0	309,841	0
Insurance premium			1,542,572	0	1,542,572	0
Alcoholic beverage			493,750	0	493,750	0
Hotel/Motel			364,882	0	364,882	0
Other			504,876	0	504,876	0
Interest			903,727	17,751	921,478	0
Net increase (decrease) in the fair value of investments			0	974	974	0
Miscellaneous			213,151	0	213,151	0
Gain on disposal of assets			16,028	6,797	22,825	0
Transfers			379,014	(379,014)	0	0
Total general revenues and transfers			14,690,365	(353,492)	14,336,873	0
Change in net position			2,464,674	11,777,429	14,242,103	(50)
Net position - beginning (original)			29,970,631	122,525,550	152,496,181	13,576
Prior period adjustment			(150,886)	0	(150,886)	0
Net position - beginning (restated)			29,819,745	122,525,550	152,345,295	13,576
Net position - ending			\$ 32,284,419	\$ 134,302,979	\$ 166,587,398	\$ 13,526

CITY OF WINDER, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	<u>General</u>	<u>ARPA Grant</u>	<u>SPLOST 2022</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 2,280,801	\$ 6,723,158	\$ 0	\$ 7,199,175	\$ 16,203,134
Investments	1,121,309	0	0	0	1,121,309
Restricted assets					
Cash and cash equivalents	0	0	0	207,604	207,604
Receivables (net)					
Accounts	381,343	0	0	0	381,343
Taxes	588,910	0	0	41,597	630,507
Intergovernmental	44,666	0	299,812	89,140	433,618
Leases	641,783	0	0	0	641,783
Inventories	42,163	0	0	0	42,163
Prepaid items	66,549	0	0	1,500	68,049
Due from other funds	1,419,805	0	0	0	1,419,805
Advances to other funds	1,250,212	0	0	0	1,250,212
Total assets	<u>\$ 7,837,541</u>	<u>\$ 6,723,158</u>	<u>\$ 299,812</u>	<u>\$ 7,539,016</u>	<u>\$ 22,399,527</u>
LIABILITIES					
Accounts payable	\$ 1,044,571	\$ 0	\$ 127,572	\$ 68,979	\$ 1,241,122
Accrued salaries and payroll liabilities	162,896	0	0	2,697	165,593
Unearned revenue	0	6,698,328	0	0	6,698,328
Due to other funds	0	0	1,155,500	264,305	1,419,805
Other liabilities	60,791	0	0	0	60,791
Total liabilities	<u>1,268,258</u>	<u>6,698,328</u>	<u>1,283,072</u>	<u>335,981</u>	<u>9,585,639</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Taxes	109,392	0	0	10,742	120,134
Fines, fees and forfeitures	236,219	0	0	0	236,219
Leases	618,617	0	0	0	618,617
Total deferred inflows of resources	<u>964,228</u>	<u>0</u>	<u>0</u>	<u>10,742</u>	<u>974,970</u>
FUND BALANCES					
Nonspendable:					
Prepaid items	66,549	0	0	1,500	68,049
Advances to other funds	1,250,212	0	0	0	1,250,212
Inventories	42,163	0	0	0	42,163
Leases receivable	23,166	0	0	0	23,166
Restricted	0	24,830	0	7,229,023	7,253,853
Assigned	0	0	0	7,793	7,793
Unassigned	4,222,965	0	(983,260)	(46,023)	3,193,682
Total fund balances	<u>5,605,055</u>	<u>24,830</u>	<u>(983,260)</u>	<u>7,192,293</u>	<u>11,838,918</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,837,541</u>	<u>\$ 6,723,158</u>	<u>\$ 299,812</u>	<u>\$ 7,539,016</u>	<u>\$ 22,399,527</u>

CITY OF WINDER, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2023

Total fund balance - total governmental funds		\$	11,838,918
Some assets are not financial resources and, therefore, are not reported in the funds.			
These are:			
Capital assets, net of accumulated depreciation			28,538,586
Long-term assets (receivables) are not available to pay current period expenditures and; therefore, are unavailable in the funds.			
			356,353
Long-term liabilities are not due and payable in the current period and are not reported in the funds.			
These are:			
Compensated absences	\$	(288,370)	
Interest payable		(10,193)	
Notes payable		(4,520,655)	
Net pension liability		(5,798,674)	
Net OPEB liability		(26,967)	(10,644,859)
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	\$	2,369,284	
Deferred outflows related to other post employment benefits		190,077	
Deferred inflows of resources:			
Deferred inflows related to pensions		(188,004)	
Deferred inflows related to other post employment benefits		(175,936)	2,195,421
Net position of governmental activities		\$	32,284,419

CITY OF WINDER, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2023

	General	ARPA Grant	SPLOST 2022	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	\$ 12,511,326	\$ 0	\$ 0	\$ 610,501	\$ 13,121,827
Licenses and permits	675,545	0	0	0	675,545
Fines, fees and forfeitures	491,515	0	0	1,487	493,002
Charges for services	3,132,304	0	0	39,910	3,172,214
Intergovernmental	43,918	0	1,304,956	1,310,986	2,659,860
Interest	878,897	24,830	4,064	44,888	952,679
Contributions	17,425	0	0	57,992	75,417
Other	209,976	0	0	3,175	213,151
Total revenues	17,960,906	24,830	1,309,020	2,068,939	21,363,695
EXPENDITURES					
Current					
General Government	4,086,974	0	0	0	4,086,974
Judicial	295,024	0	0	0	295,024
Public Safety	8,500,163	0	0	22,111	8,522,274
Public Works	2,191,401	0	0	62,633	2,254,034
Culture and Recreation	193,464	0	0	466,576	660,040
Housing and Development	1,629,827	0	0	193,423	1,823,250
Capital outlay	0	0	2,030,451	942,663	2,973,114
Debt service	0	0	136,883	621,355	758,238
Total expenditures	16,896,853	0	2,167,334	2,308,761	21,372,948
Excess (deficiency) of revenues over (under) expenditures	1,064,053	24,830	(858,314)	(239,822)	(9,253)
Other financing sources (uses)					
Transfers in	542,571	0	0	280,602	823,173
Transfers out	(20,002)	0	0	(424,157)	(444,159)
Proceeds from the sale of capital assets	16,028	0	0	0	16,028
Proceeds from the issuance of debt	0	0	0	603,545	603,545
Total other financing sources (uses)	538,597	0	0	459,990	998,587
Net change in fund balance	1,602,650	24,830	(858,314)	220,168	989,334
Fund balances, July 1 (original)	4,002,405	0	25,940	6,972,125	11,000,470
Prior period adjustment	0	0	(150,886)	0	(150,886)
Fund balances, July 1 (restated)	4,002,405	0	(124,946)	6,972,125	10,849,584
Fund balances, June 30	\$ 5,605,055	\$ 24,830	\$ (983,260)	\$ 7,192,293	\$ 11,838,918

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, 2023

Net change in fund balances - total governmental funds \$ 989,334

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	\$ 2,051,000	
Depreciation	<u>(1,198,456)</u>	852,544

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	\$ (63,586)	
Related accumulated depreciation	<u>63,586</u>	0

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. 292,838

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	\$ 768,456	
Cost of benefits earned net of employee contributions	<u>(476,207)</u>	292,249

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	\$ 67,693	
Cost of benefits earned net of employee contributions	<u>6,742</u>	74,435

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	\$ (299)	
Debt issuance	(603,545)	
Debt repayments	<u>640,060</u>	36,216

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		<u>(72,942)</u>
--------------------------------	--	-----------------

Change in net position for the governmental activities		<u><u>\$ 2,464,674</u></u>
--	--	----------------------------

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, 2023

	Budget		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes				
Property	\$ 2,962,600	\$ 3,770,000	\$ 3,772,459	\$ 2,459
Motor vehicle	400,000	625,000	690,941	65,941
Intangible	225,000	425,000	423,030	(1,970)
Franchise	925,000	1,070,000	1,018,315	(51,685)
Local option	3,100,000	4,177,000	4,177,282	282
Street lighting assessment	0	0	1,290	1,290
Excise	530,000	545,000	575,596	30,596
Occupational	225,000	265,000	309,841	44,841
Insurance premium	1,200,000	1,542,500	1,542,572	72
Total taxes	<u>9,567,600</u>	<u>12,419,500</u>	<u>12,511,326</u>	<u>91,826</u>
Licenses and permits				
Alcohol licenses	110,000	100,000	128,693	28,693
Building permits	300,000	540,000	486,067	(53,933)
Other permits	20,000	32,000	60,785	28,785
Total licenses and permits	<u>430,000</u>	<u>672,000</u>	<u>675,545</u>	<u>3,545</u>
Fines, fees and forfeitures	<u>520,500</u>	<u>370,000</u>	<u>491,515</u>	<u>121,515</u>
Charges for services				
Indirect cost allocation	2,140,100	3,300,600	2,918,900	(381,700)
Other	107,500	95,000	213,404	118,404
Total charges for services	<u>2,247,600</u>	<u>3,395,600</u>	<u>3,132,304</u>	<u>(263,296)</u>
Intergovernmental	<u>0</u>	<u>0</u>	<u>43,918</u>	<u>43,918</u>
Investment	<u>25,000</u>	<u>862,000</u>	<u>878,897</u>	<u>16,897</u>
Contributions	<u>0</u>	<u>0</u>	<u>17,425</u>	<u>17,425</u>
Other				
Rents	90,000	65,000	103,803	38,803
Other	20,000	93,000	106,173	13,173
Total other	<u>110,000</u>	<u>158,000</u>	<u>209,976</u>	<u>51,976</u>
Total revenues	<u>12,900,700</u>	<u>17,877,100</u>	<u>17,960,906</u>	<u>83,806</u>
EXPENDITURES				
Current				
General Government				
Legislative	950,500	474,838	307,787	167,051
General Administration	1,444,600	1,496,207	1,492,517	3,690
Finance	718,600	757,025	756,368	657
Information Technology	567,400	1,057,636	1,003,757	53,879
Human Resources	302,000	297,253	112,124	185,129
General Administrative Fees	16,000	0	0	0
General Building and Plant	0	564,730	414,421	150,309
Total General Government	<u>3,999,100</u>	<u>4,647,689</u>	<u>4,086,974</u>	<u>560,715</u>
Judicial				
Municipal Court	228,800	191,104	181,257	9,847
Probation	106,400	114,087	113,767	320
Total Judicial	<u>335,200</u>	<u>305,191</u>	<u>295,024</u>	<u>10,167</u>
Public Safety				
Police	5,188,700	5,234,718	4,326,451	908,267
Fire	3,880,200	4,175,095	4,173,712	1,383
Total Public Safety	<u>9,068,900</u>	<u>9,409,813</u>	<u>8,500,163</u>	<u>909,650</u>
Public Works	<u>2,626,400</u>	<u>2,184,939</u>	<u>2,191,401</u>	<u>(6,462)</u>

