WINDER, GEORGIA 2015

Annual Financial Report
City of Winder
Fiscal Year Ending June 30, 2015



◄◄ City Hall & Winder Police Department



◄◄ Winder Fire Department

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CITY OF WINDER, GEORGIA

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CITY OF WINDER, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of Winder, Georgia as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of Winder, Georgia as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matter of Emphasis

As discussed in Note 22 to the financial statements, in 2015, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68,* as of July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, the schedule of changes in the net pension liability and related rations on page 72, schedule of contributions on page 73, the schedule of funding progress on page 74, and the notes to the requires supplementary information on pages 75 – 76 to 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.

Other 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 nonmajor fund financial statements and schedules, budgetary comparison schedules, and the schedules of projects constructed with special sales tax proceeds, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, the schedules of projects constructed with special sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 nonmajor fund financial statements and schedules, the budgetary comparison schedules, the schedules of projects constructed with special sales tax proceeds are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2016, on our consideration of the City of Winder, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Winder, Georgia's internal control over financial reporting and compliance.

Macon, Georgia
July 13, 2016

MANAGEMENT'S DISCUSSION & ANALYSIS

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

Financial Highlights

The assets 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 fiscal year by $79.0 million. Of this amount, $15.6 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. **For 2015, the City has implemented the new reporting requirements of GASB Statement 68, which includes recording the City's net pension liability and related items. As a result of this implementation, beginning net position was restated to reflect a reduction of $7.9 million.**

The City's cash and cash equivalents at the end of FY 2015 were $19.0 million, an increase of $3 million from FY 2014.

The primary government's total net position increased by $4.9 million during FY 2015, as revenues of $35.9 million exceed expenses of $0.9 million. Governmental activities contributed $2.3 million and business-type activities contributed $2.6 million of the overall increase in net position.

At June 30, 2015, the governmental funds reported combined ending fund balances of $4 million, a decrease of almost $200,000 from the prior year. Approximately $300,000, or approximately 7.5% of the ending fund balance, is available for spending at the government's discretion (unassigned fund balance). The decrease is primarily due to the increase in public works expenditures for land and infrastructure repairs and maintenance.

General Fund unassigned fund balance at June 30, 2015, was approximately $293,000, or 2% of total fund expenditures.

Enterprise (business-type) fund unrestricted net position for the FY 2015 was $18.2 million, or 72% of total enterprise fund expenses.

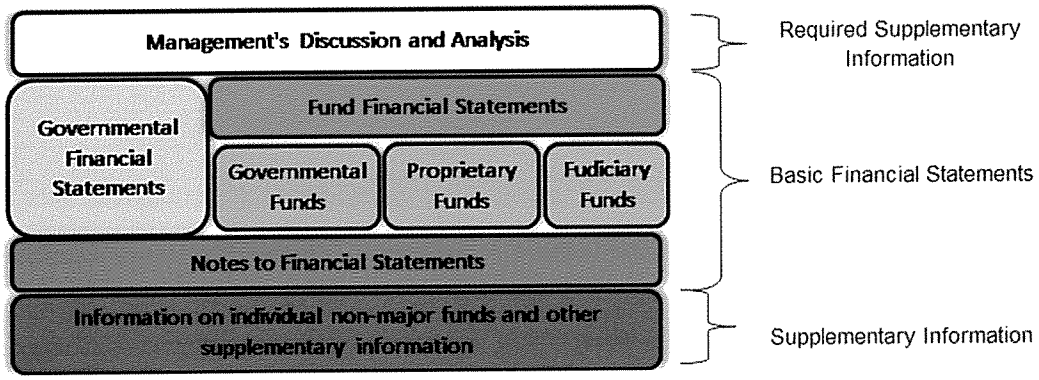
The City pays 80% of health insurance for the City of Winder's fulltime employees. In FY 2015, the health insurance premiums paid by the City were $1.4 million which was an increase of approximately $100,000 over FY 2014.

The City had approximately $22.5 million in revenue bonds, notes, and capital leases at the end of June 30, 2015, which is a decrease of about $500,000 from the prior year. The City also had an increase of approximately $5.7 million in net pension liability due to GASB Statement 68.

During FY 2015, the City closed the participation of its Defined Benefit Retirement Plan to all employees who were initially employed on or after October 1, 2013. All new employees will participate in the City's Defined Contribution Plan. Due to this change, the City's total net pension liability decreased by approximately $1.9 million as of June 30, 2015.

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 fund is presented in its own column and the seven remaining funds are combined into a column titled "Nonmajor Governmental Funds." Statements for the City's proprietary funds follow the governmental funds and include net position, revenues, expenses and changes in net position, and cash flows. There are two major enterprise funds (Water and Sewer Fund and Gas Fund) and four nonmajor enterprise funds which are combined into a column titled "Nonmajor Enterprise Funds".

- The City had two internal service funds to account for the cost of administration of the solid waste, gas and water utility operations, and City buildings. Costs of the internal service funds are charged to the applicable funds. The combined internal service funds' net position, revenues, expenses, and changes in net position are presented in the proprietary fund statements.

- *Fiduciary funds*. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

- The *Notes to the Basic Financial Statements* provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

- **Required Supplementary Information.** Presents the General Fund's budget to actual comparison schedule and the notes to the required supplementary information. The General Fund is the City's only major governmental fund.

- **Other Supplementary Information.** Readers desiring additional information on nonmajor funds can find it in the Combining Statements of Nonmajor Funds and/or the Supplementary Information-Budgetary Comparison sections of this report. Components within this section include:

  - Nonmajor Governmental Funds Statements. Major funds are included within the Basic Financial Statements, whereas nonmajor funds are presented here. These statements include combining balance sheets and statements of revenues, expenditures and changes in fund balances.

  - Budgetary comparison information for nonmajor governmental funds, excluding the Capital Project Funds, are presented here.

  - Agency Funds Changes in Assets and Liabilities represents the activities of the City of Winder's Municipal Court and Downtown Improvement Funds.

  - Nonmajor Proprietary Funds Statements. The City has six nonmajor proprietary funds, four of which are enterprise funds and are presented in the combining statements of net position, revenues, expenses, and changes in net position, and cash flows.

  - Internal Service Funds Statements. The City has two internal service funds that are presented in the combining statements of net position, revenues, expenses, and changes in net position, and cash flows.

  - Special Purpose Local Option Sales Tax reports complete the Financial Section of this report.

- **Report by Independent Certified Public Accountant.** Supplemental communication on the City's compliance, internal controls, and other matters.

Government-Wide Financial Analysis

The government-wide statements report information about the City of Winder as a whole using accounting methods similar to those used by private sector companies. Net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Winder, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $79.0 million at the close of Fiscal Year 2015.

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 $15.6 million or 19.8%. 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 $61.1 million or 77.4%. 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, $2.2 million or 2.8% represents resources that are subject to external restrictions on how they may be used and debt service.

Statement of Net Position at June 30, 2015 and 2014

Net Position at Year-End
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
Cash and Investments	$ 2.0	$ 2.0	$ 17.2	$ 14.1	$ 19.2	$ 16.1
Other Current Assets	1.8	1.9	2.2	6.5	4.0	8.4
Other Non-Current Assets	-	-	2.7	-	2.7	-
Capital Assets	12.6	11.8	70.9	72.0	83.5	83.8
Total Assets	16.4	15.7	93.0	92.6	109.4	108.3
Deferred Outflow of Resources	0.7	0.7	0.5	0.5	1.2	1.2
Deferred Charge on Refunding of Bonds						
Current Liabilities	0.7	0.8	1.3	3.6	2.0	4.4
Other Liabilities	0.3	-	2.4	3.4	2.7	3.4
Long-Term Debt Outstanding	4.5	6.1	21.4	20.3	25.9	26.4
Total Liabilities	5.5	6.9	25.1	27.3	30.6	34.2
Deferred Inflow of Resources	0.7	0.9	0.3	0.4	1.0	1.3
Net Position:						
Net Investment in Capital Assets	12.0	11.2	49.1	49.9	61.1	61.1
Restricted	1.5	1.5	0.7	2.6	2.2	4.1
Unrestricted	(2.6)	(4.1)	18.3	12.9	15.7	8.8
Total Net Position	$ 10.9	$ 8.6	$ 68.1	$ 65.4	$ 79.0	$ 74.0

Statement of Activities for the Fiscal Year Ended June 30, 2015 and 2014

	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenue						
Charges for Services	$ 0.8	$ 1.1	$ 27.6	$ 27.2	$ 28.4	$ 28.3
Operatins Grants and Contributions	1.3	-	-	-	1.3	-
Capital Grants and Contributions	0.1	1.0	-	-	0.1	1.0
General Revenues						
Taxes	5.8	5.4	-	-	5.8	5.4
Other	0.2	0.1	0.2	0.1	0.4	0.2
Total Revenues	8.2	7.6	27.8	27.3	36.0	34.9
Expenses (Including Indirect Cost)						
Governmental Activities						
General Government	0.2	6.0	-	-	0.2	5.9
Judicial	0.2	0.3	-	-	0.2	0.3
Public Safety	6.0	6.7	-	-	6.0	6.7
Public Works	4.4	2.9	-	-	4.4	2.9
Recreation	-	0.1	-	-	-	0.1
Housing and Development	(0.1)	0.1	-	-	(0.1)	0.1
Business-Type Activities	-	-	20.3	23.5	20.4	23.6
Total Expenses	10.7	16.1	20.3	23.5	31.1	39.6
Excess (Deficiencies) Before Transfers	**(2.5)**	**(8.5)**	**7.5**	**3.8**	**4.9**	**(4.7)**
Transfers	4.8	3.6	(4.8)	(3.6)	-	-
Change in Net Position	2.3	(4.9)	2.7	0.2	4.9	(4.7)
Beginning Net Position - Restated	8.6	13.5	65.4	65.2	74.0	78.7
Ending Net Position	**$ 10.9**	**$ 8.6**	**$ 68.1**	**$ 65.4**	**$ 78.9**	**$ 74.0**

Governmental Activities

Governmental activities increased the City of Winder's net position by $2,300,000. The City's transfers into governmental funds from business-type funds increased by $1.1 million from FY 2014 due to an increase in Public Works expenditures for infrastructure improvements and a land purchase. A comparison of the prior year income and expenses before transfers to the FY 2015 income and expenses before transfers reveals a slight decrease in the net loss. Fire District taxes, sales taxes, business taxes, and other taxes provided 70.7% of the total governmental revenues and covered 54.2% of governmental expenses. Program revenues provided 26.8% of total governmental revenues and covered 20.6% of governmental expenses. Transfers from other funds covered the other 25.2% of governmental expenses. The City's revenues from governmental activities are impacted by the general economy and local businesses.

The most significant governmental expense for the City is providing Public Safety services, such as Fire and Police protection, which comprised 56.1% of the total governmental expenses. Revenues collected from a variety of sources offset public safety expenses, with the largest being the Fire District Tax. The second largest cost for the City is Public Works, totaling $4.4 million, or 41.1% of governmental expenses.

Business-type Activities

Business-type activities increased the City of Winder's net position by approximately $2.6 million. The amounts paid by the users of the systems were approximately $27.6 million while the cost of all business-type activities was $20.4 million. Additionally, idle cash earned approximately $156,000.

- The charges for services in the Water Fund increased by $1.4 million, which was due to partially to a sewer rate increase in March 2014, additional gallons of water consumed by our citizens, and additional taps sold. Water expenses remained relatively stable.

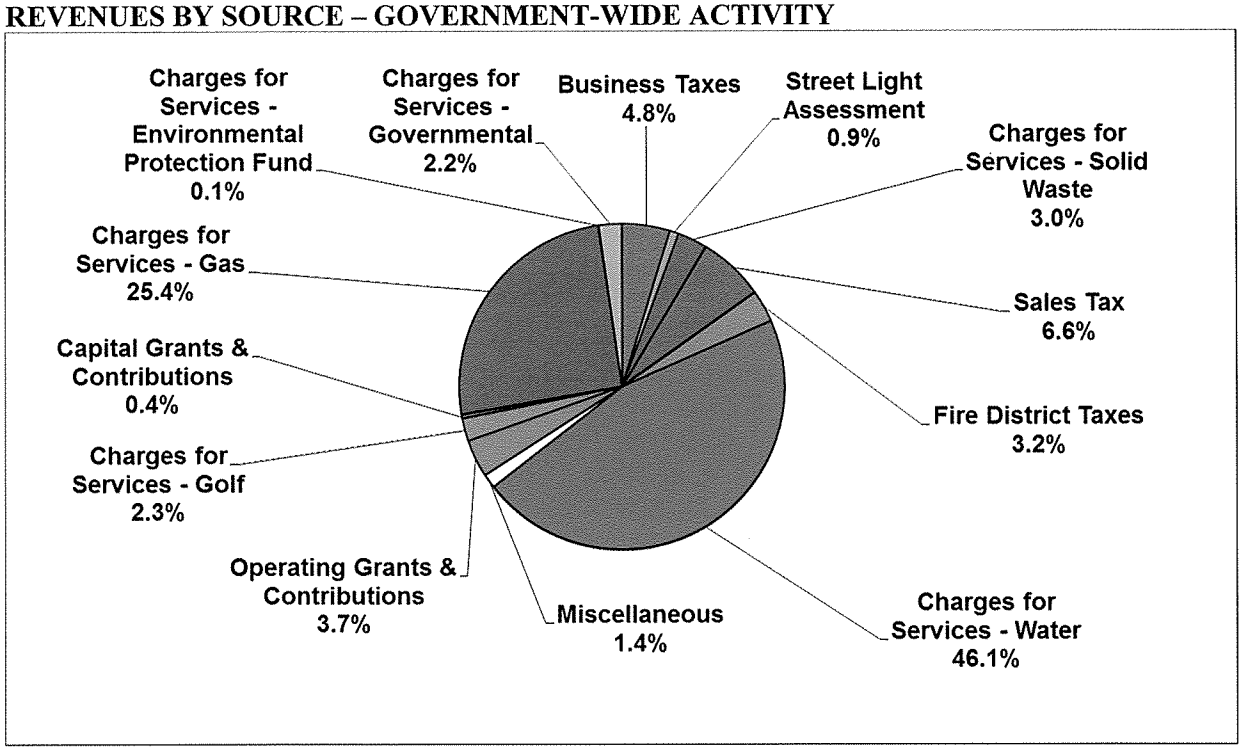
- In the Gas Fund charges for services decreased by approximate $1.3 million while expenses decreased by approximately $1 million. These decreases are due to the reduction in the cost of natural gas. Even with these reductions, the result was a net income of approximately $459,000 after transfers.

- The Environmental Protection Fund remained unfunded; however, after transfers, produced a net increase of approximately $687,000.

- Fiscal year 2015 was the first full year of City ownership for the Chimneys Golf Course. The Golf Fund's net position increased by approximately $77,000 after transfers of approximately $65,000.

