

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 24, 2025

NEW ISSUE  
BOOK-ENTRY ONLY

RATINGS: Moody's: "Aa3"  
S&P Global Ratings: "AA-"  
See "MISCELLANEOUS, -Ratings" herein.

*In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other matters, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes under § 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Series 2025 Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest on the Series 2025 Bonds is exempt from present State of Georgia income taxation. See Appendix D herein for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2025 Bonds. For a more complete discussion of the tax status of the Series 2025 Bonds and certain other tax consequences relating to the Series 2025 Bonds, see "TAX STATUS" herein.*

**\$60,360,000\***

**CITY OF WINDER (GEORGIA)**

**Water and Sewer Revenue Bonds, Series 2025**

**Dated: Date of Issuance**

**Due: January 1, as shown on inside cover**

The CITY OF WINDER (GEORGIA) WATER AND SEWER REVENUE BONDS, SERIES 2025 (the "**Series 2025 Bonds**") will be issued in registered form in the name of Cede & Co., as the nominee for The Depository Trust Company ("**DTC**"), New York, New York. Individual purchases of the Series 2025 Bonds must be made in book-entry form only in authorized denominations of \$5,000 or any integral multiple thereof. Individual purchasers ("**Beneficial Owners**") of the Series 2025 Bonds will not receive physical delivery of the Series 2025 Bonds. Transfers of the Series 2025 Bonds will be effected through a book-entry system as described herein.

Interest on the Series 2025 Bonds will be payable on January 1 and July 1 of each year (each an "**Interest Payment Date**"), beginning July 1, 2026. So long as DTC or its nominee is the registered owner of the Series 2025 Bonds, disbursement of payments of principal of and interest on the Series 2025 Bonds to DTC is the responsibility of U.S. Bank Trust Company, National Association, Atlanta, Georgia, as Paying Agent; disbursements of such payments to DTC Participants is the responsibility of DTC; and disbursements of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants as more fully described herein. See "THE SERIES 2025 BONDS -Book-Entry Only System of Delivery of Bonds" herein.

Certain Series 2025 Bonds are subject to optional and scheduled mandatory redemption prior to their respective maturities.\* See "THE SERIES 2025 BONDS -Redemption of the Series 2025 Bonds" herein.

The City of Winder, Georgia (the "**City**") is issuing the Series 2025 Bonds for the purpose of financing the costs, in whole or in part, of acquiring, constructing, and equipping additions, extensions and improvements to the City's water and sewer system (the "**System**"), and paying the costs of issuing the Series 2025 Bonds. See "THE SERIES 2025 BONDS, -The Projects" herein.

The Series 2025 Bonds are special limited obligations of the City. The payment of the principal of and interest on the Series 2025 Bonds is secured by a first and prior pledge of and lien on the Net Revenues (as defined herein) of the System. The Series 2025 Bonds do not continue a charge, lien or encumbrance, legal or equitable, on any other property of the City. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" herein.

THE SERIES 2025 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION, OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE CITY. NEITHER THE STATE OF GEORGIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, IS OBLIGATED TO LEVY ANY TAX FOR THE PAYMENT OF THE SERIES 2025 BONDS.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE SERIES 2025 BONDS OR THE SECURITY THEREFOR. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2025 Bonds are offered when, as, and if issued by the City, subject to the approval of legality by Gray Pannell LLC, Savannah, Georgia, Bond Counsel, and certain other conditions, including validation of the Series 2025 Bonds and the security therefor by the Superior Court of Barrow County, Georgia. Certain legal matters will be passed upon for the City by its counsel, Smith Welch Webb & White, LLC, McDonough, Georgia. Gray Pannell LLC, Savannah, Georgia, is acting as Disclosure Counsel. Davenport & Company LLC, Atlanta, Georgia, is serving as Financial Advisor to the City. The Series 2025 Bonds are expected to be delivered in definitive form through DTC on or about December 18, 2025.

**BIDS ARE INVITED FOR THE PURCHASE OF THE SERIES 2025 BONDS  
ON DECEMBER 4, 2025 AS PROVIDED IN THE OFFICIAL NOTICE OF SALE**

Official Statement dated: \_\_\_\_\_, 2025

\*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion, or amendment without notice. The Series 2025 Bonds may not be sold nor may offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2025 Bonds in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE\*

\$60,360,000\*

CITY OF WINDER (GEORGIA)

WATER AND SEWER REVENUE BONDS, SERIES 2025

(January 1) <u>Maturity*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield/Price</u>	<u>CUSIP</u> <sup>1</sup>
2028	\$400,000			
2029	800,000			
2030	1,085,000			
2031	1,140,000			
2032	1,195,000			
2033	1,255,000			
2034	1,320,000			
2035	1,385,000			
2036	1,455,000			
2037	1,525,000			
2038	1,605,000			
2039	1,685,000			
2040	1,770,000			
2041	1,855,000			
2042	1,950,000			
2043	2,045,000			
2044	2,150,000			
2045	2,255,000			
2046	2,370,000			
2047	2,490,000			
2048	2,610,000			
2049	2,740,000			
2050	2,880,000			
2051	3,025,000			
2052	3,175,000			
2053	3,320,000			
2054	3,465,000			
2055	3,625,000			
2056	3,785,000			

<sup>1</sup> CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the City, Bond Counsel, or Disclosure Counsel and are included solely for the convenience of the registered owners of the applicable Bonds. None of the aforementioned participants in the financing or the Underwriter of the Series 2025 Bonds are responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the applicable Bonds or as included herein, or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2025 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part, that are applicable to all or a portion of certain maturities of the Series 2025 Bonds.

\*Preliminary, subject to change.

## **CITY OF WINDER**

### **Mayor and City Council**

Jimmy Terrell, *Mayor*  
Sonny Morris, *Ward 1 Councilmember*  
Kobi Kilgore, *Ward 2 Councilmember*  
Power Evans, *Ward 3 Councilmember*  
Travis Singley, *Ward 4 Councilmember*  
Stephanie Britt, *At-Large Councilmember*  
Taffy McCormick, *At-Large Councilmember*

### **Appointed Officials**

Jonathan Lynn, *City Administrator*  
Anna Childs, *City Clerk*  
Ronnie Campbell, *Director of Finance*  
Horace Gee, *Utilities Director*

## **SPECIAL SERVICES**

### **Independent Auditors to the City**

Rushton, LLC  
Gainesville, Georgia

### **Counsel to the City**

Smith Welch Webb & White, LLC  
McDonough, Georgia

### **Bond Counsel and Disclosure Counsel**

Gray Pannell LLC  
Savannah, Georgia

### **Financial Advisor**

Davenport & Company LLC  
Atlanta, Georgia

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Appendix C:	FORM OF CONTINUING DISCLOSURE CERTIFICATE
Appendix D:	FORM OF LEGAL OPINION OF BOND COUNSEL
Appendix E:	DRAFT WATER AND WASTEWATER RATE STUDY REPORT
Appendix F:	FORM OF NOTICE OF SALE

\* \* \* \* \*

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of any offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2025 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT APPROVED OR DISAPPROVED OF THE SERIES 2025 BONDS OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The information set forth herein has been furnished by the City and by other sources which are believed to be reliable. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the other matters described herein since the date hereof.

This Official Statement includes descriptions and summaries of certain events, matters and documents. Such descriptions and summaries do not purport to be complete and all such descriptions, summaries and references thereto are qualified in their entirety by reference to this Official Statement in its entirety and to each such document, copies of which may be obtained from the City. Any statements made in this Official Statement or the appendices hereto involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

This Official Statement (including the Appendices attached hereto) contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement (including the Appendices attached hereto), the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward looking statements. These forward looking statements speak only as of the date of this Official Statement. The City disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in the City’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement is delivered in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

This Official Statement does not constitute a contract between the City and any one or more owners of the Series 2025 Bonds, nor does this Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2025 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained herein, and, if given

or made, such other information or representation must not be relied upon as having been authorized by the City or any other person.

The Series 2025 Bonds have not been registered under the Securities Act of 1933, and the Bond Resolution (as defined herein) has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

This Preliminary Official Statement has been deemed final by the City for purposes of Securities Exchange Act Rule 15c2-12, except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12.

## OFFICIAL STATEMENT

Relating to

**\$60,360,000\***

**CITY OF WINDER (GEORGIA)**

**WATER AND SEWER REVENUE BONDS, SERIES 2025**

### INTRODUCTION

This Official Statement, including the cover page, inside cover, and the Appendices hereto, of the City of Winder, Georgia (the “**City**”), sets forth information concerning the City, its water and sewer system (the “**System**”), and the proposed CITY OF WINDER (GEORGIA) WATER AND SEWER REVENUE BONDS, SERIES 2025 (the “**Series 2025 Bonds**”).

The information contained in this section entitled “INTRODUCTION” is a brief description of the terms of and security for the Series 2025 Bonds and does not purport to be comprehensive or definitive. A full review of the entire Official Statement, as well as the documents summarized or described herein, should be made. All references herein to, or summaries of, the Bond Resolution (hereinafter defined) or other documents or official acts are qualified in their entirety by the exact terms of such documents or official acts, copies of which are available from the City. All references herein to, or summaries of, the Series 2025 Bonds are qualified in their entirety by the definitive forms thereof and the provisions with respect thereto included in the Bond Resolution. All undefined, capitalized terms used herein shall have the meaning ascribed to such terms in the Bond Resolution unless the context requires otherwise. For more detailed information on the terms used herein, see “Appendix B: FORM OF BOND RESOLUTION.”

*The Series 2025 Bonds will be sold pursuant to a competitive sale as provided in the Official Notice of Sale attached hereto as “Appendix F: FORM OF THE OFFICIAL NOTICE OF SALE.”*

### **The City**

The City is a municipal corporation of the State of Georgia, and a governmental body as defined in the Revenue Bond Law of the State of Georgia, codified in Official Code of Georgia Annotated (“**O.C.G.A.**”) § 36-82-60 through § 36-82-85 (the “**Revenue Bond Law**”). The City is located in Barrow County in northeast Georgia. The City has a population of 20,628 residents according to the July 1, 2024, U.S. Census Bureau estimates. The City operates under a mayor/council-city administrator form of government. For more detailed information, see “CITY OF WINDER.”

### **The System**

The City owns and operates a water supply and distribution system and a sewer collection system, which it operates as a combined system. The System’s service area includes the incorporated area of the City and portions of unincorporated Barrow County. Water and sewer rates, fees and charges are set by ordinance and approved by City Council. For more detailed information regarding the System, see “WATER AND SEWER SYSTEM.”

### **Purpose of the Series 2025 Bonds**

The City is issuing its Series 2025 Bonds for the purpose of financing the costs, in whole or in part, of: acquiring, constructing, and equipping additions, extensions and improvements to the System, and paying the costs of issuing the Series 2025 Bonds. See “THE SERIES 2025 BONDS, -The Projects” herein.

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\* The use of the asterisk (\*) throughout this Preliminary Official Statement indicates information which is subject to change.

## Terms of the Offering

*Authority for Issuance.* The Series 2025 Bonds are to be issued pursuant to the Constitution and the laws of the State of Georgia, including particularly the provisions of the Revenue Bond Law, and the laws of the State of Georgia relating to the City. The Series 2025 Bonds will be issued under and secured pursuant to the terms and conditions of a master bond resolution adopted by the Mayor and Council of the City on November 3, 2025 (the “**Master Resolution**”), as supplemented and amended by a first supplemental bond resolution adopted on December \_\_, 2025 (the “**First Supplemental Resolution**” and together with the Master Resolution, the “**Bond Resolution**”). See “Appendix B: FORM OF BOND RESOLUTION.”

*Offering.* The Series 2025 Bonds are offered when, as, and if issued by the City, subject to prior sale and to withdrawal or modification of the offer without notice, and to approval of legality by Gray Pannell LLC, Savannah, Georgia, Bond Counsel, and to validation by the Superior Court of Barrow County, Georgia.

*Delivery.* The Series 2025 Bonds, in definitive form, are expected to be delivered through DTC in New York, New York, on or about December 18, 2025.

## Bond Registrar and Paying Agent

U.S. Bank Trust Company, National Association, Atlanta, Georgia, will act as Bond Registrar (the “**Bond Registrar**”) and Paying Agent (the “**Paying Agent**”) for the Series 2025 Bonds.

## Description of the Series 2025 Bonds

*Redemption Provisions.* Certain Series 2025 Bonds are subject to optional and scheduled mandatory redemption prior to their respective maturities.\*

*Denominations.* Individual purchases of the Series 2025 Bonds may only be made in book-entry form in denominations of \$5,000 or any integral multiple thereof.

*Registration and Transfer.* The Series 2025 Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“**DTC**”). DTC will serve as securities depository for the Series 2025 Bonds and the Series 2025 Bonds may be registered, transferred, or exchanged in accordance with the rules of DTC.

*Manner of Making Payment.* Interest on the Series 2025 Bonds is payable on January 1 and July 1 (each an “**Interest Payment Date**”) in each year, commencing on July 1, 2026. The interest so payable on any such Interest Payment Date will be paid to the person in whose name the Series 2025 Bonds are registered at the close of business on the 15th day of the calendar month preceding such Interest Payment Date (the “**Record Date**”); provided, however, that if and to the extent a default shall occur in the payment of interest due on said Interest Payment Date, such past due interest shall be paid to the persons in whose names outstanding Series 2025 Bonds are registered on a subsequent date of record established by notice given by mail by the Paying Agent to the holders of the Series 2025 Bonds not less than 30 days preceding such subsequent date of record. The Series 2025 Bonds bear interest at the rates per annum and mature in the amounts and at the times as set forth on the inside front cover page hereof.

So long as DTC or its nominee is the registered owner of the Series 2025 Bonds, principal of and interest on the Series 2025 Bonds are payable by wire transfer by the Paying Agent to Cede & Co., as nominee for DTC, which, in turn, will remit such amounts to DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners (as defined herein). For more detailed information on the Series 2025 Bonds, see “THE SERIES 2025 BONDS.”

## Security and Sources of Payment for the Series 2025 Bonds

*Lien on Net Revenues of the System.* The Series 2025 Bonds are special limited obligations of the City secured by and payable solely from a first and prior lien on and pledge of the Net Revenues of the System (defined herein).

THE SERIES 2025 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION, OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE CITY. NEITHER THE STATE OF GEORGIA NOR ANY POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION THEREOF, INCLUDING THE CITY, IS OBLIGATED TO LEVY ANY TAX FOR THE PAYMENT OF THE SERIES 2025 BONDS.

Subject to certain conditions as set forth in the Bond Resolution, the City may hereafter issue additional bonds on a parity basis with the lien of the Series 2025 Bonds on the Net Revenues of the System (the “**Parity Bonds**”). The Series 2025 Bonds and any Parity Bonds hereafter issued are referred to collectively herein as the “**Bonds**”. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS, -Parity Bonds and Subordinate Debt.”

*No Debt Service Reserve.* There will be no Reserve Requirement established for the Series 2025 Bonds.

For more complete information see “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS” and “Appendix B: FORM OF BOND RESOLUTION

### **Professionals Involved in the Offering**

Certain legal matters pertaining to the City and its authorization and issuance of the Series 2025 Bonds are subject to the approving opinion of Gray Pannell LLC, Savannah, Georgia, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Series 2025 Bonds, and a copy of the proposed form of said approving opinion is attached hereto as Appendix D. Certain other legal matters will be passed on for the City by its counsel, Smith Welch Webb & White, LLC, McDonough, Georgia. Gray Pannell LLC, Savannah, Georgia, is acting as Disclosure Counsel. Davenport & Company LLC, Atlanta, Georgia, is serving as Financial Advisor to the City.

The financial statements of the City for the fiscal year ended June 30, 2024, attached hereto as Appendix A, have been audited by Rushton, LLC, Gainesville, Georgia, to the extent and for the period indicated in their report thereon.

### **Tax Status**

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes under § 103 of the Internal Revenue Code of 1986, as amended (the “**Code**”), and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Series 2025 Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest on the Series 2025 Bonds is exempt from present State of Georgia income taxation. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2025 Bonds. See Appendix D herein for the form of opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2025 Bonds. For a more complete discussion of the tax status of the Series 2025 Bonds and certain other tax consequences relating to the Series 2025 Bonds, see “TAX STATUS” herein.

### **Continuing Disclosure**

On the date of the issuance and delivery of the Series 2025 Bonds, the City will sign a Continuing Disclosure Certificate which will allow the participating underwriter of the Series 2025 Bonds to comply with Securities and Exchange Commission Rule 15c2-12(b)(5). See “MISCELLANEOUS -Continuing Disclosure” and “Appendix C: FORM OF THE CONTINUING DISCLOSURE CERTIFICATE.”

**Additional Information**

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Series 2025 Bonds, the Bond Resolution, the City, the System, and the security and sources of payment for the Series 2025 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to, or summaries of, the Bond Resolution, or any other document or constitutional provision or statute are qualified in their entirety by the exact terms of such documents or constitutional provision or statute. All references herein to the Series 2025 Bonds are qualified in their entirety to the form thereof and the provisions with respect thereto included in the Bond Resolution. Copies of all documents described herein are available upon request, upon payment to the City of a charge for copying, mailing, and handling, from the City, 25 East Midland Avenue, Winder, Georgia, 30680, telephone (770) 867-3106, Attention: City Administrator.

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## **THE SERIES 2025 BONDS**

### **General Description**

The Series 2025 Bonds, dated as of their date of issuance and delivery, bear interest at the rates per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months, and mature on January 1 in the years and principal amounts set forth on the inside cover page hereof. Interest shall be payable on January 1 and July 1 of each year, beginning July 1, 2026.

### **Authority for Issuance of the Series 2025 Bonds**

The Series 2025 Bonds will be issued under the authority of the Constitution of the State, the general laws of the State, in particular, the Revenue Bond Law, the laws of the State relating to the City, and the Bond Resolution. The City is authorized to operate and maintain the System for its own use and for the use of public and private consumers within the territorial limits of the City and to acquire, construct, improve, and equip the System. In addition, the City is authorized to issue revenue bonds to provide funds needed to refund outstanding revenue bonds payable from the revenue derived from the operation and ownership of the System, to refund all obligations or debt of any nature, and to acquire, construct, improve, and equip the System. The City is authorized to prescribe and revise rates and collect fees, tolls, and charges for the services furnished by the System as the same now exists and as it hereafter may be added to, extended, improved and equipped.

### **Validation of the Series 2025 Bonds**

As required by the Revenue Bond Law, the Series 2025 Bonds and the security therefor must be confirmed and validated by judgment of the Superior Court of Barrow County, Georgia, prior to the issuance of the Series 2025 Bonds. Entry of the final judgment confirming and validating the Series 2025 Bonds and the security therefor is a condition to the issuance of the Series 2025 Bonds. Under State law, the judgment of validation is forever conclusive against the City with respect to such validation of the Series 2025 Bonds and the security therefor.

### **Security and Sources of Payment for the Series 2025 Bonds**

The Series 2025 Bonds are special limited obligations of the City payable solely from and secured by a first and prior pledge of and lien on the Net Revenues of the System. For more information on the security and sources of payment for the Series 2025 Bonds see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" herein and see also "Appendix B: FORM OF BOND RESOLUTION."