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, 2023

	Budget		Actual	Variance with
	Original	Final		Final Budget
EXPENDITURES				
Culture and Recreation				
Parks	\$ 0	\$ 404,170	\$ 193,464	\$ 210,706
Housing and Development				
Planning and Zoning	1,079,200	1,385,193	1,370,928	14,265
Code Enforcement	249,100	235,583	125,938	109,645
GIS	263,100	327,139	132,961	194,178
Economic Development	287,800	0	0	0
Total Housing and Development	<u>1,879,200</u>	<u>1,947,915</u>	<u>1,629,827</u>	<u>318,088</u>
Debt Service				
Principal	119,900	0	0	0
Interest	15,000	0	0	0
Total Debt Service	<u>134,900</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>18,043,700</u>	<u>18,899,717</u>	<u>16,896,853</u>	<u>2,002,864</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,143,000)</u>	<u>(1,022,617)</u>	<u>1,064,053</u>	<u>2,086,670</u>
Other financing sources (uses)				
Transfers in (out)				
Transfers in	4,443,000	2,983,117	542,571	(2,440,546)
Transfers out	0	(47,000)	(20,002)	26,998
Proceeds from sale of capital assets	700,000	32,000	16,028	(15,972)
Contingency	<u>0</u>	<u>(1,945,500)</u>	<u>0</u>	<u>1,945,500</u>
Total other financing sources (uses)	<u>5,143,000</u>	<u>1,022,617</u>	<u>538,597</u>	<u>(484,020)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	1,602,650	1,602,650
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>4,002,405</u>	<u>4,002,405</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,605,055</u>	<u>\$ 5,605,055</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, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,800,000	\$ 3,350,200	\$ 0	\$ (3,350,200)
Interest	0	0	24,830	24,830
Total revenues	<u>2,800,000</u>	<u>3,350,200</u>	<u>24,830</u>	<u>(3,325,370)</u>
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,800,000</u>	<u>3,350,200</u>	<u>24,830</u>	<u>(3,325,370)</u>
Other financing sources (uses)				
Transfers in (out)				
Transfers out	(2,800,000)	(100,000)	0	100,000
Contingency	0	(3,250,200)	0	3,250,200
Total other financing sources (uses)	<u>(2,800,000)</u>	<u>(3,350,200)</u>	<u>0</u>	<u>3,350,200</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	24,830	24,830
Fund balances, July 1	<u>0</u>	<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>\$ 24,830</u></u>	<u><u>\$ 24,830</u></u>

CITY OF WINDER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-Type Activities				Totals	Utility Service Internal Service Fund
	Water and Sewer	Environmental Protection	Gas	Nonmajor Enterprise Funds		
ASSETS						
Current assets						
Cash and cash equivalents	\$ 17,958,049	0	\$ 3,131,345	\$ 4,657,492	\$ 25,746,886	\$ 0
Investments	10,568,333	0	1,309,539	0	11,877,872	0
Restricted assets						
Cash and cash equivalents	1,977,178	0	138,880	0	2,116,058	0
Accounts receivable (net)	2,384,525	42,839	587,448	267,785	3,282,597	0
Inventories	1,339,294	0	830,113	81,218	2,250,625	0
Prepaid items	13,539	0	19,462	3,391	36,392	17,969
Due from other funds	3,282,522	0	0	0	3,282,522	0
Total current assets	<u>37,523,440</u>	<u>42,839</u>	<u>6,016,787</u>	<u>5,009,886</u>	<u>48,592,952</u>	<u>17,969</u>
Noncurrent assets						
Advances to other funds	400,000	0	0	0	400,000	0
Capital assets						
Intangible right-of-use assets (net)	0	0	0	192,534	192,534	0
Non-depreciable	14,993,399	5,058,490	3,454,995	954,004	24,460,888	0
Depreciable (net)	76,978,107	2,673,534	5,683,929	4,950,524	90,286,094	38,891
Total noncurrent assets	<u>92,371,506</u>	<u>7,732,024</u>	<u>9,138,924</u>	<u>6,097,062</u>	<u>115,339,516</u>	<u>38,891</u>
Total assets	<u>129,894,946</u>	<u>7,774,863</u>	<u>15,155,711</u>	<u>11,106,948</u>	<u>163,932,468</u>	<u>56,860</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	551,058	86,689	177,696	0	815,443	135,765
Deferred outflows related to other post employment benefits	39,668	4,959	19,834	54,544	119,005	16,529
Total deferred outflows of resources	<u>590,726</u>	<u>91,648</u>	<u>197,530</u>	<u>54,544</u>	<u>934,448</u>	<u>152,294</u>
LIABILITIES						
Current liabilities						
Payables						
Accounts	2,017,104	217,951	441,449	202,150	2,878,654	15,013
Retainages	165,164	295,962	0	0	461,126	0
Sales tax	0	0	18,075	0	18,075	0
Accrued salaries and payroll liabilities	73,888	4,048	16,310	21,630	115,876	2,071
Compensated absences	54,075	5,882	25,998	12,271	98,226	10,367
Unearned revenue	474,340	0	26,100	32,886	533,326	0
Other current liabilities	0	0	3,791	0	3,791	0
Due to other funds	0	3,267,651	0	0	3,267,651	14,871
Advances from other funds	0	0	0	1,020,000	1,020,000	0
Leases payable	0	0	0	54,298	54,298	0
Notes payable	1,230,796	0	0	69,236	1,300,032	0
Liabilities payable from restricted assets:						
Interest	23,855	0	0	0	23,855	0
Customer deposits payable	288,545	0	138,880	0	427,425	0
Bonds payable	978,000	0	0	0	978,000	0
Total current liabilities	<u>5,305,767</u>	<u>3,791,494</u>	<u>670,603</u>	<u>1,412,471</u>	<u>11,180,335</u>	<u>42,322</u>

CITY OF WINDER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-Type Activities				Totals	Utility Service Internal Service Fund
	Water and Sewer	Environmental Protection	Gas	Nonmajor Enterprise Funds		
Noncurrent liabilities						
Net pension liability	\$ 1,304,702	144,967	\$ 434,901	\$ 0	\$ 1,884,570	\$ 144,967
Net OPEB liability	5,628	703	2,814	7,738	16,883	2,345
Compensated absences	6,008	654	2,889	1,363	10,914	1,152
Advances from other funds	0	0	0	630,212	630,212	0
Leases payable	0	0	0	141,014	141,014	0
Notes payable	9,961,274	0	0	331,838	10,293,112	0
Bonds payable	5,993,000	0	0	0	5,993,000	0
Total noncurrent liabilities	17,270,612	146,324	440,604	1,112,165	18,969,705	148,464
Total liabilities	22,576,379	3,937,818	1,111,207	2,524,636	30,150,040	190,786
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on refunding	207,135	0	0	0	207,135	0
Deferred inflows related to pensions	27,621	3,069	65,921	0	96,611	3,069
Deferred inflows related to other post employment benefits	36,717	4,590	18,358	50,486	110,151	15,299
Total deferred inflows of resources	271,473	7,659	84,279	50,486	413,897	18,368
NET POSITION						
Net investment in capital assets	72,295,887	7,235,079	9,004,297	5,500,677	94,035,940	38,891
Restricted for debt service	1,664,778	0	0	0	1,664,778	0
Unrestricted	33,677,155	(3,314,045)	5,153,458	3,085,693	38,602,261	(38,891)
Total net position	\$ 107,637,820	\$ 3,921,034	\$ 14,157,755	\$ 8,586,370	\$ 134,302,979	\$ 0