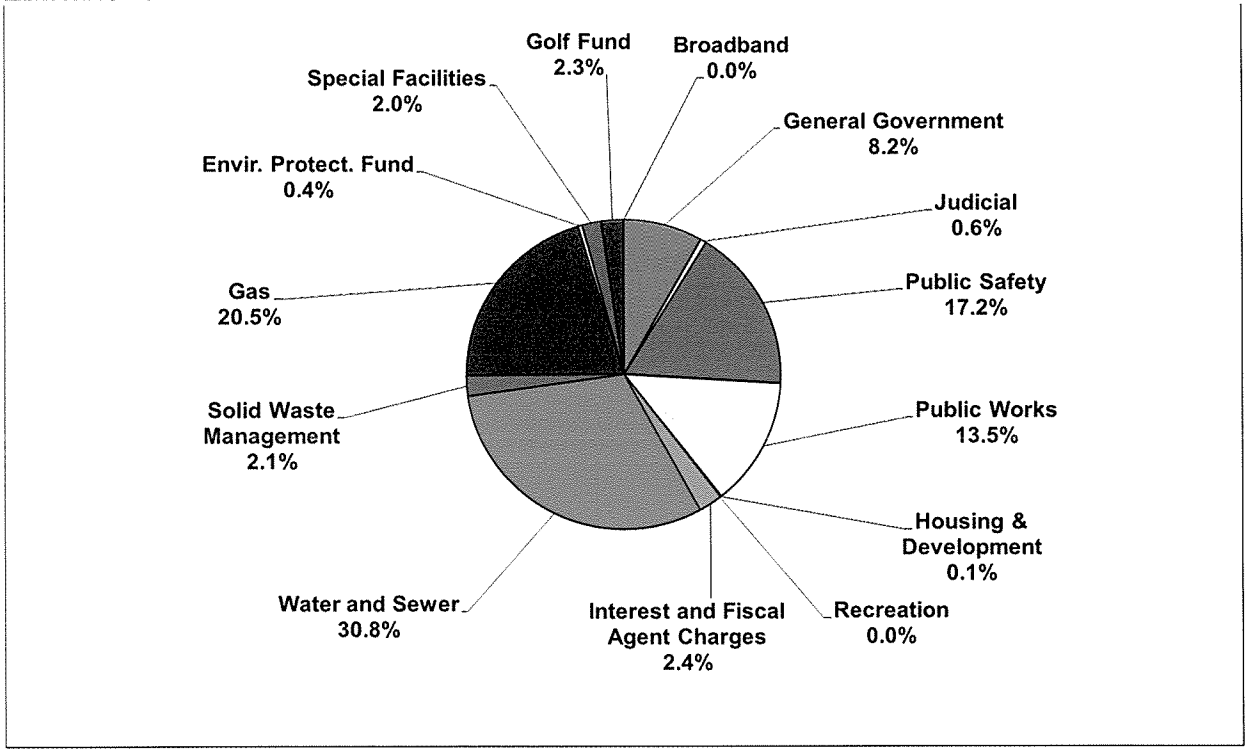
- Solid Waste Fund revenues & expenses remained relatively the same, however the transfer to the Governmental Funds increased by approximately $201,000 compared to FY 2014.

REVENUES BY SOURCE – GOVERNMENT-WIDE ACTIVITY



Note: Graph may not equal 100% due to rounding

EXPENSES BY FUNCTION – GOVERNMENT-WIDE ACTIVITY



Note: Graph may not equal 100% due to rounding

Financial Analysis of the Government's Funds

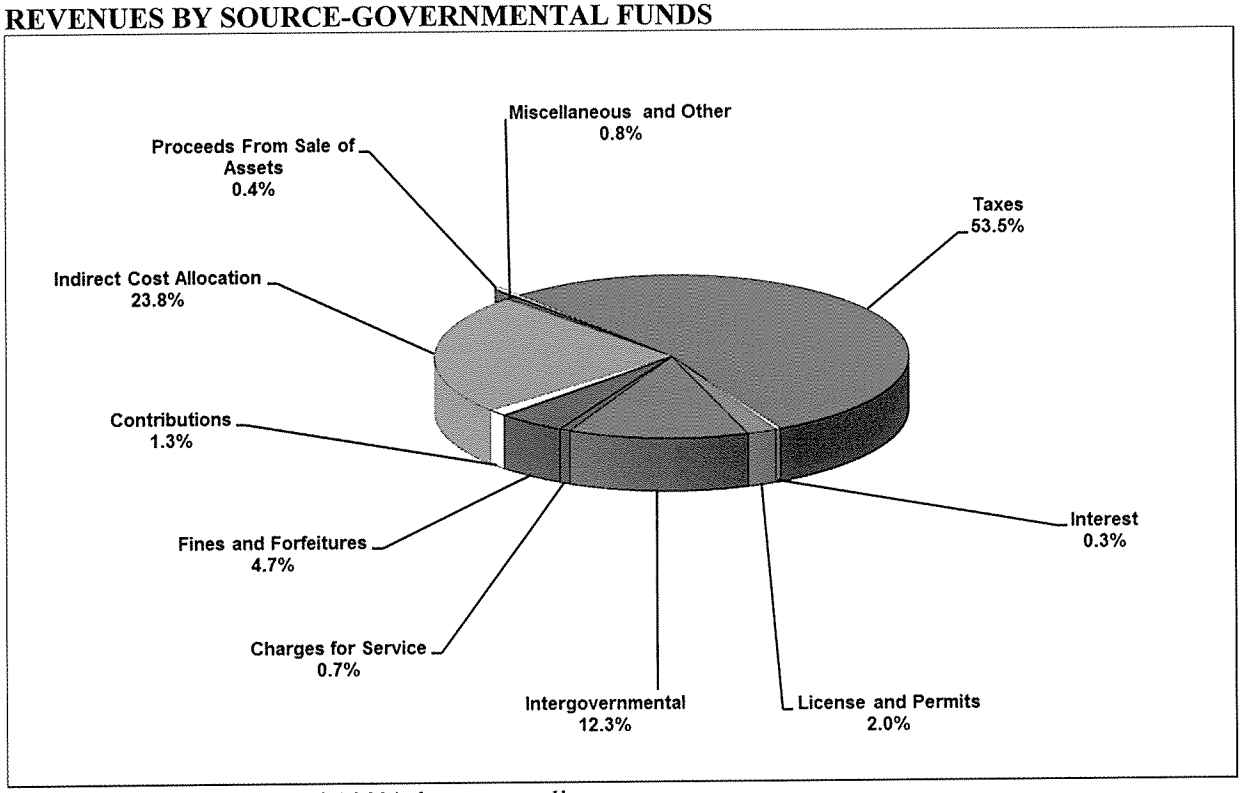
As noted earlier, the City of Winder employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements and financial reporting requirements.

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

As of the end of FY 2015, the City's governmental funds reported combined ending fund balances of approximately $4 million, a decrease of $100,000. The City reported $293,000 in unassigned fund balance. The City reported $2 million in nonspendable fund balance. This amount is mainly attributable to the General Fund loaning money, through an advance, to the Environmental Protection Fund and the Buildings Fund. The City believes that those funds will repay the General Fund within the next 10 to 20 years. The remainder of fund balance is restricted or committed to indicate that it is not available for new spending because it has already been obligated for other restricted purposes.

As in previous years, the City of Winder levied no property tax (except for fire services) to finance current operations. Therefore, the City's General Fund relied on transfers from the proprietary funds (or business-type activities) to supplement the governmental activities of the City, such as public safety and public works. The transfers from the combined public utility enterprise funds were $4.8 million.

REVENUES BY SOURCE-GOVERNMENTAL FUNDS

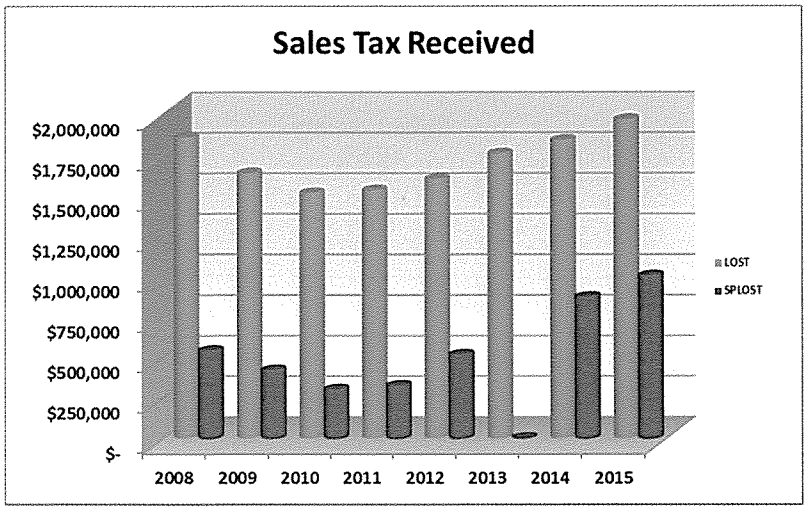


Note: Graph may not equal 100% due to rounding

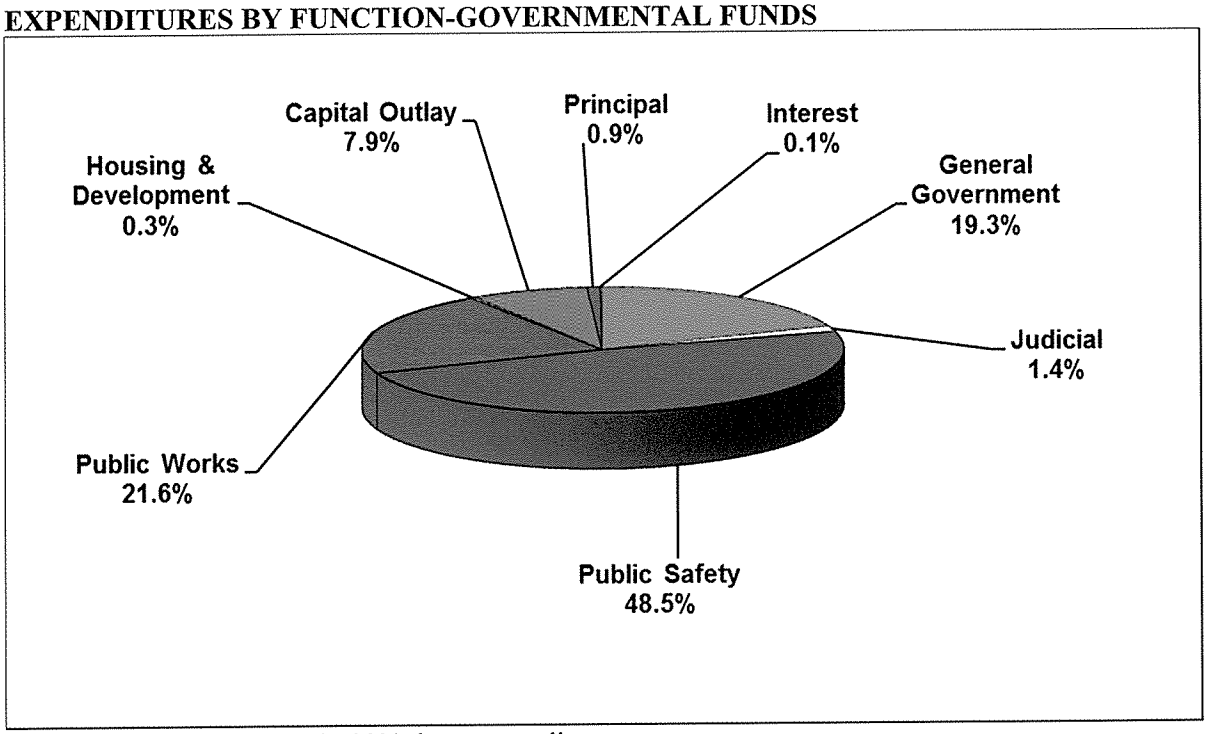
The City's governmental funds operating revenues (excluding indirect cost allocation) were down by $379,000 from the prior year which was primarily due to an increase in taxes received, grants received (LMIG), and insurance premium taxes, and the reclassification of motor vehicle tax in FY 2015. The fire tax collections decreased by approximately 33%; however, the City's Local Option Sales Tax yielded $128,000 more than the prior year. Fines and forfeitures decreased by 34%, while building permits increased by 57% in FY 2015 going from $66,000 in 2014 to $104,000 in FY 2015.

The Capital Projects Fund accounts for the Special Purpose Local Option Sales Taxes received by the City which is authorized by voter referendum. The City received $146,000 more in SPLOST proceeds than in FY 2014.

Shown here is a graph of sales tax revenues received in the past 7 years:



EXPENDITURES BY FUNCTION-GOVERNMENTAL FUNDS



Note: Graph may not equal 100% due to rounding

Expenditures in the governmental funds were $15.3 million, a 15% increase from the prior year. The City recognized $1.2 million for capital outlay expenditures. Operating expenditures of the City governmental funds were $14.2 million, a 19% increase over the prior year.

Proprietary Funds The City's proprietary funds provide the same type of information found in the government-wide financial statements, however in more detail. Overall revenues were up by $422,000, of which water revenues that were up by $1.4 million due to an increase in sewer rates (implemented March 2014), and an increase in consumption used by the customers; however, gas revenues were down by $1.3 million dollars due to the reduced cost of natural gas. Total expenses of the proprietary funds decreased by more than $630,000 in FY 2015 over the prior year.

Budgetary Highlights

General Fund revenues were $81,000 more than budgeted. Fines and forfeitures came in $165,000 below budget. Combined taxes were $554,000 over budget primarily due to increase in sales taxes, insurance premium taxes, and occupation taxes. Investment earnings were more than budgeted by 91%, while contributions, license and permits, charges for services, intergovernmental, and miscellaneous revenues were over budget by almost $250,000.

General Fund expenditures were $307,000 less than budgeted. Personnel costs were under budget by $449,000, Purchased Services were under budget by $76,000, supplies expenditures were $392,000 under budget, and capital outlay was $528,000 over budget which was primarily due to a land purchase at the intersection of East Broad and North Broad streets to enable Georgia Department of Transportation to re-align that intersection.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2015, the City has invested $83.6 million (net of depreciation) in capital assets reflected in the following table:

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

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	$ 1.7	$ 1.1	$ 6.1	$ 6.1	$ 7.8	$ 7.2
Buildings & Improvements	2.1	1.9	3.5	3.6	5.6	5.5
Plant & System	-	-	59.3	61.4	59.3	61.4
Infrastructure	6.3	5.6	-	-	6.3	5.6
Furniture & Equipment	0.8	0.6	0.5	0.5	1.3	1.1
Vehicles	1.3	1.2	0.2	0.1	1.5	1.3
Work In Progress	0.4	1.4	1.4	0.3	1.8	1.7
	$ 12.6	$ 11.8	$ 71.0	$ 72.0	$ 83.6	$ 83.8

The following table reconciles the change in capital assets:

Change in Capital Assets
(in millions of dollars)

	Governmental Activities	Business-Type Activities	Totals
Beginning Balance	$ 11.8	$ 72.0	$ 83.8
Additions	1.9	2.0	3.9
Reductions	(0.2)	-	(0.2)
Depreciation	(0.9)	(3.0)	(3.9)
Ending Balance	$ 12.6	$ 71.0	$ 83.6

Capital asset additions to governmental activities amounted to over $1.9 million, which included an all-terrain vehicle and eight new fully-equipped vehicles for the Police Department along with new police software that enables the department to interact more efficiently with the E911 center and the Barrow County Sheriff's Office; three mowers, and a Bobcat trackloader for the Public Works Department; and the land purchase previously mentioned. Depreciation decreased total capital assets by $900,000.

Business-type additions to capital assets amounted to $2 million. The Water Fund purchased two new trucks, SCADA equipment for the Marburg Sewer Treatment Plant, and completed water and sewer line improvements. The Gas Fund purchased two new trucks and installed new gas lines. The Environmental

Protection Fund continued work on storm water projects. The Special Facilities Fund installed additional fencing at Jug Tavern Park. The Golf Fund purchased a new mower.

Depreciation decreased business-type capital assets by $3.0 million.

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

Debt Outstanding

As of year-end, the City had $28.3 million in debt outstanding compared to $23.1 million last year. This included $2.3 million due within one year. The following table presents a comparison of debts outstanding:

Debt Outstanding At Year End

(in millions of dollars)

	Totals	
	2015	2014
Governmental:		
Capital Leases	$ 0.7	$ 0.7
Net Pension Liability	4.0	-
Compensated Absences	0.1	0.1
Sub-total	4.8	0.8
Business-type:		
Notes	$ 3.0	$ 1.6
Water and Sewer Bonds	18.8	20.7
Net Pension Liability	1.7	-
Sub-total	23.5	22.3
Total	$ 28.3	$ 23.1

The overall increase in debt is primarily due to the implementation of GASB 68 which added $5.7 million to outstanding debt. During FY 2014 the City's Water Fund entered into an agreement with GEFA to finance the City's fixed network for a $3,000,000 loan. The City received $1,500,124 in draws. The project is not complete so an amortization schedule has not been created.

The City's payments throughout the year decreased existing debt.