### **Redemption of the Series 2025 Bonds\***

*Optional Redemption.* The Series 2025 Bonds maturing on January 1, 2037, and thereafter are subject to redemption by the City, in whole or in part at any time, beginning January 1, 2036 (if less than all of the Series 2025 Bonds of a maturity are to be redeemed, the actual Series 2025 Bonds of such maturity shall be selected by lot in such manner as may be designated by DTC while the Series 2025 Bonds are held as book-entry bonds and by the Paying Agent if the Series 2025 Bonds are no longer held as book-entry bonds), in such order as may be designated by the City at a redemption price of 100% of the principal amount of the Series 2025 Bonds called for redemption plus accrued interest to the redemption date.

The Series 2025 Bonds which are subject to optional redemption shall be called for redemption by the Bond Registrar pursuant to the Bond Resolution upon receipt by the Bond Registrar at least 30 days prior to the redemption date of a certificate of the City directing such redemption. Such certificate shall specify the maturity or maturities of the Series 2025 Bonds to be redeemed, the redemption date, the principal amount of the Series 2025 Bonds or portions thereof so to be called for redemption, the applicable redemption price or prices, and the provision or provisions of the Bond Resolution, pursuant to which such Series 2025 Bonds are to be called for redemption.

*Scheduled Mandatory Redemption.* The Series 2025 Bonds maturing on January 1, 20\_\_, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the

maturity of the Series 2025 Bonds to be redeemed (rounded to the nearest \$5,000 of the principal amount of each Series 2025 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on January 1 of the years set forth below (the January 1, 20\_\_, amount to be paid at maturity rather than redeemed):

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

The *pro rata* redemption shall be made by redeeming from each Bondholder of the maturity to be redeemed that principal amount which bears the same proportion to the principal amount of such stated maturity registered in the name of such Bondholder as the total principal amount of such stated maturity to be redeemed on any date of scheduled mandatory redemption bears to the aggregate principal amount of such stated maturity Outstanding prior to redemption. If the Paying Agent cannot make a strict *pro rata* redemption among the Bondholders of a stated maturity, the Paying Agent will redeem more or less than a *pro rata* portion from one or more Bondholders of such stated maturity in such manner as the Paying Agent deems fair and reasonable. In connection with any such redemption prior to maturity, the Paying Agent will make appropriate entries in the Bond Register to reflect a portion of any Bond so redeemed and the amount of the principal remaining outstanding. The Paying Agent's notation in the Bond Register shall be conclusive as to the principal amount of any Outstanding Bond at any time.

*Notice of Redemption.* The Bond Registrar shall give notice of redemption one time not less than 30 days nor more than 45 days prior to the date fixed for redemption to the Holders of each of the Series 2025 Bonds being called for redemption by first class mail (electronically while the Series 2025 Bonds are held as book-entry bonds) at the address shown on the register of the Bond Registrar. Said notice may be conditional and shall contain the complete official name of the Series 2025 Bonds being redeemed, CUSIP number, certificate numbers, amounts called of each certificate (for partial calls), redemption date, redemption price, the Paying Agent's name and address (with contact person and phone number), date of issue of the Series 2025 Bonds, interest rate, and maturity date. Said notice shall also be given not less than 30 days nor more than 45 days prior to the date fixed for redemption, to the Electronic Municipal Market Access system (EMMA) operated by the Municipal Securities Rulemaking Board or such other securities depository registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, which disseminate redemption notices. No transfer or exchange of any Bond so called for redemption shall be allowed. If any Holder of any Bond being redeemed pursuant to the provisions of this Article shall fail to present for redemption any such Bond within 60 days after the date fixed for redemption, a second notice of the redemption of such Bond shall be given to said Owner at the address of said Owner as shown on the bond register of the Bond Registrar within 90 days after the date fixed for redemption. The failure of the Bond Registrar to give such notice shall not affect the validity of the proceedings for the redemption of any Bond as to which no such failure occurred. Any notice mailed or delivered as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

*Manner of Redemption.* Series 2025 Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. In the case of the Series 2025 Bonds of denominations greater than \$5,000, if less than all of such Bonds of a single maturity then outstanding are to be called for redemption then for all purposes in connection with redemption, each \$5,000 of face value shall be treated as though it were a separate Bond in the denomination of \$5,000. If it is determined that one or more, but not all of the \$5,000 units of face value represented by any Bond are to be called for redemption, then upon notice of the intention to redeem such \$5,000 unit or units, the Owner of such Bond shall forthwith surrender such Bond to the Paying Agent for payment of the redemption price (including the redemption premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption and there shall be issued to the Holder thereof, without charge therefor, fully registered Bonds for the unredeemed balance of the principal amount thereof, in any of the authorized denominations. If the Owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent

for payment in exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such Bond represented by such \$5,000 unit or units of face value on and after the date fixed for redemption and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent and being available for the redemption) such Bond shall not be entitled to the benefit and security of the Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such \$5,000 unit or units.

*Effect of Redemption Call.* Notice having been given in the manner and under the terms and conditions hereinabove provided, and money for the payment of the redemption price being held by the Paying Agent, all as provided in the Bond Resolution, the Series 2025 Bonds or the portion thereof so called for redemption shall become and be due and payable on the redemption date designated in such notice at the redemption price provided for redemption of such Bonds on such date. Interest on the Series 2025 Bonds or the portion thereof so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in payment of the redemption price thereof upon presentation and surrender thereof. Such Bonds shall cease to be entitled to any lien, benefit or security under the Bond Resolution and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such Bond or the portion thereof so called shall not be considered to be outstanding. Upon surrender of such Bond paid or redeemed in part only, the City shall execute and the Bond Registrar shall deliver to the Owner thereof, at the expense of the City, a new Bond or Bonds of the same type, of authorized denominations in the aggregate principal amount equal to the unpaid or unredeemed portion of the Bond.

### **Book-Entry Only System of Delivery of Bonds**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2025 Bonds, in the principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Bond (a “**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect

Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to an issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2025 Bonds, on DTC's records, to Paying Agent. The

requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2025 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Paying Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the City or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, security certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

### Estimated Sources and Uses of Funds\*

#### Sources of Funds:

Proceeds from Sale of Series 2025 Bonds .....	\$ _____
Premium/Discount .....	_____
Total Sources of Funds: .....	\$ _____

#### Uses of Funds:

Deposit to Construction Fund <sup>1</sup> .....	\$ _____
Costs of Issuance <sup>2</sup> .....	_____
Total Uses of Funds: .....	\$ _____

1. See "THE SERIES 2025 BONDS -The Projects."

2. Includes estimated and budgeted fees of the attorneys, printing costs, bond validation fees, rating agencies' fees, initial fee of Bond Registrar and Paying Agent, underwriter's discount, financial advisor fees, and other miscellaneous fees and expenses.

Concurrently with the issuance and delivery of the Series 2025 Bonds, the Underwriter's Discount shall be paid, all costs and expenses in connection with the issuance and sale of the Series 2025 Bonds, including without limitation the fees and expenses of accountants, attorneys, and the cost of printing, validation fees, and other miscellaneous fees and expenses, shall be paid to those persons entitled to receive the same, and the balance of the proceeds from the sale of the Series 2025 Bonds shall be deposited in the construction fund (the "**Construction Fund**"), created by the City pursuant to the terms of the Bond Resolution.

### The Projects

The proceeds derived the sale of the Series 2025 Bonds will be used by the City to pay the costs, in whole or in part, of acquiring, constructing, and equipping additions, extensions and improvements to the System (the "**Projects**"). Such additions, extensions, and improvements include, but are not limited to, the following: paying part of the costs of the construction of a new raw water storage quarry reservoir and related infrastructure, and construction and installation of additions and improvements to water mains, supply and distribution lines, river intakes, pumps, and tanks which are detailed in the plans and specifications prepared by the City's consulting engineers.

The reservoir project involves a joint project between the City and the City of Auburn, Georgia to transform an old quarry into a 1-billion-gallon reservoir. The total cost of the project is expect to be approximately \$90,000,000. The quarry reservoir project is designed to secure the region's water supply for decades to come. The reservoir will be located at the former Martin Marietta rock quarry off Parks Mill Road in the City of Auburn. The 78-acre site will be converted into a concrete-lined storage pond with the capacity to hold enough water to supply the City for an entire year without rainfall. Plans for the project

also include multiple intake points and more than 13 miles of pipeline to connect the reservoir to treatment facilities, ensuring residents have access to safe, dependable water even during drought conditions.

Permits from the Georgia Environmental Protection Division allow for a withdrawal yield of 7.1 million gallons per day, underscoring the project's significance for long-term sustainability. The City currently draws its water from the Mulberry River, a source shared with other communities. Once completed, this project will almost double the City's permitted drinking water capacity from 5.1 MGD to 9.0 MGD. City management expects the new reservoir will provide independence, resilience during droughts, and security for future growth.

Construction activity for the reservoir project has begun. The Projects are expected to be completed by the end of calendar year 2027. The quarry-to-reservoir project marks a forward-looking investment that will serve both the communities of the City of Winder and the City of Auburn well into the future.

For more information regarding the City's partnership with the City of Auburn in connection with the quarry reservoir project see "WATER AND SEWER SYSTEM -Quarry Reservoir Project" herein.

### **Investment of Money**

*Construction Fund Money.* Money held in the Construction Fund will be used to pay the costs of the Projects. Subject to the provisions of the Bond Resolution, money in the Construction Fund may be invested and reinvested in any of the following investments (presently authorized by O.C.G.A. § 36-82-7), if and to the extent the same are at the time legal for investment of bond proceeds:

- (1) The local government investment pool created in O.C.G.A. § 36-83-8; or
- (2) The following securities and no others:
  - (A) Bonds or other obligations of the City, or bonds or obligations of the State or other states or of counties, municipal corporations, and political subdivisions of the State;
  - (B) Bonds or other obligations of the United States or of subsidiary corporations of the United States government, which are fully guaranteed by such government;
  - (C) Obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;
  - (D) Bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;
  - (E) Certificates of deposit of national or state banks located within the State which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any proceeds of the Series 2025 Bonds; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit

Insurance Corporation, if any, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State or with a trust office within the State, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State or other states or any county or municipal corporation in the State, obligations of the United States or subsidiary corporations included in subparagraph (B) above, obligations of the agencies and instrumentalities of the United States government included in subparagraph (C) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in subparagraph (D) above; and

(F) Securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(i) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in subparagraph (B) and (C) above and repurchase agreements fully collateralized by any such obligations;

(ii) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(iii) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(iv) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State; and

(G) Interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the money so placed to be available for use at the time provided with respect to the investment or reinvestment of such money.

*Other Money.* With respect to money held in accounts or funds provided for by the Bond Resolution, but which do not consist of bond proceeds, such money may be invested by the custodian for such accounts or funds in the following investments if and to the extent the same are at the time legal for investment of such money:

(1) Any of the following investments (presently authorized by O.C.G.A. § 36-80-3 and O.C.G.A. § 36-83-4), if and to the extent the same are at the time legal for investment of such money:

(A) Obligations of the United States and of its agencies and instrumentalities, or obligations fully insured or guaranteed by the United States government or by one of its agencies;

(B) Obligations of any corporation of the United States government;

(C) Bonds or certificates of indebtedness of the State and of its agencies and instrumentalities, or of other states;

(D) Obligations of other political subdivisions of the State;

(E) Certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of

the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured;

(F) Prime bankers' acceptances;

(G) Repurchase agreements; and

(H) The local government investment pool established by O.C.G.A. § 36-83-8; and

(2) any other investments to the extent at the time hereafter permitted by the applicable law of the State for the investment of public funds.

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## SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS

All undefined, capitalized terms used herein shall have the meaning ascribed to such terms in the Bond Resolution unless the context requires otherwise.

### Limited Obligations

The Series 2025 Bonds are special limited obligations of the City payable solely from the Net Revenues and other money available for such purpose under the Bond Resolution. The Series 2025 Bonds are not payable from and are not secured by a charge, lien, or encumbrance upon any funds or assets of the City other than the Net Revenues and the funds created and held under the Bond Resolution.

The Series 2025 Bonds do not constitute a general obligation, or a pledge of the faith and credit or taxing power of the City. Neither the State of Georgia nor any political subdivision thereof is obligated to levy any tax for the payment of the Series 2025 Bonds, including the City. The pledge of and lien on Net Revenues securing the Series 2025 Bonds does not create a legal or equitable pledge, charge, lien, or encumbrance upon any of the City's property or income, receipts, or revenues, except the Net Revenues of the System and the amounts on deposit in certain funds held under the Bond Resolution.

### Pledge of Net Revenues

*Pledge of Net Revenues of the System.* The Series 2025 Bonds will be payable from and secured by a first and prior pledge of and lien on Net Revenues of the System. The Net Revenues so pledged shall immediately be subject to the charge or lien of said pledge without any physical delivery thereof or other act, and the charge or lien of said pledge shall be valid and binding against the City and against all parties having claims of any kind against the City whether such claims shall have arisen from a tort, contract or otherwise and irrespective of whether such parties have notice of such pledge.

The term "Net Revenues" is defined in the Bond Resolution to mean, with respect to any Fiscal Year, the remainder of the Gross Revenues, after deducting the Cost of Operation and Maintenance for such Fiscal Year, and all other amounts, including investments thereof, held in the funds and accounts described hereunder, except funds held in the Rebate Fund and except funds held in an account in the Construction Fund or in the Debt Service Reserve Account for a specific Series of Bonds, which will be held solely for the Series of Bonds for which such account was created.

The term "Gross Revenues" is defined in the Bond Resolution to mean all income and revenues derived from the ownership and operation of the System, including income from the investment of funds to be deposited in the Revenue Fund, and any proceeds from business interruption insurance, but shall not include (i) income from investments irrevocably pledged to the payment of any Bonds issued or to be refunded under any refunding plan of the Issuer, (ii) proceeds from the sale of any Bonds or other obligations of the Issuer and the earnings thereon (other than the earnings on proceeds deposited in reserve funds), (iii) moneys received by the Issuer from federal, state or local governmental grants or stipends that by their terms are restricted from being used in the manner that Gross Revenues are to be applied hereunder, (iv) payments made under Credit Facilities issued to pay or secure the payment of a particular Series of Bonds, (v) insurance or condemnation proceeds other than business interruption insurance, and (vi) any Debt Service Offset.

The term "Cost of Operation and Maintenance" is defined in the Bond Resolution to mean the reasonable and necessary costs of operating, maintaining and repairing the System, including salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees, a reasonable allowance for working capital, and such other proper charges as may be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation and other nonoperating expenses including, but not limited to, amortization and interest expense.

The lien created on the Net Revenues of the System by the Bond Resolution to secure payment of the Series 2025 Bonds shall be prior and superior to any lien or pledge that may be created hereafter to secure any obligations having as their security a lien on the Net Revenues of the System.

The City has covenanted in the Bond Resolution that it will not create or suffer to be created any lien, charge, or encumbrance upon Net Revenues ranking prior to the lien and charge upon Net Revenues securing the Bonds.

### **Parity and Subordinate Bonds**

Upon satisfaction of certain conditions set forth in Section 1202 of the Master Resolution, the Bond Resolution permits the City to issue Parity Bonds, without express limit as to principal amount, for the purpose of refunding any issue or issues of outstanding Bonds or financing, in whole or in part, additions, extensions and improvements to the System ranking as to lien on the Net Revenues on a parity with the Bonds. Except where Parity Bonds are to be issued for the purpose of refunding or defeasing Outstanding Bonds, the Bond Resolution requires that the City satisfy a Debt Service Coverage Ratio test of 1.20x as a condition to issuing Parity Bonds. For a complete description of the terms and conditions under which such Parity Bonds may be issued see "Appendix B: FORM OF BOND RESOLUTION." The issuance of such Parity Bonds may, for a period of time, dilute the security for the Series 2025 Bonds.

The Bond Resolution also allows the City to issue obligations secured by the Net Revenues which are junior and subordinate to the Series 2025 Bonds as to lien and right of payment.

### **Rate Covenant**

Pursuant to the Bond Resolution, the City has covenanted that it will prescribe and revise rates, and collect fees and charges for the services, facilities and commodities furnished by the System at all times at a level sufficient to produce funds at least equal to the amount necessary to produce Net Revenues in each Bond Year which shall not be less than one hundred twenty percent (120%) of the aggregate sum required to pay debt service on the Series 2025 Bonds and any Parity Bonds for such Bond Year, and the amounts required to be deposited in such Bond Year into the Debt Service Reserve Account (including the various accounts therein), if any. For a complete description of the rate covenant, see "Appendix B: FORM OF BOND RESOLUTION -Section 1105."

### **No Reserve Requirement.**

There will be no Reserve Requirement established for the Series 2025 Bonds.

### **Funds and Accounts**

Under the terms of the Bond Resolution, the City has authorized or established the following funds: the "Construction Fund," the "Revenue Fund," the "Sinking Fund," the "Renewal and Extension Fund," and the "Rebate Fund." Within the Sinking Fund, the City has established the "Debt Service Account".

Construction Fund. Proceeds from the sale of the Series 2025 Bonds deposited into the Construction Fund shall be used to pay costs of issuance of the Series 2025 Bonds, and the costs of the Projects in accordance with the provisions of the Bond Resolution.

Revenue Fund. The City will maintain the Revenue Fund for so long as Bonds are outstanding and unpaid, and it will continue to deposit to the Revenue Fund, promptly as received, all income and revenue of every nature derived from the ownership and operation of the System, and such revenue will be disbursed in the manner and order set forth in Section 902 of the Master Bond Resolution.

Sinking Fund. The Sinking Fund consists of a *Debt Service Account* and a *Debt Service Reserve Account*. Funds on deposit in the Debt Service Account and the subaccounts contained therein shall be used solely for the payment of principal of, interest on, and any premium required with respect to the Bonds. Fund on deposit in the Debt Service Reserve Account and subaccounts therein may be used only for the purpose of curing deficiencies in the amounts available for such purposes in the Debt Service Account related to the series of Bonds with respect to which such subaccount in the Debt Service Reserve Account

was created and for no other purpose. There will be no Reserve Requirement for the Series 2025 Bonds, and the City does not intend to fund a Debt Service Reserve Account for the Series 2025 Bonds.

**Renewal and Extension Fund.** The funds in the Renewal and Extension Fund shall be used only for the purpose of curing deficiencies in the amount in the Debt Service Account or in the Debt Service Reserve Account, or both or when no such deficiencies exist, as needed for the purpose of paying the cost of the replacement of capital assets of the System, including land, or any unusual or extraordinary maintenance or repairs that are necessary for the System.

**Rebate Fund.** Money set aside in the Rebate Fund, if any, from investment earnings on moneys deposited in the other funds and accounts created under the Bond Resolution, or from any other legally available funds of the City, will be applied to make rebate payments to United States of America, if required.

### **Flow of Funds**

Pursuant to the Bond Resolution, the revenues of the System shall be disbursed from the Revenue Fund in the following order and priority:

*Costs of Operation and Maintenance.* First, there will be paid from the Revenue Fund the Cost of Operation and Maintenance of the System.