CITY OF WINDER, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

	Business-Type Activities				Totals	Utility Service Internal Service Fund
	Water and Sewer	Environmental Protection	Gas	Nonmajor Enterprise Funds		
OPERATING REVENUES						
Charges for sales and services	\$ 23,249,977	\$ 785,057	\$ 12,920,276	\$ 4,510,946	\$ 41,466,256	\$ 1,225,372
Other	245,196	0	36,115	9,704	291,015	0
Total operating revenues	23,495,173	785,057	12,956,391	4,520,650	41,757,271	1,225,372
OPERATING EXPENSES						
Costs of sales and services	10,682,204	384,127	9,639,131	2,644,366	23,349,828	599,731
Personal services	2,124,906	304,680	862,888	698,522	3,990,996	622,105
Depreciation	3,486,699	109,575	242,479	270,364	4,109,117	3,536
Total operating expenses	16,293,809	798,382	10,744,498	3,613,252	31,449,941	1,225,372
Operating income (loss)	7,201,364	(13,325)	2,211,893	907,398	10,307,330	0
Non-operating revenues (expenses)						
Interest revenue	15,661	0	2,090	0	17,751	0
Interest expense	(154,398)	0	0	(15,743)	(170,141)	0
Net increase (decrease) in the fair value of investments	2,783	0	(1,809)	0	974	0
Gain (loss) on the sale of capital assets	6,797	0	0	0	6,797	0
Total non-operating revenues (expenses)	(129,157)	0	281	(15,743)	(144,619)	0
Net income (loss) before capital contributions and transfers	7,072,207	(13,325)	2,212,174	891,655	10,162,711	0
Capital contributions	1,993,732	0	0	0	1,993,732	0
Net income (loss) before transfers	9,065,939	(13,325)	2,212,174	891,655	12,156,443	0
Transfers in (out)						
Transfers in	163,557	0	0	0	163,557	0
Transfers out	0	0	0	(542,571)	(542,571)	0
Total transfers in (out)	163,557	0	0	(542,571)	(379,014)	0
Change in net position	9,229,496	(13,325)	2,212,174	349,084	11,777,429	0
Net position, July 1	98,408,324	3,934,359	11,945,581	8,237,286	122,525,550	0
Net position, June 30	\$ 107,637,820	\$ 3,921,034	\$ 14,157,755	\$ 8,586,370	\$ 134,302,979	\$ 0

CITY OF WINDER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

	Business-Type Activities				Totals	Utility Service Internal Service Fund
	Water and Sewer	Environmental Protection	Gas	Nonmajor Enterprise Funds		
Cash flows from operating activities:						
Receipts from customers	\$ 23,296,763	\$ 762,518	\$ 13,152,623	\$ 4,473,158	\$ 41,685,062	\$ 0
Receipts from interfund services provided	0	0	0	0	0	1,225,372
Payments to suppliers	(10,811,455)	(379,912)	(10,467,892)	(2,646,453)	(24,305,712)	(627,166)
Payments to employees	(2,113,668)	(299,757)	(896,966)	(699,944)	(4,010,335)	(616,805)
Other receipts	245,196	0	36,115	9,704	291,015	0
Net cash provided (used) by operating activities	<u>10,616,836</u>	<u>82,849</u>	<u>1,823,880</u>	<u>1,136,465</u>	<u>13,660,030</u>	<u>(18,599)</u>
Cash flows from non-capital financing activities:						
Receipts from other funds	20,000	3,267,651	0	0	3,287,651	14,871
Payments to other funds	(3,282,522)	0	0	(617,142)	(3,899,664)	0
Net cash provided (used) by non-capital financing activities	<u>(3,262,522)</u>	<u>3,267,651</u>	<u>0</u>	<u>(617,142)</u>	<u>(612,013)</u>	<u>14,871</u>
Cash flows from capital and related financing activities:						
Receipts from other funds	163,557	0	0	0	163,557	0
Payment of capital related accounts payable	(30,406)	(17,158)	(24,543)	0	(72,107)	0
Proceeds from sale of capital assets	6,797	0	0	0	6,797	0
Acquisition of capital assets	(5,037,345)	(3,333,342)	(1,066,191)	(351,142)	(9,788,020)	(42,427)
Interest paid	(252,682)	0	0	(15,742)	(268,424)	0
Principal payments - bonds	(971,000)	0	0	0	(971,000)	0
Proceeds from issuance of leases	0	0	0	225,406	225,406	0
Principal payments - leases payable	0	0	0	(30,094)	(30,094)	0
Principal payments - notes payable	(1,213,104)	0	0	(67,676)	(1,280,780)	0
Net cash provided (used) by capital and related financing activities	<u>(7,334,183)</u>	<u>(3,350,500)</u>	<u>(1,090,734)</u>	<u>(239,248)</u>	<u>(12,014,665)</u>	<u>(42,427)</u>
Cash flows from investing activities:						
Interest received	15,661	0	2,090	0	17,751	0
Purchases of investments	(8,585,992)	0	(1,311,348)	0	(9,897,340)	0
Net cash provided (used) by investing activities	<u>(8,570,331)</u>	<u>0</u>	<u>(1,309,258)</u>	<u>0</u>	<u>(9,879,589)</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents	(8,550,200)	0	(576,112)	280,075	(8,846,237)	(46,155)
Cash and cash equivalents, July 1	<u>28,485,427</u>	<u>0</u>	<u>3,846,337</u>	<u>4,377,417</u>	<u>36,709,181</u>	<u>46,155</u>
Cash and cash equivalents, June 30	<u><u>\$ 19,935,227</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 3,270,225</u></u>	<u><u>\$ 4,657,492</u></u>	<u><u>\$ 27,862,944</u></u>	<u><u>\$ 0</u></u>

CITY OF WINDER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

	Business-Type Activities				Totals	Utility Service Internal Service Fund
	Water and Sewer	Environmental Protection	Gas	Nonmajor Enterprise Funds		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 7,201,364	(13,325)	\$ 2,211,893	\$ 907,397	\$ 10,307,329	\$ 0
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	3,486,699	109,575	242,479	270,364	4,109,117	3,536
(Increase) decrease in accounts receivable	17,571	(22,539)	217,654	(49,371)	163,315	0
(Increase) decrease in prepaids items	(13,539)	0	(11,103)	(853)	(25,495)	924
(Increase) decrease in inventories	(395,675)	0	(442,073)	(43,595)	(881,343)	0
(Increase) decrease in deferred outflows of resources	(283,827)	(33,121)	(101,969)	(107)	(419,024)	(140,002)
(Increase) decrease in net OPEB asset	6,304	901	3,002	9,306	19,513	2,101
Increase (decrease) in accounts payable	279,963	4,215	(368,621)	42,362	(42,081)	(28,359)
Increase (decrease) in other unearned revenue	0	0	0	11,583	11,583	0
Increase (decrease) in accrued salaries	53,367	1,625	9,381	10,394	74,767	(5,425)
Increase (decrease) in sales tax payable	0	0	(6,964)	0	(6,964)	0
Increase (decrease) in other current liabilities	0	0	2,993	0	2,993	0
Increase (decrease) in net pension liability	654,104	79,761	174,807	0	908,672	144,967
Increase (decrease) in net OPEB liability	5,628	703	2,814	7,738	16,883	2,345
Increase (decrease) in deferred inflows of resources	(450,289)	(46,484)	(126,053)	(38,305)	(661,131)	(1,682)
Increase (decrease) in compensated absences	25,951	1,538	3,940	9,552	40,981	2,996
Increase (decrease) in customer deposits payable	29,215	0	11,700	0	40,915	0
Total adjustments	3,415,472	96,174	(388,013)	229,068	3,352,701	(18,599)
Net cash provided (used) by operating activities	\$ 10,616,836	\$ 82,849	\$ 1,823,880	\$ 1,136,465	\$ 13,660,030	\$ (18,599)
Cash reconciliation:						
Cash and cash equivalents	\$ 17,958,049	\$ 0	\$ 3,131,345	\$ 4,657,492	\$ 25,746,886	\$ 0
Restricted assets						
Cash and cash equivalents	1,977,178	0	138,880	0	2,116,058	0
Total cash and cash equivalents	\$ 19,935,227	\$ 0	\$ 3,270,225	\$ 4,657,492	\$ 27,862,944	\$ 0

Noncash investing, capital, and financing activities:

The net increase (decrease) in the fair value of investments totaled \$974.
Acquisition of capital assets through accounts payable totaled \$1,475,859.
Acquisition of capital assets through retainage payable totaled \$461,126.
Contributions of capital assets from individuals totaled \$1,993,732.

CITY OF WINDER, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

ASSETS

Cash and cash equivalents	\$ 27,166
Accounts receivable (net)	<u>342,588</u>
Total assets	<u>369,754</u>

LIABILITIES

Accounts payable	<u>31,188</u>
------------------	---------------

NET POSITION

Restricted for judicial	<u><u>\$ 338,566</u></u>
-------------------------	--------------------------

CITY OF WINDER, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2023

ADDITIONS	
Fines and forfeitures collected for other governments	\$ 219,489
DEDUCTIONS	
Distributions of fines and forfeitures to other governments	<u>196,345</u>
Change in net position	23,144
Net position, July 1	<u>315,422</u>
Net position, June 30	<u><u>\$ 338,566</u></u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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 accounting 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, 2023

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, 2023

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 2022 Fund – This fund is used to account for long-term projects financed by the passage of the 2022 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.

Environmental Protection Fund – This fund is used to account for the operation and maintenance of the City's stormwater systems and the management of the Fats, Oils, and Grease (FOG) program and Watershed Protection Plan.

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, 2023

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 fund is used to account for utility services provided.

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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 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, 2023

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.