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

Economic Factors

Funding for the operations of the City comes primarily from: sales taxes, fines and forfeitures, licensing and permitting activities, and utility profits. The City is experiencing increased growth and seeing definite signs of recovery from the recession, however, the City continues to remain 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 2016 budget was developed and adopted to reflect conservative revenue figures, and the following indicators were taken into account:

- The City's FY 2015-2016 operating budget increased by $1.4 million, or 4.3%, over the FY 2014-2015 operating budget; and increased by $5 million, or 17%, over the FY 2013-2014 operating budget.
- The Gas Fund has the largest decrease in budgeted expenses due to the decrease in the forecasted cost of natural gas based on past trends. The expected decrease is approximately 13.8% over the FY 2015 budget. The cost of natural gas for FY 2015 was $1.1 million less than budgeted.
- The City's total cost of personal services is approximately 31.7% of the total operating budget. The FY 2016 budget reflects a 5% increase in insurance costs and 3% possible merit raise for the employees.
- The City will fund the Winder Library with $150,000 which is the same as was funded in FY 2015.
- The Winder Downtown Development Authority will receive $30,000 in funding from the City of Winder. This is a decrease of $20,000 from the FY 2015 budget.
- The City of Winder assumes that all capital purchases will be acquired with proceeds from debt or revenues that exceed expenditures.

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

Financial Contact

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

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

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BASIC FINANCIAL STATEMENTS

CITY OF WINDER, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 1,876,573	$ 14,052,167	$15,928,740	$ 4,140
Taxes Receivable - Net	79,236	-	79,236	-
Accounts Receivable	252,069	2,657,600	2,909,669	-
Intergovernmental Receivable	387,024	168,351	555,375	-
Internal Balances	1,094,961	(1,094,961)	-	-
Supply Inventory	-	414,785	414,785	-
Prepaid Items	102,382	109,181	211,563	-
Restricted Assets:				
Restricted Cash	107,278	438,225	545,503	-
Cash - Bond Sinking Accounts	-	2,663,002	2,663,002	-
Non-Current Assets:				
Nondepreciable Assets	2,035,701	7,476,781	9,512,482	589,771
Depreciable Assets	10,524,858	63,415,687	73,940,545	197,933
OPEB Asset	19,164	8,736	27,900	-
Other Assets:				
Intergovernmental Receivable	-	2,659,147	2,659,147	-
Total Other Assets	-	2,659,147	2,659,147	-
Total Non-current Assets	12,579,723	73,560,351	86,140,074	787,704
Total Assets	16,479,246	92,968,701	109,447,947	791,844
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pensions	693,172	275,951	969,123	-
Deferred Charge on Refunding of Bonds	-	182,576	182,576	-
Total Deferred Outflows of Resources	693,172	458,527	1,151,699	-

The accompanying notes are an integral part of these financial statements.

CITY OF WINDER, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2015
(CONTINUED)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
LIABILITIES				
Accounts Payable	689,015	1,083,882	1,772,897	1,017
Accrued Interest	-	58,795	58,795	-
Unearned Revenue	1,100	-	1,100	-
Liabilities Payable From Restricted Assets:				
Revenues Bonds Payable - Net, Cur Portion	-	1,908,949	1,908,949	-
Customer Deposits	-	506,503	506,503	-
Noncurrent Liabilities:				
Due Within One Year				
Compensated Absences	103,734	30,227	133,961	-
Leases and Notes Payable	100,655	119,743	220,398	-
Due In More Than One Year				
Leases, Notes and Bonds Payable	509,625	19,732,001	20,241,626	-
Net Pension Liability	4,105,125	1,627,171	5,732,296	-
Total Liabilities	5,509,254	25,067,271	30,576,525	1,017
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pensions	724,716	287,364	1,012,080	-
Total Deferred Inflows of Resources	724,716	287,364	1,012,080	-
NET POSITION				
Net Investment in Capital Assets	11,950,279	49,131,775	61,082,054	787,704
Restricted For:				
Law Enforcement	15,525	-	15,525	-
Debt Service	-	687,920	687,920	-
Capital Outlay	1,575,340	-	1,575,340	-
Unrestricted	(2,602,696)	18,252,898	15,650,202	3,123
Total Net Position	$ 10,938,448	$ 68,072,593	$79,011,041	$ 790,827

The accompanying notes are an integral part of these financial statements.

CITY OF WINDER, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Function/Program	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities					
General Government	$ 2,491,182	$(2,380,863)	$ 282,677	$ 1,346,105	$ 39,800
Judicial	180,287	21,540	-	-	-
Public Safety	5,323,072	664,438	505,280	-	-
Public Works	4,119,050	254,739	-	-	-
Recreation	325	-	15,002	-	-
Housing & Development	42,184	(152,639)	-	-	-
Interest	20,184	-	-	-	-
Total Governmental Activities	12,176,284	(1,592,785)	802,959	1,346,105	39,800
Business Type Activities					
Water and Sewer	10,281,196	781,343	16,509,395	-	-
Gas	6,360,063	664,056	9,101,857	-	-
Solid Waste Management	656,626	6,860	1,062,136	-	-
Environmental Protection Fund	119,984	12,373	30,094	-	-
Special Facilities	612,827	50,468	112,886	-	-
Golf	758,492	77,685	812,158	-	-
Total Business-Type Activities	18,789,188	1,592,785	27,628,526	-	-
Total Primary Government	$30,965,472	$ -	$ 28,431,485	$ 1,346,105	$ 39,800
Component Unit					
Downtown Development Authority	$ 98,820	$ -	$ -	$ 53,135	$ -
Total Component Unit	$ 98,820	$ -	$ -	$ 53,135	$ -

General Revenues:
Fire District Taxes
Intangible/Transfer Tax
Street Light Assessment
General Sales Tax
Selective Sales Tax
Business Tax
Motor Vehicle Tax
Franchise Taxes
Other Taxes
Interest Earnings
Gain on Sale of Assets
Miscellaneous
Transfers
Total General Revenues and Transfers

Change in Net Position
Beginning Net Position, restated

Ending Net Position

The accompanying notes are an integral part of these financial statements.

CITY OF WINDER, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
	$ 1,558,263	$ -	$ 1,558,263	
	(201,827)	-	(201,827)	
	(5,482,230)	-	(5,482,230)	
	(4,373,789)	-	(4,373,789)	
	14,677	-	14,677	
	110,455	-	110,455	
	(20,184)	-	(20,184)	
	(8,394,635)	-	(8,394,635)	
	-	5,446,856	5,446,856	
	-	2,077,738	2,077,738	
	-	398,650	398,650	
	-	(102,263)	(102,263)	
	-	(550,409)	(550,409)	
	-	(24,019)	(24,019)	
	-	7,246,553	7,246,553	
	(8,394,635)	7,246,553	(1,148,082)	
				$ (45,685)
				$ (45,685)
	741,926	-	741,926	-
	19,209	-	19,209	-
	312,915	-	312,915	-
	1,961,871	-	1,961,871	-
	406,293	-	406,293	-
	985,808	-	985,808	-
	404,447	-	404,447	-
	724,887	-	724,887	-
	201,989	-	201,989	-
	37,475	155,918	193,393	-
	44,395	-	44,395	-
	85,072	-	85,072	10,184
	4,788,735	(4,788,735)	-	-
	10,715,022	(4,632,817)	6,082,205	10,184
	2,320,387	2,613,736	4,934,123	(35,501)
	8,618,061	65,458,857	74,076,918	826,328
	$ 10,938,448	$ 68,072,593	$ 79,011,041	$ 790,827

The accompanying notes are an integral part of these financial statements.

CITY OF WINDER, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

Assets	General Fund	Other Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	$ 314,586	$ 1,561,037	$ 1,875,623
Restricted Cash	107,278	-	107,278
Due From Other Funds	-	13,662	13,662
Taxes Receivable - Net	66,578	12,658	79,236
Accounts Receivable	252,069	-	252,069
Intergovernmental Receivable	205,354	181,670	387,024
Prepaid Items	92,782	9,600	102,382
Advances To Other Funds	1,934,939	-	1,934,939
Total Assets	$ 2,973,586	$ 1,778,627	$ 4,752,213
Liabilities			
Accounts Payable and Accrued Liabilities	$ 604,379	$ 54,110	$ 658,489
Due To Other funds	13,662	-	13,662
Unearned Revenues	-	1,100	1,100
Total Liabilities	618,041	55,210	673,251
Deferred Inflows of Resources			
Unavailable Revenue-Taxes	34,399	-	34,399
Fund Balances			
Nonspendable	2,027,721	9,600	2,037,321
Restricted	-	1,590,865	1,590,865
Committed	-	23,042	23,042
Assigned	-	99,910	99,910
Unassigned	293,425	-	293,425
Total Fund Balances	2,321,146	1,723,417	4,044,563
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,973,586	$ 1,778,627	$ 4,752,213

The accompanying notes are an integral part of these financial statements.

CITY OF WINDER, GEORGIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Amounts reported for governmental activities on the Statement of Net Position are different because:

Total Fund Balances - Governmental Funds	$ 4,044,563
Capital Assets	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	
Cost of Assets	39,294,315
Accumulated Depreciation	(28,340,441)
Internal Service Fund - Building is used by management to charge cost of City Buildings to individual funds. The capital assets of the Internal Service Fund- Buildings is included in governmental activities in the Statement of Net Position.	
Cost of Assets	1,781,476
Accumulated Depreciation	(174,791)
OPEB Asset	
OPEB asset is not available during the current period and therefore, is not reported in the funds.	19,164
Deferred outflows of resources	
Pension Contributions	693,172
Revenues	
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	34,399
Long-term Liabilities	
Long-term liabilities, including compensated absences and capital leases, are not due and payable in the current period and, therefore, are not reported in the funds.	
Capital Leases	(610,280)
Compensated Absences	(103,734)
Net Pension Liability	(4,105,125)
Deferred inflows of resources	
Net difference between projected and actual investment earnings on pension plan investments.	(724,716)
Internal Service Fund - Building is used by management to charge cost of City buildings to individual funds. The assets and liabilities of the Internal Service Fund- Buildings is included in governmental activities in the Statement of Net Position.	(869,554)
Total Net Position of Governmental Activities	$10,938,448

The accompanying notes are an integral part of these financial statements.

CITY OF WINDER, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ 5,578,811	$ 201,989	$ 5,780,800
License and Permits	217,189	-	217,189
Intergovernmental	79,516	1,266,589	1,346,105
Charges for Service	65,488	15,002	80,490
Fines and Forfeitures	499,189	6,091	505,280
Interest	34,413	3,062	37,475
Contributions	39,800	-	39,800
Miscellaneous and Other	85,072	-	85,072
Indirect Cost Allocation	2,574,753	-	2,574,753
Total Revenues	9,174,231	1,492,733	10,666,964
Expenditures			
Current:			
General Government	2,785,682	155,927	2,941,609
Judicial	222,233	-	222,233
Public Safety	7,492,927	6,199	7,499,126
Public Works	3,271,991	-	3,271,991
Recreation	-	325	325
Housing & Development	18,743	24,144	42,887
Debt Service:			
Principal	131,718	-	131,718
Interest	20,184	-	20,184
Capital Outlay	-	1,223,551	1,223,551
Total Expenditures	13,943,478	1,410,146	15,353,624
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,769,247)	82,587	(4,686,660)
Other Financing Sources (Uses):			
Transfers In	6,198,675	61,275	6,259,950
Transfers Out	(1,639,499)	(156,717)	(1,796,216)
Proceeds From Sale of Assets	44,395	-	44,395
Total Other Financing Sources (Uses)	4,603,571	(95,442)	4,508,129
Net Change In Fund Balances	(165,676)	(12,855)	(178,531)
Fund Balance, Beginning of Year, restated	2,486,822	1,736,272	4,223,094
Fund Balance, End of Year	$ 2,321,146	$ 1,723,417	$ 4,044,563

The accompanying notes are an integral part of these financial statements.

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, 2015

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

Net Change In Fund Balance - Total Governmental Funds	$ (178,531)
Capital Assets	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	
Total Capital Outlays	1,855,909
Total Depreciation Expense	(1,123,913)
OPEB Assets	
OPEB asset is not available during the current period and therefore, is not reported in the funds.	
Increase in OPEB Asset	19,164
Internal Service Fund - Building is used by management to charge cost of City buildings to individual funds. The acquisition of capital assets and depreciation expense is included in the Statement of Activities.	
Total Capital Asset Acquisitions	(348,601)
Total Depreciation Expense	32,989
Deferred outflows of resources related to pensions is not available during the current period and therefore, is not reported in the funds.	
Change in deferred outflows of resources related to pensions	(6,086)
Long-term Debt	
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. The adjustments for these items are as follows:	
Compensated Absences	660
Capital Leases	131,718
Net Pension Liability	1,358,061
Decrease in OPEB Liability	55,408
Revenues	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Fire District Taxes	(21,455)
Deferred inflows of resources related to pensions do not consume current financial resources and are not reported as expenditures in the funds.	
Change in deferred outflows of resources related to pensions	220,064
Internal Service Fund - Building is used by management to charge cost of City Buildings to individual funds. The income and expenses of the Internal Service Fund- Buildings is included in governmental activities in the Statement of Activities.	325,000
Change in Net Position of Governmental Activities	$ 2,320,387

The accompanying notes are an integral part of these financial statements.

CITY OF WINDER, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes:				
Fire District Taxes	$ 552,053	$ 552,053	$ 763,381	$ 211,328
Intangible/Transfer Tax	8,500	8,500	19,209	10,709
Street Light Assessment	313,600	313,600	312,915	(685)
General Sales Tax	1,790,000	1,790,000	1,961,871	171,871
Selective Sales Tax	400,400	400,400	406,293	5,893
Business Taxes	875,000	875,000	985,808	110,808
Motor Vehicle Tax	404,447	404,447	404,447	-
Franchise Taxes	681,000	681,000	724,887	43,887
Total Taxes	5,025,000	5,025,000	5,578,811	553,811
License and Permits:				
Business Licenses	105,000	105,000	113,521	8,521
Building Permits	40,000	40,000	103,668	63,668
Total License and Permits	145,000	145,000	217,189	72,189
Intergovernmental:				
State Grants	-	-	69,698	69,698
Federal Grants	-	-	9,818	9,818
Total Intergovernmental	-	-	79,516	79,516
Charges for Service:				
General Government	25,600	25,600	27,947	2,347
Public Safety	11,000	11,000	7,614	(3,386)
Public Works	32,000	32,000	29,927	(2,073)
Total Charges for Service	68,600	68,600	65,488	(3,112)
Fines and Forfeitures	665,000	665,000	499,189	(165,811)
Interest	18,000	18,000	34,413	16,413
Contributions	-	-	39,800	39,800
Miscellaneous:				
Rents	27,000	27,000	27,376	376
Other	-	-	57,696	57,696
Total Miscellaneous	27,000	27,000	85,072	58,072
Indirect Cost Allocation	3,144,500	3,144,500	2,574,753	(569,747)
Total Revenues	9,093,100	9,093,100	9,174,231	81,131

The accompanying notes are an integral part of these financial statements.

CITY OF WINDER, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Expenditures:				
Current:				
General Government:				
Legislative	599,700	599,700	516,873	82,827
Administration	2,804,400	2,804,400	2,268,809	535,591
Total General Government	3,404,100	3,404,100	2,785,682	618,418
Judicial	263,900	263,900	222,233	41,667
Public Safety:				
Police Department	5,154,100	5,154,100	4,831,694	322,406
Fire Department	2,493,300	2,493,300	2,661,233	(167,933)
Total Public Safety	7,647,400	7,647,400	7,492,927	154,473
Public Works	2,727,900	2,727,900	3,271,991	(544,091)
Housing and Development	55,300	55,300	18,743	36,557
Debt Service:				
Principal	131,800	131,800	131,718	82
Interest	20,300	20,300	20,184	116
Total Debt Service	152,100	152,100	151,902	198
Total Expenditures	14,250,700	14,250,700	13,943,478	307,222
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(5,157,600)	(5,157,600)	(4,769,247)	(226,091)
Other Financing Sources (Uses):				
Transfers In	4,865,700	4,865,700	6,198,675	1,332,975
Transfers Out	(609,100)	(609,100)	(1,639,499)	(1,030,399)
Proceeds From Sale of Assets	-	-	44,395	44,395
Capital Lease Proceeds	901,000	901,000	-	(901,000)
Total Other Financing Sources (Uses):	5,157,600	5,157,600	4,603,571	(554,029)
Net Change In Fund Balance	-	-	(165,676)	(780,120)
Beginning Fund Balance	2,486,822	2,486,822	2,486,822	-
Ending Fund Balance	$ 2,486,822	$ 2,486,822	$ 2,321,146	$ (780,120)

The accompanying notes are an integral part of these financial statements.