*Debt Service on Bonds.* There will next be paid from the Revenue Fund into the Debt Service Account in the manner described in Section 902(a)(1) of the Bond Resolution for the purpose of paying the principal of and interest on the Bonds as the same become due. Said deposits shall continue until there are sufficient funds then on deposit equal to the sum of all interest, principal and redemption payments coming due on the Bonds on the next interest, principal and redemption dates in such Bond Year. Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to pay all interest, principal and redemption premiums next becoming due and payable, after making allowance for any accrued and capitalized interest, and to make up any deficiency or loss that may otherwise arise or in the case of a shorter period between the date of issuance and the first Payment Date or may otherwise arise in such fund or account.

*Reserves.* Next, funds shall be deposited *pro rata* (such pro ration to be done on the basis of the amount of the Reserve Requirement for each applicable subaccount in the Debt Service Reserve Account) into the Composite Reserve Account (if created) and the other special reserve accounts in the Debt Service Reserve Account as created for separate series of Bonds, in the manner set forth in Section 902(a)(2) of the Bond Resolution in such amounts as will be sufficient to make the funds on deposit therein and Reserve Products credited thereto equal to the Reserve Requirement for each such account. Subject to the provisions of the Bond Resolution, the City may satisfy the Reserve Requirement for any subaccount in the Debt Service Reserve Account, in whole or in part with a Reserve Product in lieu of a cash funded deposit.

There is no Reserve Requirement for the Series 2025 Bonds. The City does not anticipate funding the Debt Service Reserve Account for the Series 2025 Bonds.

*Subordinate Debt.* Next, funds shall be disbursed for payment of all amounts related to any Subordinate Debt required to be paid by the terms of the resolution or other instrument authorizing such Subordinate Debt and the unpaid fees, costs and expenses of any Reserve Product Provider or issuer of a Liquidity Facility or Credit Facility.

*Renewal and Extension Fund.* Next, funds shall be deposited into the Renewal and Extension Fund in an amount as is recommended in writing by the Chief Financial Officer of the City or its Qualified Independent Consultant for the purpose of paying the cost of replacement of capital assets of the System.

*Rebate.* Next, funds shall be disbursed for the payment of all Rebate Amounts determined to be due and owing pursuant to the Code, if any.

*Other Lawful Purposes.* Next, for capital improvements to the System or any lawful purposes of the City.

For a complete description of the flow of funds, see “Appendix B: FORM OF BOND RESOLUTION -Section 902”

### **Remedies**

For a description of the remedies available to owners of the Series 2025 Bonds under the terms of the Bond Resolution upon the occurrence of an Event of Default thereunder, see “Appendix B: FORM OF BOND RESOLUTION.” In addition to the remedies set forth in the Bond Resolution, the Revenue Bond Law provides that the duties of the City and the members and officers of the City under the Revenue Bond Law and the Bond Resolution are enforceable by any owner of the Series 2025 Bonds by mandamus or other appropriate action or proceeding at law or in equity.

The Revenue Bond Law also provides that in the event the City defaults in the payment of the principal or interest on any of the Series 2025 Bonds after the same becomes due, whether at maturity or upon call for redemption, and such default continues for a period of 30 days, or in the event the City or the members, officers, agents, or employees of the City fail or refuse to comply with the essential provisions of the Revenue Bond Law or default in any material respect in the Bond Resolution, any holders of the Series 2025 Bonds shall have the right to apply in an appropriate judicial proceeding to the Superior Court of Barrow County or to any court of competent jurisdiction for the appointment of a receiver of the System, whether or not all Series 2025 Bonds have been declared due and payable and whether or not such holder is seeking or has sought to enforce any other right or to exercise any remedy in connection with the Series 2025 Bonds. Upon such application, the Superior Court, if it deems such action necessary for the protection of the bondholders, may appoint and, if the application is made by the holders of 25 percent in principal amount of the Series 2025 Bonds then outstanding, shall appoint a receiver of the System.

The receiver so appointed under the Revenue Bond Law, directly or by his agents and attorneys, is required under the Revenue Bond Law to forthwith enter into and upon and take possession of the System. If the court so directs, the receiver may exclude the City and the City’s members, officers, agents, and employees, and all persons claiming under them, wholly from the System. Under the Revenue Bond Law, the receiver will have, hold, use, operate, manage, and control the System, in the name of the City or otherwise, as the receiver may deem best. Under the Revenue Bond Law, the receiver will exercise all the rights and powers of the City with respect to the System as the City itself might do. The receiver will maintain, restore, insure, and keep insured the System and from time to time will make all such necessary or proper repairs as the receiver may deem expedient. Under the Revenue Bond Law, the receiver will establish, levy, maintain, and collect such fees, tolls, rentals, and other charges in connection with the System as he deems necessary or proper and reasonable. Under the Revenue Bond Law, the receiver will collect and receive all revenues and will deposit the same in a separate account and apply the revenues so collected and received in such manner as the court shall direct.

Notwithstanding the provisions of the Revenue Bond Law described above, the receiver has no power to sell, assign, mortgage, or otherwise dispose of any assets of whatever kind or character belonging to the City and useful for the System. The authority of any such receiver is limited to the operation and maintenance of the System. No court may have jurisdiction to enter any order or decree requiring or permitting the receiver to sell, assign, mortgage, or otherwise dispose of any such assets.

The receiver must, in the performance of the powers conferred upon him, act under the direction and supervision of the court making such appointment and will at all times be subject to the orders and decrees of such court and may be removed by such court.

Under the terms of the Revenue Bond Law, whenever all that is due upon the Series 2025 Bonds and interest thereon and upon any other notes, bonds, or other obligations and interest thereon having a charge, lien, or encumbrance on the revenues of the System and under any of the terms of the Bond Resolution has been paid or deposited as provided therein and whenever all defaults have been cured and made good and it appears to the court that no default is imminent, the court must direct the receiver to surrender possession of the System to the City. The same right of the holders of the Series 2025 Bonds to secure the appointment of a receiver exists upon any subsequent default as is provided in the Revenue Bond Law.

If the City were to default on the Series 2025 Bonds, the realization of value from the pledge of the Net Revenues to secure the payment of the Series 2025 Bonds would depend upon the exercise of various remedies specified by the Bond Resolution and Georgia law (including the Revenue Bond Law). These remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Series 2025 Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

O.C.G.A. § 36-80-5 provides that no county, municipality, school district, authority, division, instrumentality, political subdivision, or public body corporate created under the Constitution or laws of the State of Georgia shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. O.C.G.A. § 36-80-5 also provides that no chief executive or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any county, municipality, school district, authority, division, instrumentality, political subdivision, or public body corporate created under the Constitution or laws of the State of Georgia of any petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

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## WATER AND SEWER SYSTEM

### Introduction

The Revenue Bond Law authorizes the City to acquire and operate for users within and outside its territorial boundaries systems, plants, works, instrumentalities, and properties used or useful in connection with obtaining a water supply and conserving, treating, and disposing of water for public and private uses, and used or useful in connection with collecting, treating, and disposing of sewage and wastewater. The City's System consists of a water supply, treatment, and distribution system and a wastewater collection and treatment system. The System provides water and sewer services to residents and commercial users inside the City limits as well as other parts of Barrow County outside of the City's territorial limits. The System is operated by the City's utility department and is accounted for as a combined water and sewer utility enterprise fund.

### System Management

The City operates under a mayor council-city administrator form of government. The System is administered by the City through the Mayor and Council. The City Administrator is the chief executive officer of the City. The City Administrator and utility department heads are charged with the responsibility of daily operation and administration of the System.

*City Administrator.* Jonathan Lynn was named City Administrator in September 2024. The position of City Administrator is appointed by the Mayor and City Council. As City Administrator, Mr. Lynn is responsible for the overall management and coordination of City's municipal services, working closely with the Mayor and City Council to implement policies and initiatives that reflect the City's vision and goals. Mr. Lynn plays a key role in fostering economic development and ensuring the effective delivery of City services. Mr. Lynn holds a Master of Public Administration (MPA) from Georgia Southern University and is a Certified Public Manager (CPM) from the University of Georgia. Mr. Lynn has over 17 years of experience in local government management, with a record of success in strategic planning, community engagement, and organizational leadership. His experience includes roles in city and county management across Georgia and Virginia, where he has consistently demonstrated his commitment to public service and excellence in governance.

*Utilities Director.* The day-to-day affairs of the System are managed by the Utilities Director, Horace Gee. Mr. Gee has more than 36 years of utility management experience serving as Assistant Director and Utility Director. Mr. Gee holds an Environmental Engineering Degree from the University of Georgia. He also holds Class I Licenses in both water and wastewater treatment as well as industrial wastewater treatment. Previously, Mr. Gee served for 15 years as the City of Gainesville's board member for the Metro North Georgia Water Planning District (MNGWPD). Mr. Gee managed 210+/- employees and an annual operating budget of approximately \$60,000,000 (excluding capital improvements).

*Director of Finance.* The financial affairs of the System are managed by the Director of Finance, Ronnie J. Campbell. Mr. Campbell has more than 30 years of municipal finance experience and over 15 years of executive-level leadership in both public and private sector environments. Prior to his role as Director of Finance for the City, Mr. Campbell served as Director of Finance for the City of Johns Creek, Georgia, where he led general accounting, revenue, purchasing, budgeting, and payroll operations. He oversaw the development of the city's annual operating budget, five-year capital improvement program, and 10-year fiscal forecast. Prior to that, Mr. Campbell was Chief Financial Officer at Metrolink in Los Angeles, California, where he directed finance, IT, and grant departments while working closely with the CEO, Board of Directors, and member agencies. He also held finance leadership positions with the City of Camarillo, City of Lakewood, and San Diego Housing Commission. Mr. Campbell holds a Master of Science in Organizational Management from the University of La Verne and a Bachelor of Science in Business Administration with a focus in Accounting from San Diego State University. Mr. Campbell is a proud member of GFOA (Government Finance Officers Association) and GGFOA (Georgia Government Finance Officers Association), where he works to strengthen professional connections and mentor future government finance professionals.

### **Third-Party Management Services Contract.**

The City has entered an Operations, Maintenance and Management Services Agreement with Inframark, LLC, d/b/a ESG Operations (“**ESG**”) for full service operations and maintenance of the City’s wastewater collection system, two wastewater treatment plants and one water treatment plant. The relationship of ESG and the City is that of independent contractor. Pursuant the management contract, the City pays ESG a base fee in equal monthly installments. The base fee is subject to renegotiation each contract year which consists of a 12-month period beginning on July 1 and ending on June 30 of the following calendar year. The base fee does not include charges for services beyond the scope of work agreed to in the contract.

The current term of the contract between the City and ESG began on July 1, 2024. The contract automatically renews for successive one-year terms unless cancelled by either party 120 days prior to the end of the then current term. The City may terminate the contract for any reason by providing 30 days prior written notice of termination. ESG may also terminate the contract for any reason by providing 60 days prior written notice. The contract provides that upon termination by the City, ESG shall assist the City at a mutually agreeable price for the purpose of assisting the City’s resumption of the operations of the systems and facilities managed by ESG.

### **Employees, Employee Relations, and Labor Organizations**

The City employed 45 personnel related to the System as of July 1, 2025, all of whom were full-time employees. No employees of the City related to the System are represented by labor organizations or covered by collective bargaining agreements, and the City is not aware of any union organizing efforts at the present time. The City management believes that employee relations are good. The System’s management staff, plant operators, and maintenance and repair personnel are required to be certified by the State of Georgia, and the City provides continuing education programming.

### **Georgia Service Delivery Strategy Act**

In 1997, the Georgia General Assembly enacted The Georgia Service Delivery Strategy Act. The legislation requires local governments within a county to jointly develop a coordinated and efficient system for delivering local government services.

In 2024, the City, Barrow County, City of Auburn, Town of Bethlehem, Town of Braselton, Town of Carl, and City of Statham entered into an updated service delivery strategy agreement. The service delivery strategy agreement divided up water utility service delivery territories among the City, Barrow County, City of Auburn, Town of Bethlehem, Town of Braselton, and City of Statham, and wastewater utility service delivery territories among the City, Barrow County, Town of Bethlehem, Town of Braselton, and City of Statham. Each service provider has a defined geographic service area which is parcel based.

Pursuant to the updated service delivery strategy agreement, if a water service provider is providing water service to a parcel outside of its designated geographic territory, then such service provider shall continue to provide such service to said parcel until a triggering event occurs such as the owner receiving approval by the new service provider for a land disturbance permit or a building permit connected to a use that is inconsistent with the current use and/or increases density of such parcel compared to as of the date the service delivery strategy agreement was signed, at which time the parcel may receive service from the new water service provider designated in service delivery strategy agreement. The agreement expressly excludes as triggering events permits for remodeling, for the construction of accessory buildings and structures, and for expansion of a building, or any other purpose if such activity is for purposes consistent with the current use and/or density of the parcel.

City management does not expect the updated geographic territories of the City’s water service delivery area or wastewater service delivery area designated in the service delivery strategy agreement to have a negative impact on its customer base or on the overall financial performance of the System. The City expects the 2024 updated service delivery strategy agreement to remain in effect until October 2038, except as otherwise required by State law.

## System Service Delivery Area

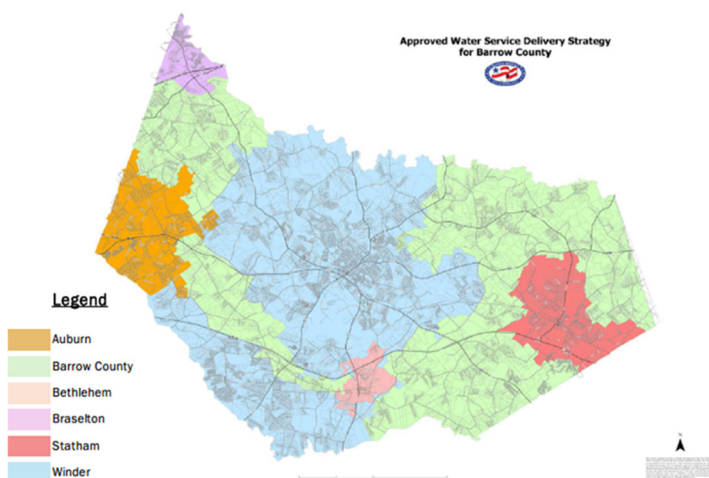
The City's water system generally supplies water to residential, commercial and industrial customers located within the City's territorial limits and within portions of Barrow County outside of the City's territorial limits. The service area of the City's water system is approximately 114 square miles or approximately 67% of Barrow County. The City generally provides sewer services to residential, commercial and industrial customers located within the City's territorial limits and within a small portion of Barrow County outside of the City's limits. The City's sewer system service area is approximately 20 square miles.

As of October 1, 2025, the System served approximately 18,966 water customers and 6,126 sewer customers, which included the following:

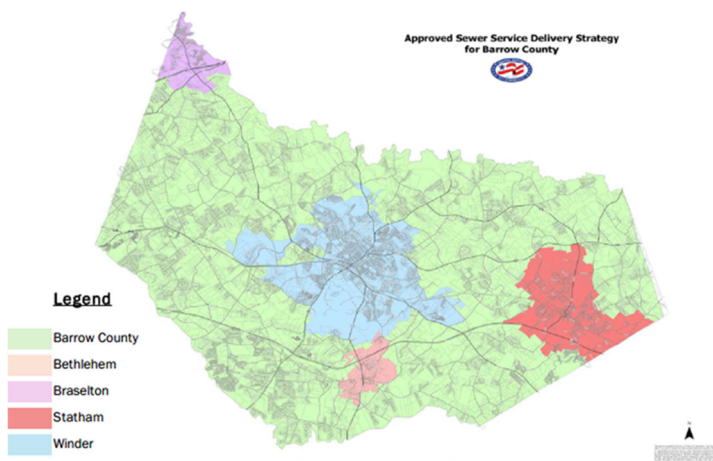
<u>Type of Customers</u>	Water Customers Inside City <u>Limits</u>	Water Customers Outside City <u>Limits</u>	Sewer Customers Inside City <u>Limits</u>	Sewer Customers Outside City <u>Limits</u>	<u>Totals</u>
Residential	6,210	11,607	5,315	176	23,308
Commercial	724	411	612	14	1,761
Industrial	12	-	8	-	20
Wholesale	-	2	-	-	2
Totals	6,946	12,020	5,935	190	25,091

## System Service Delivery Area Map

Water Service Area Map:



Sewer Service Area Map:





## System Facilities

Water System. The City's water system currently consists of water mains, most of which vary from 6" to 24" in size, 2 pump stations, 6 elevated storage tanks and 2 ground level storage tanks. The City's storage tanks hold 8.25 million gallons of treated water.

The water system also includes one water treatment plant, the Highway 53 Water Treatment Plant, located in the Oconee River Basin. The Hwy 53 plant was built as a 2 million gallons per day ("MGD") plant in the early 1970s, expanded in the late 1980s to 4 MGD, and modified again in 2000 for a maximum capacity of 6.2 MGD.

The City obtains its raw water from Cedar Creek, located approximately 1.5 miles northwest of the City, from the Mulberry River, approximately 4.5 miles north of the City and from the lake at Fort Yargo State Park located just south of the City. The City also owns Laurel Lane Reservoir, an off-stream storage reservoir located adjacent to Mulberry River, and City Pond, an off-stream storage reservoir located adjacent to Cedar Creek.

The City's Mulberry River Raw Water Pump Station has a withdrawal permit that allows for a 6.7 MGD maximum daily withdrawal from the Mulberry River and a 5.1 MGD monthly average. The withdrawal permit also allows for emergency withdrawal from Lake Yargo when the pool elevation is 818.4 mean sea level or higher, or up to 1.0 MGD from City Pond if the allowable permit withdrawals are not available from the Mulberry River due to low flow or other emergency conditions. The City also has raw water pump stations at the Laurel Lane Reservoir, Lake Yargo, and City Pond. The Laurel Lane Reservoir is an offsite reservoir and is frequently used in lieu of the Mulberry River raw water pump station during low flow events as well as when the river flow has excessive turbidity due to large rain events.

The City augments its water production with water supply from the Barrow County Water and Sewerage Authority ("BCWSA") when needed. The City does not have a purchase contract with BCWSA. Water is purchased on an *ad hoc* basis. BCWSA has sent a letter to both the City and the City of Auburn giving notice that BCWSA intends to cease water sales to the municipalities in the future. The City does not currently anticipate BCWSA ceasing to sell water to the City to cause an interruption of service or to have a material impact on the financial operations of the City.

See also "WATER AND SEWER SYSTEM -The Quarry Reservoir Project" herein.

Sewer System. The City's sewer system is comprised of gravity sewer and force mains, 11 pumping stations, and two wastewater treatment facilities: the Cedar Creek Facility, which serves the area north of the Seaboard Railroad Line, and the Marburg Creek Facility, which serves the area south of the Seaboard Railroad Line.

The Cedar Creek Wastewater Treatment Plant was completed in 2008 and features state-of-the-art technology to treat 4 MGD, replacing the previous 1.65 MGD spray irrigation (land application) facility. The high-quality effluent from this plant is now discharged into Cedar Creek.

The Marburg Creek Wastewater Treatment Plant was completed in 2000 and can treat 1.5 MGD. The effluent from the plant can be discharged into Marburg Creek, sprayed on city-owned dedicated spray fields, or used to provide irrigation water for non-agricultural uses. Currently, the Chimneys Golf Course and the Barrow County Recreation Department are using this reuse water for this purpose. The Marburg Creek treatment facility is one of the few totally enclosed wastewater treatment plants in the State.