The City has recorded intangible right-to-use assets as a result of implementing GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The assets are initially measured at an amount equal to the initial measurement of the related lease or subscription liability plus any payments made prior to the lease or subscription term, less lease or subscription incentives, and plus ancillary charges necessary to place the lease or subscription into service. The intangible right-to-use assets are amortized on a straight-line basis over the shorter of the estimated useful life of the underlying asset or life of the related lease or subscription.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

2. Summary of Significant Accounting Policies (continued)

N. Capital Assets, continued

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

	Useful Life in Years	Capitalization Threshold
Land	N/A	\$1
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
Intangible Right-to-Use Assets		
Equipment	5 to 10	\$5,000

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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 28 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$11,202,915.

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 2023, based upon the assessments of January 1, 2022, were levied July 29, 2022, billed on September 15, 2022, and due on November 15, 2022. Taxes are billed and collected by Barrow County and remitted to the City.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

5. Accounts Receivable

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

Major Funds		
General	\$ 381,343	
Water & Sewer	2,384,525	
Environmental Protection	42,839	
Gas	<u>587,448</u>	\$ 3,396,155
Nonmajor Funds		
Enterprise		
Solid Waste Management	262,356	
Special Facilities	1,829	
Golf	<u>3,600</u>	<u>267,785</u>
Total primary government		<u>\$ 3,663,940</u>
Municipal Court Custodial Fund		<u>\$ 342,588</u>

6. Intergovernmental Receivables

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

Major Funds		
General	\$ 44,666	
SPLOST 2022	299,812	
Nonmajor Funds		
Governmental		
CDBG	<u>89,140</u>	
Total primary government		<u>\$ 433,618</u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

7. Leases 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 \$16,533 of lease revenue (reported as other revenue on the statement of activities) and \$16,467 of interest revenue under the lease. The outstanding balance at the end of the current year is \$524,860 in the General Fund.

On June 7, 2023, the City entered into a three 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. Under the lease, the tenant pays the City monthly payments of \$3,400. 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 2.856%. During the current fiscal year, the City recognized \$0 of lease revenue (reported as other revenue on the statement of activities) and \$0 of interest revenue under the lease. The outstanding balance at the end of the current year is \$116,923 in the General Fund.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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 2022	\$ 1,155,500
	Nonmajor Governmental	264,305
Water and Sewer	Environmental Protection	3,267,651
	Internal Service	14,871
		<u>\$ 4,702,327</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 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 \$1,250,212.

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 \$400,000.

A summary of interfund transfers is as follows:

<u>Transfer out Fund</u>	<u>Transfer in Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 20,002
	Water and Sewer	163,557
Nonmajor Governmental	Nonmajor Governmental	260,600
	General	542,571
Nonmajor Enterprise		<u>\$ 986,730</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, 2023

9. Capital Assets

Capital asset activity for the governmental activities 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	90,319	1,086,772	(692,471)	484,620
Total non-depreciable assets	<u>3,296,753</u>	<u>1,086,772</u>	<u>(692,471)</u>	<u>3,691,054</u>
Depreciable assets				
Buildings	10,390,204	0	0	10,390,204
Intangibles	27,301	0	0	27,301
Vehicles	5,885,357	1,239,183	(63,586)	7,060,954
Furniture and equipment	4,220,853	417,516	0	4,638,369
Infrastructure	38,466,616	0	0	38,466,616
Total depreciable assets	<u>58,990,331</u>	<u>1,656,699</u>	<u>(63,586)</u>	<u>60,583,444</u>
Accumulated depreciation				
Buildings	(1,952,548)	(216,902)	0	(2,169,450)
Intangibles	(15,622)	(6,370)	0	(21,992)
Vehicles	(4,984,742)	(274,510)	63,586	(5,195,666)
Furniture and equipment	(3,946,981)	(145,846)	0	(4,092,827)
Infrastructure	(23,701,149)	(554,828)	0	(24,255,977)
Total accumulated depreciation	<u>(34,601,042)</u>	<u>(1,198,456)</u>	<u>63,586</u>	<u>(35,735,912)</u>
Total depreciable assets, net	<u>24,389,289</u>	<u>458,243</u>	<u>0</u>	<u>24,847,532</u>
Governmental activities capital assets, net	<u>\$ 27,686,042</u>	<u>\$ 1,545,015</u>	<u>\$ (692,471)</u>	<u>\$ 28,538,586</u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

9. Capital Assets(continued)

Capital asset activity for the business-type activities for the current fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 6,793,673	\$ 0	\$ 0	\$ 6,793,673
Construction in progress	7,539,583	10,127,632	0	17,667,215
Total non-depreciable assets	<u>14,333,256</u>	<u>10,127,632</u>	<u>0</u>	<u>24,460,888</u>
Depreciable/amortizable assets				
Buildings	13,988,268	0	0	13,988,268
Vehicles	2,119,297	725,875	(34,690)	2,810,482
Distribution system	145,845,665	2,363,019	0	148,208,684
Furniture and equipment	4,104,535	319,232	(40,452)	4,383,315
Intangible right-to-use assets				
Equipment	0	225,406	0	225,406
Total depreciable/amortizable assets	<u>166,057,765</u>	<u>3,633,532</u>	<u>(75,142)</u>	<u>169,616,155</u>
Accumulated depreciation/amortization				
Buildings	(2,656,824)	(309,683)	0	(2,966,507)
Vehicles	(1,410,837)	(227,659)	34,690	(1,603,806)
Distribution system	(68,262,682)	(3,317,606)	0	(71,580,288)
Furniture and equipment	(2,730,782)	(224,833)	40,452	(2,915,163)
Intangible right-to-use assets				
Equipment	0	(32,872)	0	(32,872)
Total accumulated depreciation/amortization	<u>(75,061,125)</u>	<u>(4,112,653)</u>	<u>75,142</u>	<u>(79,098,636)</u>
Total depreciable/amortizable assets, net	<u>90,996,640</u>	<u>(479,121)</u>	<u>0</u>	<u>90,517,519</u>
Business-type activities capital assets, net	<u>\$ 105,329,896</u>	<u>\$ 9,648,511</u>	<u>\$ 0</u>	<u>\$ 114,978,407</u>

Depreciation/amortization expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 148,818
Public Safety	300,248
Public Works	742,201
Housing and Development	7,189
Total depreciation expense for governmental activities	<u>\$ 1,198,456</u>

Business-type activities

Water & Sewer	\$ 3,486,699
Gas	242,479
Solid Waste	44,337
Environmental Protection	109,575
Special Facilities	109,238
Golf	116,789
Internal Service	3,536
Total depreciation/amortization expense for business-type activities	<u>\$ 4,112,653</u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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 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 \$6,971,000.

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

Year Ending June 30,	Principal	Interest	Total
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	1,043,000	36,393	1,079,393
2029	1,057,000	20,748	1,077,748
2030	864,000	6,437	870,437
Total	<u>\$ 6,971,000</u>	<u>\$ 350,781</u>	<u>\$ 7,321,781</u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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 \$4,520,655. 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%, \$30,671 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%, \$3,759,257 outstanding.
- \$207,557 equipment financed purchase due in monthly installments of \$9,147 through December 2028, interest at 2.28%, \$165,823 outstanding.
- \$603,545 equipment financed purchase due in monthly installments of \$5,912 through September 2032, interest at 3.3%, \$564,904 outstanding.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 699,826	\$ 121,474	\$ 821,300
2025	684,751	96,147	780,898
2026	703,191	78,708	781,899
2027	722,129	58,770	780,899
2028	741,581	39,318	780,899
2029-2033	969,177	31,747	1,000,924
Total	<u>\$ 4,520,655</u>	<u>\$ 426,164</u>	<u>\$ 4,946,819</u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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 (\$1,099,213 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 (\$7,183,554 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, 2023

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 \$3,310,377. 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%, \$2,909,303 outstanding.
- \$502,014 equipment financed purchase due in monthly installments of \$9,147 through December 2028, interest at 2.28%, \$401,074 outstanding.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,300,032	\$ 141,960	\$ 1,441,992
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	1,068,343	62,800	1,131,143
2029-2033	2,620,202	175,291	2,795,493
2034-2038	2,388,076	68,944	2,457,020
2039	326,464	1,091	327,555
Total	\$ 11,593,144	\$ 756,155	\$ 12,349,299

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

10. Long-Term Debt (continued)

Leases – Business-type Activities

The City entered into an agreement to lease 74 golf carts during the current fiscal year. The lease agreement qualifies as other than short-term leases under GASB Statement No. 87, *Leases* and, therefore have been recorded at the present value of the future minimum lease payments at their inception. The outstanding balance at the end of the current fiscal year is \$195,312, due in monthly installments of \$5,122 through November 2026, interest at 4.2%.

Debt service requirements to maturity for leases are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 54,298	\$ 7,166	\$ 61,464
2025	56,623	4,841	61,464
2026	59,048	2,416	61,464
2027	25,343	267	25,610
Totals	<u>\$ 195,312</u>	<u>\$ 14,690</u>	<u>\$ 210,002</u>

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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	\$ 4,557,170	\$ 603,545	\$ (640,060)	\$ 4,520,655	\$ 699,826
Compensated absences	215,428	365,064	(292,122)	288,370	259,533
Total Governmental Activities	\$ 4,772,598	\$ 968,609	\$ (932,182)	\$ 4,809,025	\$ 959,359
Business-type Activities					
Revenue bonds	\$ 7,942,000	\$ 0	\$ (971,000)	\$ 6,971,000	\$ 978,000
Notes from direct borrowings	12,873,924	0	(1,280,780)	11,593,144	1,300,032
Leases	0	225,406	(30,094)	195,312	54,298
Compensated absences	76,682	194,973	(150,996)	120,659	108,593
Total Business-type Activities	\$ 20,892,606	\$ 420,379	\$ (2,432,870)	\$ 18,880,115	\$ 2,440,923

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 \$20,148 for governmental activities and \$170,141 for business-type activities.