CITY OF WINDER, GEORGIA

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2015

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	Gas Fund	Nonmajor Enterprise Funds	Totals	Nonmajor Internal Service Funds
Assets					
Current Assets					
Cash and Cash Equivalents	$ 9,510,569	$3,976,346	$ 194,014	$ 13,680,929	$ 372,188
Accounts Receivable	1,859,946	628,518	169,136	2,657,600	-
Intergovernmental Receivable	168,351	-	-	168,351	-
Supply Inventory	253,678	151,404	9,703	414,785	-
Prepaid Items	87,595	9,410	3,776	100,781	8,400
Restricted Assets:					
Restricted Cash	280,949	157,276	-	438,225	-
Cash - Bond Sinking Accounts	2,663,002	-	-	2,663,002	-
Total Current Assets	14,824,090	4,922,954	376,629	20,123,673	380,588
Non-Current Assets					
Nondepreciable Assets	5,983,118	17,650	1,476,013	7,476,781	-
Depreciable Assets	57,229,829	2,362,732	3,797,962	63,390,523	1,631,849
Other Post-Employment Benefits Asset	11,803	1,436	-	13,239	-
Other Assets:					
Advances to other funds	560,000	-	-	560,000	-
Intergovernmental Receivable	2,659,147	-	-	2,659,147	-
Total Non-current Assets	66,443,897	2,381,818	5,273,975	74,099,690	1,631,849
Total Assets	81,267,987	7,304,772	5,650,604	94,223,363	2,012,437
Deferred Outflows of Resources					
Deferred Outflows of Resources Related to Pensions	144,370	70,580	3,210	218,160	57,791
Deferred Charge on Refunding of Bonds	182,576	-	-	182,576	-
Total Deferred Outflows of Resources	326,946	70,580	3,210	400,736	57,791

The accompanying notes are an integral part of these financial statements.

CITY OF WINDER, GEORGIA

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2015
(CONTINUED)

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	Gas Fund	Nonmajor Enterprise Funds	Totals	Nonmajor Internal Service Funds
Liabilities					
Current Liabilities					
Accounts Payable and Accrued Liabilities	411,224	475,967	157,435	1,044,626	69,783
Accrued Interest	58,795	-	-	58,795	-
Advances from Other Funds	-	-	1,654,961	1,654,961	839,977
Liabilities Payable From Restricted Assets:					
Revenue Bonds Payable - Net	1,908,949	-	-	1,908,949	-
Customer Deposits	347,082	159,421	-	506,503	-
Total Current Liabilities	2,726,050	635,388	1,812,396	5,173,834	909,760
Long -Term Liabilities					
Other Post-Employment Benefits Liability	-	-	2,525	2,525	1,978
Compensated Absences	13,172	6,509	4,484	24,165	6,062
Notes and Capital Leases Payable	2,938,639	-	12,128	2,950,767	-
Revenue Bonds Payable - Net	16,900,977	-	-	16,900,977	-
Net Pension Liability	846,301	413,482	19,337	1,279,120	348,051
Total Long-Term Liabilities	20,699,089	419,991	38,474	21,157,554	356,091
Total Liabilities	23,425,139	1,055,379	1,850,870	26,331,388	1,265,851
Deferred Inflows of Resources					
Deferred Inflows of Resources Related to Pensions	149,534	73,063	3,409	226,006	61,358
Total Deferred Inflows of Resources	149,534	73,063	3,409	226,006	61,358
Net Position					
Net Investment in Capital Assets	41,464,382	2,380,382	5,261,847	49,106,611	1,631,849
Restricted:					
Debt Service	687,920	-	-	687,920	-
Unrestricted	15,867,958	3,866,528	(1,462,312)	18,272,174	(888,830)
Total Net Position	$ 58,020,260	$6,246,910	$3,799,535	$68,066,705	$ 743,019

The accompanying notes are an integral part of these financial statements.

CITY OF WINDER, GEORGIA

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	Gas Fund	Nonmajor Enterprise Funds	Totals	Nonmajor Internal Service Funds
Operating Revenues					
Charges For Services	$ 14,628,607	$8,939,960	$1,984,176	$25,552,743	$ 1,676,971
Tap-On Fees	1,511,917	57,700	-	1,569,617	-
Penalties and Interest	300,027	104,167	29,043	433,237	-
Miscellaneous and Other	68,844	30	4,055	72,929	-
Total Revenues	16,509,395	9,101,857	2,017,274	27,628,526	1,676,971
Operating Expenses					
Personnel Services	888,243	366,736	528,980	1,783,959	386,362
Professional and Technical	2,840,355	251,117	668,686	3,760,158	930,094
Purchased Property Services	607,539	181,854	574,100	1,363,493	158,797
Supplies	2,492,540	5,444,728	187,264	8,124,532	30,070
Depreciation	2,783,540	157,650	190,864	3,132,054	41,652
Amortization	4,424	-	-	4,424	-
Indirect Costs Allocation	781,343	664,056	147,386	1,592,785	-
Total Expenses	10,397,984	7,066,141	2,297,280	19,761,405	1,546,975
Net Operating Revenues (Expenses)	6,111,411	2,035,716	(280,006)	7,867,121	129,996
Non-Operating Revenues (Expenses)					
Interest Income	155,883	36	-	155,919	-
Interest Expense and Fiscal Agent Charges	(737,526)	-	-	(737,526)	-
Contributions	(13,040)	-	-	(13,040)	-
Total Non-Operating Revenues (Expenses)	(594,683)	36	-	(594,647)	-
Net Revenues (Expenses) Before Transfers and Contributions	5,516,728	2,035,752	(280,006)	7,272,474	129,996
Capital Contribution	-	-	-	-	359,131
Transfers					
Transfers Out	(4,088,591)	(1,601,392)	(470,242)	(6,160,225)	-
Transfers In	-	-	1,371,491	1,371,491	325,000
Net Transfers	(4,088,591)	(1,601,392)	901,249	(4,788,734)	325,000
Change in Net Position	1,428,137	434,360	621,243	2,483,740	814,127
Net Position Beginning of the Year, Restated	56,592,123	5,812,550	3,178,292	65,582,965	(71,108)
Net Position End of the Year	$ 58,020,260	$6,246,910	$3,799,535	$68,066,705	$ 743,019

The accompanying notes are an integral part of these financial statements.

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CITY OF WINDER, GEORGIA

PROPRIETARY FUNDS
STATEMENT OF CASH BLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	Gas Fund	Nonmajor Enterprise Funds	Totals	Nonmajor Internal Service Funds
Cash Flows from (to) Operating Activities:					
Receipts from Customers	$ 16,383,153	$9,188,489	$2,009,171	$27,580,813	$ -
Receipts from Interfund Services Provided	-	-	-	-	1,676,971
Payments to Employees	(1,488,998)	(631,108)	(533,353)	(2,653,459)	(1,097,890)
Internal Activity	(781,343)	(664,056)	(147,386)	(1,592,785)	-
Payments to Suppliers	(5,640,954)	(5,719,261)	(1,413,904)	(12,774,119)	(162,354)
Net Cash Provided (Used) by Operating Activities	8,471,858	2,174,064	(85,472)	10,560,450	416,727
Cash Flows From (to) Noncapital Financing Activities					
Transfers to Other Funds	(4,088,591)	(1,601,392)	-	(5,689,983)	-
Transfers from Other Funds	-	-	782,982	782,982	325,000
Receipts from Other Funds	20,000	-	-	20,000	-
Payments to Other Funds	-	-	(38,604)	(38,604)	(22,709)
Net Cash from (to) Noncapital Financing Activities	(4,068,591)	(1,601,392)	744,378	(4,925,605)	302,291
Cash Flows from (to) Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(1,278,952)	(115,574)	(654,148)	(2,048,674)	(348,601)
Disposals of assets	13,100	-	-	13,100	-
Receipts from Intergovernmental	161,627	-	-	161,627	-
Interest and Fiscal Charges on Notes & Capital Leases	(763,997)	-	-	(763,997)	-
Principal Payments on Bonds	(1,777,000)	-	-	(1,777,000)	-
Principal Payments on Notes & Capital Leases	(135,222)	-	(35,359)	(170,581)	-
Proceeds from Issuance of Long-Term Debt (Bonds)	1,500,124	-	-	1,500,124	-
Contributions	(13,040)	-	-	(13,040)	-
Net Cash from (to) Capital and Related Financing Activities	(2,293,360)	(115,574)	(689,507)	(3,098,441)	(348,601)
Cash Flows from Investing Activities:					
Interest on Investments	156,019	36	-	156,055	-
Net Increase (Decrease) in Cash	2,265,926	457,134	(30,601)	2,692,459	370,417
Cash and Cash Equivalents, Beginning of the Year	10,188,594	3,676,488	224,615	14,089,697	1,771
Cash and Cash Equivalents, End of the Year	$ 12,454,520	$4,133,622	$ 194,014	$16,782,156	$ 372,188
Reconciliation of Cash Equivalents:					
Cash	$ 9,510,569	$3,976,346	$ 194,014	$13,680,929	$ 372,188
Restricted Cash	2,943,951	157,276	-	3,101,227	-
Total Cash and Cash Equivalents	$ 12,454,520	$4,133,622	$ 194,014	$16,782,156	$ 372,188

The accompanying notes are an integral part of these financial statements.

CITY OF WINDER, GEORGIA

PROPRIETARY FUNDS
STATEMENT OF CASH BLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	Gas Fund	Nonmajor Enterprise Funds	Totals	Nonmajor Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	$ 6,111,411	$2,035,716	$ (280,006)	$ 7,867,121	$ 129,996
Adjustments to Reconcile Net Operating Income to Net Cash Provided (used) by Operating Activities					
Depreciation and Amortization	2,787,964	157,650	190,864	3,136,478	41,652
Changes in Current Assets and Liabilities					
(Increase) Decrease in Deferred Outflows - Pensions	(144,370)	(70,580)	(3,210)	(218,160)	(57,791)
(Increase) Decrease in Accounts Receivables	(161,768)	79,565	(3,853)	(86,056)	-
(Increase) Decrease in Inventories	337,541	124,139	306	461,986	538
(Increase) Decrease in Prepaid Items	-	(1,185)	2,457	1,272	13,890
(Increase) Decrease in OPEB Asset	(11,803)	(1,436)	-	(13,239)	-
Increase (Decrease) in Accounts Payables	(26,258)	36,920	13,383	24,045	6,643
Increase (Decrease) in Unearned Revenues	-	-	(4,250)	(4,250)	-
Increase (Decrease) in Customer Deposits	35,526	7,067	-	42,593	-
Increase (Decrease) in OPEB Liability	(4,224)	(6,414)	(1,963)	(12,601)	(5,888)
Increase (Decrease) in Compensated Absences	132	325	4,484	4,941	2,386
Increase (Decrease) in Net Pension Liability	(601,827)	(260,766)	(7,093)	(869,686)	223,943
Increase (Decrease) in Deferred Inflows - Pensions	149,534	73,063	3,409	226,006	61,358
Net Cash Provided (used) by Operating Activities	$ 8,471,858	$2,174,064	$ (85,472)	$10,560,450	$ 416,727

The accompanying notes are an integral part of these financial statements.

CITY OF WINDER, GEORGIA

FIDUCIARY STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2015

	Agency Funds
Assets	
Cash and Cash Equivalents	$ 56,949
Accounts Receivable, Net	191,979
Total Assets	$ 248,928
Liabilities	
Due to Others	$ 248,928
Total Liabilities	$ 248,928

The accompanying notes are an integral part of these financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The accompanying financial statements report on the financial activity for the City of Winder, Georgia for the fiscal year ended June 30, 2015. The statements include all the funds controlled by the Mayor and Council of the City of Winder, Georgia. The financial statements have been prepared in conformance with generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies established in GAAP, and used by the City, are discussed below.

A. 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 operational and financial relationship with the City. In conformity with generally accepted accounting principles, as set forth in Statement of 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. 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 June 30, 2015, the City's reporting entity consists of the City of Winder, Georgia and the Downtown Development Authority, Winder, Georgia (a component unit). The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

Downtown Development Authority

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

The Downtown Development Authority does not issue separate financial statements.

B. Government-wide and Fund Financial Statement

The government-wide financial statements (Statement of Net Position and Statement of Change in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under 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 County 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 services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, local option sales taxes, other taxes, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the County's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise 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.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets,

liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Basis of Presentation

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

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following nonmajor fund types:

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

Capital Project Funds - The Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital projects.

Agency Funds – Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

D. Deposits and Investments

Deposits

The City considers currency on hand; demand deposits with banks, amounts included in pooled cash and investment accounts to be cash and cash equivalents. Cash and cash equivalents that mature in three months or less are readily convertible to known amounts of cash. Cash deposits are reported at carrying amount, which is fair value.

Investments

The City's investments are stated at fair value, which is determined using selected basis. Short-term investments are reported at cost, which approximates fair value. Investments that do not have an established market are reported at estimated fair value.
The City's policies do not establish a minimum credit rating for investments. Investments are reported at fair value.

E. Receivables and Payables

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

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

F. Inventories

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the balance sheet date are recorded as prepaid assets. The cost of the related payment is recorded as expenditure over the time the related services are provided (consumption method).

H. 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 or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first item is the deferred outflow of resources relative to the pension plans change in assumptions. This amount is deferred and will be recognized as a reduction of the net pension liability in future years. The second item is the loss related to a bond refunding. This amount will be amortized to interest expense in future years.

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 or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. This first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from fire taxes. This amount is deferred and recognized as inflows of resources in the period that the amounts become available. The second item is the deferred inflow of resources relative to the differences between expected and actual experience and the net difference between projected and actual earnings on the pension plan investments. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

I. 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.

J. Bond Insurance

In the Water and Sewer Fund, bond insurance costs are deferred and amortized, using the bonds outstanding method, over the lives of the related issues. The original amount of the bond insurance costs on the 2012 series bonds were $100,322. As of June 30, 2015 accumulated amortization was $12,727, for a balance of $87,595.

K. Restricted Assets

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 sinking fund accounts are used to segregate resources accumulated for debt service payments. Other assets earmarked for restricted use in accordance with legal provisions or external requirements are indicated on the balance sheets. When an expense is incurred for which both restricted and unrestricted net position are available, the City's policy is to apply the restricted net position first.

L. Capital Assets

Property, plant, and equipment have been recorded at cost, if purchased, and if donated, at fair market value on the date of donation. The City maintains a capital threshold of $5,000 for vehicles, equipment, buildings and land, and $25,000 for infrastructure. Interest expense of the proprietary funds is capitalized during construction when assets are constructed with borrowed monies. The amount of interest capitalized depends on the specific circumstances. No interest was capitalized relative to construction projects during the year. The City incurred interest expense of $757,710 during the year. Capital assets are reported in both the applicable governmental or business-type activities columns in the government-wide statements. Capital assets are charged to expenditures when purchased in the governmental fund statements, and capitalized in the proprietary fund statements.

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

Depreciation Schedules

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

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

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

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

M. Compensated Absences

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

N. Long-term Obligations

In the government-wide financial statements, long-term debt and other liabilities are reported as liabilities of governmental activities or business-type activities. They are also reported as liabilities in the proprietary fund financial statements. Bond insurance costs are accounted for as prepayments and are amortized over the life of the bonds. Bond premiums and discount are reported in the net carrying value of the debt and are amortized over the life of the bonds using the straight-line method. Loss on refunding of debt is reported as a deferred outflow of resources and is amortized over the life of the refunding debt using the straight-line method.