The City believes its wastewater collection and treatment systems are in good condition with capacity for future growth.

## Governmental Approvals and Permits

The Georgia Water Quality Control Act authorizes the State of Georgia Department of Natural Resources, Environmental Protection Division (“**EPD**”), to regulate the withdrawal of groundwater and water from rivers, lakes, and streams in Georgia and the treatment of water withdrawn. System operations are subject to the regulatory requirements imposed by the Federal Clean Water Act of 1977, Resource Conservation and Recovery Act, and the Toxic Substances Control Act and amendments thereto. The regulatory requirements are administered by the Federal Environmental Protection Agency (“**EPA**”) through the EPD. The City must operate the System according to discharge limitations and reporting requirements set forth in National Pollutant Discharge Elimination System (“**NPDES**”) discharge permits.

The City has all required permits that are issued by regulating authorities to continue operations of its System and does not anticipate any issues receiving the routine renewal of any of its operating permits related to the System. The City is currently in substantial compliance with all of its environmental permits and all environmental requirements applicable to the System. A summary of these permits is provided below:

*Water Withdrawal.* The City holds permits for withdrawal of raw water in the following amounts from the following sources:

<u>Raw Water Source</u>	<u>Permitted Withdrawal (MGD)</u>		<u>2025<sup>1</sup> Actual Withdrawal (MGD)</u>	
	<u>Monthly Average</u>	<u>Daily Maximum</u>	<u>Monthly Average</u>	<u>Daily Maximum</u>
Mulberry River (December 1 – May 30)	5.10	6.70	5.00	6.07
Mulberry River (June 1 – November 30)	7.10	7.10	5.17	6.09
Total				

<sup>1</sup> Year ended June 30, 2025.

*Water Treatment.* The EPD has issued to the City an operating permit for the treatment of water in the following amount at the following water treatment plant:

<u>Plant</u>	<u>Permitted Treatment Capacity (MGD)</u>		<u>2025<sup>1</sup> Actual Treatment Flow (MGD)</u>	
	<u>Monthly Average</u>	<u>One Day Maximum</u>	<u>Monthly Average</u>	<u>One Day Maximum</u>
Highway 53 Water Treatment Plant	6.20	6.20	5.04	5.34

<sup>1</sup> Year ended June 30, 2025.

*Wastewater Treatment.* has issued to the City permits for the discharge of treated wastewater in the following amounts at the following wastewater treatment plants:

<u>Plant</u>	<u>Permitted Treatment Capacity (MGD)</u>		<u>2025<sup>1</sup> Actual Treatment Flow (MGD)</u>	
	<u>30 Day Average</u>	<u>Monthly Maximum</u>	<u>30 Day Average</u>	<u>Monthly Maximum</u>
Cedar Creek WWTP	4.0	4.0	1.28	1.68
Marburg Creek WWTP - NPDES	0.6	0.6	0.46	0.58
Marburg Creek WWTP - LAS	0.9	0.9	0.09	0.28
Total	5.4	5.4	1.83	2.54

<sup>1</sup> Year ended June 30, 2025.

### Historical Demand Data

The following table shows historical data of water and sewer demand for the last five fiscal years.

<u>Fiscal Year</u>	<u>Daily Water Production</u>		<u>Daily Sewage Treated</u>	
	<u>Peak MGD</u>	<u>Average MGD</u>	<u>Peak MGD</u>	<u>Average MGD</u>
2021	5.17	4.18	7.65	1.96
2022	5.13	4.31	4.70	1.80
2023	5.39	4.38	6.07	1.88
2024	5.21	4.49	6.68	1.79
2025	5.91	5.04	5.99	1.83

### Water System Customer Data

Water System Customers. Set forth below is the number of water system customers by customer class as of June 30 for its past five fiscal years.

<u>Type of Customers</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Residential	11,394	12,831	14,227	15,709	17,817
Commercial	764	846	940	1,015	1,134
Industrial	9	10	12	12	12
Wholesale	2	2	2	2	2
Totals	12,169	13,689	15,181	16,738	18,965

### Sewer System Customer Data

Sewer System Customers. Set forth below is the number of sewer system customers by customer class as of June 30 for its past five fiscal years.

<u>Type of Customers</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Residential	3,397	3,906	4,291	4,745	5,492
Commercial	416	455	518	558	625
Industrial	6	7	8	8	8
Wholesale	0	0	0	0	0
Totals	3,819	4,368	4,817	5,311	6,125

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## Ten Largest Water Customers

The following table shows the ten largest water customers of the City for the fiscal year ended June 30, 2025. No independent investigation has been made of, and consequently no representation can be made as to, the stability or financial condition of any of the customers listed below or that such customers will continue to maintain their status as major customers of the water system.

<u>Customer</u>	<u>Annual Gallons of Water Billed</u>	<u>Annual Water Revenue</u>	Revenues as a Percent of Total Water
			<u>Revenues<sup>1</sup></u>
Harrison Poultry	1,650,586	\$937,020	4.64%
Stepan	763,227	604,602	3.00
Johns Manville	378,977	300,761	1.49
Solvay	166,520	133,770	0.66
Barrow County BOC	139,322	112,392	0.56
C & S Water Purification	97,050	77,950	0.39
BCDPF Barrow Crossing	35,766	35,076	0.17
KCG Development	29,035	37,720	0.19
Greenleaf Management	26,050	26,817	0.13
Tribridge Residential Construction	9,686	7,615	0.04
Total	3,296,219	\$2,273,723	11.27%

<sup>1</sup> Based on Water Sales of \$20,179,436 (unaudited) or the fiscal year ended June 30, 2025.

Harrison Poultry. Harrison Poultry's facility is located on a parcel outside of the City's designated geographic territory under the 2024 service delivery strategy agreement. See "WATER AND SEWER SYSTEM -Georgia Service Delivery Strategy Act." Pursuant to the 2024 service delivery strategy agreement, the City shall continue to provide water service to said parcel until a triggering event occurs such as the owner receiving approval for a land disturbance permit or a building permit connected to a use that is inconsistent with the current use and/or increases density of such parcel compared to as of the date the service delivery strategy agreement was signed, at which time the parcel may receive service from the new water service provider designated in the 2024 service delivery strategy agreement. The agreement expressly excludes as triggering events permits for remodeling, for the construction of accessory buildings and structures, and for expansion of a building, or any other purpose if such activity is for purposes consistent with the current use and/or density of the parcel.

In July 2025, Wayne-Sanderson Farms acquired Harrison Poultry. Wayne-Sanderson Farms is the nation's third-largest poultry producer. Harris Poultry operated a private well system to supply a percentage of its water needs. Wayne-Sanderson Farms has informed the City that it does not wish to operate a private well water system, and the City has agreed to fully supply the facility with water. The City expects increased production at this facility and an increase in water demand beginning in the first quarter of 2026.

The City does not anticipate the Wayne-Sanderson Farms facility to be serviced by another System pursuant to the 2024 service delivery strategy agreement, because the use of the property is not expected to change. However, the City cannot guarantee that the Wayne-Sanderson Farms facility will continue to be a user of the System in future years.

Johns Manville. Johns Manville is a global building and specialty products manufacturer and a Berkshire Hathaway company. The company announced in February 2025 plans to add a new Climate Pro® blowing wool production line at its Winder facility. The new production line is expected to be operational in mid-2027. The City expects an increase in gas and water volume demands for the facility as a result of this project.

## Ten Largest Sewer Customers

The following table shows the ten largest sewer customers of the City for the fiscal year ended June 30, 2025. No independent investigation has been made of, and consequently no representation can be made as to, the stability or financial condition of any of the customers listed below or that such customers will continue to maintain their status as major customers of the sewer system.

<u>Customer</u>	<u>Annual Gallons Billed</u>	<u>Annual Sewer Revenue</u>	Revenues as a Percent of Total Sewer
			<u>Revenues<sup>1</sup></u>
Stepan	154,492	\$433,051	9.92%
Solvay	144,598	148,945	3.41
Barrow County BOC	139,322	91,237	2.09
Winder Hillcrest Apts	46,584	30,658	0.70
Johns Manville	45,255	29,868	0.68
Winder Coin Laundry	35,257	23,218	0.53
GA 1 Ops	33,069	21,767	0.50
WOW Car Wash	15,917	10,480	0.24
Carvana	13,552	10,231	0.23
Stonetown Winder Village	11,273	7,426	0.17
Total	694,319	\$806,881	18.49%

<sup>1</sup> Based on Sewer Sales of \$4,364,251 (unaudited) for the fiscal year ended June 30, 2025.

## Wholesale Contracts

The City is party to a mutual wholesale arrangement with the City of Auburn to sell and purchase raw or potable water to supplement each other's water systems, subject to availability. Said contract expires December 31, 2025. The City is not currently party to any other purchase or sale agreements or other customer contracts. The City does not expect the mutual wholesale contract with the City of Auburn, or the expiration thereof, to have a material impact on the System.

## Rate Setting Process

Under Georgia law, the City has the exclusive authority to establish rates and charges for water, and sewer services supplied by the System. The rates charged by the City for water and sewer service are not subject to review or approval by any federal or state regulatory body. The City Council establishes the rates, which are subject to change at any time as the City Council deems advisable. The City Council adopts rate schedules by resolution or ordinance after recommendations from the staff of the System. The staff of the System makes periodic reviews of the rate structure to determine if modifications are needed. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS - Rate Covenant" herein for a description of the City's agreements concerning the rates, fees, and charges for the services, facilities, and commodities to be furnished by the System.

## Billing and Collections

The City bills customers on a monthly basis. Accounts are separated into zones and the due dates for bills are on the 5<sup>th</sup>, 15<sup>th</sup> or 25<sup>th</sup> of each month depending on the customer's zone. Customers may pay utility bills in person, by mail or drop box, by phone, or online. There is an \$0.85 surcharge for online payments. There is a 3% fee when paying with a credit/debit card. Accepted methods of payment are cash, check, money order and credit/debit cards. A delinquency fee of \$50.00 is charged for late payments. A \$30.00 returned check fee is charged for returned checks. Accounts are subject to disconnection on the 10th day after the due date for any unpaid balances. Once accounts are considered delinquent and scheduled for disconnection, accounts will be assessed a \$50.00 delinquent fee, and the entire balance must be paid to be reconnected.

The Winder Assistance Senior Utility Program (WASUP) helps seniors by offering a discounted rate for utilities. This program is available for residential water and sewer customers by providing a utility discount for eligible seniors (age 70+). To be eligible for WASUP, a person must meet the following conditions: (i) be seventy (70) years of age or older (must show driver's license or valid form of identification); (ii) be the homeowner/occupant or renter/occupant with their name noted on the lease agreement; (iii) have City of Winder Water, Sewer, and Garbage service; (iv) have the utility bill in their name; (v) have a household of two (2) or less adults; and (vi) their annual household income must be at or below 150% of the Federal Poverty Guidelines. The WASUP does not apply to residences used for business purposes OR for rental property. For seniors that qualify, the City will discount the cost of their water and sewer utility bill by 15%.

### Rates, Fees, and Charges

Set forth below is a summary of the City's current schedule of rates, fees and charges for the System currently in effect as of August 1, 2025.

SERVICE CHARGES	
New Account Connection	\$50.00
Name or Address Change	No Charge
Transfer Service <sup>1</sup>	Free/\$25.00
Continuous Service <sup>2</sup>	Free/\$25.00
Reconnection	\$25.00 (not due to lack of payment)
Delinquent	\$50.00 (due to lack of payment)
NSF Checks	\$30.00
Meter Damage	\$135.00 (additional fees may apply to meters large than 1")
Smart Point Device Damage	\$185.00
Temporary Service/Inspection	\$25.00 connection plus usage (3 days service max)
Temporary Disconnection due to Repair	No charge

<sup>1</sup> Transfer Service – If the utilities are currently connected at the new address there are no fees. In the event that services are disconnected at the new service address, there will be a \$25 charge. A customers deposit can transfer from one address to another. The customer is required to come by the Utility Billing Department, request that service be disconnected at the old location and connected at the new location. Service can overlap for up to 15 days. Any remaining balance on an old account plus any service charges will be transferred.

<sup>2</sup> Continuous Service – During each period of time a Rental Unit is not occupied by a tenant, (an "Interim Period") (1) the City will not discontinue water/gas service to the Rental Unit served by the City, (2) the City will establish an account related to such Rental Unit in the name of the Landlord as of the effective date of termination of service by the tenant or upon special request of the Landlord and (3) the Landlord will be the customer of the City with respect to the sale and delivery of water and/or gas to such Rental Unit under the City's applicable Rate Schedule. In the event that the tenant was disconnected due to lack of payment there will be a \$25 connection fee.

VOLUME WATER RATES	
Residential	
1 <sup>st</sup> 2,000 gallons	\$3.61 per 1,000 gal
2,001 – 6,999 gallons	\$9.62 per 1,000 gal.
7,000 + gallons	\$10.82 per 1,000 gal
Commercial	\$8.42 per 1,000 gal.
Large Volume Industrial	\$7.73 per 1,000 gal.
Dedicated Fire Line1	\$13.85 per 1,000 gal.
Dedicated Fire Line2	\$3.61 per 1,000 gal.

Dedicated Fire Line1 –When used for testing, maintenance, or other non-documented fire responses.

Dedicated Fire Line2 – When used during a documented fire occurrence

#### BASE WATER RATES

<u>Meter/Line Size</u>	<u>Rate</u> <sup>W1</sup>	<u>Rate</u> <sup>W5, W6, W7</sup>
5/8 – 3/4" inch line	\$20.44	\$30.29
<u>Meter/Line Size</u>	<u>Rate</u> <sup>W1, W5, W6, W7</sup>	<u>Fire Line</u>
1- inch line	\$68.52	N/A
1 ½- inch line	\$108.19	N/A
2- inch line	\$162.29	\$48.94
3- inch line	\$189.94	\$108.02
4- inch line	\$229.61	\$131.21
6- inch line	\$257.26	\$146.66
8- inch line	\$298.13	\$169.79
10- inch line	\$321.60	\$192.97
12- inch line	\$321.60	\$209.02

Base fee for master metered units are calculated by the number of units multiplied by the 5/8 - 3/4" rate.

Rate W1, W5, W6, W7– Rates will vary based on the Water Zone associated.

#### VOLUME SEWER RATES

	<u>Rate</u> <sup>S1</sup>	<u>Rate</u> <sup>S5</sup>
Commercial/Industrial	\$6.98 per 1,000 gal.	\$7.96 per 1,000 gal.
Residential	\$6.01 per 1,000 gal	\$7.96 per 1,000 gal.

Single-family residential units are billed up to a maximum of 12,000 gallons of sewer per billing cycle.

Rate S1, S5 – Rates will vary based on the Sewer Zone associated.

#### BASE SEWER RATES

<u>Line Size</u>	<u>Rate</u> <sup>S1</sup>	<u>Rate</u> <sup>S5</sup>
All	\$23.18 <sup>1</sup>	\$39.56

<sup>1</sup> Non-metered Sewer Volume: Non-metered sewer will be charged the base rate of \$32.90.

#### SEWER CONNECTION FEE

<u>Sewer Stub</u>	<u>Full Connection</u>	<u>Tap</u>	<u>System Development Charge (SDC)</u> <sup>1</sup>
4 inch	\$5,000.00 <sup>2</sup>	\$2,253.00	\$3,281.00
6 inch	Based on ERU	\$2,498.00	\$3,281.00 X ERU's
8 inch	Based on ERU	TBD	\$3,381.00 X ERU's

<sup>1</sup> All sewer SDC are per Equivalent Residential Unit (ERU = 244 gallons per day).

<sup>2</sup> Includes one ERU in the 4" full connection.

Force main Service Area H.1 – In addition to the above fees for sewer connections, a \$330 per ERU surcharge for the cost of operation and maintenance of the lift station will be added.

## WATER CONNECTION FEE

The City has adopted a schedule of connection fees for the water supply based on the meter size or the number of equivalent residential unit(s) ("ERU") per meter installed, as determined by the classification.

<u>Meter/line Size</u>	<u>Full Connection<sup>1</sup></u>	<u>SDC</u>	<u>Fire Line</u>
5/8 – 3/4- inch line	\$5,000.00	\$3,289.00	N/A
1- inch line	\$10,000.00	\$7,598.00	N/A
1 ½- inch line	\$20,000.00	\$15,195.00	N/A
2- inch line	\$29,000.00	\$24,312.00	N/A
3- inch line	\$58,000.00	\$48,624.00	N/A
4- inch line	\$87,000.00	\$75,975.00	\$27,000.00
6- inch line	\$164,000.00	\$151,950.00	\$42,000.00
8- inch line	\$265,000.00	\$243,120.00	\$63,000.00

<sup>1</sup> Taps performed by developers, builders/property owners will pay the SDC plus either meter/materials/labor provided by City or meter relocation fee as applicable.

Master Metered Connection Fee will be based on calculation of the number of units multiplied by the 5/8 -3/4" SDC, plus labor plus the labor and materials for installation.

## WATER METER RELOCATION FEE

The City of Winder has adopted a schedule of reconnection fees for water meters based on the meter size. If rock/debris excavation is required, the actual cost of the excavation shall be added to the cost of the relocation

<u>Meter</u>	<u>Short Side</u>	<u>Long Side</u>
5/8 – 3/4- inch line	\$1,419.28	\$2,383.04
1- inch line	\$1,453.95	\$2,732.44
1 ½- inch line	\$2,917.36	\$3,780.72
2 inch and larger	Charged the connection tap fee	

Minor elevation changes not requiring vault movement or re-tapping will be charged a flat fee of \$500.00 per meter.

### Miscellaneous Notes

Dedicated Fire Line charges are related to meter/unmetered fire sprinkler connections to the potable water system. The monthly rate is based upon the connection size and takes into account the amount of water system capacity required for fire suppression. A penalty may be assessed in addition to the \$11.50 per 1,000 gallons against owners using the line for purposes other than maintenance and system testing.

Deposits – The City requires that all customers pay a deposit on each account that they establish. This deposit shall be retained in escrow, without interest paid, by the City of Winder until the account is closed or until the single- family residential customer has established twelve (12) months of on time payments in full. The deposit will be applied against the final bill or the account (for those with 12 months of on-time payments). Deposits shall be maintained for non-residential accounts and residential account serving more than one dwelling unit.

- \$100.00 per dwelling unit. An additional 25% will be added when serving more than 25 ERU's, for a total of \$125.00 per dwelling unit.
- \$300.00 for a retail/office commercial
- \$500.00 for a restaurant
- Commercial/Industrial with more than 50,000 sq. ft. TBD

Equivalent Residential Unit or ERU shall mean the number of residential units to which the water demand of a customer is equivalent to, where a single-family residential unit is assumed to have a peak



demand of 244 gallons per day. The number of ERUs assigned to a meter shall be determined by the number of residential units it serves.

Good Credit Waives the Deposit – The City will not require a deposit for those residential customers (determination of a deposit is provided from a third party vendor) that meet a good credit criteria. Credit is verified at the time that service is established. No actual credit scores are obtained by the City.