12. Capital Improvement Program

The City of Winder has implemented a capital improvement program which includes upgrades and improvements to existing infrastructure and upgrades to equipment and vehicle fleet. These improvements will be financed through the existing net position of the City. Without formal action by the Mayor and Council, these funds are not available to be used to meet the City's ongoing obligations to its citizens and creditors. This plan is reviewed and adjusted annually based on the economic conditions and changing needs of the City.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

12. Capital Improvement Program (continued)

A summary of the equity balances that the City has committed to this program at the end of the current year is as follows:

Major Funds			
Governmental			
SPLOST 2022	\$ 3,249,000		
Enterprise			
Water & Sewer	20,486,883		
Environmental Protection	768,988		
Gas	<u>3,492,568</u>	\$ 27,997,439	
Nonmajor Governmental Funds		2,742,241	
Nonmajor Enterprise Funds		<u>50,166</u>	
Total primary government		<u>\$ 30,789,846</u>	

13. 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>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Prepaid items	\$ 66,549	\$ 0	\$ 1,500	\$ 68,049
Inventories	42,163	0	0	42,163
Advances to other funds	1,250,212	0	0	1,250,212
Leases receivable	23,166	0	0	23,166
	<u>\$ 1,382,090</u>	<u>\$ 0</u>	<u>\$ 1,500</u>	<u>\$ 1,383,590</u>
Restricted for:				
Law enforcement	\$ 0	\$ 0	\$ 120,144	\$ 120,144
City festivals	0	0	146,836	146,836
Grant specifications	0	24,830	0	24,830
Capital projects	0	0	6,962,043	6,962,043
	<u>\$ 0</u>	<u>\$ 24,830</u>	<u>\$ 7,229,023</u>	<u>\$ 7,253,853</u>
Assigned for:				
Promoting trade and tourism	\$ 0	\$ 0	\$ 7,793	\$ 7,793

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

14. 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	\$ 64,274,498	\$ 194,077,043
Accumulated depreciation/amortization	(35,735,912)	(79,098,636)
Book value	28,538,586	114,978,407
Notes payable	(4,520,655)	(11,593,144)
Bonds payable	0	(6,971,000)
Leases payable	0	(195,312)
Deferred gain on refunding	0	(207,135)
Capital-related accounts payable	(152,463)	(1,475,859)
Retainages payable	0	(461,126)
Unspent debt proceeds	207,604	0
Net investment in capital assets	<u>\$ 24,073,072</u>	<u>\$ 94,074,831</u>

15. 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.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

15. Pension Plan (continued)

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, 2023, the date of the most recent actuarial valuation, the plan consisting of the following:

Retirees and beneficiaries currently receiving benefits	117
Terminated vested participants entitled to but not yet receiving benefits	65
Active participants	<u>55</u>
Total number of participants	<u><u>237</u></u>

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 \$1,037,472 or 30.04% 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.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

15. Pension Plan (continued)

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 \$7,828,211. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. During the current fiscal year, the City recognized pension expense of \$666,900. Net pension liability for governmental activities is liquidated by the General Fund.

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	\$ 0	\$ (165,727)
Changes in participant fund allocation	121,957	(121,957)
Net difference between projected and actual earnings on pension plan investments	2,333,974	0
City contributions subsequent to the measurement date	864,561	0
Totals	\$ 3,320,492	\$ (287,684)

The \$864,561 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			
2024	\$	336,954	
2025		345,530	
2026		425,133	
2027		1,060,630	
Totals	\$	2,168,247	

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

15. Pension Plan (continued)

Actuarial Assumptions. The total pension liability in the January 1, 2023 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%

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, 2023 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.

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

15. Pension Plan (continued)

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, 2022 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%	6.40%
International equity	20%	6.80%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
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, 2023

15. Pension Plan (continued)

Changes in Net Pension Liability

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at September 30, 2021	\$ 26,330,715	\$ 22,687,947	\$ 3,642,768
Changes for the year:			
Service cost	148,061	0	148,061
Interest	1,893,319	0	1,893,319
Differences between expected and actual experience	(331,453)	0	(331,453)
Contributions—employer	0	1,190,175	(1,190,175)
Contributions—employee	0	18,182	(18,182)
Net investment income	0	(3,646,235)	3,646,235
Benefit payments, including refunds of employee contributions	(1,613,304)	(1,613,304)	0
Administrative expense	0	(37,638)	37,638
Net changes	<u>96,623</u>	<u>(4,088,820)</u>	<u>4,185,443</u>
Balances at September 30, 2022	<u>\$ 26,427,338</u>	<u>\$ 18,599,127</u>	<u>\$ 7,828,211</u>

Plan fiduciary net position as a percentage of the total pension liability	70.38%
Covered payroll	\$ 3,114,200
Employer's net pension liability as a percentage of covered payroll	251.37%

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:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.375%	\$ 11,091,956
Current discount rate	7.375%	7,828,211
1% increase	8.375%	5,101,883

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, 2023

15. 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.

16. 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 \$281,950 to the plan based on covered salaries of \$5,314,646. Plan members made voluntary contributions of \$257,777 to the plan. Total payroll was \$9,829,997.

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, 2023

17. 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 \$115,952, or 1.18% 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, 2023

17. 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 \$46,195. The net OPEB liability (asset) was measured as of June 30, 2022, 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, 2022. During the current fiscal year, the City recognized OPEB expense (income) of \$(699)

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, 2022	\$ 1,243,480	\$ 1,297,516	\$ (54,036)
Changes for the year:			
Service cost	36,421	0	36,421
Interest	93,027	0	93,027
Differences between expected and actual experience	(55,224)	0	(55,224)
Changes of assumptions	(4,432)	0	(4,432)
Contributions—employer	0	126,330	(126,330)
Net investment income	0	(154,992)	154,992
Benefit payments, including refunds of employee contributions	(37,713)	(37,713)	0
Administrative expense	0	(1,777)	1,777
Net changes	32,079	(68,152)	100,231
Balances at June 30, 2023	\$ 1,275,559	\$ 1,229,364	\$ 46,195

Plan fiduciary net position as a percentage of the total pension liability	96.38%
Covered payroll	\$ 6,700,859
Employer's net pension liability as a percentage of covered payroll	0.69%

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

17. 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 30,556	\$ (98,579)
Differences between expected and actual experience	106,084	(202,807)
Differences between projected and actual earnings on OPEB plan investments	73,019	0
City contributions subsequent to the measurement date	115,952	0
Totals	\$ 325,611	\$ (301,386)

The \$115,952 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:

Year Ending June 30			
2024	\$	(30,835)	
2025		(28,332)	
2026		(38,815)	
2027		16,200	
2028		(9,945)	
Totals	\$	(91,727)	

CITY OF WINDER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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

Actuarial Assumptions. The total OPEB liability in the June 30, 2022 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, 2022 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, 2023

17. 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, 2022 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%	6.40%
International equity	20%	6.80%
Global fixed income	5%	2.80%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
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%	\$ 165,474
Current discount rate	7.375%	46,195
1% increase	8.375%	(57,534)
<u>Healthcare Cost Trend Rates</u>		<u>Net OPEB Liability</u>
1% decrease		\$ (49,695)
Current discount rate		46,195
1% increase		158,750

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, 2023

18. 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 \$2,000,000 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, 2023

19. 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	\$ 364,883
Disbursements to Chamber of Commerce, Festivals, and other tourism and visitor programs	\$364,883 100% of tax receipts

20. Changes in Beginning Balances

Governmental Activities

SPLOST 2022 Fund

A prior period adjustment has been made to adjust the beginning balance of intergovernmental receivables. This adjustment was made to correct balances due to an error in the calculation of SPLOST payout percentage amounts from Barrow County. This adjustment decreased beginning fund balance by \$150,886.

21. 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, 2023

22. 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

23. 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 total 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 \$3,814,691 pertaining to this project since its inception.

24. Subsequent Events

Subsequent to June 30, 2023, 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, 2023

25. Deficit Fund Balances

At the end of the current fiscal year, the following funds have deficit fund balances due to excess of expenditures over revenues:

Major Funds	
SPLOST 2022	\$ (983,260)
Nonmajor Funds	
Governmental	
Cemetery	(3,981)
Library assessment	<u>(42,042)</u>
Total primary government	<u>\$ (1,029,283)</u>

The City plans to liquid the deficit fund balances through increasing revenues in the subsequent fiscal years.