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

O. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance in accordance with *Governmental Accountings Standards Board* Statement No. 54:

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

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

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

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

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

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

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

  Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year's budget shall constitute assignments and be documented by adoption of the City's operating budgets. Equity amounts reported in special revenue, capital projects, debt service, or permanent funds not otherwise classified as nonspendable, restricted, or committed should constitute assignments.

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

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

1. Committed
2. Assigned
3. Unassigned

	General Fund	Nonmajor Governmental	Total
Fund Balances:			
Nonspendable:			
Prepaids	$ 92,782	$ 9,600	$ 102,382
Advances to Other Funds	1,934,939	-	1,934,939
Restricted:			
Law Enforcement		15,525	15,525
Capital Outlay	-	1,575,340	1,575,340
Committed:			
General Government	-	23,042	23,042
Assigned:			
Housing and Development	-	89,376	89,376
Community and Development		10,534	10,534
Unassigned	293,425	-	293,425
Total Fund Balances	$ 2,321,146	$ 1,723,417	$ 4,044,563

Special Revenue Funds

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

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

Compliance

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

P. Capital Contributions

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

Q. Use of Estimates

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

R. Operating Revenues and Expenses

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

S. 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.

NOTE 2 – BUDGETARY INFORMATION

A. Budget Process

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

1. During May, the Mayor submits to the City Council a proposed operating budget, in a separate budget document, for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means to finance them.

2. Public hearings are conducted to obtain citizen comments.

3. Prior to July 1, the final budget is presented to the City Council by the Mayor and is legally enacted through passage of a budget resolution.

4. Budgetary control is maintained at the department level.

5. Formal budgetary integration is employed as a management control device during the year for all funds except the Agency Funds.

6. The annual budgetary data reported for the General Fund and the annually-budgeted Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles and represent the original appropriation ordinance and other budget amendments as adopted by the City Council. Appropriations lapse at the end of each fiscal year for these funds.

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

Significant departures must be in excess of $75,000 and more than 4.0% of the budgeted amount, within each department.

B. Excess of Expenditures over Appropriations

Expenditures exceeded appropriations in the following departments:

	Amount
General Fund:	
Fire Department	$ 167,933
Public Works	544,091
Transfers Out	1,030,399
Hotel/Motel Tax Fund:	
Transfers Out	71,067
Police Escrow:	
Law Enforcement	1,199
City Festivals:	
Recreation	325
Grant Fund:	
Transfers Out	38,450

Significant departures were noted in the fire, public works, and transfers to other funds departments.

NOTE 3 – DEPOSITS AND INVESTMENTS

Total deposits and cash investments as of June 30, 2015, are summarized as follows:

Balances per statement of net position:	
Cash - Primary Government	$ 15,928,740
Cash - CU - Downtown Development Authority	4,140
Restricted assets:	
Bond Sinking Accounts	2,663,002
Cash for Health Reimbursement Accounts	107,278
Cash for Customer Deposits	438,225
Balances per statement of fiduciary net position:	
Cash - Agency Funds	56,949
Total	$ 19,198,334

Cash deposited with financial institutions	$ 12,582,817
Cash deposited with Georgia Fund 1	449,255
Cash deposited with Regions Investment Solutions	3,500,000
Brand Bank - Bond Sinking Fund	2,663,002
Petty Cash	3,260
Total	$ 19,198,334

A. Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered.

The City's bank balances of deposits as of December 31, 2015, are entirely insured or collateralized with securities held by the City's agent in the City's name.

State statute require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

At June 30, 2015, the Downtown Development Authority, a discretely presented component unit's bank balances were entirely insured or collateralized with securities held by the Authority's agent in the Authority's name.

B. Investments

At June 30, 2015, the City had the following investments reported as cash:

Investments	Maturities	Rating	Value
Investment Reported in Cash:			
Georgia Fund 1	62 day weighted average	AAAf	$ 449,255

Custodial Credit Risk

For an investment, the custodial credit risk is the risk that in the event of the failure of the counter-party to a transaction, an entity will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Office of State Treasurer is not required to disclose custodial credit risk. The City has no such investments with such risks as of June 30, 2015.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The City's investment policies authorize investment in the following securities approved by the State of Georgia for local governments. Georgia law allows investments in obligations of the U.S. Treasury, other repurchase agreements, other political subdivisions of Georgia and the Office of State Treasurer. The office of State Treasurer is not registered with the SEC. Shares sold and redeemed are based on $1.00 per share. The reported value of the pool is the same as the fair

value of the poll shares. The Office of State Treasurer is a stable net asset value investment pool that follows Standard & Poor's criteria for AAAf rated money market funds.

NOTE 4 – ACCOUNTS RECEIVABLE

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

	Major	Nonmajor		
	General	Special Revenue	Capital Projects	Total
Receivables:				
Intergovernmental				
State of Georgia Sales Tax	$205,354	$ -	$ -	$205,354
State of Georgia Payroll Tax	-	-	-	-
Barrow County Board of Commissioners	-	2,000	179,670	181,670
Total Intergovernmental	205,354	2,000	179,670	387,024
Taxes				
Barrow County Tax Commissioner - Net	66,578	-	-	66,578
Hotel/Motel	-	12,658	-	12,658
Total Taxes	66,578	12,658	-	79,236
Accounts	252,069	-	-	252,069
Total Receivables	$524,001	$ 14,658	$179,670	$718,329

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

	Major		Nonmajor	
	Water & Sewer	Gas	Business-Type	Total
Receivables:				
Intergovernmental				
Barrow County Board of Commissioners	$2,827,498	$ -	$ -	$2,827,498
Accounts	1,859,946	628,518	169,136	2,657,600
Total Receivables	$4,687,444	$628,518	$169,136	$5,485,098

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

NOTE 5 – RESTRICTED ASSETS

The City's restricted assets include the following:

Governmental Activities	
Cash for Employee HRA/FSA Accounts	$ (1,379)
Cash for Health Insurance Premiums	108,657
Total Restricted	$ 107,278
Business-type Activities	
Cash for Customer Deposits	$ 438,225
Bond Sinking Accounts Cash	2,663,002
Total Business-Type Restricted Assets	$ 3,101,227

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at June 30, 2015, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. Excluding advances, the City expects to repay all interfund balances within one year.

As of June 30, 2015, the General Fund has a balance due to SPLOST 2005 Fund in the amount of $13,662 for the reimbursement of an abandoned SPLOST project.

The advances to/from other funds as of June 30, 2015, are as follows:

	Advances From	Advances To
Major Governmental Fund:		
General	$ -	$ 1,934,938
Major Proprietary Fund:		
Water & Sewer	-	560,000
Nonmajor Proprietary Fund:		
Enviornmental Protection	1,094,961	-
Golf	560,000	-
Internal Service Fund:		
Building	839,977	-
Total	$ 2,494,938	$ 2,494,938

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 June 30, 2015, is $560,000.

The General Fund advanced the Environmental Protection Fund $1,368,702 for past operating expenses. The Environmental Protection Fund will repay the General Fund $136,870 for 10 years. The balance at June 30, 2015 is $1,094,961.

Interfund transfers in (out) for the fiscal year ended June 30, 2015, are as follows:

	Transfers In:				
		Nonmajor			
	General Fund	Governmental Funds	Business-Type Funds	Internal Service Funds	Total
Transfers Out:					
General Fund	$ -	$ 61,275	$ 1,253,224	$ 325,000	$ 1,639,499
Water & Sewer Fund	4,088,591	-	-	-	4,088,591
Gas Fund	1,601,392	-	-	-	1,601,392
Nonmajor Funds:					
Governmental	38,450	-	118,267	-	156,717
Business-Type	470,242	-	-	-	470,242
Total	$ 6,198,675	$ 61,275	$ 1,371,491	$ 325,000	$ 7,956,441

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

NOTE 7 – CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended June 30, 2015 was as follows:

	Balance 6/30/2014	Increases	Decreases	Transfers	Balance 6/30/2015
Nondepreciable Capital Assets:					
Land	$ 1,123,005	$ 554,284	$ -	$ -	$ 1,677,289
Construction in Progress	1,402,871	268,738	-	(1,313,197)	358,412
Total Nondepreciable Capital Assets	2,525,876	823,022	-	(1,313,197)	2,035,701
Depreciable Capital Assets:					
Buildings	2,886,474	303,763	-	-	3,190,237
Vehicles	4,915,143	345,849	(164,391)	-	5,096,601
Furniture and Equipment	3,447,128	325,632	-	-	3,772,760
Infrastructure	25,609,654	57,641	-	1,313,197	26,980,492
Total Depreciable Capital Assets	36,858,399	1,032,885	(164,391)	1,313,197	39,040,090
Less Accumulated Depreciation for:					
Buildings	(962,921)	(89,371)	-	-	(1,052,292)
Vehicles	(3,710,649)	(261,934)	164,391	-	(3,808,192)
Furniture and Equipment	(2,810,381)	(187,837)	-	-	(2,998,218)
Infrastructure	(20,071,759)	(584,771)	-	-	(20,656,530)
Total Accumulated Depreciation	(27,555,710)	(1,123,913)	164,391	-	(28,515,232)
Total Depreciable, Net	9,302,689	(91,028)	-	1,313,197	10,524,858
Governmental Activities Capital Assets, Net	$ 11,828,565	$ 731,994	$ -	$ -	12,560,559
Less Related Long-Term Debt Outstanding:					(610,280)
Net Investment in Capital Assets					$ 11,950,279

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

General Government	$ 128,171
Public Safety	318,870
Public Works	642,490
Judicial	279
Housing and Development	1,114
Internal Service Fund	32,989
Total Depreciation	$ 1,123,913

Capital asset activity for business-type activities for the fiscal year ended June 30, 2015 was as follows:

	Balance 6/30/2014	Additions	Decreases	Transfers	Balance 6/30/2015
Non-Depreciable:					
Land	$ 6,120,912	$ -	$ -	$ -	$ 6,120,912
Construction in Progress	280,710	1,808,748	(13,061)	(720,528)	1,355,869
Total Non-Depreciable	6,401,622	1,808,748	(13,061)	(720,528)	7,476,781
Depreciable:					
Plant and System	106,497,989	69,106	-	661,228	107,228,323
Buildings	5,118,774	20,812	-	-	5,139,586
Vehicles	1,005,660	98,156	-	-	1,103,816
Furniture and Equipment	2,090,445	51,853	-	59,300	2,201,598
Total Accumulated Depr.	114,712,868	239,927	-	720,528	115,673,323
Accumulated Depreciation:					
Plant and System	(45,090,191)	(2,834,663)	-	-	(47,924,854)
Buildings	(1,507,023)	(151,198)	-	-	(1,658,221)
Vehicles	(927,325)	(21,567)	-	-	(948,892)
Furniture and Equipment	(1,592,380)	(133,289)	-	-	(1,725,669)
Total Accumulated Depr.	(49,116,919)	(3,140,717)	-	-	(52,257,636)
Total Depreciable, net	65,595,949	(2,900,790)	-	720,528	63,415,687
Business-type Activities Capital Assets, net	$ 71,997,571	$ (1,092,042)	$ (13,061)	$ -	70,892,468
Less Related Long-Term Debt Outstanding					(21,760,693)
Net Investment in Capital Assets					$ 49,131,775

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

Water and Sewer Fund	$ 2,783,540
Gas Fund	157,650
Special Facilities Fund	142,610
Environmental Protection Fund	13,561
Golf Fund	34,693
Internal Service Fund	8,663
Total Depreciation	$ 3,140,717

Capital asset activity for the Component Unit, Downtown Development Authority, for the fiscal year ended June 30, 2015 was as follows:

	Balance 6/30/2014	Additions	Decreases	Transfers	Balance 6/30/2015
Non-Depreciable:					
Land	$ 571,609	$ -	$ -	$ -	$ 571,609
Construction in Progress	1,236	16,926	-	-	18,162
Total Non-Depreciable	572,845	16,926	-	-	589,771
Depreciable:					
Plant and System	249,268	-	-	-	249,268
Total Depreciable	249,268	-	-	-	249,268
Accumulated Depreciation:					
Plant and System	(28,352)	(22,983)	-	-	(51,335)
Total Accumulated Depr.	(28,352)	(22,983)	-	-	(51,335)
Total Depreciable, net	220,916	(22,983)	-	-	197,933
Government Activities, Capital Assets, Net	$ 793,761	$ (6,057)	$ -	$ -	$ 787,704

Depreciation expense for Downtown Development Authority activities is as follows:

Downtown Development Authority	$ 22,983
Total Depreciation	$ 22,983

NOTE 8 – LONG-TERM DEBT

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

	Restated Balance 6/30/2014	Increase	Decrease	Balance 6/30/2015	Amounts Due Within One Year
Governmental Activities					
Compensated Absences Payable	$ 104,394	$ 174,743	$ (175,403)	$ 103,734	$ 103,734
Net Pension Liability	5,356,762	1,276,444	(2,528,081)	4,105,125	-
OPEB Liability	55,408	-	(55,408)	-	-
Capital Leases	741,998	-	(131,718)	610,280	100,655
Total Governmental Activities	$ 6,258,562	$1,451,187	$(2,890,610)	$ 4,819,139	$ 204,389
Business-Type Activities					
Compensated Absences Payable	$ 29,083	$ 86,737	$ (85,593)	$ 30,227	$ 30,227
Net Pension Liability	2,281,584	515,056	(1,169,469)	1,627,171	-
OPEB Liability	22,992	-	(22,992)	-	-
Capital Leases	22,487	-	(10,359)	12,128	7,342
Notes Payable:					
2002 GEFA Water Tank & Lines	1,778	-	(1,778)	-	-
2012 GEFA Fixed Network	446,441	1,500,124	-	1,946,565	-
2011 GEFA Embassy Walk	1,101,769	-	(109,694)	992,075	112,401
David Jackson	25,000	-	(25,000)	-	-
HSF Engineering	23,750	-	(23,750)	-	-
Bonds Payable:					
2005 Series	2,791,000	-	(897,000)	1,894,000	929,000
2009 Series	3,161,000	-	(210,000)	2,951,000	219,000
2012 Series	13,540,000	-	(670,000)	12,870,000	685,000
Premium on Bonds	1,170,875	-	(75,950)	1,094,925	75,949
Total Business-Type Activities	$24,617,759	$2,101,917	$(3,301,585)	$23,418,091	$ 2,058,919

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

A. Governmental Activities

Capital Leases

In FY 2009 the City entered into a ten year lease at 3.76% for a ladder fire truck. The fire truck, initially costing $519,387, accumulated depreciation as of June 30, 2015 is $346,258, for a net book value of $173,129. Current year amortization for the asset totaled $51,939 and is included as a component of depreciation expense.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Year Ending June 30,	Principal	Interest
2016	$ 55,540	$ 5,941
2017	57,664	3,816
2018	59,870	1,610
2019	10,198	48
Total	$ 183,272	$ 11,415

In FY 2014 the City entered into a ten year lease at 2.53% for a fire truck. The fire truck, initially costing $484,464, accumulated depreciation as of June 30, 2015, is $26,195, for a net book value of $458,269. Current year amortization for the asset totaled $24,226 and is included as a component of depreciation expense.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Year Ending June 30,	Principal	Interest
2016	$ 45,115	$ 10,253
2017	46,270	9,128
2018	47,454	7,944
2019	48,669	6,729
2020	49,914	5,483
2021-2023	189,586	8,923
Total	$ 427,008	$ 48,460

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

In the Governmental Activities, compensated absences and net pension liability will be liquidated by the General Fund.