Large Volume Industrial Usage – Industrial users with an average daily volume of 250,000 gallons of water or greater.

Master Meters for Multi-family and Residential Units– Master meters will not be permitted for domestic water supply.

Master Meters for Hotels and Medical Facilities – A master meter is permitted for domestic water supply based on an ERU adjusted formula, provided all utilities are mastered metered and to be paid, on behalf of the occupants.

New Account Connection – This fee is established for the on-site activation of the meter, account setup and other processing. This is a one-time fee per account and covers all utility services to include water, gas, and garbage. The \$50 connection fee covers all service connections.

Temporary disconnection due to repair – When requested between normal business hours the City will temporarily disconnect and reconnect water service at the meter for a customer to make personal repairs.

The City is not responsible for any repairs or leaks on lines leaving the meter or to include but not limited to: leaking toilets, faucets, private lines under a structure or within the walls or ceilings.

Water Base Rate is the minimum bill that a customer is charged based on meter size. This fee is set to recover the costs of meter maintenance and replacement as well as meter reading, billing costs, fire hydrants, storage, and general repairs to water mains.

### **Planned Increases for Rates, Fees, and Charges**

City Council adopted a rate resolution on June 27, 2024 providing for future increases to the schedule water and sewer rates fees and charges. The resolution provides for a 7% increase to all rates and charges beginning July 1, 2026, except service charges which will remain the same. The City has covenanted in the Bond Resolution that it will prescribe and revise rates, and collect fees and charges for the services, facilities and commodities furnished by the System at all times at a level sufficient to produce Net Revenues at least equal to one hundred twenty percent (120%) of the aggregate sum required to pay debt service on the Bonds for such Bond Year.

The City has engaged Nelsnick Enterprises (the “**Rate Consultant**”) to evaluate the water and wastewater rate structure of the System based on existing and projected future costs. A draft of the rate study report (the “**Rate Study**”) prepared by the Rate Consultant is attached to this Official Statement as Appendix E. A final Rate Study will be completed once fiscal year 2025 audited data have been finalized and feedback from the City’s Utility Committee has been received. The City intends to engage the Rate Consultant on an annual basis to provide updates to the Rate Study with the goal of continuing to adopt a rate structure that will provide sufficient revenues to System to operate in a sound businesslike manner, cover debt service obligations, and allow for expansion and renewal/replacement of existing assets.

### **Quarry Reservoir Project**

The City entered into a Memorandum of Understanding with the City of Auburn, Georgia dated January 15, 2015, regarding a joint project to create a new reservoir (the “**MOU**”). Water resources investigations conducted by the cities have shown that the combined flows of Rock Creek, Little Mulberry River and Mulberry River along with a 1.1-billion-gallon storage reservoir would provide 3 MGD for the City of Winder and 1.5 MGD for the City of Auburn on an annual average. The MOU memorialized terms for the cooperation between the two cities in connection with the creation of the storage reservoir and the

construction and installation of all associated infrastructure required to allow the cities to withdraw water and store the raw water in the new reservoir and then transmit the water to the treatment plants of each city.

Pursuant to the MOU, each city is responsible for submitting withdrawal permit application to the EPD for withdraw water from the Mulberry River Basin. The City of Auburn will be allocated 1.5 MGD of drinking water (Annual Average Daily Flow, AADF), and the City of Winder will be allocated 3 MGD of drinking water (AADF).

The site of the reservoir is located at the former Martin Marietta rock quarry off Parks Mill Road in the City of Auburn. The City of Auburn is responsible for acquiring and constructing the quarry site for use as the reservoir. The City of Winder will construct the raw water supply pipeline from the river intakes to the reservoir at its own expense. The City of Auburn may construct its own intake on Rock Creek, also at its own expense. Each city will construct its own pumps and related facilities for water withdrawal from the reservoir.

The City of Winder pays all planning, engineering, design, and construction costs for the river intake, supply line, and pumps from the rivers to the reservoir. The City of Auburn pays for its Rock Creek intake and for its own pumps at the reservoir. The City of Auburn contributes to the operation and maintenance costs of Winder's intake and supply line only if its withdrawals from the reservoir exceed the permitted Rock Creek amount, based on a proportional formula. The quarry site costs (acquisition and construction) are shared: The City of Winder pays two-thirds, and the City of Auburn one-third.

Title to river pump sites and lines is held by City of Winder. Title to the quarry site is held by the City of Auburn. The City of Winder has ownership rights to a specified proportion (based on water allocation) of reservoir storage capacity, documented by a recorded easement. Winder's share is based on its water allocation, amounting to approximately 97 million cubic feet (725 MG), and Auburn's share is about 54 million cubic feet (404 MG). Both cities agree to record protective covenants. The City of Auburn protects the City of Winder's reservoir storage rights and water quality at the quarry site. The City of Winder protects the City of Auburn's intake site rights on the Mulberry River Basin.

Each City operates and maintains its own pumps and facilities at the reservoir and bears the associated costs. The City of Winder is responsible for its own water lines and facilities from the reservoir to its water treatment plant. The City of Auburn is responsible for its pipelines and facilities from the reservoir to its treatment plant. Both parties agree to jointly operate and maintain the reservoir, with a common designated Reservoir Operator. A Reservoir Operator has not been appointed at this time, but it is expected to be a third-party operations and maintenance service provider. Maintenance and repair costs for shared water quality or reservoir structure issues are divided two-thirds to Winder and one-third to Auburn. Both cities will jointly develop and adhere to standard operating procedures for reservoir operation and maintenance.

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## **FINANCIAL INFORMATION CONCERNING THE SYSTEM**

### **The System's Operating History**

The City's Water and Sewer Fund is an enterprise fund of the City and is used to account for operations of the water and sewer systems of the City. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The table below sets forth a historical, comparative summary of revenues, expenses, and changes in net position for the System for the past six fiscal years. Information in the tables for fiscal years 2020 to 2024 have been extracted from audited financial statements of the City for the fiscal years ended June 30, 2020, to June 30, 2024. Information for fiscal year ending June 30, 2025 has been provided by the City finance department but has not been subject to independent audit. No representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the System for the fiscal years shown. For more complete information, reference is made to the audited financial statements of the City for fiscal year 2024 which are included in this Official Statement as Appendix A and to the audited financial statements of the City for fiscal years 2020 to 2023, copies of which are available from the City upon request.

[CONTINUED ON FOLLOWING PAGE]

**City of Winder Water and Sewer Fund**  
**Comparative Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Years Ended June 30**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	(Unaudited) <u>2025</u>
<b>OPERATING REVENUES</b>						
Charges for Sales and Services	\$19,025,053	\$21,451,219	\$22,075,317	\$23,249,977	\$24,620,104	\$30,405,872
Other	67,244	49,366	22,128	245,196	60,577	29,553
<b>Total Operating Revenues</b>	<b>19,092,297</b>	<b>21,500,585</b>	<b>22,097,445</b>	<b>23,495,173</b>	<b>24,680,681</b>	<b>30,435,425</b>
<b>OPERATING EXPENSES</b>						
Costs of Sales and Services	7,887,519	7,258,245	7,806,274	10,682,204	10,976,172	11,910,929
Personal Services	1,473,220	1,560,180	1,418,464	2,124,906	2,352,354	2,627,837
Depreciation	3,437,836	3,479,416	3,435,823	3,486,699	3,598,061	3,588,311
<b>Total Operating Expenses</b>	<b>12,798,575</b>	<b>12,297,841</b>	<b>12,660,561</b>	<b>16,293,809</b>	<b>16,926,587</b>	<b>18,127,077</b>
<b>Operating Income (Loss)</b>	<b>6,293,722</b>	<b>9,202,744</b>	<b>9,436,884</b>	<b>7,201,364</b>	<b>7,754,094</b>	<b>12,308,348</b>
<b>NON-OPERATING INCOME (EXPENSES)</b>						
Interest Revenue	102,419	54,072	62,061	15,661	115,063	299,013
Interest Expense	(613,577)	(440,488)	(371,321)	(154,398)	(189,924)	(187,412)
Net Increase (Decrease) in the Fair Value of Investments	46,026	81,923	(232,263)	2,783	459,546	337,138
Debt Issue Costs	-	(81,225)	-	-	(175,000)	(283,500)
Distribution of Capital Assets to Governmental Activities	-	-	-	-	(117,960)	-
Gain (Loss) on the Sale of Capital Assets	(817)	(3,167)	(583)	6,797	(15,973)	(508)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(465,929)</b>	<b>(388,885)</b>	<b>(542,106)</b>	<b>(129,157)</b>	<b>75,752</b>	<b>164,731</b>
<b>Net Income (Loss) Before Contributions and Transfers</b>	<b>5,827,793</b>	<b>8,813,859</b>	<b>8,894,778</b>	<b>7,072,207</b>	<b>7,829,846</b>	<b>12,473,079</b>
<b>CAPITAL CONTRIBUTIONS</b>						
Net Income (Loss) Before Transfers	3,114,187	1,525,202	4,100,605	1,993,732	1,372,496	-
	8,941,980	10,339,061	12,995,383	9,065,939	9,202,342	12,473,079
<b>TRANSFERS</b>						
Transfers In <sup>1</sup>	392,452	28,607	5,506	163,557	1,804,952	8,758,629
Transfers Out	(4,000,000)	(1,804,604)	(2,200,000)	-	(5,116,289)	-
<b>Total Transfers In (Out)</b>	<b>(3,607,548)</b>	<b>(1,775,997)</b>	<b>(2,194,494)</b>	<b>163,557</b>	<b>(3,311,337)</b>	<b>8,758,629</b>
<b>Change in Net Position</b>	<b>5,334,432</b>	<b>8,563,064</b>	<b>10,800,889</b>	<b>9,229,496</b>	<b>5,891,005</b>	<b>21,231,708</b>
Beginning Net Position, July 1	73,709,939	79,044,371	87,607,435	98,408,324	107,637,820	113,528,825
<b>Ending Net Position, June 30</b>	<b>\$79,044,371</b>	<b>\$87,607,435</b>	<b>\$98,408,324</b>	<b>\$107,637,820</b>	<b>\$113,528,825</b>	<b>\$134,760,553</b>

<sup>1</sup> With respect to fiscal year 2025, Transfers In represent transfers from capital grants fund for expenditures related to the Highway 53 Water Treatment Plant Project. The expenditures are being transferred into the Water and Sewer Fund and capitalized as construction in progress annually until the project is completed, at which point it will be placed into service in the water and Sewer Fund.

## **Accounting Policies**

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The more significant of the City’s accounting policies are described in Note 2 of the audited financial statements of the City attached to this Official Statement as Appendix A.

## **Independent Auditor’s Reports**

The auditor’s reports on the financial statements of the City for the fiscal years ended June 30, 2020, through June 30, 2024, state that said financial statements present fairly, in all material respects, the respective financial position 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, as of the fiscal year then ended, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund and ARPA Grant Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Budgetary Process**

The City adopts an annual operating budget for all governmental fund types, prior to July 1, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by the City when capital projects are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of a resolution. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department level.

The City’s annual operating budget serves as the foundation for the City’s financial planning and control. The annual budget process begins with the identification of performance outcomes and constituent service expectations by Mayor and Council at their annual retreat. Working from these Council directives, the City Administrator and department leaders recommend funding and expenditure allocations for each of the City’s operational departments and functions that are designed to accomplish the performance outcomes and constituent services identified by Mayor and Council. Through a series of budget work sessions, Mayor and Council work alongside the City Administrator to refine these proposals into a budget that is ultimately presented for public review and comment as the “Mayor’s Proposed Budget.” After a series of public hearings, the budget is adopted by majority vote of Council and then implemented by the City Administrator through operational procedures, purchasing, financial and other binding policies. The City Administrator is permitted to transfer appropriations within a department. Transfers between functions and departments and subsequent budgetary amendments require the approval of the City Council.

All annual appropriations lapse at year-end. The close of each fiscal year is followed by an audit and preparation of financial statements prepared by external auditors. The fiscal year audit is publicly available; presented at a public meeting of Council; and filed with the Georgia State Department of Audits and Accounts.

## System Operating Budget

The City's Water and Sewer Fund is the largest of the ten proprietary funds operated by the City. The Water and Sewer Fund accounts for the operations of the System.

Set forth below is the City's Water and Sewer Fund budget for fiscal years ending June 30, 2025 and June 30, 2026. The budgets are based upon certain assumptions and estimates of the City's administration regarding future events, transactions, and circumstances. Realization of the results projected in the budget will depend upon implementation by management of policies and procedures consistent with the assumptions made by the City. Accordingly, the actual results achieved for the budget could materially vary from those projected in the budget shown above.

	<u>Fiscal Year Ending June 30</u>	
	<u>2025</u>	<u>2026</u>
Revenue Source		
Licenses and Permits	\$20,000	\$20,000
Charges for Services	23,135,800	23,926,800
Investment Income	8,000	8,000
Contributions and Donations from Private Sources	2,504,000	2,504,000
Misc. Revenues	8,000	8,000
Other Financing Sources	<u>20,935,348</u>	<u>19,936,158</u>
Total Revenue Sources	<u>\$46,611,148</u>	<u>\$46,402,958</u>
Expenditures		
Personal Services	\$2,835,620	\$3,054,853
Purchased/Contracted Services	8,456,397	8,594,096
Supplies	3,890,485	4,015,915
Capital Outlays	22,520,146	21,611,082
Interfund/Interdepartmental Charges	2,956,500	2,956,500
Depreciation and Amortization	3,505,000	3,505,000
Other Costs	5,000	5,000
Debt Service	<u>2,442,000</u>	<u>2,442,000</u>
Total Expenditures	<u>\$46,611,148</u>	<u>\$46,184,447</u>

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## DEBT STRUCTURE OF THE SYSTEM

### Outstanding Debt of the System

The City does not currently have any debt outstanding with a direct first lien on the revenues of the System. However, the City does pay debt service on certain debt obligations using revenues derived from the System (after payment of senior lien obligations of the System, if any are outstanding), but such debt does not hold a lien on the revenues of the System.

The following is summary of the City's outstanding debt that is supported by the revenues of the System. The debt obligations consist of intergovernmental contract revenue bonds issued by the City of Winder Public Facilities Authority, Georgia Environmental Finance Authority ("GEFA") loans, and financed purchases.

Summary of Subordinate Debt Supported by the System by Category

<u>Category of Debt</u>	<u>Principal Amount Authorized or Issued</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Principal Amount Outstanding June 30, 2025</u>	<u>Estimated Principal Amount Outstanding Upon Issuance of Series 2025 Bonds</u>
<i>Intergovernmental Contract Debt</i> <sup>1</sup>					
2021 PFA Bond <sup>2</sup>	\$8,095,000	1.49%	12/01/2029	\$4,999,000	\$3,987,000
<i>GEFA Loans</i> <sup>3</sup>					
Fully Disbursed Loans <sup>4</sup>					
2012L27WS-L	3,000,000	0.70%	01/01/2027	489,099	335,232
DW2016025-L	9,000,000	0.89%	02/01/2039	6,321,282	6,103,306
Draw-Down Phase Loans <sup>5</sup>					
DW2023028-L	14,000,000	1.63%	TBD	1,606,323	1,606,323
DWLSL2023081-L	900,000	4.25%	TBD	0	0
DW2024008-L	10,000,000	4.25%	TBD	0	0
GF2024018-L	8,000,000	4.35%	TBD	0	0
<i>Financed Purchases</i> <sup>6</sup>	<u>5,000,000</u>	2.37%	12/01/2028	<u>1,902,147</u>	<u>1,686,069</u>
<b>TOTAL</b>	<u>\$57,995,000</u>			<u>\$15,317,851</u>	<u>\$13,717,930</u>

<sup>2</sup> The financial obligations of the City under the intergovernmental contracts constitutes a general obligation of the City to make the payments it has contracted to make by the provisions of the contract and constitute a pledge of the full faith, credit, and taxing power of the City.

<sup>3</sup> The 2021 PFA Bond does not hold a lien on the revenues of the System. Interest is payable semi-annually on June 1 and December 1 of each year. Principal is payable in annual installment on December 1 of each year until final maturity date of December 1, 2029.

<sup>4</sup> GEFA loans are structured as draw-down loans. The loan is interest only, payable monthly, until the earlier of: (a) the completion date of the project being financed, (b) the date the loan is fully disbursed, or (c) the date specified in the loan agreement. Thereafter, principal and interest on the loan is payable in monthly consecutive installments until the maturity date of the loan.

<sup>5</sup> Fully disbursed GEFA loans. Principal and interest are payable monthly consecutive amortized installments until the maturity date of the loan.

<sup>6</sup> GEFA Loans are still in the construction draw-down phase. Interest on drawn amount is payable monthly.

<sup>7</sup> City has entered into a financed purchase agreement with a financial institution for building/equipment improvements. The financed purchase agreement is secured by property and is subject to and dependent upon annual lawful appropriations.

Public Facilities Authority Taxable Refunding Revenue Bonds, Series 2021. On January 19, 2021, the City of Winder Public Facilities Authority issued its Taxable Refunding Revenue Bond, Series 2021 in the original principal amount of \$8,095,000 (the “**2021 PFA Bond**”). The 2021 PFA Bond is a special obligation of the Public Facilities Authority secured by and payable from certain payments payable by the City to the Public Facilities Authority under an intergovernmental contract by and between the City and the Public Facilities Authority. The financial obligations of the City under the intergovernmental contracts constitutes a general obligation of the City to make the payments it has contracted to make by the provisions of the contract and constitutes a pledge of the full faith, credit, and taxing power of the City. The 2021 PFA Bond does not hold a lien on the revenues of the System. However, the City does pay debt service on the 2021 PFA Bond from revenues of the System after payment of debt service for the City’s senior lien obligations of the System.

GEFA Loans. GEFA loans are secured by a promissory note payable to GEFA and a loan contract. The notes are general obligations of the City to which its full faith and credit and taxing power are pledged. The GEFA loan contract requires the City to exercise its taxing power and its power to set rates, fees, and charges to its utility systems to the extent necessary to pay, among other things, the principal of and interest on such GEFA loans as they become due and payable. GEFA loans made to finance improvements to the System do not hold a direct lien on the revenues of the System. However, the City does pay debt service on the GEFA loans from revenues of the System after payment of debt service for the City’s senior lien obligations of the System. GEFA loans are structured as draw-down loans. The loans are interest only, payable monthly, until the earlier of: (a) the completion date of the project being financed, (b) the date the loan is fully disbursed, or (c) the date specified in the loan agreement. Thereafter, principal and interest on the loan is payable in monthly consecutive amortized installments until the maturity date of the loan.

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**Estimated Debt Service Schedule\***

Set forth below are the principal and interest payment requirements of the City with respect to the Series 2025 Bonds for each fiscal year.