26. New Accounting Pronouncements

The City implemented GASB Statement No. 91, *Conduit Debt*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after December 15, 2021. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 99, *Omnibus 2022*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

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, 2023
(Unaudited)

	Fiscal Year End			
	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 148,061	\$ 183,625	\$ 155,280	\$ 159,256
Interest	1,893,319	1,860,405	1,703,034	1,671,280
Differences between expected and actual experience	(331,453)	8,409	1,729,167	(965,738)
Changes of assumptions	0	0	0	1,348,241
Benefit payments, including refunds of employee contributions	(1,613,304)	(1,527,868)	(1,436,104)	(1,365,515)
Net change in total pension liability	96,623	524,571	2,151,377	847,524
Total pension liability - beginning	26,330,715	25,806,144	23,654,767	22,807,243
Total pension liability - ending (a)	\$ 26,427,338	\$ 26,330,715	\$ 25,806,144	\$ 23,654,767
Plan fiduciary net position				
Contributions - employer	\$ 1,190,175	\$ 957,499	\$ 996,453	\$ 1,003,136
Contributions - employee	18,182	0	6,685	31,816
Net investment income	(3,646,235)	4,538,463	1,675,230	506,528
Benefit payments, including refunds of employee contributions	(1,613,304)	(1,527,868)	(1,436,104)	(1,365,515)
Administrative expense	(37,638)	(38,595)	(36,925)	(37,164)
Net change in plan fiduciary net position	(4,088,820)	3,929,499	1,205,339	138,801
Plan fiduciary net position - beginning	22,687,947	18,758,448	17,553,109	17,414,308
Plan fiduciary net position - ending (b)	\$ 18,599,127	\$ 22,687,947	\$ 18,758,448	\$ 17,553,109
Net pension liability (asset) - ending : (a) - (b)	\$ 7,828,211	\$ 3,642,768	\$ 7,047,696	\$ 6,101,658
Plan's fiduciary net position as a percentage of the total pension liability	70.38%	86.17%	72.69%	74.21%
Covered payroll	\$ 3,114,200	\$ 3,088,285	\$ 3,661,543	\$ 3,482,985
Net pension liability as a percentage of covered payroll	251.37%	117.95%	192.48%	175.18%

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

Fiscal Year End

	2019	2018	2017	2016	2015
\$	148,204	\$ 173,051	\$ 179,037	\$ 236,833	\$ 328,917
	1,549,264	1,506,920	1,474,422	1,412,604	1,443,234
	350,657	268,580	67,694	463,073	(652,819)
	888,088	402,748	0	0	(240,685)
	<u>(1,275,242)</u>	<u>(1,298,321)</u>	<u>(1,305,321)</u>	<u>(1,324,394)</u>	<u>(1,223,348)</u>
	1,660,971	1,052,978	415,832	788,116	(344,701)
	<u>21,146,272</u>	<u>20,093,294</u>	<u>19,677,462</u>	<u>18,889,346</u>	<u>19,234,047</u>
\$	<u>22,807,243</u>	<u>21,146,272</u>	<u>20,093,294</u>	<u>19,677,462</u>	<u>18,889,346</u>
\$	961,342	\$ 988,953	\$ 1,032,165	\$ 1,228,670	\$ 1,409,342
	12,084	0	26,847	0	59,823
	1,590,479	2,138,768	1,461,014	151,347	1,334,881
	<u>(1,275,242)</u>	<u>(1,298,321)</u>	<u>(1,305,321)</u>	<u>(1,324,394)</u>	<u>(1,223,348)</u>
	<u>(39,142)</u>	<u>(45,297)</u>	<u>(22,393)</u>	<u>(24,301)</u>	<u>(19,349)</u>
	1,249,521	1,784,103	1,192,312	31,322	1,561,349
	<u>16,164,787</u>	<u>14,380,684</u>	<u>13,188,372</u>	<u>13,157,050</u>	<u>11,595,701</u>
\$	<u>17,414,308</u>	<u>16,164,787</u>	<u>14,380,684</u>	<u>13,188,372</u>	<u>13,157,050</u>
\$	<u>5,392,935</u>	<u>4,981,485</u>	<u>5,712,610</u>	<u>6,489,090</u>	<u>5,732,296</u>
	76.35%	76.44%	71.57%	67.02%	69.65%
\$	3,505,675	\$ 3,730,435	\$ 3,845,923	\$ 4,034,416	\$ 4,658,538
	153.83%	133.54%	148.54%	160.84%	123.05%

CITY OF WINDER, GEORGIA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2023
(Unaudited)

	Fiscal Year End			
	2023	2022	2021	2020
Actuarially determined contribution	\$ 1,037,472	\$ 1,104,226	\$ 1,043,562	\$ 1,096,701
Contributions in relation to the actuarially determined contribution	(1,037,472)	(1,192,090)	(956,599)	(1,096,701)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ (87,864)</u>	<u>\$ 86,963</u>	<u>\$ 0</u>
Covered payroll	\$ 3,453,539	\$ 3,401,044	\$ 3,661,543	\$ 3,729,981
Contributions as a percentage of covered payroll	30.04%	32.47%	26.13%	29.40%

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

Fiscal Year End

2019	2018	2017	2016	2015
\$ 970,814	\$ 956,718	\$ 997,298	\$ 1,042,387	\$ 1,292,164
<u>(970,814)</u>	<u>(957,818)</u>	<u>(999,098)</u>	<u>(1,042,387)</u>	<u>(1,469,165)</u>
<u>\$ 0</u>	<u>\$ (1,100)</u>	<u>\$ (1,800)</u>	<u>\$ 0</u>	<u>\$ (177,001)</u>
\$ 3,658,954	\$ 3,844,876	\$ 3,871,009	\$ 3,880,640	\$ 4,188,210
26.53%	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, 2023
(Unaudited)

	Fiscal Year End		
	2023	2022	2021
Total OPEB liability			
Service cost	\$ 36,421	\$ 32,191	\$ 31,482
Interest	93,027	96,830	94,520
Differences between expected and actual experience	(55,224)	(193,639)	(55,386)
Changes in assumptions	(4,432)	45,833	0
Benefit payments, including refunds of member contributions	(37,713)	(36,344)	(43,539)
Net change in total OPEB liability	32,079	(55,129)	27,077
Total OPEB liability - beginning	1,243,480	1,298,609	1,271,532
Total OPEB liability - ending (a)	<u>\$ 1,275,559</u>	<u>\$ 1,243,480</u>	<u>\$ 1,298,609</u>
Plan fiduciary net position			
Contributions - employer	\$ 126,330	\$ 118,144	\$ 125,339
Net investment income	(154,992)	306,749	36,075
Benefit payments, including refunds of member contributions	(37,713)	(36,344)	(43,539)
Administrative expenses	(1,777)	(685)	(2,105)
Other	0	(6,818)	0
Net change in plan fiduciary net position	(68,152)	381,046	115,770
Plan fiduciary net position - beginning	1,297,516	916,470	800,700
Plan fiduciary net position - ending (b)	<u>\$ 1,229,364</u>	<u>\$ 1,297,516</u>	<u>\$ 916,470</u>
Net OPEB liability (asset) - ending : (a) - (b)	<u>\$ 46,195</u>	<u>\$ (54,036)</u>	<u>\$ 382,139</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	96.38%	104.35%	70.57%
Covered employee payroll	\$ 6,700,859	\$ 6,553,407	\$ 7,228,982
Plan net OPEB liability as a percentage of covered employee payroll	0.69%	-0.82%	5.29%

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

Fiscal Year End

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 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
<u>1,142,100</u>	<u>1,047,900</u>	<u>1,041,100</u>
<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, 2023
(Unaudited)

	Fiscal Year End		
	2023	2022	2021
Actuarially determined contribution	\$ 40,402	\$ 36,828	\$ 57,959
Contributions in relation to the actuarially determined contribution	<u>(115,952)</u>	<u>(126,330)</u>	<u>(111,327)</u>
Contribution deficiency (excess)	<u>\$ (75,550)</u>	<u>\$ (89,502)</u>	<u>\$ (53,368)</u>
Covered employee payroll	\$ 9,823,997	\$ 8,201,653	\$ 7,740,746
Contributions as a percentage of covered employee payroll	1.18%	1.54%	1.44%

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>(125,339)</u>	<u>(124,338)</u>	<u>(134,292)</u>
<u>\$ (62,410)</u>	<u>\$ (65,038)</u>	<u>\$ (76,492)</u>
\$ 7,109,257	\$ 6,952,819	\$ 6,950,672
1.76%	1.79%	1.93%

CITY OF WINDER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

Pension Plan

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2023, 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, 2024

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, 2023

Pension Plan (continued)

3. Changes in Benefits

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

4. Changes of Assumptions

There were no changes in assumptions in the last two fiscal years.

OPEB Plan

1. Valuation Date

The actuarially determined contribution rates are determined as of July 1, 2022 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

Inflation = 2.25%

Discount rate = 7.375%

CITY OF WINDER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

OPEB Plan (continued)

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

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

Healthcare trend rates were updated to reflect recent experience.

COMBINING STATEMENTS

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

This page intentionally left blank.

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.

CDBG Fund – This fund is used to account for revenues and expenditures related to the Community Development Block Grant program.

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.