B. Business-type Activities

Capital Leases

The City assumed two capital leases during the purchase of the golf course in FY 2014. The first lease with PNC Equipment Finance, LLC was for an airifier. The airifier cost $18,275, accumulated depreciation as of June 30, 2015 is $6,701 for a net book value of $11,574. Current year amortization for the asset totaled $3,655 and is included as a component of depreciation expense. The lease is for 41 months with $1 buyout at the end of the lease.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	$ 5,221	$ -	$ 5,221
2017	3,482	-	3,482
Totals	$ 8,703	$ -	$ 8,703

The second lease is with TCF Equipment Finance for a Greens Mower at a cost of $12,844, accumulated depreciation as of June 30, 2015, is $4,709 for a net book value of $8,134. Current year amortization for the asset totaled $2,569 and is included as a component of depreciation expense. This lease is for 27 months with $1 buyout at the end of the lease.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	$ 3,425	$ -	$ 3,425
Totals	$ 3,425	$ -	$ 3,425

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

Notes Payable

The City's Water and Sewer Fund has entered into loan agreements in the original amount of $4,393,775 with the Georgia Environmental Facilities Authority (GEFA), a State agency. The GEFA makes low interest long-term loans to fund improvements to publicly owned water and sewer systems. Once the loan commitment has been made, loan proceeds are drawn down as costs are incurred. Payback of the loan principal does not begin until after the funded project has been completed. Interest is paid on all outstanding amounts. The City's current GEFA loan outstanding has interest rate of 2.44%.

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2016	$ 112,401	$ 22,955	$ 135,356
2017	115,175	20,182	135,357
2018	118,016	17,340	135,356
2019	120,928	14,428	135,356
2020	123,912	11,444	135,356
2021-2024	401,643	26,961	428,604
Totals	$ 992,075	$ 113,310	$ 1,105,385

The 2012 GEFA-Fixed Network loan is a $3,000,000 loan. The City has received $1,946,565 in draws. The project is not complete so an amortization schedule has not been created.

Water and Sewer Revenue Bonds

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

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	$ 929,000	$ 53,034	$ 982,034
2017	965,000	17,901	982,901
Totals	$ 1,894,000	$ 70,935	$ 1,964,935

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

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

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2016	$ 219,000	$ 93,485	$ 312,485
2017	227,000	86,149	313,149
2018	1,230,000	62,181	1,292,181
2019	1,275,000	20,974	1,295,974
Totals	$ 2,951,000	$ 262,789	$ 3,213,789

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

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

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2016	$ 685,000	$ 494,500	$ 1,179,500
2017	700,000	477,150	1,177,150
2018	715,000	455,925	1,170,925
2019	740,000	434,100	1,174,100
2020	760,000	411,600	1,171,600
2021-2025	4,245,000	1,586,875	5,831,875
2026-2030	5,025,000	588,125	5,613,125
Totals	$ 12,870,000	$ 4,448,275	$ 17,318,275

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

NOTE 9 – ADVANCE BOND REFUNDING

In FY 2009, a portion of the 1998 Water and Sewerage Revenue Bonds were defeased into the Series 2009 Water and Sewerage Revenue Bonds. In connection with this defeasement, the City recognized a book loss in the amount of $525,461. This loss is being amortized over a 9 year 10 month period (the life of the defeased Series 1998 Bonds) using the straight line method. As of June 30, 2015, accumulated amortization was $342,886 with a net book value of $182,576.

In FY 2012, the City paid off the 2007 GEFA note with Winder-Barrow Industrial Building Authority Revenue Refunding Bonds, Series 2012. In connection with this refinance, the City recognized a book premium in the amount of $1,348,088. This premium is being amortized over a 17 year 9 month period (the life of the Series 2012 bonds) using the straight line method. As of June 30, 2015, accumulated amortization was $253,162 with a net book value of $1,094,926.

NOTE 10 – WATER FUND INTERGOVERNMENTAL RECEIVABLE

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

As of June 30, 2015 the balance due to the City on the shared capacity charge is $4,461,000.

The Intergovernmental Receivable activity for the fiscal year ended June 30, 2015 is as follows:

	Balance 6/30/2014	Increase	Decrease	Balance 6/30/2015	Due in FY 2016
Barrow County Intergovernmental Receivable	$2,989,125	$ -	$(161,627)	$2,827,498	$168,351

A maturities schedule of the intergovernmental receivable is as follows:

Fiscal Year Ending June 30,	Principal	4.16% Interest	Total Receivable Per Year
2016	$ 168,351	$ 117,624	$ 285,975
2017	175,354	110,621	285,975
2018	182,649	103,326	285,975
2019	190,247	95,728	285,975
2020	198,161	87,814	285,975
2021-2025	1,121,535	308,338	1,429,873
2026-2028	791,201	66,722	857,923
Totals	$ 2,827,498	$ 890,173	$ 3,717,671

NOTE 11 – RETIREMENT BENEFITS

A. Defined Benefit Pension Plan

Plan Description

For employees hired prior to October 1, 2014, the City maintains a defined benefit pension plan (the City of Winder Retirement Plan) to provide retirement and disability benefits for all full-time general and uniformed personnel of the City. The Plan is a participating member of the Georgia Municipal Employees Benefit System (The Plan) (GMEBS), an agent multiple-employer pension employee retirement system (PERS) that acts as a common investment and administrative agent for Cities in the State of Georgia. An annual report that includes financial statements and required supplemental information is issued by GMEBS. A copy of the report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street SW, Atlanta, Georgia 30303. The authority to participate in this plan rests with the City Council. The plan is closed to new entrants.

Participation

All full-time City employees are eligible to participate in the plan after one year of service.

Retirement Benefits

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

Plan Membership

As of January 1, 2015, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	98
Terminated vested participants	54
Active vested employees	57
Active nonvested employees	60
Total Membership in the plan	269

Contributions

Employees are not required to contribute to the Plan. The City is required to contribute the amount necessary to fund the Plan, using the actuarial basis specified by the Plan. The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10).

Pensions Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported a net pension liability. The net pension liability was measured as of September 30, 2014. The total pension liability used to calculate the net pension liability as based on an actuarial valuation as of January 1, 2015. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques.

For the year ended June 30, 2015, the City recognized pension expense relative to GMEBS in the amount of $466,875. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 489,615
Changes of assumptions	-	180,513
Net difference between projected and actual earnings on pension plan investments	-	341,952
Employer contributions subsequent to the measurement date	969,123	-
	$ 969,123	$ 1,012,080

City contributions subsequent to the measurement date of $969,123 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2016	$ 308,864
2017	308,864
2018	308,864
2019	85,488

Actuarial Assumptions: The total pension liability as of June 30, 2015 was determined by an actuarial valuation as of January 1, 2015 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increase	3.25% plus service based merit increases
Cost of living adjustments	0.0%
Investment rate of return	7.75%, On-going basis, based on long-term expected rate of return on pension plan investments

Mortality rates were based on the RP-2000 Combined Mortality Table with sex-distinct rates, set forward two years for males and on year for females, and the RP-2000 Disabled Mortality Table with sex-distinct rates.

The mortality and economic actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

Net Pension Liability:

Changes in Net Pension Liability:	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2014	$ 19,234,047	$ 11,595,701	$ 7,638,346
Changes for the year:			
Service cost	328,917	-	328,917
Interest	1,443,234	-	1,443,234
Differences between expected and actual experience	(652,819)	-	(652,819)
Contributions - employer	-	1,409,342	(1,409,342)
Contributions - employee	-	59,823	(59,823)
Net investment income	-	1,334,881	(1,334,881)
Benefit payments	(1,223,348)	(1,223,348)	-
Administrative expense	-	(19,349)	19,349
Changes of assumptions	(240,685)	-	(240,685)
Net changes	(344,701)	1,561,349	(1,906,050)
Balances at June 30, 2015	$ 18,889,346	$ 13,157,050	$ 5,732,296

The City's net pension liability is recorded in the Government-Wide, Statement of Net Position and in the following Business-Type Funds', Statement of Net Position in the following amounts:

Governmental Activities:	$ 4,105,125
Business-Type Activities:	
Water & Sewer Fund	846,301
Gas Fund	413,482
Nonmajor Enterprise Funds	19,337
ISF - Utilities Service Fund	348,051
Total Business-Type Activities	1,627,171
Total Net Pension Liability	$ 5,732,296

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Nominal Real Rate of Return
Domestic equity	50%	5.95%	9.20%
International equity	15%	6.45%	9.70%
Fixed income	25%	1.55%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
	100%		

Discount Rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pensions plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the City's net pension liability calculated using the discount rate of 7.75%, as well as

what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage higher (8.75%) than the current rate:

	(6.75%)	(7.75%)	(8.75%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	$ 8,084,015	$ 5,732,296	$ 3,787,640

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report which is publically available at www.gmanet.com.

B. Defined Contribution Plans

401 (a)

The 401(a) plan is a defined contribution plan administered by Security Benefit Life Insurance Company for all full-time employees not participating in the Defined Benefit Pension Plan. City Council has the authority to establish and amend the plan provisions as well as the contribution for the plan. The City contributes 3% of each employee's compensation each pay period and will match up to 3% of the employee's contribution to the 457 plan. Employees are eligible to participate on the first day of the month following ninety days of employment. Vesting for the initial 3% is graded as follows: 33% after one year, 66% after two years and fully vested after three years of service. The 3% the City plays towards matching is vested immediately. At June 30, 2015, there were 46 employees participating in the plan with total contributions of $81,674.

457 Plan

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

NOTE 12 – SPECIAL FUNDING DEFINED BENEFIT PENSION PLANS

A. Georgia Firefighters' Pension Fund

The City's Volunteer Firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The City makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and non-employer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by the Georgia Firefighters' Pension fund located at 2171 Eastview Parkway NE in Conyers, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City of Winder, Georgia's financial statements.

B. Peace Officers' Annuity and Benefit Fund of Georgia

The City's Deputies are covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The City makes no contribution to this plan. Contributions are collected by the City as the agent for this fund through its court systems. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City of Winder, Georgia's financial statements.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The City of Winder provides postemployment health care benefits to retirees through the City of Winder OPEB Plan, a defined benefit, single employer other postemployment benefit plan. This plan was established in accordance with the City Charter and State statues. The City contributes into a trust fund with Georgia Municipal Employees Benefit System (GMEBS), which is a service of Georgia Municipal Association (GMA), who administers the Plan.

City employees who have attained the age of 60 who are vested in the city's retirement plan are eligible to participate in the plan.

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

Current Membership is as follows:

Retirees and beneficiaries currently receiving benefits	17
Active Participants	141
	158

B. Funding Policy

The City pays part of the health insurance premiums for all retirees from City employment receiving a pension annuity earned through City services and participating in the City's health insurance coverage on a pay-as-you-go basis. The City paid approximately $107,725 and was reimbursed by the retirees $48,801 under this program for the fiscal year ended June 30, 2015. An additional $124,700 represents the actuary's estimate of the City's indirect subsidy toward retiree coverage during FY 2015. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The projection of benefits does not incorporate the potential effect of legal or

contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

C. Annual OPEB Cost (AOC) and Net OPEB Obligation

The City implemented GASB 45 in Fiscal Year 2009 and elected to report a zero net OPEB obligation at the beginning of the transition year. The City's annual postemployment benefit cost and net OPEB obligation for the plan as of and for the fiscal year ended June 30, 2015 using a 6.50% interest rate scenario were as follows:

Annual Required Contribution (ARC)	$ 87,900
Interest on Net OPEB Obligation	5,100
Adjustment to ARC	(4,100)
Annual OPEB Cost	88,900
Contributions Made	(195,200)
Increase (Decrease) in Net OPEB Obligation	(106,300)
Net OPEB Obligation - Beginning of Year	78,400
Net OPEB Obligation/(Asset) - End of Year	$ (27,900)

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

Fiscal Year	Annual OPEB Cost (AOC)	Actual City Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
2009	$ 150,800	48,800	32.36%	$ 102,000
2010	164,600	74,700	45.38%	191,900
2011	174,000	108,300	62.24%	257,600
2012	124,400	138,900	111.66%	243,100
2013	125,600	148,600	118.31%	220,100
2014	126,500	268,200	212.02%	78,400
2015	88,900	195,200	219.57%	(27,900)

D. Funded Status and Funding Progress

As of June 30, 2015, the most recent actuarial valuation date, the plan was 10.51% funded. The actuarial accrued liability for benefits was $1,092,400 and the value of the actuarial assets was $114,800, resulting in an unfunded actuarial accrued liability (UAAL) of $977,600.

Valuation Date July 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Liability (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded (Deficit) as a Percentage of ((a-b)/c)
2009	$ -	$ 1,345,700	$ (1,345,700)	0.00%	$ 6,905,104	-19.49%
2010	-	1,792,000	(1,792,000)	0.00%	5,810,000	-30.84%
2011	-	1,675,900	(1,675,900)	0.00%	6,603,500	-25.38%
2012	-	1,675,900	(1,675,900)	0.00%	6,387,021	-26.24%
2013	-	1,669,500	(1,669,500)	0.00%	6,475,732	-25.78%
2014	-	1,654,500	(1,654,500)	0.00%	6,363,095	-26.00%
2015	114,800	1,092,400	(977,600)	10.51%	5,570,800	-17.55%

E. Actuarial Methods and Assumptions for OPEB Plans

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

The more significant actuarial methods and assumptions used in the calculations of the annual OPEB cost, the annual required contribution, and the funded status and funding progress for the fiscal year ended June 30, 2015 are as follows:

Method/Assumptions	**Retirement Program**
Valuation Date	June 30, 2015
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar, Closed
Average Remaining Period	30 Years
Asset Valuation Method	Market Value of Assets
Interest Rate	6.5%
Inflation Rate	3.25%
Medial Trend Rate	Medical Per Capita costs, Average costs and premiums are assumed to increase 8.5% for Pre-Medicare coverage. This rate decreases at a rate of .5% per year until an ultimate rate of 5.00% is reached.

NOTE 14 – CONTINGENT LIABILITIES

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

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

NOTE 15 – RELATED ORGANIZATIONS

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

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

NOTE 16 – JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the area, are members of the Northeast Georgia Regional Commission (RC) and is required to pay annual dues. During its year ended June 30, 2015, the City's dues were paid by Barrow County, which did not request reimbursement from the City. According to the RC, all dues are billed to the County and the management of the County determines if each municipality within the County should be billed for their pro-rata share of the dues. Membership in an RC is required by the official Code of Georgia Annotated (OCGA) Section 50-8-34 that provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the following location:

Northeast Georgia Regional Commission
305 Research Drive
Athens, Georgia 30605

NOTE 17 – HOTEL/MOTEL TAX

The City levied and collects a 7% hotel/motel tax in accordance with OCGA 48-13-51 a 4.4. Collections for the fiscal year ended June 30, 2015, were $85,055. The City expended all amounts required for the purpose of promoting tourism, conventions, and trade shows. The total amount of the tax expended for the purposes listed above for the fiscal year ended June 30, 2015, was $142,411, or 163%. Of this amount $24,144 was directly paid out to the Barrow County Chamber of Commerce. The City transferred $118,267 to the Special Facilities Fund for operations and advertising.

NOTE 18 – RISK MANAGEMENT

A. 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 the 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 the laws of Georgia. The Insurer is to pay all cost taxed against the City in any legal proceeding being defended, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

B. Health Insurance

The City provides health care benefits to its active and retired employees and their dependents. The City contracted with Cigna Insurance Company for health care coverage. The contract is a minimum premium plan, which is a fully insured plan with self-insured characteristics. Under this arrangement, the City is responsible for paying all claims up to an agreed-upon aggregate level, with the insurer responsible for the excess. The insurer is also responsible for processing claims and administrative services.

C. Workers Compensation

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

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

NOTE 19 – INDIRECT COST ALLOCATIONS

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

Indirect Cost Allocations
For the Year Ended June 30, 2015

Costs for Allocation		
Administrative	$	2,420,298
Housing and Development		154,456
Total	$	2,574,754
Distribution of Indirect Costs		
Water and Sewer Fund	$	781,343
Gas Fund		664,056
Solid Waste Management Fund		6,860
Environmental Protection Fund		12,373
Special Facilities Fund		50,468
Golf Fund		77,685
TV Station		15,113
General Fund		
Administrative		24,322
Public Safety		664,438
Public Works		254,739
Housing and Development		1,817
Judicial		21,540
Total	$	2,574,754

NOTE 20 –NET POSITION DEFICIT

The Environmental Protection Services (EPS) Fund reported a deficit net position of $472,722 at June 30, 2015. This fund is responsible for fulfilling state mandates and requirements to protect the water quality of the state's waterways. Management is currently evaluating options to eliminate the negative net position of the fund.