Fiscal Year Ending <u>June 30</u>	<u>Principal*</u>	<u>Interest</u>	<u>Principal and Interest</u>
2026	-		
2027	-		
2028	\$400,000		
2029	800,000		
2030	1,085,000		
2031	1,140,000		
2032	1,195,000		
2033	1,255,000		
2034	1,320,000		
2035	1,385,000		
2036	1,455,000		
2037	1,525,000		
2038	1,605,000		
2039	1,685,000		
2040	1,770,000		
2041	1,855,000		
2042	1,950,000		
2043	2,045,000		
2044	2,150,000		
2045	2,255,000		
2046	2,370,000		
2047	2,490,000		
2048	2,610,000		
2049	2,740,000		
2050	2,880,000		
2051	3,025,000		
2052	3,175,000		
2053	3,320,000		
2054	3,465,000		
2055	3,625,000		
2056	3,785,000		
<b>TOTAL</b>	<b>\$60,360,000</b>		

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## **Service Coverage Ratios Proforma**

Table 3.1 of the Rate Study attached hereto as Appendix E and incorporated herein by reference set forth projected income and expenses of the System, including total debt service coverage ratios, through fiscal year ending June 30, 2030. See “Appendix E: DRAFT WATER AND WASTEWATER RATE STUDY REPORT” for a more detailed discussion of the projected forecast.

THE FINANCIAL FORECAST SET FORTH IN THE RATE STUDY IS BASED SOLELY UPON ASSUMPTIONS MADE BY THE CITY AND ITS RATE CONSULTANT, INCLUDING, WITHOUT LIMITATION, ASSUMPTIONS AS TO RATES FOR THE SERVICES PROVIDED BY THE SYSTEM, STABILITY AND GROWTH OF THE CUSTOMER BASE, AND OPERATING EXPENSES. THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH SUCH ASSUMPTIONS, THAT UNCONTROLLABLE FACTORS WILL NOT AFFECT SUCH ASSUMPTIONS, OR THAT THE FORECASTED RESULTS WILL BE ACHIEVED. THE ACHIEVEMENT OF THE FINANCIAL FORECAST WILL BE AFFECTED BY ECONOMIC CONDITIONS AND OTHER UNCONTROLLABLE FACTORS AND IS DEPENDENT UPON THE OCCURRENCE OF FUTURE EVENTS WHICH CANNOT BE ASSURED. THUS, THE ACTUAL RESULTS ACHIEVED MAY VARY FROM THOSE FORECASTED IN THE RATE STUDY, AND SUCH VARIATIONS COULD HAVE AN ADVERSE EFFECT UPON THE SYSTEM’S NET REVENUES AVAILABLE FOR DEBT SERVICE. THE ASSUMPTIONS AND RATIONALE INCLUDED IN THE RATE STUDY ARE AN INTEGRAL PART OF THE FORECAST. THE RATE STUDY, INCLUDING ALL COMMENTS, ASSUMPTIONS, NOTES AND DISCLAIMERS, SHOULD BE READ IN ITS ENTIRETY.

The Rate Study attached hereto as Appendix E is in draft form. A final Rate Study will be completed once fiscal year 2025 audited data have been finalized and feedback from the City’s Utility Committee has been received.

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## CITY OF WINDER, GEORGIA

*The information contained in this section is included only for purposes of supplying general information regarding the City and the County. The Series 2025 Bonds are payable solely from the sources described in this Official Statement under the section entitled "SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2025 BONDS." The Series 2025 Bonds shall not be deemed to constitute a general obligation debt of the City or the County nor a pledge of the faith and credit thereof, nor shall the City or County be subject to any pecuniary liability thereon. The Series 2025 Bonds shall not be payable from, nor a charge upon, any funds other than the Net Revenues of the System. No owner of a Series 2025 Bond shall ever have the right to compel the exercise of the taxing power of the City or the County to pay the same, nor shall the Series 2025 Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City or the County.*

### Introduction

The City is a municipal corporation of the State of Georgia created and existing under the laws of the State of Georgia. The City was incorporated in 1894, operates under a Mayor-Council form of government, and is the county seat for Barrow County, Georgia. The City provides a full range of services. The services include police and fire protection; natural gas; water; sanitary water; solid waste disposal; golf course; cultural and recreation activities; planning and zoning; economic development; the construction and maintenance of highways, streets, sidewalks, and stormwater infrastructure.

The City is located approximately 60 miles northeast of Atlanta, Georgia, and has a population of approximately 20,628 residents according to U.S. Census Bureau estimates as of July 1, 2024. The City is situated in Barrow County between the economic hubs of Atlanta and Athens, Georgia. The City has access to major transportation networks including Interstate 85 and Georgia Highway 316 and is less than a one hour drive from Hartsfield-Jackson Atlanta International Airport. The City is also close to the University of Georgia just 25 miles away in Athens, and Atlanta's prestigious institutions including Georgia Institute of Technology (Georgia Tech), Georgia State University, and Emory University within a 50-mile radius. The workforce also benefits directly from close proximity to advanced technical training programs at the new 67,000-square-foot Lanier Technical College campus in the City, enhancing skills and driving economic growth. Northeast Georgia Medical Center Barrow is located in the City and operates as a key community hospital within the Northeast Georgia Health System, serving residents of Barrow County and surrounding areas with access to advanced medical care.

### Government Format and Principal Officials

The City operates under a Mayor/Council-City Administrator form of government with a six-council member elected to council, a mayor elected at large, and an appointed professional city administrator. The Mayor and Council members serve overlapping four-year terms. The legislative authority of the government is vested with the Mayor and Council. The City Administrator handles daily administration and management, with policy and guidance provided by the Mayor and Council. Information regarding the names and terms of office of the Mayor and City Council members is as follows:

<u>Name</u>	<u>Position</u>	<u>Expiration Date of Current Term</u>	<u>Principal Occupation</u>
Jimmy Terrell	Mayor	12/31/2027	Retired law enforcement
Sonny Morris	Ward 1 Councilmember	12/31/2025	Retired
Kobi Kilgore	Ward 2 Councilmember	12/31/2027	Nonprofit executive
Power Evans	Ward 3 Councilmember	12/31/2025	Government relations
Travis Singley	Ward 4 Councilmember	12/31/2027	Business Owner
Stephanie Britt	At-Large Councilmember	12/31/2025	Teacher
Taffy McCormick	At-Large Councilmember	12/31/2027	Retired

Jonatan Lynn was named City Administrator in September 2024. As City Administrator, Mr. Lynn is responsible for the overall management and coordination of the City's municipal services, working closely with the Mayor and City Council to implement policies and initiatives that reflect the City's vision and goals, paying a key role in fostering economic development and ensuring the effective delivery of City services.

Anna Childs is the City Clerk. The City Clerk is one of the Mayor and Councils appointed officers which serves as an administrative assistant to the Mayor, Council and City Administrator. The City Clerk maintains all city council minutes, agendas, keeps track of all ordinances, resolutions, contracts, deeds, leases, records and agreements.

### Population Information

The following table sets forth the population estimates, including percentage change, in the City, County, the State, and the United States for decennial census years 1980 through 2020 and for the U.S. Census Bureau estimates as of July 1, 2024.

<u>Year</u>	<u>City of Winder</u>	<u>Percentage Change</u>	<u>Barrow County</u>	<u>Percentage Change</u>	<u>State of Georgia</u>	<u>Percentage Change</u>	<u>United States</u>	<u>Percentage Change</u>
1980	6,705	-	21,354	-	5,463,105	-	226,545,805	-
1990	7,373	10.0%	29,721	39.2%	6,478,216	18.6%	248,709,873	9.8%
2000	10,201	38.4	46,144	55.3	8,186,453	26.4	281,421,906	13.2
2010	14,099	38.2	69,367	50.3	9,687,653	18.3	308,745,538	9.7
2020	18,338	30.1	83,505	20.4	10,711,908	10.6	331,449,281	7.4
2024	20,628	12.5	96,294	15.3	11,180,878	4.4	340,110,988	2.6

Source: U.S. Department of Commerce, Bureau of the Census.

### Per Capita Personal Income

The following table sets forth the per capita personal income in the County, the State, and the United States for the years 2019 through 2024. County data for 2024 is not yet available.

<u>Year</u>	<u>Barrow County</u>	<u>Georgia</u>	<u>United States</u>
2019	\$38,403	\$48,529	\$55,567
2020	41,176	51,460	59,114
2021	45,802	56,079	64,450
2022	48,229	57,193	66,096
2023	50,221	59,691	69,418
2024	-	62,393	72,425

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Accounts Data (last updated February 20, 2025).

### Median Household Income

The following table sets forth the median household income for the City, the County, the State, and the United States for the years 2019 through 2023 according to the U.S. Census Bureau, American Community Survey (ACS), 5-Year Estimates.

<u>Year</u>	<u>City</u>	<u>County</u>	<u>Georgia</u>	<u>United States</u>
2019	\$48,429	\$62,345	\$58,700	\$62,843
2020	52,568	62,990	61,224	64,994
2021	57,708	68,365	65,030	69,021
2022	57,365	75,053	71,355	75,149
2023	59,944	77,477	74,664	78,538

Source: U.S. Census Bureau, American Community Survey (ACS), 5-Year Estimates.

## Land Use

Set forth below are the percentages of land use for various categories of property located within the territorial limits of the City, computed based upon the acres of land for the various categories set forth in the tax digest for each respective year.

<u>Category</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Agricultural	2.55%	2.33%	9.42%	16.41%	18.63%
Commercial	26.22	25.55	25.88	24.36	22.88
Industrial	0.76	0.77	0.69	0.65	0.60
Residential	57.40	58.24	54.60	49.80	46.11
Utility	0.11	0.11	0.11	0.10	0.00
Conservation Use	<u>12.95</u>	<u>12.99</u>	<u>9.31</u>	<u>8.68</u>	<u>11.78</u>
Totals:	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Georgia Department of Revenue, consolidated tax digest summary.

## Median Home Values

The following table shows the median home values in the City, County, the State of Georgia and the United States for the years 2019 through 2023.

<u>Year</u>	<u>City</u>	<u>County</u>	<u>Georgia</u>	<u>United States</u>
2019	\$162,700	\$159,700	\$176,000	\$217,500
2020	173,400	169,900	190,200	229,800
2021	190,000	183,200	206,700	244,900
2022	229,000	228,400	245,900	281,900
2023	251,700	255,200	272,900	303,400

Source: U.S. Department of Commerce, Bureau of the Census, American Community Survey 5-year estimates.

## County Building Permits

The following table shows a summary of residential construction permits issued in Barrow County for the calendar years 2020 through 2024.

<u>Year</u>	<u>Permits Issued</u>	<u>Construction Costs</u>
2020	935	\$124,574,552
2021	1,134	149,705,358
2022	1,054	147,709,707
2023	1,092	182,330,205
2024	1,427	259,171,823

Source: Georgia Department of Labor, Georgia Labor Market Explorer.

## Bank Deposits

As of June 30, 2025, nine financial institutions with a total of fourteen offices provided banking services within the County. The following are the total deposits in the County's financial institutions as of June 30 in each of the years 2021 through 2025.

<u>Year</u>	<u>Amount</u>
2021	\$1,395,000,000
2022	1,476,000,000
2023	1,457,000,000
2024	1,605,000,000
2025	1,678,000,000

Source: Federal Deposit Insurance Corporation, Summary of Deposits Institution Branch Report

## Industry and Employment

The City has experienced strong population and business growth in recent years, supported by a skilled regional workforce and proximity to key industrial and logistics corridors. The City expects existing businesses to continue to expand and for new industrial, commercial, and residential developments to come online in future years.

*Civilian Employment Statistics of the County.* Employment includes nonagricultural wage and salary employment, self-employed, unpaid family and private household workers, and agricultural workers. Persons in labor disputes are counted as employed. The use of rounded data does not imply that the numbers are exact.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Employment	38,951	42,027	44,061	46,257	46,698
Unemployment	<u>2,063</u>	<u>1,249</u>	<u>1,155</u>	<u>1,298</u>	<u>1,431</u>
Total Labor Force	<u>41,014</u>	<u>43,276</u>	<u>45,216</u>	<u>47,555</u>	<u>48,129</u>
County Unemployment Rate	5.0%	2.9%	2.6%	2.7%	3.0%
State Unemployment Rate	6.5%	3.9%	3.0%	3.2%	3.5%
U.S. Unemployment Rate	8.1%	5.3%	3.6%	3.6%	4.0%

Source: Georgia Department of Labor, Workforce Statistics & Economic Research

The County has a 3.1% unemployment rate according to Georgia Department of Labor preliminary estimates for August 2025 (not seasonally adjusted).

*Principal Employers.* Set forth below are the largest employers with a presence in the County as of January 1, 2025, their type of business, and their approximate number of employees. There can be no assurance that any employer listed below will continue to be located in the County or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed.

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>
Barrow County School System	Public Education	2,447
Wayne-Sanderson Farms	Poultry's Processing	977
Barrow County Board of Commissioners	County Government	620
Chico's FAS	Retail Goods - Clothing	589
Akins Ford	Motor Vehicle Sales and Maintenance	427
Carvana	Motor Vehicle Sales	400
Price Industries	Manufacturing – Ventilation and HVAC	340
Republic Services	Waste Management	300
NGMC Barrow	Healthcare	235
ReaderLink	Distribution - Books	222

Sources: Barrow County Department of Economic Development.

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*Economic Sector Distribution.* The following table shows the average percentage of persons who worked in each major sector of the local economy in the County in the calendar years 2020 through 2024. Data are monthly averages for each respective year. Figures are based on employees covered under the State unemployment insurance program.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Agriculture, Forestry, Fishing & Hunting	*	1.6%	1.4%	*	*
Mining	*	*	*	*	0.1%
Construction	6.9%	6.6	6.9	7.2%	8.0
Manufacturing	10.8	10.3	9.7	10.0	9.9
Utilities	*	*	*	*	0.2
Wholesale Trade	10.2	9.5	9.5	9.6	9.2
Retail Trade	19.3	20.4	21.6	20.6	20.0
Transportation and Warehousing	3.2	3.0	3.0	2.1	2.1
Information	0.3	0.4	0.4	0.4	0.5
Finance and Insurance	1.3	1.2	1.1	1.3	1.2
Real Estate and Rental and Leasing	0.6	0.5	0.5	0.5	0.7
Professional Scientific & Technical Svc	3.5	3.5	3.0	2.9	3.0
Management of Companies and Enterprises	*	*	*	*	0.1
Admin., Support, Waste Mgmt, Remediation	2.4	2.5	3.4	5.5	6.0
Education Services	1.5	1.7	1.6	1.5	1.2
Health Care and Social Assistance	8.6	9.0	9.0	8.0	7.8
Arts, Entertainment, and Recreation	0.6	0.7	0.7	0.5	0.6
Accommodation and Food Services	9.5	10.0	10.9	11.4	11.7
Other Services (except Public Admin.)	2.0	2.2	2.3	2.4	2.6
Unclassified	0.2	0.2	0.5	0.6	0.2
Federal, State, and Local Government	<u>15.4</u>	<u>14.6</u>	<u>14.1</u>	<u>14.6</u>	<u>14.5</u>
All Industries	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

\* Denotes confidential data relating to individual employers and cannot be released. These data use the North American Industrial Classification System (NAICS) categories. Average weekly wage is derived by dividing gross payroll dollars paid to all employees - both hourly and salaried - by the average number of employees who had earnings; average earnings are then divided by the number of weeks in a reporting period to obtain weekly figures. Figures in other columns may not sum accurately due to rounding.

Source: State of Georgia Department of Labor, Labor Information Systems.

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## LEGAL MATTERS

### Litigation

The City, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The City, after reviewing the current status of all pending and threatened litigation with its counsel, Smith Welch Webb & White, LLC, McDonough, Georgia, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the City or its officials in such capacity will not have a material adverse effect upon the financial position or results of operations of the City.

There is no litigation now pending or, to the knowledge of the City, threatened against the City which seeks to restrain or enjoin the issuance or delivery of the Series 2025 Bonds, the provisions of the security therefor, or the use of the proceeds of the Series 2025 Bonds, or which questions or contests the validity of the Series 2025 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence of the City, nor the title to the present officials of the City to their respective offices, is being contested or questioned.

### Legal Proceedings

*Validation of the Series 2025 Bonds.* As required by the Revenue Bond Law, the Series 2025 Bonds and the security therefor will be confirmed and validated prior to the issuance thereof by judgment of the Superior Court of Barrow County, Georgia. Entry of the final judgment confirming and validating the Series 2025 Bonds and the security therefor is a condition to the issuance of the Series 2025 Bonds. Under State law, the judgment of validation is forever conclusive against the City with respect to such validation of the Series 2025 Bonds and the security therefor.

*Opinions of Counsel.* All legal matters incidental to authorization and issuance of the Series 2025 Bonds are subject to the approval of Gray Pannell LLC, Savannah, Georgia, Bond Counsel. It is anticipated that the approving opinion of Gray Pannell LLC will be in substantially the form included in Appendix D. Certain legal matters will be passed upon for the City by Smith Welch Webb & White, LLC, McDonough, Georgia. The payment of legal fees is contingent upon issuance of the Series 2025 Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds express the professional judgment of the attorneys or law firms rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the attorney or law firm does not become an insurer or guarantor of the transaction opined upon or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

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## **TAX STATUS**

### **Federal Tax Exemption**

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes under § 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Series 2025 Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2025 Bonds.

### **State Tax Exemption**

In the opinion of Bond Counsel, interest on the Series 2025 Bonds is exempt from present State of Georgia income taxation.

### **Maintenance of Tax Status**

The Code and the regulations promulgated thereunder contain a number of restrictions, conditions and requirements that must be satisfied subsequent to the issuance of the Series 2025 Bonds in order for the interest thereon to be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of interest on the Series 2025 Bonds in the gross income of the holders thereof for federal income tax purposes retroactively to the date of issuance of the Series 2025 Bonds. The City has covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the Series 2025 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel is subject to the condition that the City complies with all such requirements. Bond Counsel has not been retained to monitor compliance with the described post-issuance tax requirements subsequent to the issuance of the Series 2025 Bonds. Bond Counsel has not undertaken to determine or to inform any person whether any action taken or not taken or any event occurring or not occurring after the date of issuance of the Series 2025 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2025 Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Code by the Treasury Department or the Internal Revenue Service, or future court decisions may cause interest on the Series 2025 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent owners of the Series 2025 Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for or marketability of the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, regulatory initiatives or litigation.

The opinions expressed by Bond Counsel are based upon existing law, legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2025 Bonds, cover certain matters not directly addressed by such authorities, and represent Bond Counsel's judgment as to the treatment of the Series 2025 Bonds for federal income tax purposes. Such opinions are not binding on the Internal Revenue Service (the "IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2025 Bonds ends with the issuance of the Series 2025 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the beneficial owners of the Series 2025 Bonds regarding the tax-exempt status of the Series 2025 Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the beneficial owners)

other than the City and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of the Series 2025 Bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2025 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2025 Bonds, and may cause the City or the beneficial owners of the Series 2025 Bonds to incur significant expense.

As to certain questions of fact material to the opinion of Bond Counsel, Bond Counsel has relied upon representations and covenants made on behalf of the City and certificates of appropriate officers and public officials (including certifications as to the use of proceeds of the Series 2025 Bonds and of the property financed or refinanced thereby).

Reference is made to the proposed form of opinion of Bond Counsel relating to the Series 2025 Bonds attached hereto in Appendix D for the complete text thereof. See also “LEGAL MATTERS” herein.

### **Premium Bonds\***

Certain of the Series 2025 Bonds have been sold to the public at an original issue premium. The Series 2025 Bonds which have been purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (the “**Premium Bonds**”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. However, the purchaser’s basis in a Premium Bond will be reduced by the amount of the amortizable bond premium properly allocable to such purchaser during each year. Proceeds received from the sale, exchange, redemption, or payment of a Premium Bond in excess of the owner’s adjusted basis (as reduced pursuant to § 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Premium Bond and not as interest.