2018 Special Purpose Local Option Sales Tax Fund – This fund is used to account for the expenditures of the 2018 SPLOST.

CITY OF WINDER, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue				
	Hotel/ Motel Tax	Police Escrow	City Festivals	Cemetery	Library Assessment
ASSETS					
Cash and cash equivalents	\$ 5,752	\$ 120,144	\$ 155,097	\$ 186	\$ 0
Restricted Cash and cash equivalents	0	0	0	0	0
Taxes receivable	31,382	0	0	0	10,215
Intergovernmental receivable	0	0	0	0	0
Prepaid items	0	0	1,500	0	0
Total assets	\$ 37,134	\$ 120,144	\$ 156,597	\$ 186	\$ 10,215
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 29,341	\$ 0	\$ 5,564	\$ 4,167	\$ 5,597
Accrued salaries and payroll liabilities	0	0	2,697	0	0
Due to other funds	0	0	0	0	35,918
Total liabilities	29,341	0	8,261	4,167	41,515
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - taxes	0	0	0	0	10,742
Fund balances					
Nonspendable prepaids	0	0	1,500	0	0
Restricted for:					
Public Safety	0	120,144	0	0	0
Culture and Recreation	0	0	146,836	0	0
Capital Outlay	0	0	0	0	0
Assigned for Housing and Development	7,793	0	0	0	0
Unassigned	0	0	0	(3,981)	(42,042)
Total fund balances	7,793	120,144	148,336	(3,981)	(42,042)
Total liabilities, deferred inflows of resources, and fund balances	\$ 37,134	\$ 120,144	\$ 156,597	\$ 186	\$ 10,215

Special Revenue	Capital Projects			Total Nonmajor Governmental Funds
	CDBG	LMIG	SPLOST 2012	
0	\$ 67,504	\$ 1,124,973	\$ 5,725,519	\$ 7,199,175
0	0	0	207,604	207,604
0	0	0	0	41,597
89,140	0	0	0	89,140
0	0	0	0	1,500
<u>89,140</u>	<u>\$ 67,504</u>	<u>\$ 1,124,973</u>	<u>\$ 5,933,123</u>	<u>\$ 7,539,016</u>
24,310	\$ 0	\$ 0	\$ 0	\$ 68,979
0	0	0	0	2,697
64,830	0	163,557	0	264,305
<u>89,140</u>	<u>0</u>	<u>163,557</u>	<u>0</u>	<u>335,981</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,742</u>
0	0	0	0	1,500
0	0	0	0	120,144
0	0	0	0	146,836
0	67,504	961,416	5,933,123	6,962,043
0	0	0	0	7,793
0	0	0	0	(46,023)
<u>0</u>	<u>67,504</u>	<u>961,416</u>	<u>5,933,123</u>	<u>7,192,293</u>
<u>\$ 89,140</u>	<u>\$ 67,504</u>	<u>\$ 1,124,973</u>	<u>\$ 5,933,123</u>	<u>\$ 7,539,016</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, 2023

	Special Revenue				
	Hotel/ Motel Tax	Police Escrow	City Festivals	Cemetery	Library Assessment
REVENUES					
Taxes	\$ 364,883	\$ 0	\$ 0	\$ 0	\$ 245,618
Fines, fees, and forfeitures	0	1,487	0	0	0
Intergovernmental	0	0	0	0	0
Charges for services	0	0	1,260	38,650	0
Contributions	0	0	57,992	0	0
Interest	0	0	0	0	0
Other	0	0	0	0	3,175
Total revenues	364,883	1,487	59,252	38,650	248,793
EXPENDITURES					
Current					
Public Safety	0	22,111	0	0	0
Public Works	0	0	0	62,633	0
Culture and Recreation	0	0	175,741	0	290,835
Housing and Development	104,283	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service	0	0	0	0	0
Total expenditures	104,283	22,111	175,741	62,633	290,835
Excess (deficiency) of revenues over (under) expenditures	260,600	(20,624)	(116,489)	(23,983)	(42,042)
Other financing sources (uses)					
Transfers in	0	0	260,600	20,002	0
Transfers out	(260,600)	0	0	0	0
Proceeds from issuance of debt	0	0	0	0	0
Total other financing sources (uses)	(260,600)	0	260,600	20,002	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(20,624)	144,111	(3,981)	(42,042)
Fund balances, July 1	7,793	140,768	4,225	0	0
Fund balances, June 30	\$ 7,793	\$ 120,144	\$ 148,336	\$ (3,981)	\$ (42,042)

Special Revenue	Capital Projects			Total Nonmajor Governmental Funds
	CDBG	LMIG	SPLOST 2012	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 610,501
0	0	0	0	1,487
89,140	214,841	0	1,007,005	1,310,986
0	0	0	0	39,910
0	0	0	0	57,992
0	0	5,983	38,905	44,888
0	0	0	0	3,175
<u>89,140</u>	<u>214,841</u>	<u>5,983</u>	<u>1,045,910</u>	<u>2,068,939</u>
0	0	0	0	22,111
0	0	0	0	62,633
0	0	0	0	466,576
89,140	0	0	0	193,423
0	265,197	0	677,466	942,663
0	0	0	621,355	621,355
<u>89,140</u>	<u>265,197</u>	<u>0</u>	<u>1,298,821</u>	<u>2,308,761</u>
<u>0</u>	<u>(50,356)</u>	<u>5,983</u>	<u>(252,911)</u>	<u>(239,822)</u>
0	0	0	0	280,602
0	0	(163,557)	0	(424,157)
0	0	0	603,545	603,545
<u>0</u>	<u>0</u>	<u>(163,557)</u>	<u>603,545</u>	<u>459,990</u>
0	(50,356)	(157,574)	350,634	220,168
0	117,860	1,118,990	5,582,489	6,972,125
<u>\$ 0</u>	<u>\$ 67,504</u>	<u>\$ 961,416</u>	<u>\$ 5,933,123</u>	<u>\$ 7,192,293</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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Hotel/motel taxes	\$ 359,050	\$ 364,883	\$ 5,833
EXPENDITURES			
Current			
Housing and Development	106,187	104,283	1,904
Excess (deficiency) of revenues over (under) expenditures	252,863	260,600	7,737
Other financing sources (uses)			
Transfers out	(252,863)	(260,600)	(7,737)
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	<u>\$ 0</u>	<u>\$ 7,793</u>	<u>\$ 7,793</u>

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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 10,000	\$ 1,487	\$ (8,513)
EXPENDITURES			
Current			
Public Safety	28,000	22,111	5,889
Excess (deficiency) of revenues over (under) expenditures	(18,000)	(20,624)	(2,624)
Fund balances, July 1	18,000	140,768	122,768
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 120,144</u>	<u>\$ 120,144</u>

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, 2023

	Final Budget	Actual	Variance
REVENUES			
Charges for services	\$ 0	\$ 1,260	\$ 1,260
Contributions	20,000	57,992	37,992
Total revenues	<u>20,000</u>	<u>59,252</u>	<u>39,252</u>
EXPENDITURES			
Current			
Culture and Recreation	225,158	175,741	49,417
Excess (deficiency) of revenues over (under) expenditures	<u>(205,158)</u>	<u>(116,489)</u>	<u>88,669</u>
Other financing sources (uses)			
Transfers in	269,746	260,600	(9,146)
Contingency	(64,588)	0	64,588
Total other financing sources (uses)	<u>205,158</u>	<u>260,600</u>	<u>55,442</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	144,111	144,111
Fund balances, July 1	<u>0</u>	<u>4,225</u>	<u>4,225</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 148,336</u></u>	<u><u>\$ 148,336</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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 24,000	\$ 38,650	\$ 14,650
EXPENDITURES			
Current			
Public Works	71,000	62,633	8,367
Excess (deficiency) of revenues over (under) expenditures	(47,000)	(23,983)	23,017
Other financing sources (uses)			
Transfers in	47,000	20,002	(26,998)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(3,981)	(3,981)
Fund balances, July 1	0	0	0
Fund balances, June 30	<u>\$ 0</u>	<u>\$ (3,981)</u>	<u>\$ (3,981)</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, 2023

	Final Budget	Actual	Variance
REVENUES			
Taxes	\$ 260,000	\$ 245,618	\$ (14,382)
Other	0	3,175	3,175
	260,000	248,793	(11,207)
EXPENDITURES			
Current			
Culture and Recreation	292,000	290,835	1,165
	(32,000)	(42,042)	(10,042)
Excess (deficiency) of revenues over (under) expenditures			
	32,000	0	(32,000)
Fund balances, July 1			
	\$ 0	\$ (42,042)	\$ (42,042)
Fund balances, June 30	\$ 0	\$ (42,042)	\$ (42,042)

CITY OF WINDER, GEORGIA
CDBG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 2,075,000	\$ 89,140	\$ (1,985,860)
EXPENDITURES			
Current			
Housing and Development	2,075,000	89,140	1,985,860
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Fund balances, July 1	0	0	0
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

This page intentionally left blank.

NONMAJOR ENTERPRISE FUNDS

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

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.