NOTE 21 – EVALUATION OF SUBSEQUENT EVENTS

The City has evaluated subsequent events through July 13, 2016, the date which the financial statements were available to be issued.

NOTE 22 – RESTATEMENT OF EQUITY BALANCES

A. Implementation of New Accounting Standards

During 2015, the City implemented new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB* Statement No. 27, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of* GASB Statement No. 68, *as of July 1, 2014.*

B. SPLOST 2012 Revenue/Receivable

During 2015, the City recorded a prior period adjustment to correctly record SPLOST revenue in the proper period.

The effects of these adjustments are as follows:

	Governmental Activities	Business-Type Activities	Total
Net Position June 30, 2014, as previously stated	$ 14,248,455	$ 67,731,771	$ 81,980,226
Implementation of GASB 68/71 for pensions:			
Record net pension liability	(5,708,708)	(2,272,914)	(7,981,622)
Adjust to correct FY 2014 SPLOST 2012 revenues	78,314	-	78,314
Net Position June 30, 2014, restated	$ 8,618,061	$ 65,458,857	$ 74,076,918

	SPLOST 2012 Fund	Water & Sewer Fund	Gas Fund	Evironmental Protection Fund	Business-Type Internal Service Fund
Fund Balance/Net Position June 30, 2014, as previously stated	$ 1,289,599	$ 58,040,251	$ 6,486,798	$ (1,133,522)	$ -
Implementation of GASB 68/71 for pensions:					
Record net pension liability	-	(1,448,128)	(674,248)	(26,430)	(124,108)
Adjust to correct FY 2014 SPLOST 2012 revenues	78,314	-	-	-	-
Fund Balance/Net Position June 30, 2014, restated	$ 1,367,913	$ 56,592,123	$ 5,812,550	$ (1,159,952)	$ (124,108)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WINDER, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2015
Total Pension Liability	
Service cost	$ 328,917
Interest	1,443,234
Differences between expected and actual experience	(652,819)
Changes in benefit terms	-
Changes in assumptions	(240,685)
Benefit payments, including refunds of employee contributions	(1,223,348)
Net change in total pension liability	(344,701)
Total pension liability - beginning	19,234,047
Total pension liability - ending	$ 18,889,346
Plan Fiduciary Net Position	
Contributions - employer	$ 1,409,342
Contributions - employee	59,823
Net investment income	1,334,881
Benefit payments, including refunds of employee contributions	(1,223,348)
Administrative expense	(19,349)
Other	-
Net change in fiduciary net position	1,561,349
Plan fiduciary net position - beginning	11,595,701
Plan fiduciary net position - ending	$ 13,157,050
Net Pension Liability	
Net pension liability - ending	$ 5,732,296
Plan's fiduciary net position as a percentage of the total pension liability	69.65%
Covered-employee payroll	$ 4,658,538
Net pension liability as a percentage of covered-employee payroll	123.05%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF WINDER, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SCHEDULE OF CONTRIBUTIONS

	2015
Actuarially determined contribution	$ 1,292,164
Contributions in relation to the actuarially determined contribution	1,469,165
Contribution deficiency (excess)	$ (177,001)
City's covered-employee payroll	$ 4,658,538
Contributions as a percentage of covered-employee payroll	27.74%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF WINDER, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
POSTRETIREMENT BENEFITS PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Plan Assets (a)	Actuarial Liability (b)	Unfunded Liability (UAL) (b-a)	Funded Ratio (a)/(b)	Covered Payroll (d)	UAL % of Payroll ((b-a)/d)
July 1, 2009	$ -	$ 1,792,000	$ 1,792,000	0.00%	$ 5,810,000	30.84%
July 1, 2011	-	1,675,900	1,675,900	0.00%	6,603,500	25.38%
July 1, 2014	114,800	1,092,400	977,600	10.50%	5,570,800	17.55%

Georgia Municipal Employee Benefit System

Changes of assumptions:

As a result of the plan change to provide immediate participation for employees, for the fiscal year ending 2016, the eligibility assumption has been changed from one year to immediate. The increase in the Plan's NPL is minimal and has been included in the differences between expected and actuarial experience.

Amounts reported for the fiscal year ending in 2016, and later reflect the following assumption changes based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014:

- The mortality table for disabled participants was changed to remove the two-year set forward for males and the one-year set forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at age 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.
- The inflation assumption was decreased from 3.50% to 3.25%.
- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

Benefit Changes

Effective January 1, 2015, the Plan was amended for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits.

Valuation date	The actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending June 30, 2016.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 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 the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.0%
Retirement Age	Ages 55-59 rate of 10%, age 60 rate of 20%, age 61 rate of 25%, age 62 rate of 35%, age 63 rate of 40%, age 64 rate of 45%, ages 65-69 rate of 50% and age 70 and over rate of 100%
Mortality	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for and report the proceeds of specific revenues sources that are restricted legally or committed to expenditures for specified purposes other than debt service or capital projects.

Community TV Station Fund – This fund is used to account for cable franchise taxes collected and expenditures related to the operation and maintenance and management of Winder Television located at 105 East Athens Street, Winder, Georgia.

Hotel/Motel Fund - This fund is used to account for the hotel/motel taxes collected and expenditures relative 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.

Grant Fund – This fund is used to account for revenues and expenditures related to grants.

CAPITAL PROJECTS FUNDS

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital projects.

2005 Special Purpose Local Option Sales Tax Fund - This fund is used to account for the receipt and use of Special Purpose Local Options Sales Tax (SPLOST) proceeds for road and sidewalk improvement projects, recreation facilities, downtown redevelopment projects, streetscape, and sewer facilities.

2012 Special Purpose Local Option Sales Tax Fund - This fund is used to account for the receipt and use of Special Purpose Local Options Sales Tax (SPLOST) proceeds for road and sidewalk improvement projects, water and sewer infrastructure, improvements, facilities and equipment.

GDOT-LMIG - This fund is used to account for the cost of DOT (Department of Transportation) paving projects.

CITY OF WINDER, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Revenue					Capital Project			
Assets	Community TV Station	Hotel/Motel Tax	Police Escrow	City Festivals	Grant	LMIG	SPLOST 2012	SPLOST 2005	Total
Cash and Cash Equivalents	$ 22,910	$ 76,718	$ 40,898	$ 11,859	$ -	$ 151,713	$ 1,146,820	$ 110,119	$1,561,037
Due From Other Funds	-	-	-	-	-	-	-	13,662	13,662
Taxes Receivable-Net	-	12,658	-	-	-	-	-	-	12,658
Prepaid Items	-	-	-	9,600	-	-	-	-	9,600
Intergovernmental Receivable	2,000	-	-	-	-	-	179,670	-	181,670
Total Assets	$ 24,910	$ 89,376		$ 21,459	$ -	$ 151,713	$ 1,326,490	$ 123,781	$1,778,627
Liabilities									
Accounts Payable and Accrued Liabilities	$ 1,868	$ -	$ 25,373	$ 225	$ -	$ 26,644	$ -	$ -	$ 54,110
Unearned Revenues	-	-	-	1,100	-	-	-	-	1,100
Total Liabilities	1,868	-	25,373	1,325	-	26,644	-	-	55,210
Fund Balance									
Nonspendable Fund Balance									
Prepaid Items	-	-	-	9,600	-	-	-	-	9,600
Restricted Fund Balance									
Law Enforcement	-	-	15,525	-	-	-	-	-	15,525
Capital Outlay	-	-	-	-	-	125,069	1,326,490	123,781	1,575,340
Committed Fund Balance									
General Government	23,042	-	-	-	-	-	-	-	23,042
Assigned Fund Balance									
Housing and Development	-	89,376	-	-	-	-	-	-	89,376
Community and Development	-	-	-	10,534	-	-	-	-	10,534
Total Fund Balance	23,042	89,376	15,525	20,134	-	125,069	1,326,490	123,781	1,723,417
Total Liabilities and Fund Balance	$ 24,910	$ 89,376	$ 40,898	$ 21,459	$ -	$ 151,713	$ 1,326,490	$ 123,781	$1,778,627

CITY OF WINDER, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Revenue					Capital Project			
	Community TV Station	Hotel/Motel Tax	Police Escrow	City Festivals	Grant	LMIG	SPLOST 2012	SPLOST 2005	Total
Revenues:									
Taxes	$ 116,934	$ 85,055	$ -	$ -	$ -	$ -	$ -	$ -	$ 201,989
Intergovernmental	-	-	-	-	-	252,261	1,014,328	-	1,266,589
Charges for Services	12,000	-	-	3,002	-	-	-	-	15,002
Fines and Forfeitures	-	-	6,091	-	-	-	-	-	6,091
Interest	-	390	-	-	-	-	2,450	222	3,062
Total Revenues	128,934	85,445	6,091	3,002	-	252,261	1,016,778	222	1,492,733
Expenditures:									
Current									
General Government	155,927	-	-	-	-	-	-	-	155,927
Public Safety	-	-	6,199	-	-	-	-	-	6,199
Recreation	-	-	-	325	-	-	-	-	325
Housing and Development	-	24,144	-	-	-	-	-	-	24,144
Capital Outlay	-	-	-	-	-	165,350	1,058,201	-	1,223,551
Total Expenditures	155,927	24,144	6,199	325	-	165,350	1,058,201	-	1,410,146
Excess Revenues Over (Under) Expenditures	(26,993)	61,301	(108)	2,677	-	86,911	(41,423)	222	82,587
Other Financing Sources (Uses):									
Transfers In:	23,117	-	-	-	-	38,158	-	-	61,275
Transfers Out:	-	(118,267)	-	-	(38,450)	-	-	-	(156,717)
Total Other Sources (Uses)	23,117	(118,267)	-	-	(38,450)	38,158	-	-	(95,442)
Net Change Increase (Decrease) In Fund Balance	(3,876)	(56,966)	(108)	2,677	(38,450)	125,069	(41,423)	222	(12,855)
Beginning Fund Balance, restated	26,918	146,342	15,633	17,457	38,450	-	1,367,913	123,559	1,736,272
Ending Fund Balance	$ 23,042	$ 89,376	$ 15,525	$ 20,134	$ -	$ 125,069	$ 1,326,490	$ 123,781	$1,723,417

CITY OF WINDER, GEORGIA

SPECIAL REVENUE FUND (COMMUNITY TV STATION)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Cable Franchise Tax	$ 110,000	$ 116,934	$ 6,934
Charges for Services	22,500	12,000	(10,500)
Total Revenues	132,500	128,934	(3,566)
Expenditures:			
General Government	206,900	155,927	50,973
Total Expenditures	206,900	155,927	50,973
Excess Revenues Over (Under) Expenditures	(74,400)	(26,993)	(54,539)
Other Financing Sources (Uses):			
Transfers In (Out)	74,400	23,117	(51,283)
Total Other Financing Sources (Uses)	74,400	23,117	(51,283)
Net Change Increase (Decrease) in Fund Balance	$ -	(3,876)	$ (105,822)
Beginning Fund Balance		26,918	
Ending Fund Balance		$ 23,042	

CITY OF WINDER, GEORGIA

SPECIAL REVENUE FUND (HOTEL/MOTEL TAX)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Final Budget
Revenues:			
Taxes			
Hotel Motel Tax (2%)	$ 19,500	$ 24,963	$ 5,463
Hotel Motel Tax (5 %)	48,600	60,092	11,492
Interest	-	390	390
Total Revenues	68,100	85,445	17,345
Expenditures:			
Housing & Development	19,500	24,144	4,644
Total Expenditures	19,500	24,144	4,644
Excess Revenues Over (Under) Expenditures	48,600	61,301	12,701
Other Financing Sources (Uses):			
Transfers In (Out)			
Special Facilities Fund	(47,200)	(118,267)	(71,067)
Total Other Financing Sources (Uses)	(47,200)	(118,267)	(71,067)
Total Expenditures and Transfers Out	66,700	142,411	75,711
Net Change Increase (Decrease) in Fund Balance	$ 134,800	(56,966)	$ 93,056
Beginning Fund Balance		146,342	
Ending Fund Balance		$ 89,376	

CITY OF WINDER, GEORGIA

SPECIAL REVENUE FUND (POLICE ESCROW)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines and Forfeitures	$ 5,000	$ 6,091	$ 1,091
Total Revenues	5,000	6,091	1,091
Expenditures:			
Law Enforcement	5,000	6,199	(1,199)
Total Expenditures	5,000	6,199	(1,199)
Net Change Increase (Decrease) in Fund Balance	$ -	(108)	$ 2,290
Beginning Fund Balance		15,633	
Ending Fund Balance		$ 15,525	

CITY OF WINDER, GEORGIA

SPECIAL REVENUE FUND (CITY FESTIVALS)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	$ -	$ 3,002	$ 3,002
Total Revenues	-	3,002	3,002
Expenditures:			
Recreation	-	325	(325)
Total Expenditures	-	325	(325)
Net Change Increase (Decrease) in Fund Balance	$ -	2,677	$ 3,327
Beginning Fund Balance		17,457	
Ending Fund Balance		$ 20,134	

CITY OF WINDER, GEORGIA

SPECIAL REVENUE FUND (GRANT)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	$ -	$ -	$ -
Total Revenues	-	-	-
Expenditures:			
Public Safety	-	-	-
Total Expenditures	-	-	-
Excess Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses):			
Transfers In (Out)			
General Fund	-	(38,450)	(38,450)
Total Other Financing Sources (Uses):	-	(38,450)	(38,450)
Net Change Increase (Decrease) in Fund Balance	$ -	(38,450)	$ (38,450)
Beginning Fund Balance		38,450	
Ending Fund Balance		$ -	

CITY OF WINDER, GEORGIA

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Municipal Court

Assets	Balance 6/30/2014	Additions	Deductions	Balance 6/30/2015
Cash and Cash Equivalents	$ 40,112	$ 329,896	$ (313,059)	$ 56,949
Accounts Receivable, Net	344,159	-	(152,180)	191,979
Total Assets	$ 384,271	$ 329,896	$ (465,239)	$ 248,928
Liabilities				
Due To Others	$ 384,271	$ 329,896	$ (465,239)	$ 248,928
Total Liabilities	$ 384,271	$ 329,896	$ (465,239)	$ 248,928

Downtown Improvement

Assets	Balance 6/30/2014	Additions	Deductions	Balance 6/30/2015
Cash and Cash Equivalents	$ 39,800	$ -	$ (39,800)	$ -
Total Assets	$ 39,800	$ -	$ (39,800)	$ -
Liabilities				
Due To Others	$ 39,800	$ -	$ (39,800)	$ -
Total Liabilities	$ 39,800	$ -	$ (39,800)	$ -

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NONMAJOR PROPIETARY FUNDS

ENTERPRISE FUNDS

Solid Waste Fund - This fund accounts the contract costs of solid waste collection, disposal, and recycling. During FY 2012, the City entered into a contract with Waste Management to collect and dispose of the business and residence solid waste.

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

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

Chimneys Golf Course Fund - This is the newest of the proprietary funds and accounts for the operations and maintenance associated with management of the Chimneys Golf Course which is located at 338 Monroe Highway, Winder, Georgia.