The federal income tax treatment of bond premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated and holders of Premium Bonds should consult an independent tax advisor in order to determine the federal income tax consequences to such holders of purchasing, holding, selling, or surrendering a Premium Bond at its maturity.

### **Original Issue Discount Bonds\***

Certain of the Series 2025 Bonds have been sold to the public at an original issue discount (the “**Discount Bonds**”). Generally, original issue discount is the excess of the stated redemption price at maturity of such a Discount Bond over the initial offering price to the public (excluding underwriters and other intermediaries) at which price a substantial amount of that maturity of the Discount Bonds was sold. Under existing law, an appropriate portion of any original issue discount, depending in part on the period a Discount Bond is held by the purchaser thereof, will be treated for federal income tax purposes as interest that is excludable from gross income rather than as taxable gain.

Under § 1288 of the Code, original issue discount on Bonds accrues on a compounded basis. The amount of original issue discount that accrues to an owner of a Discount Bond, who acquires the Discount Bond in this initial offering, during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in such Discount Bond. Proceeds received from the sale, exchange, redemption, or payment of a Discount Bond in excess of the owner’s adjusted basis (as increased by the amount of original issue discount that has accrued and has been treated as tax-exempt interest in such owner’s hands), will be treated as a gain from the sale or exchange of such Discount Bond and not as interest.

The federal income tax consequences from the purchase, ownership and redemption, sale, or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of Discount Bonds should consult their own tax advisors with respect to the consequences of owning Discount Bonds, including the effect of such ownership under applicable state and local laws.

### **Other Tax Consequences**

Prospective purchasers of the Series 2025 Bonds should be aware that ownership of the Series 2025 Bonds may result in collateral federal income tax consequences to certain taxpayers depending on their status and income. Prospective purchasers of the Series 2025 Bonds should consult independent advisors as to the consequences of owning the Series 2025 Bonds, including the effect of such ownership under applicable state and local laws and any collateral federal income tax and state tax consequences.

### **Information Reporting and Backup Withholding**

Interest paid on the Series 2025 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes, however, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to “backup withholding” at the fourth lowest rate applicable to unmarried individuals with respect to payments on the Series 2025 Bonds and proceeds from the sale of the Series 2025 Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This backup withholding generally applies if the owner of Bonds (i) fails to furnish the paying agent (or other person who otherwise would be required to withhold tax from such interest payments) such owner’s social security number or other taxpayer identification number (“**TIN**”), (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances fails to provide the paying agent or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2025 Bonds also may wish to consult with independent tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions from backup withholding.

### **Disposition of the Series 2025 Bonds**

Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement, reissuance or other disposition of a Bond may result in a taxable event for federal income tax purposes.

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## **RISK FACTORS**

The following section is intended only as a summary of certain pertinent risk factors relating to an investment in the Series 2025 Bonds. This summary is not intended to be an exclusive summary of factors to be considered in connection with making an investment in the Series 2025 Bonds. *In order for potential investors to identify risk factors and make an informed investment decision, they should thoroughly review this entire Official Statement and the appendices hereto and confer with their own tax and financial advisors when considering the purchase of the Series 2025 Bonds.*

### **Environmental Matters**

Utilities are subject to continuing environmental regulation. Federal, state and local standards and procedures that regulate the environmental impact of water and wastewater utilities are subject to change. These changes may arise from continuing legislative, regulatory and judicial action regarding such standards and procedures, and in particular from expanded oversight by the EPA. Consequently, there is no assurance that any City facility or project will remain subject to the laws and regulations currently in effect, will always be in compliance with future laws and regulations or will always be able to obtain all required operating permits. An inability to comply with environmental standards could result in additional capital expenditures, reduced operating levels or the shutdown of individual units not in compliance. In addition, increased environmental laws and regulations may create certain barriers to new facility development, may require modification of existing facilities and may result in additional costs for affected resources.

Planning for climate change in the State and its impact on the City's operations, including the System, is an unknown challenge. The State's climate is exceedingly variable and projections of future conditions range significantly. While projections in the State indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts, floods, and storms. The financial impact of climate change is not yet known and therefore its future impact on the City and the System cannot be quantified reliably at this time.

### **Public Health**

Public health crises such as epidemics and pandemics and the various governmental and private actions taken in response thereto may adversely affect the operations and revenues of the City and its System. The City cannot predict what effect a public health crisis would have on the finances or operations of the City or the System.

### **Cyber-Security**

Computer networks and data transmission and collection are vital to the efficient operations of the City. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the City, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, and cause a loss of confidence in the commercial operations, which could materially adversely affect the operations of the City and the System.

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## MISCELLANEOUS

### Rating

Moody's Investors Service, Inc. has assigned the rating of "Aa3" to the Series 2025 Bonds. S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, has assigned the rating of "AA-" to the Series 2025 Bonds.

The ratings reflect only the views of the rating agency, and an explanation of the significance of such ratings may be obtained from the rating agency furnishing such ratings. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that the ratings will remain unchanged for any given period of time or that either or both will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of either or both ratings may have an adverse effect on the liquidity and market price of the Series 2025 Bonds. The rating agencies may be contacted as follows:

Moody's Investors Service, Inc., Public Finance Department, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, telephone (212) 553-1362.

S&P Global Ratings, Municipal Finance Department, 55 Water Street, 38th Floor, New York, New York 10041, telephone (212) 438-2074.

### Underwriting

The Series 2025 Bonds were purchased at a competitive sale on December 4, 2025, by \_\_\_\_\_ (the "**Underwriter**"). The Underwriter has agreed, subject to certain conditions, to purchase the Series 2025 Bonds at a price of \$\_\_\_\_\_, which represents the par amount of the Bonds, \$\_\_\_\_\_, less Underwriter's Discount of \$\_\_\_\_\_, and plus/less [net] [Original Issue Premium/Discount] of \$\_\_\_\_\_. The initial public offering yields of the Series 2025 Bonds are shown on the inside cover page of this Official Statement and may be changed from time to time by the Underwriter. The Underwriter may also allow concessions from the public offering prices to certain dealers and others.

### Financial Advisor

Davenport & Company LLC, Atlanta, Georgia, has been employed by the City as their financial advisor for the offering. The financial advisor has not conducted a detailed investigation of the affairs of the City to determine the completeness or accuracy of this Official Statement. Because of its limited participation, the financial advisor has not independently verified any of the data contained herein and has no responsibility for the accuracy or completeness thereof.

### Continuing Disclosure

Securities and Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**") under the Securities Exchange Act of 1934 imposes continuing disclosure obligations on the issuers and obligors of certain state and municipal securities to permit participating underwriters to offer and sell the issuer's securities. The City will sign a Continuing Disclosure Certificate in connection with the issuance of the Series 2025 Bonds, under the provisions of which it will covenant for the benefit of the beneficial owners of the Series 2025 Bonds to provide (i) certain financial information and/or operating data relating to the City and the System (the "**Annual Report**") and (ii) notices of the occurrence of certain enumerated events, if material. The Annual Report and the notices of material events will be filed electronically with the Electronic Municipal Market Access website ("**EMMA**"), an Internet-based electronic filing system supported by the Municipal Securities Rulemaking Board ("**MSRB**"). The specific nature of the information to be contained in the Annual Report or in the notices of material events is in "Appendix C: FORM OF THE CONTINUING DISCLOSURE CERTIFICATE." These covenants will be made by the City in order to assist the Underwriter in complying with the Rule.

The undertakings described above may be amended or modified from time to time in accordance with the terms of the Continuing Disclosure Certificate. The City will reserve the right to terminate its obligation to provide annual financial information and notices of enumerated events if and when the City no longer remains an obligated person with respect to the Series 2025 Bonds within the meaning of the Rule.

The City agrees that its undertaking pursuant to the Rule described in the Continuing Disclosure Certificate is intended to be for the benefit of the holders and beneficial owners of the Series 2025 Bonds and shall be enforceable by such holders and beneficial owners; provided that the right to enforce the provisions of this undertaking shall be limited to a right to seek mandamus or specific performance to cause the City to comply with its obligations. Any failure by the City to comply with the provisions of the undertaking shall not be an event of default with respect to the Series 2025 Bonds under the Bond Resolution. With respect to the Series 2025 Bonds, no party other than the City is obligated to provide, nor is expected to provide, any continuing disclosure information. The City fully anticipates satisfying all obligations in connection therewith.

### **Financial Statements**

The financial statements of the City for the fiscal year ended June 30, 2024, attached hereto as Appendix A, have been audited by Rushton, LLC, Gainesville, Georgia, to the extent and for the periods indicated in their report thereon which appears in such appendix. Such financial statements have been included herein in reliance upon the report of Rushton, LLC.

### **Rate Study Report**

References to and excerpts herein from the Rate Study attached hereto as Appendix E do not purport to be an adequate summary of the Rate Study or complete in all respects. The Rate Study should be read in its entirety for complete information with respect to the subjects discussed therein.

### **Miscellaneous**

The references, excerpts, and summaries of all documents, statutes, and information concerning the City and the System and certain reports and statistical data referred to herein do not purport to be complete, comprehensive, and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2025 Bonds, the security for the payment of the Series 2025 Bonds, and the rights and obligations of the owners thereof and to each such statute, report, or instrument.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Series 2025 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

### **Forward-Looking Statements**

Any statements made in this Official Statement, including in the Appendices, involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized.

The statements contained in this Official Statement, including in the Appendices, that are not purely historical, are forward-looking statements. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof and the City does not assume any obligation to update any such forward-looking statements. It is important to note that the actual results could differ materially from those in such forward-looking statements. The forward-looking statements herein are necessarily based on various

assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement, including in the appendices, would prove to be accurate.

### **Certification**

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the City.

CITY OF WINDER, GEORGIA

By: \_\_\_\_\_  
Mayor

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## Appendix A

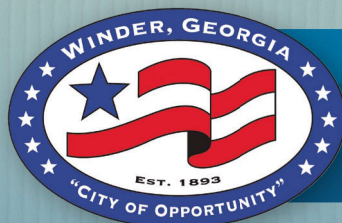
### AUDITED FINANCIAL STATEMENTS OF CITY OF WINDER, GEORGIA FOR THE FISCAL YEAR ENDED JUNE 30, 2024

The financial statements of the City as of and for the year ended June 30, 2024, included as part of this Appendix A, have been audited by Rushton, LLC, Gainesville, Georgia, to the extent and for the period indicated in their report thereon which also appears in this Appendix A. Such financial statements have been included herein in reliance upon the report of Rushton, LLC.

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# City of Winder

ANNUAL FINANCIAL REPORT / FISCAL YEAR ENDING 6.30.2024



LEADERSHIP

STEWARDSHIP

MOMENTUM



***CITY OF WINDER, GEORGIA***

***Annual Financial Report***

***For the fiscal year ended June 30, 2024***

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**CITY OF WINDER, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
*For the fiscal year ended June 30, 2024*

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**CITY OF WINDER, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
*For the fiscal year ended June 30, 2024*

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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Winder, Georgia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Winder, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Winder, Georgia, as of June 30, 2024, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund and ARPA Grant Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***Required Supplementary Information***

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Winder, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, the schedules of projects financed with special purpose local option sales tax, and the schedule of projects financed with transportation special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, the schedule of projects financed with transportation special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of the City of Winder, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Winder, Georgia's internal control over financial reporting and compliance.

*Rushton, LLC*

Gainesville, Georgia  
June 30, 2025

# Management's Discussion and Analysis

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

## Financial Highlights

The assets and deferred outflows of resources of the City of Winder's governmental activities and business-type activities exceeded its liabilities and deferred inflows of resources at the close of the current fiscal year by \$180.3 million. Of this amount, \$43.2 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's unrestricted cash and cash equivalents and investments at the end of FY 2024 were approximately \$56.6 million, an increase of \$1.7 million from FY 2023. The increase is attributable to receipt of grant funds being held in cash in addition to capital asset purchases and construction projects that were deferred in part as the result of supply chain delays.

The primary government's total net position increased by \$13.8 million during FY 2024, as revenues of \$67.6 million exceeds expenses of \$53.8 million. Governmental activities contributed \$1.2 million and business-type activities contributed \$12.6 million of the overall increase in net position. Net position was restated in FY 2024 as the result of error corrections related to an intergovernmental receivable, lease receivable and deferred inflows of resources.

At June 30, 2024, the governmental funds reported combined ending fund balances of \$12.7 million, an increase of \$883,000 from the prior year. The increase is due in part to interest earnings greater than anticipated as well as capital asset purchases and construction projects that were deferred in part as the result of supply chain delays in the SPLOST 2022 Fund. Approximately \$4.4 million or 34.9% of the ending fund balance is available for spending at the government's discretion (unassigned fund balance).

General Fund unassigned fund balance at June 30, 2024, was approximately \$5.6 million, or 29.8% of total fund expenditures.

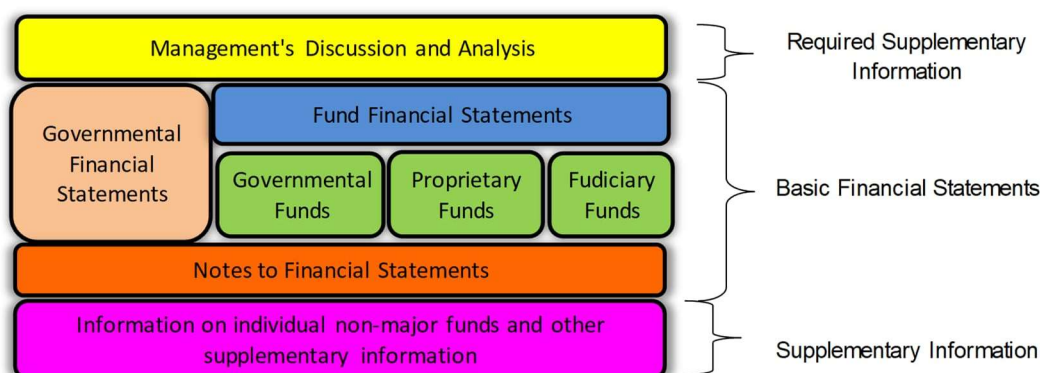
Enterprise (business-type) fund unrestricted net position at June 30, 2024 was \$42.3 million, or 28.8% of total enterprise fund net position.

The City pays up to 90% of health insurance for the City of Winder's fulltime employees in addition to dental, short-term disability, long-term disability, and life insurance for the employees. In FY 2024, premiums paid by the City were \$3 million, which was an increase of approximately 50.4% over FY 2023.

The City had approximately \$22 million in revenue bonds, notes, and financed purchases outstanding at the end of the current fiscal year, which is a decrease of about \$1.3 million from the prior year. The City's net pension liability decreased by approximately \$846 thousand from prior year. This decrease in net pension liability is primarily attributable to a decrease in employer contributions and net investment income of the plan's fiduciary net position.

## Report Layout

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



The Annual Financial Report consists of several sections. Taken together they provide a comprehensive financial look at the City. The components of the report include the following:

- ❑ **Independent Auditor's Report.**
- ❑ **Management's Discussion and Analysis.** This section of the report provides financial highlights, overview and economic factors affecting the City.
- ❑ **Basic Financial Statements.** Includes a Statement of Net Position, a Statement of Activities, fund financial statements and the notes to the financial statements. Statements of Net Position and Activities focus on a government-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated in total for the City.
  - The *Statement of Net Position* focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the City owns, the liabilities it owes and the net difference. The net difference is further separated into amounts net investment in capital assets, restricted for specific purposes and unrestricted amounts.
  - The *Statement of Activities* focuses on gross and net costs of City programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
  - *Fund Financial Statements* focus separately on the major governmental fund and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own columns and the remaining funds are combined into a column titled "Nonmajor Governmental Funds." Statements for the City's proprietary funds follow the governmental funds and include net position, revenues, expenses and changes in net position, and cash flows. There are two major enterprise funds (Water and Sewer Fund and Gas Fund) and remaining nonmajor enterprise funds which are combined into a column titled "Nonmajor Enterprise Funds".
  - The City has one internal service fund to account for the cost of administration of solid waste, gas and water utility operations. Costs of the internal service fund are charged to the applicable funds. The internal service fund net position, revenues, expenses, and changes in net position are presented in the proprietary fund statements.

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

## Government-Wide Financial Analysis

The government-wide statements report information about the City of Winder as a whole using accounting methods similar to those used by private sector companies. Net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Winder, assets exceeded liabilities by \$180.3 million at the close of Fiscal Year 2024.

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 \$43.2 million or 24%. Another component of the City's net position is net investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding, which comprises \$127.1 million or 70.5%. The City uses these capital assets to provide services to its citizens, and consequently these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$10 million or 5.6% represents resources that are subject to external restrictions on how they may be used and debt service.

## Statement of Net Position at June 30, 2024 and 2023

	Net Position at Year-End					
	(in thousands of dollars)					
	Governmental Activities		Business-Type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Cash and Investments	\$ 18,386	\$ 17,532	\$ 40,343	\$ 39,741	\$ 58,729	\$ 57,273
Current Assets	2,542	2,857	8,305	4,337	10,847	7,194
Capital Assets	28,285	28,539	121,681	114,978	149,966	143,517
Noncurrent Assets	1,165	590	90	-	1,255	590
Total Assets	50,378	49,518	170,419	159,056	220,797	208,574
Deferred Outflow s of Resources	1,668	2,559	666	1,087	2,334	3,646
Current Liabilities	8,837	9,135	6,371	6,920	15,208	16,055
Noncurrent Liabilities	8,568	9,675	17,385	18,488	25,953	28,163
Total Liabilities	17,405	18,810	23,756	25,408	41,161	44,218
Deferred Inflow s of Resources	1,238	983	409	432	1,647	1,415
Net Position:						
Net Investment in Capital Assets	24,260	24,073	102,841	94,075	127,101	118,148
Restricted	8,262	6,020	1,767	1,665	10,029	7,685
Unrestricted	881	2,191	42,312	38,563	43,193	40,754
Total Net Position	\$ 33,403	\$ 32,284	\$ 146,920	\$ 134,303	\$ 180,323	\$ 166,587

## Statement of Activities for the Fiscal Year Ended June 30, 2024 and 2023

<b>Governmental and Proprietary Activities</b> <b>For Fiscal Years Ending June 30, 2024 &amp; 2023</b> <i>(in thousands of dollars)</i>						
	Governmental Activities		Business-Type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program Revenue						
Charges for Services	\$ 2,556	\$ 1,658	\$ 43,358	\$ 42,983	\$ 45,914	\$ 44,641
Operating Grants and Contributions	271	119	-	-	271	119
Capital Grants and Contributions	3,864	2,665	1,598	1,994	5,462	4,659
General Revenues						
Taxes	13,408	13,178	-	-	13,408	13,178
Other	1,860	1,133	643	26	2,503	1,159
Total Revenues	21,959	18,753	45,599	45,003	67,558	63,756
<b>Expenses (Including Indirect Cost)</b>						
Governmental Activities						
General Government	1,828	1,311	-	-	1,828	1,311
Judicial	358	280	-	-	358	280
Public Safety	9,728	8,620	-	-	9,728	8,620
Public Works	4,988	4,050	-	-	4,988	4,050
Recreation	579	660	-	-	579	660
Housing and Development	2,122	1,727	-	-	2,122	1,727
Interest on Long-Term Debt	21	20	-	-	21	20
Business-Type Activities	-	-	34,132	32,847	34,132	32,847
Total Expenses	19,624	16,668	34,132	32,847	53,756	49,515
<b>Excess (Deficiencies) Before Transfers</b>	<b>2,335</b>	<b>2,085</b>	<b>11,467</b>	<b>12,156</b>	<b>13,802</b>	<b>14,241</b>
Transfers	(1,150)	379	1,150	(379)	-	-
<b>Change in Net Position</b>	<b>1,185</b>	<b>2,464</b>	<b>12,617</b>	<b>11,777</b>	<b>13,802</b>	<b>14,241</b>
<b>Beginning Net Position (original)</b>	<b>32,284</b>	<b>29,971</b>	<b>134,303</b>	<b>122,526</b>	<b>166,587</b>	<b>152,497</b>
Prior Period Adjustment	-	(151)	-	-	-	(151)
Error Correction	(66)	-	-	-	(66)	-
<b>Beginning Net Position (restated)</b>	<b>32,218</b>	<b>29,820</b>	<b>134,303</b>	<b>122,526</b>	<b>166,521</b>	<b>152,346</b>
<b>Ending Net Position</b>	<b>\$ 33,403</b>	<b>\$ 32,284</b>	<b>\$ 146,920</b>	<b>\$ 134,303</b>	<b>\$ 180,323</b>	<b>\$ 166,587</b>

### Governmental Activities

Governmental activities increased the City of Winder's net position by approximately \$1.2 million. Property taxes, business taxes and other general revenues provided 69.5% of the total governmental revenues and covered 77.8% of governmental expenses. Program revenues provided 30.5% of total governmental revenues and exceeded the remaining 22.2% of governmental expenses. Transfers from other funds decreased governmental activities net position. The City's revenues from governmental activities are impacted by the general economy and local businesses.