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2023

	<u>Solid Waste Management</u>	<u>Special Facilities</u>	<u>Golf</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,283,715	\$ 1,327,314	\$ 2,046,463	\$ 4,657,492
Accounts receivable (net)	262,356	1,829	3,600	267,785
Prepaid items	0	0	3,391	3,391
Inventories	0	0	81,218	81,218
Total current assets	<u>1,546,071</u>	<u>1,329,143</u>	<u>2,134,672</u>	<u>5,009,886</u>
Noncurrent assets				
Capital assets				
Intangible right-of-use assets (net)	0	0	192,534	192,534
Non-depreciable	0	458,458	495,546	954,004
Depreciable (net)	<u>528,612</u>	<u>4,043,630</u>	<u>378,282</u>	<u>4,950,524</u>
Total noncurrent assets	<u>528,612</u>	<u>4,502,088</u>	<u>1,066,362</u>	<u>6,097,062</u>
Total assets	<u>2,074,683</u>	<u>5,831,231</u>	<u>3,201,034</u>	<u>11,106,948</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to other post employment benefits	<u>0</u>	<u>0</u>	<u>54,544</u>	<u>54,544</u>
LIABILITIES				
Current liabilities				
Accounts payable	126,239	4,741	71,170	202,150
Accrued salaries and payroll liabilities	3,351	367	17,912	21,630
Compensated absences	0	0	12,271	12,271
Unearned revenue	0	0	32,886	32,886
Advances from other funds	0	0	1,020,000	1,020,000
Leases payable	0	0	54,298	54,298
Notes payable	<u>69,236</u>	<u>0</u>	<u>0</u>	<u>69,236</u>
Total current liabilities	<u>198,826</u>	<u>5,108</u>	<u>1,208,537</u>	<u>1,412,471</u>
Noncurrent liabilities				
Advances from other funds	0	0	630,212	630,212
Compensated absences	0	0	1,363	1,363
Leases payable	0	0	141,014	141,014
Note payable	331,838	0	0	331,838
Net OPEB liability	<u>0</u>	<u>0</u>	<u>7,738</u>	<u>7,738</u>
Total noncurrent liabilities	<u>331,838</u>	<u>0</u>	<u>780,327</u>	<u>1,112,165</u>
Total liabilities	<u>530,664</u>	<u>5,108</u>	<u>1,988,864</u>	<u>2,524,636</u>

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2023

	Solid Waste Management	Special Facilities	Golf	Total Nonmajor Enterprise Funds
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to other post employment benefits	\$ 0	\$ 0	\$ 50,486	\$ 50,486
NET POSITION				
Net investment in capital assets	127,537	4,502,089	871,051	5,500,677
Unrestricted	1,416,482	1,324,034	345,177	3,085,693
Total net position	\$ 1,544,019	\$ 5,826,123	\$ 1,216,228	\$ 8,586,370

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2023

	Solid Waste Management	Special Facilities	Golf	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for sales and services	\$ 2,237,629	\$ 38,759	\$ 2,234,558	\$ 4,510,946
Other	0	9,262	442	9,704
Total operating revenues	<u>2,237,629</u>	<u>48,021</u>	<u>2,235,000</u>	<u>4,520,650</u>
OPERATING EXPENSES				
Costs of sales and services	1,652,483	85,663	906,220	2,644,366
Personal services	27,799	9,322	661,401	698,522
Depreciation	44,337	109,238	116,789	270,364
Total operating expenses	<u>1,724,619</u>	<u>204,223</u>	<u>1,684,410</u>	<u>3,613,252</u>
Operating income (loss)	513,010	(156,202)	550,590	907,398
Non-operating revenues (expenses)				
Interest expense	(9,983)	0	(5,760)	(15,743)
Net income (loss) before transfers	503,027	(156,202)	544,830	891,655
Transfers in (out)				
Transfers out	(488,000)	0	(54,571)	(542,571)
Change in net position	15,027	(156,202)	490,259	349,084
Net position, July 1	<u>1,528,992</u>	<u>5,982,325</u>	<u>725,969</u>	<u>8,237,286</u>
Net position, June 30	<u><u>\$ 1,544,019</u></u>	<u><u>\$ 5,826,123</u></u>	<u><u>\$ 1,216,228</u></u>	<u><u>\$ 8,586,370</u></u>

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2023

	Solid Waste Management	Special Facilities	Golf	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from customers	\$ 2,188,258	\$ 38,759	\$ 2,246,141	\$ 4,473,158
Payments to suppliers	(1,599,083)	(84,302)	(963,068)	(2,646,453)
Payments to employees	(24,448)	(9,123)	(666,373)	(699,944)
Other receipts	0	9,262	442	9,704
	<u>564,727</u>	<u>(45,404)</u>	<u>617,142</u>	<u>1,136,465</u>
Net cash provided (used) by operating activities				
Cash flows from non-capital financing activities:				
Payments to other funds	<u>(488,000)</u>	<u>0</u>	<u>(129,142)</u>	<u>(617,142)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	0	0	(351,142)	(351,142)
Interest paid	(9,982)	0	(5,760)	(15,742)
Proceeds from issuance of leases	0	0	225,406	225,406
Principal payments - leases payable	0	0	(30,094)	(30,094)
Principal payments - notes payable	<u>(67,676)</u>	<u>0</u>	<u>0</u>	<u>(67,676)</u>
	<u>(77,658)</u>	<u>0</u>	<u>(161,590)</u>	<u>(239,248)</u>
Net cash provided (used) by capital and related financing activities				
Net increase (decrease) in cash and cash equivalents	(931)	(45,404)	326,410	280,075
Cash and cash equivalents, July 1	<u>1,284,646</u>	<u>1,372,718</u>	<u>1,720,053</u>	<u>4,377,417</u>
Cash and cash equivalents, June 30	<u>\$ 1,283,715</u>	<u>\$ 1,327,314</u>	<u>\$ 2,046,463</u>	<u>\$ 4,657,492</u>

CITY OF WINDER, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2023

	<u>Solid Waste Management</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)	\$ 513,009	\$ (156,202)	\$ 550,590	\$ 907,397
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	44,337	109,238	116,789	270,364
(Increase) decrease in accounts receivable	(49,371)	0	0	(49,371)
(Increase) decrease in prepaid items	0	0	(853)	(853)
(Increase) decrease in inventories	0	0	(43,595)	(43,595)
(Increase) decrease in deferred outflows of resources	0	0	(107)	(107)
(Increase) decrease in net OPEB asset	0	0	9,306	9,306
Increase (decrease) in accounts payable	53,401	1,361	(12,400)	42,362
Increase (decrease) in unearned revenue	0	0	11,583	11,583
Increase (decrease) in accrued salaries	3,351	199	6,844	10,394
Increase (decrease) in compensated absences payable	0	0	9,552	9,552
Increase (decrease) in net OPEB liability	0	0	7,738	7,738
Increase (decrease) in deferred inflows of resources	0	0	(38,305)	(38,305)
Total adjustments	<u>51,718</u>	<u>110,798</u>	<u>66,552</u>	<u>229,068</u>
Net cash provided (used) by operating activities	<u>\$ 564,727</u>	<u>\$ (45,404)</u>	<u>\$ 617,142</u>	<u>\$ 1,136,465</u>

OTHER REPORTING SECTION

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, 2023, 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 November 30, 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be 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 did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 in internal control to be significant deficiencies:

2023-001

Condition: The City lacks sufficient controls and procedures regarding year-end close to ensure timely and accurate financial reporting. This included significant adjustments during the audit process.

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

2023-001, continued

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

Cause: Various posting and classification errors 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.

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 closeout 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 prior to the issuance of this report, but subsequent to the year end closeout procedures and audit preparation.

2023-002

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.

2023-003

Condition: While performing audit procedures at the City, we noted that approved employee pay rates are not maintained in personnel files or on a separately approved master list.

Criteria: Effective internal control requires that proper documentation be maintained for all pay rates.

Effect: Failure to maintain proper documentation of approved pay rates exposes the City's assets to a greater risk of loss due to fraud.

Cause: A record of approved employee pay rates is not maintained in each personnel file or on an approved master list.

2023-003, continued

Recommendation: At a minimum, the City Administrator should approve pay adjustments for all employees to ensure compliance with the Authorized Position Listing approved by Mayor and Council. Updated, approved rates should be maintained in each employee's personnel file or on an approved master list.

Management Response: Management concurs 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.

Rushton, LLC

Gainesville, Georgia
November 30, 2023

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, 2023

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	2,542,395	163,557	2,705,952
Total	\$ 6,809,052	\$ 6,809,052	\$ 5,070,744	\$ 163,557	\$ 5,234,301

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	\$ 2,451,979	\$ 61,828	\$ 2,513,807
Police Department Facilities and Equipment	1,501,282	1,501,282	455,736	0	455,736
Fire Department Facilities and Equipment	1,501,282	1,501,282	1,964,383	612,401	2,576,784
Recreation/Parks/Greenspace Projects	1,501,282	1,501,282	2,562,537	33,179	2,595,716
Administrative Facilities and Equipment	500,428	500,428	1,996,588	68,387	2,064,975
Total	\$ 10,008,548	\$ 10,008,548	\$ 9,431,223	\$ 775,795	\$ 10,207,018

Current year expenditures	\$ 775,795
Principal paid on notes payable	523,026
Total expenditures and transfers out of the SPLOST 2018 fund	\$ 1,298,821

* 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, 2023

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2022 SPLOST					
Transportation Improvements	\$ 4,605,960	\$ 4,605,960	\$ 0	\$ 696,220	\$ 696,220
Police Department Facilities and Equipment	2,125,828	2,125,828	0	89,663	89,663
Fire Department Facilities and Equipment	2,125,828	2,125,828	0	116,024	116,024
Recreation/Parks/Cemetery/Greenspace Projects	1,771,523	1,771,523	0	84,131	84,131
Stormwater Infrastructure	2,657,285	2,657,285	0	335,616	335,616
Administrative Facilities and Equipment	2,657,285	2,657,285	124,946	728,646	853,592
Sanitation/Solid Waste Facilities and Equipment	1,771,523	1,771,523	0	0	0
Total	\$ 17,715,232	\$ 17,715,232	\$ 124,946	\$ 2,050,300	\$ 2,175,246

Current year expenditures	\$ 2,050,300
Principal paid on notes payable	117,034
Total expenditures and transfers out of the SPLOST 2022 fund	\$ 2,167,334

* 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, 2023**