INTERNAL SERVICE FUNDS

Internal Service Funds:

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

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

CITY OF WINDER, GEORGIA

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	Solid Waste Management Fund	Environmental Protection Fund	Special Facilities Fund	Golf Fund	Totals
Assets					
Current Assets					
Cash and Cash Equivalents	$ 64,648	$ 3,897	$ 124,282	$ 1,187	$ 194,014
Accounts Receivable	136,570	2,331	30,235	-	169,136
Inventory	-	-	-	9,703	9,703
Prepaids	-	-	-	3,776	3,776
Total Current Assets	201,218	6,228	154,517	14,666	376,629
Non-Current Assets					
Capital Assets					
Nondepreciable Assets	-	436,081	544,386	495,546	1,476,013
Depreciable Assets	-	240,666	3,302,768	254,528	3,797,962
Total Current Assets	-	676,747	3,847,154	750,074	5,273,975
Total Assets	201,218	682,975	4,001,671	764,740	5,650,604
Deferred Outflows of Resources					
Deferred Outflows of Resources Related to Pensions	-	3,210	-	-	3,210
Total Deferred Outflows of Resources	-	3,210	-	-	3,210
Liabilities					
Current Liabilities					
Accounts Payable	53,378	41,200	8,863	53,994	157,435
Advances From Other Funds	-	1,094,961	-	560,000	1,654,961
Noncurrent Liabilities					
Other Post-Employment Benefits Liability	-	-	-	2,525	2,525
Compensated Absences	-	-	1,252	3,232	4,484
Leases Payable	-	-	-	12,128	12,128
Net Pension Liability	-	19,337	-	-	19,337
Total Liabilities	53,378	1,155,498	10,115	631,879	1,850,870
Deferred Inflows of Resources					
Deferred Inflows of Resources Related to Pensions	-	3,409	-	-	3,409
Total Deferred Inflows of Resources	-	3,409	-	-	3,409
Net Position					
Net Investment in Capital Assets	-	676,747	3,847,154	737,946	5,261,847
Unrestricted	147,840	(1,149,469)	144,402	(605,085)	(1,462,312)
Total Net Position (Deficit)	$ 147,840	$ (472,722)	$3,991,556	$ 132,861	$ 3,799,535

CITY OF WINDER, GEORGIA

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Operating Revenues	Solid Waste Management Fund	Environmental Protection Fund	Special Facilities Fund	Golf Fund	Totals
Charges For Services	$ 1,033,093	$ 30,094	$ 112,886	$ 808,103	$1,984,176
Penalties and Interest	29,043	-	-	-	29,043
Other Revenue	-	-	-	4,055	4,055
Total Revenues	1,062,136	30,094	112,886	812,158	2,017,274
Expenses					
Personnel Services	-	49,948	63,353	415,679	528,980
Professional and Technical	656,626	-	12,060	-	668,686
Purchased Property Services	-	46,956	383,744	143,400	574,100
Supplies	-	11,484	11,060	164,720	187,264
Depreciation	-	13,561	142,610	34,693	190,864
Indirect Costs Allocation	6,860	12,373	50,468	77,685	147,386
Total Expenses	663,486	134,322	663,295	836,177	2,297,280
Net Operating Revenues (Expenses)	398,650	(104,228)	(550,409)	(24,019)	(280,006)
Nonoperating Revenue (Expenses)					
Transfers In(Out) - Hotel/Motel	-	-	118,267	-	118,267
Transfers In(Out) - General Fund	(470,242)	791,458	396,708	65,058	782,982
Total Nonoperating Revenues (Eexpenses)	(470,242)	791,458	514,975	65,058	901,249
Change in Net Position	(71,592)	687,230	(35,434)	41,039	621,243
Net Position (Deficit), Beginning of the Year, Restated	219,432	(1,159,952)	4,026,990	91,822	3,178,292
Net Position (Deficit), End of the Year	$ 147,840	$ (472,722)	$3,991,556	$ 132,861	$3,799,535

CITY OF WINDER, GEORGIA

NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Solid Waste Management Fund	Environmental Protection Fund	Special Facilities Fund	Golf Fund	Totals
Cash Flows from (to) Operating Activities:					
Receipts from Customers	$ 1,071,297	$ 29,625	$ 99,216	$ 809,033	$2,009,171
Payments to Employees	-	(56,842)	(66,589)	(409,922)	(533,353)
Internal Activity	(6,860)	(12,373)	(50,468)	(77,685)	(147,386)
Payments to Suppliers	(656,326)	(30,597)	(422,639)	(304,342)	(1,413,904)
Net Cash Provided (Used) by Operating Activities	408,111	(70,187)	(440,480)	17,084	(85,472)
Cash Flows from (to) Noncapital Financing Activities:					
Receipts from (Payments to) Other Funds	-	(136,871)	118,267	(20,000)	(38,604)
Transfers from (to) General Fund	(470,242)	791,458	396,708	65,058	782,982
Net Cash from (to) Noncapital Financing Activities:	(470,242)	654,587	514,975	45,058	744,378
Cash Flows (to) Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets, Net	-	(581,483)	(20,812)	(51,853)	(654,148)
Principal Payments on Notes & Capital Leases	-	-	(25,000)	(10,359)	(35,359)
Net Cash (to) Capital and Related Financing Activities:	-	(581,483)	(45,812)	(62,212)	(689,507)
Net Increase (Decrease) in Cash	(62,131)	2,917	28,683	(70)	(30,601)
Cash and Cash Equivalents, Beginning of Year	126,779	980	95,599	1,257	224,615
Cash and Cash Equivalents, End of the Year	$ 64,648	$ 3,897	$ 124,282	$ 1,187	$ 194,014
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	$ 398,650	$ (104,228)	$ (550,409)	$ (24,019)	$ (280,006)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation and Amortization	-	13,561	142,610	34,693	190,864
Changes in Current Assets and Liabilities					
(Increase) Decrease in Deferred Outflows - Pensions	-	(3,210)	-	-	(3,210)
(Increase) Decrease in Accounts Receivable	9,161	(469)	(13,670)	1,125	(3,853)
(Increase) Decrease in Inventories	-	-	-	306	306
(Increase) Decrease in Prepaids	-	-	-	2,457	2,457
(Increase) Decrease in OPEB Asset	-	-	-	-	-
Increase (Decrease) in Accounts Payable	300	27,843	(15,775)	1,015	13,383
Increase (Decrease) in Unearned Revenue	-	-	-	(4,250)	(4,250)
Increase (Decrease) in OPEB Liability	-	-	(4,488)	2,525	(1,963)
Increase (Decrease) in Compensated Absences	-	-	1,252	3,232	4,484
Increase (Decrease) in Net Pension Liability	-	(7,093)	-	-	(7,093)
Increase (Decrease) in Deferred Inflows - Pensions	-	3,409	-	-	3,409
Net Cash Provided (Used) by Operating Activities	$ 408,111	$ (70,187)	$ (440,480)	$ 17,084	$ (85,472)

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CITY OF WINDER, GEORGIA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	Utility Service	Buildings	Totals
Assets			
Cash and Cash Equivalents	$ 371,238	$ 950	$ 372,188
Prepaids	8,400	-	8,400
Total Current Assets	379,638	950	380,588
Non-Current Assets			
Property, Plant and Equipment - Net	25,164	1,606,685	1,631,849
Total Non-Current Assets	25,164	1,606,685	1,631,849
Total Assets	404,802	1,607,635	2,012,437
Deferred Outflows of Resources			
Deferred Outflows of Resources Related to Pensions	57,791	-	57,791
Total Deferred Outflows of Resources	57,791	-	57,791
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	39,256	30,527	69,783
Total Current Liabilities	39,256	30,527	69,783
Long -Term Liabilities:			
Other Post-Employment Benefits Liability	1,978	-	1,978
Compensated Absences	6,062	-	6,062
Advances from Other Funds	-	839,977	839,977
Net Pension Liability	348,051	-	348,051
Total Long-Term Liabilities	356,091	839,977	1,196,068
Total Liabilities	395,347	870,504	1,265,851
Deferred Inflows of Resources			
Deferred Inflows of Resources Related to Pensions	61,358	-	61,358
Total Deferred Inflows of Resources	61,358	-	61,358
Net Position			
Net Investment in Capital Assets	25,164	1,606,685	1,631,849
Unrestricted Net Position (Deficit)	(19,276)	(869,554)	(888,830)
Total Net Position	$ 5,888	$ 737,131	$ 743,019

CITY OF WINDER, GEORGIA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Utility Service	Buildings	Totals
Operating Revenues:			
Charges For Services	$ 861,330	$ -	$ 861,330
Rents	-	815,641	815,641
Total Operating Revenues	861,330	815,641	1,676,971
Operating Expenses:			
Personnel Services	386,362	-	386,362
Professional and Technical	153,740	776,354	930,094
Purchased Property Services	158,797	-	158,797
Supplies	23,772	6,298	30,070
Depreciation	8,663	32,989	41,652
Total Operating Expenses	731,334	815,641	1,546,975
Net Operating Revenues (Expenses)	129,996	-	129,996
Income before contributions and transfers	129,996	-	129,996
Capital Contributions	-	359,131	359,131
Transfers To (From) General Fund	-	325,000	325,000
Change in Net Position	129,996	684,131	814,127
Net Position (Deficit) , Beginning of the Year, restated	(124,108)	53,000	(71,108)
Net Position, End of the Year	$ 5,888	$ 737,131	$ 743,019

CITY OF WINDER, GEORGIA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cash Flows from (to) Operating Activities:	Utility Service	Buildings	Totals
Receipts from Interfund Services Provided	$ 861,330	$ 815,641	$ 1,676,971
Payments to Suppliers	(329,437)	(768,453)	(1,097,890)
Payments to Employees	(162,354)	-	(162,354)
Net Cash Provided (Used) by Operating Activities	369,539	47,188	416,727
Cash Flows from (to) Noncapital Financing Activities:			
Receipts from (Payments to) Other Funds	-	(22,709)	(22,709)
Transfers from (to) General Fund	-	325,000	325,000
Net Cash from (to) Noncapital Financing Activities	-	302,291	302,291
Cash Flows from (to) Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	-	(348,601)	(348,601)
Net Cash from (to) Capital and Related Financing Activities	-	(348,601)	(348,601)
Net Increase (Decrease) in Cash	369,539	878	370,417
Cash and Cash Equivalents, Beginning of Year	1,699	72	1,771
Cash and Cash Equivalents, End of the Year	$ 371,238	$ 950	$ 372,188
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ 129,996	$ -	$ 129,996
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	8,663	32,989	41,652
Changes in Assets and Liabilities:			
(Increase) Decrease in Deferred Outflows - Pensions	(57,791)	-	(57,791)
(Increase) Decrease in Inventory	-	538	538
(Increase) Decrease in Prepaids	-	13,890	13,890
Increase (Decrease) in Accrued Payables	6,872	(229)	6,643
Increase (Decrease) in OPEB Liability	(5,888)	-	(5,888)
Increase (Decrease) in Compensated Absences	2,386	-	2,386
Increase (Decrease) in Net Pension Liability	223,943	-	223,943
Increase (Decrease) in Deferred Inflows - Pensions	61,358	-	61,358
Net Cash Provided (Used) by Operating Activities	$ 369,539	$ 47,188	$ 416,727

Noncash Capital Financing Activities:

Capital Assets of $359,131 were acquired through contributions from the General Fund.

CITY OF WINDER, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTIONS SALES TAX
JUNE 30, 2015

	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
2005 Special Purpose Local Options Sales Tax				
Local Street Projects	$4,500,736	$2,426,750	$ -	$ 2,426,750
Recreation Facilities, Downtown Redevelopment Projects, and Streetscapes	925,149	13,507	-	13,507
Sewer Facilities	696,945	-	-	-
Total 2005 SPLOST	$6,122,830	$2,440,257	$ -	$ 2,440,257

	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
2012 Special Purpose Local Options Sales Tax				
Local Street Projects	$2,451,259	$ 340,380	$ 1,058,201	$ 1,398,581
Water & Sewer Infrastructure, Improvements, Facilities & Equipment	4,357,793	-	-	-
Total 2012 SPLOST	$6,809,052	$ 340,380	$ 1,058,201	$ 1,398,581

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

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GOVERNMENTAL REPORT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, 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, 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 fiscal year ended June 30, 2015 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 July 13, 2016.

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 the 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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified . We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses. 2015-001 and 2015-002.

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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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2015-003 and 2015-004.

City of Winder, Georgia's Response to Findings

City of Winder, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. City of Winder, Georgia's responses were not subjected to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on them.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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.

Macon, Georgia
July 13, 2016

CITY OF WINDER, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Financial Statement Findings

Findings noted on the 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*:

2015-001 Maintenance of Accounting Records

CRITERIA
An effective system of financial reporting and internal controls requires that accounting records are closed and financial reports are produced on a timely basis.

CONDITION
During 2015, the City experienced significant delays with the year-end closeout process.

CONTEXT
The 2015 year-end closeout was not completed until April of 2016.

EFFECT
During the closeout process, management was unable to provide accurate financial reports to the Mayor and Council.

CAUSE
Multiple personnel losses occurred in the finance department at critical times during the closeout process. These losses included staff whose primarily responsibilities included year-end closeout and audit preparation. In addition to the personnel losses, the department underwent a complete conversion of its financial reporting software.

RECOMMENDATION
We recommend the City make the appropriate staffing changes to insure that critical accounting functions including year-end closeout are performed on a timely basis.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The City experienced significant turnover within the finance department in addition to a complete software conversion. Staffing issues have been resolved and the software conversion has been completed.

2015-002 Accounts Receivable/Revenue

CRITERIA
Accounting procedures should be designed to insure that revenues are accrued and recognized when they become both measurable and available to finance expenditures of the fiscal period and expenditures are recorded when they are incurred.

CONDITION
SPLOST revenues were not recorded in the proper fiscal period.

CONTEXT
During 2015, the City discovered that SPLOST revenues were not recorded in the proper fiscal period.

EFFECT
The City recorded a prior period adjustment of $78,313 to record SPLOST revenues in the proper period.

CAUSE
In prior year, the City did not include June receipts in the year-end accrual.

RECOMMENDATION
We recommend the City insure that year-end accruals include taxes collected for the month of June.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. Procedures have been implemented to insure revenues are recorded in the proper period.

Compliance Findings

2015-003 Budgetary Control-Expenditures Exceeding Appropriations (36-81-3)

CRITERIA
In order to comply with the applicable legal requirements regarding budgets, procedures must exist to properly monitor compliance with the State law. Georgia code (36-81-3) requires an annual balanced budget for the General Fund and each special revenue fund.

CONDITION
The expenditures in the City's General Fund and various special revenue funds exceeded appropriations in various departments.

CONTEXT
Expenditures exceeded appropriations as follows:

General Fund:	
Fire Department	$ 167,933
Public Works	544,091
Transfers Out	1,030,399
Hotel/Motel	
Transfers Out	71,067
Police Escrow	
Public Safety	1,199
City Festivals	
Recreation	325
Grant Fund	
Transfers Out	38,450

EFFECT
The City is not in compliance with state law.

CAUSE
The City experienced significant delays in the annual closeout process with hindered its ability to monitor expenditures in relation to its approved budgets.

RECOMMENDATION
We recommend the City strive to insure timely closeouts and closely monitor expenditures in relation to budgeted amounts.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. Delays in the closeout process prevented the proper monitoring of expenditures in relation to the budget. This has been corrected for 2016.

2015-004 Violation of Georgia Law – 2005 SPLOST Fund

CRITERIA
The Official Code of Georgia (OCGA) Section 48-8-121(a)(1) requires that SPLOST proceeds cannot in any manner be commingled with other City funds prior to their expenditure. State law also prohibits the expenditure of SPLOST monies for any purposes that were not approved in the SPLOST referendum.

CONDITION
In FY2015, the City expended SPLOST Funds of $13,662 for a General Fund capital project.

CONTEXT
During 2015, the City spent $13,662 for the demolition of a pavilion and engineering costs for the construction of restroom facilities on the site. The project was part of approved SPLOST projects. After reviewing the final costs estimates from completion of the facility, Council decided to discontinue the project and reimburse the SPLOST 2005 Fund from the General Fund.

EFFECT
The City is not in compliance with state law.

CAUSE
The City's decision not to use SPLOST funds on a project for which SPLOST money had already been expended, created the violation of state law.

RECOMMENDATION
We recommend the City implement procedures to insure SPLOST funds are used to finance General Fund projects.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. This project was initially planned to be a SPLOST project. The SPLOST fund was reimbursed in 2016.

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City of Winder, Georgia
Comprehensive Annual Financial Report
June 30, 2015