The most significant governmental expense for the City is providing Public Safety services, such as Fire and Police protection, which comprised 49.6% of the total governmental expenses. The second largest cost for the City is Public Works, totaling 25.4% of governmental expenses.

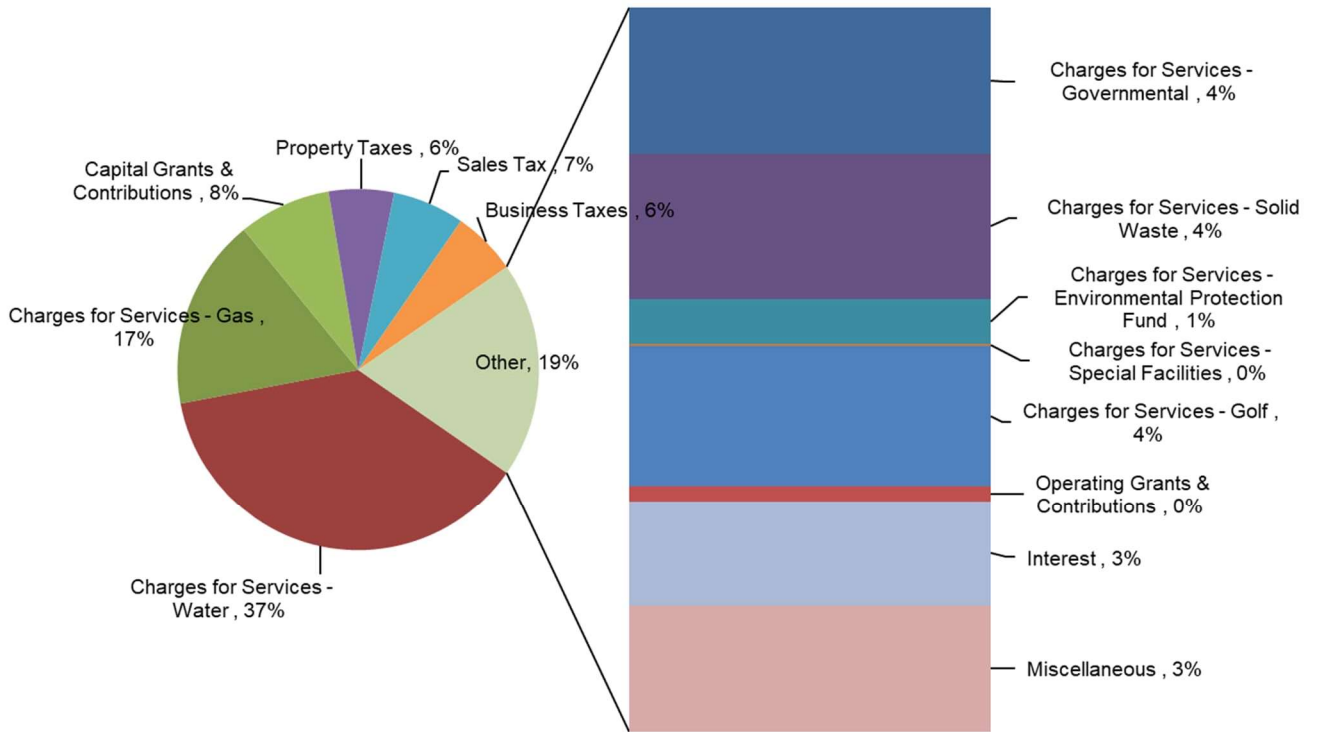


## Business-type Activities

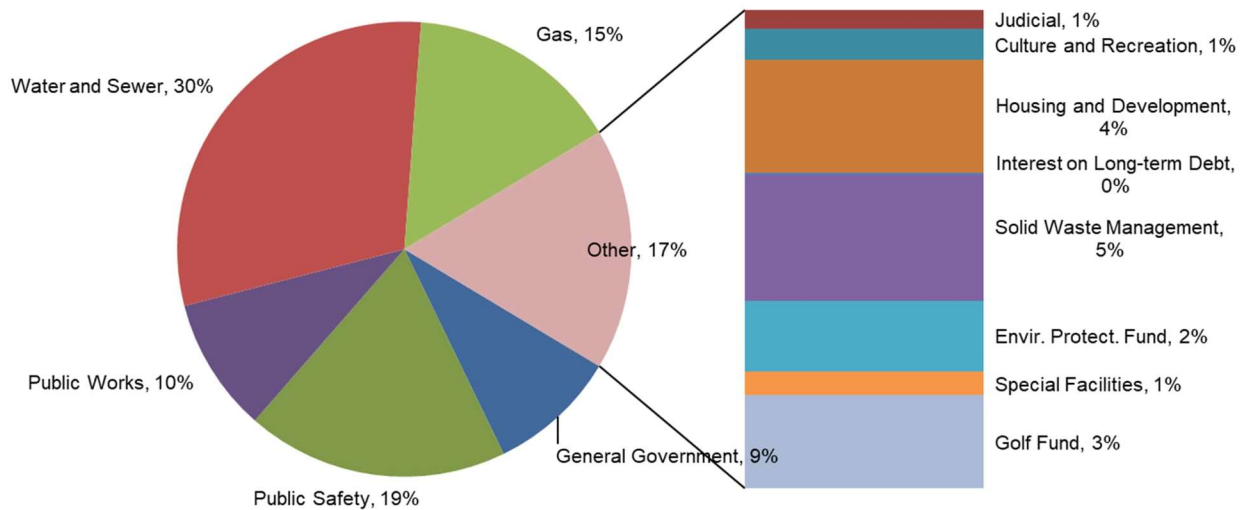
Business-type activities increased the City of Winder's net position by approximately \$12.6 million. The amounts paid by the users of the systems were approximately \$43.4 million while the cost of all business-type activities was \$34 million. Additionally, idle cash earned approximately \$130,000.

- The charges for services in the Water and Sewer Fund increased by approximately \$1.4 million, which was due in part to additional gallons of water consumed by our citizens. Water and sewer expenses increased by approximately \$633,000. Additionally, the fund recognized about \$1.4 million in contributed capital. The Water and Sewer Fund net position increased \$5.9 million.
- In the Gas Fund, charges for services decreased by approximately \$1.7 million. Gas expenses decreased by approximately \$2 million due mostly to a decrease in consumption. Gas Fund net position increased approximately \$2.8 million.
- The Environmental Protection (Stormwater) Fund, revenues decreased by approximately \$2,000. Expenses increased by approximately \$659,000. Net position increased by approximately \$3.9 million due to transfers from the Water and Sewer Fund.
- In the Solid Waste Fund, charges for services increased approximately \$320,000 and expenses increased by approximately \$893,000. The net position decreased by approximately \$69,000, due to expenses exceeding revenues.
- Special Facilities Fund revenues decreased by approximately \$12,000 and expenses decreased by approximately \$295,000. The fund reported a decrease in net position of approximately \$461,000, due to expenses exceeding revenues.
- Fiscal year 2024 was the 10th full year of City ownership for the Chimneys Golf Course. Charges for services at the golf course increased by approximately \$237,000 while expenses increased by approximately \$229,000. In FY24, the Golf Fund repaid \$1,000,000 to the General Fund of the outstanding advance made in prior years to encourage growth and for past operating expenses. The Golf Fund's net position increased by \$559,000.

## REVENUES BY SOURCE – GOVERNMENT-WIDE ACTIVITY



## EXPENSES BY FUNCTION – GOVERNMENT-WIDE ACTIVITY



## Financial Analysis of the Government's Funds

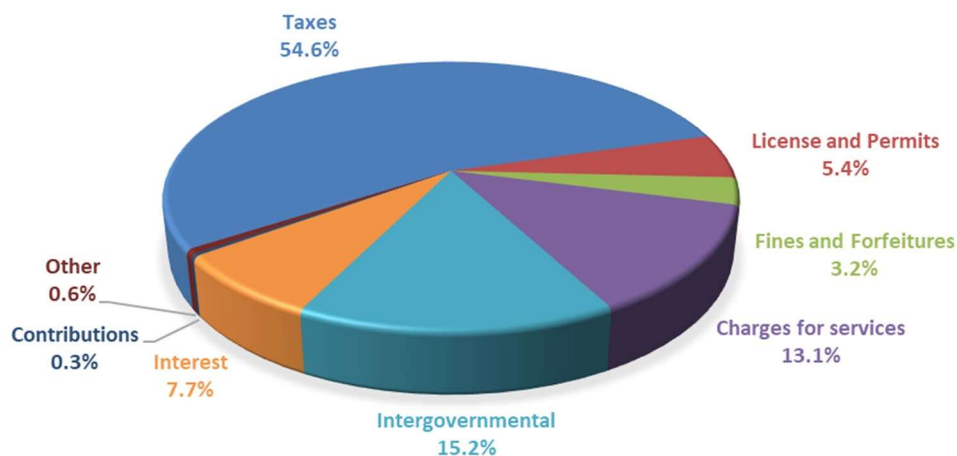
As noted earlier, the City of Winder employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements and financial reporting requirements.

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

As of the end of FY 2024, the City's governmental funds reported combined ending fund balances of approximately \$12.7 million, an increase of about \$883,000. The City reported approximately \$4.4 million in unassigned fund balance and \$558,000 in nonspendable fund balance. Nonspendable fund balance is mainly attributable to the General Fund loaning money, through an advance, to the Golf Fund. The City believes that those funds will repay the General Fund within the next five years. The remainder of fund balance is restricted or committed to indicate that it is not available for new spending because it has already been obligated for other restricted purposes.

The City of Winder levied property tax of 4.963 mills to finance current operations in addition to examining fee and rate structures. Therefore, the City's General Fund reduced its reliance on transfers from the proprietary funds (or business-type activities).

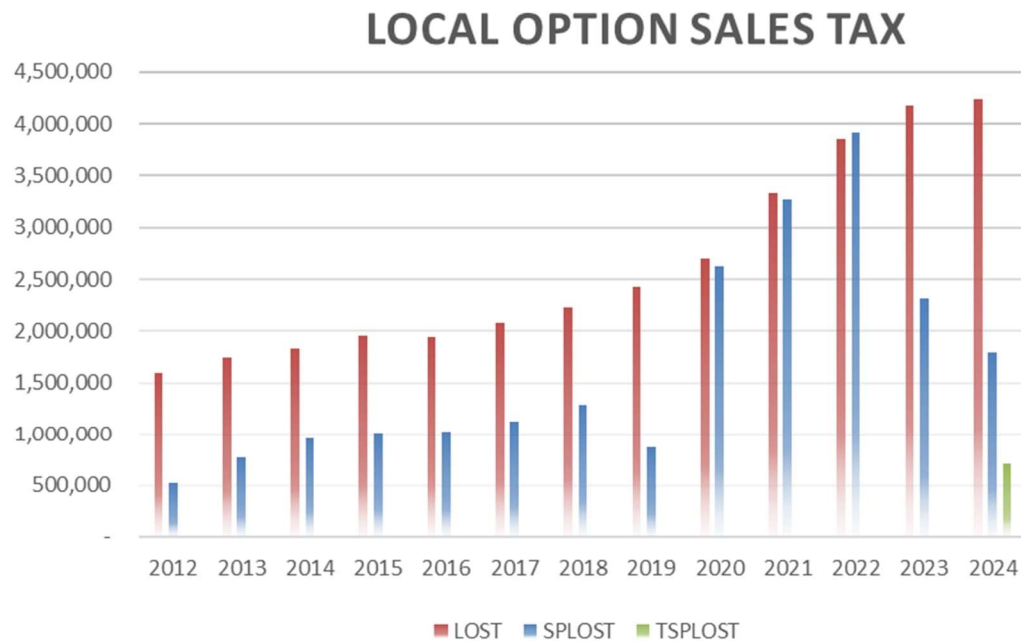
### REVENUES BY SOURCE-GOVERNMENTAL FUNDS



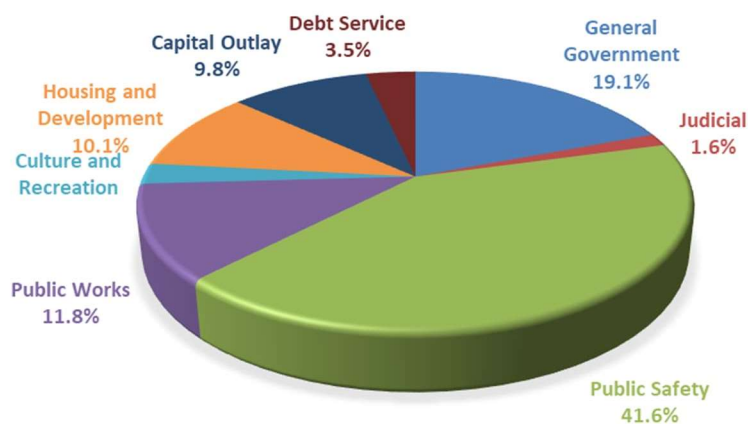
The City's governmental funds operating revenues (excluding indirect cost allocation) increased approximately \$3.3 million over the prior year. Tax collections increased by approximately \$347,000 or 2.6%. License and permits increased about \$645,000 or 95.4%. Interest revenues increased by about \$935,000 or 98.1% which is primarily due to the investment strategy implemented in FY23.

The SPLOST Capital Projects Funds account for the Special Purpose Local Option Sales Taxes received by the City which is authorized by voter referendum. During FY 2024, the City received 2022 SPLOST collections, totaling \$1.8 million.

Shown here is a graph of sales tax revenues received in the past 10 years:



## EXPENDITURES BY FUNCTION-GOVERNMENTAL FUNDS



Expenditures in the governmental funds were \$22.7 million, an increase of approximately \$1.3 million over the prior year. The City recognized approximately \$2.2 million for capital outlay expenditures and \$787,000 in debt service expenditures. Expenditures of the City General Fund were \$18.8 million, a \$1.9 million increase over the prior year. The increase is primarily attributable to an increased investment in public safety and public works functions.

**Proprietary Funds** - The City's proprietary funds provide the same type of information found in the government-wide financial statements, however in more detail. Operating revenues increased by approximately \$338,000. Total proprietary funds operating expenses increased by approximately \$731,000 in FY 2024.

## Budgetary Highlights

General Fund operating revenues (excluding indirect cost allocation) were approximately \$253,000 more than budgeted. Tax revenues came in below budget by approximately \$299,000. Combined taxes were over budget primarily due to increases in local option sales tax and motor vehicle tax revenues.

General Fund expenditures were \$2.6 million less than budgeted. Personnel costs were under budget by approximately \$2.3 million, contract services expenditures were under budget by approximately \$116,000, supplies expenditures were approximately \$14,000 under budget, and capital outlay was approximately \$500 under budget.

## Capital Assets and Debt Administration

### Capital Assets

As of June 30, 2024, the City has invested \$150 million (net of depreciation) in capital assets reflected in the following table.

<b>Capital Assets At Year-End</b>						
<b>(Net of Depreciation)</b>						
<i>(in thousands of dollars)</i>						
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 3,206	\$ 3,206	\$ 6,800	\$ 6,793	\$ 10,006	\$ 9,999
Buildings & Improvements	8,195	8,222	10,514	11,022	18,709	19,244
Plant & System	-	-	78,313	76,629	78,313	76,629
Infrastructure	13,594	14,211	-	-	13,594	14,211
Furniture & Fixtures	542	545	1,819	1,468	2,361	2,013
Vehicles	2,129	1,865	1,397	1,206	3,526	3,071
Intangibles	154	5	137	192	291	197
Work In Progress	465	485	22,701	17,668	23,166	18,153
	<u>\$ 28,285</u>	<u>\$ 28,539</u>	<u>\$ 121,681</u>	<u>\$ 114,978</u>	<u>\$ 149,966</u>	<u>\$ 143,517</u>

The following table reconciles the change in capital assets.

<b>Change In Capital Assets</b>			
<i>(in thousands of dollars)</i>			
	Governmental Activities	Business- Type Activities	Totals
Beginning Balance	\$ 28,539	\$ 114,978	\$ 143,517
Additions	1,697	15,581	17,278
Reductions	(1,322)	(4,015)	(5,337)
Depreciation	(629)	(4,863)	(5,492)
Ending Balance	<u>\$ 28,285</u>	<u>\$ 121,681</u>	<u>\$ 149,966</u>

Capital asset additions in governmental activities amounted to over \$1.7 million, which included the completion of a fueling station for the City's fleet, improvements to the Rose Hill Cemetery, streetscape project, and the addition of a generator and eight vehicles. Depreciation decreased total capital assets by about \$1.6 million.

Business-type additions to capital assets amounted to over \$15.5 million. The Water and Sewer Fund continued construction on various system improvements including plant upgrades, pond dredging, and the reservoir project. The Water and Sewer Fund also recognized \$1.4 million in capital asset contributions. The Gas Fund continues work on the various relocation and extension projects including the Barrow-Walton-Oconee Extension project. Depreciation decreased business-type capital assets by \$4.9 million.

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

## Debt Outstanding

As of year-end, the City had \$22.5 million in debt outstanding compared to \$23.7 million last year. This includes \$3.5 million due within one year. The following table presents a comparison of debts outstanding:

<b>Debt Outstanding At Year End</b>			
<i>(in thousands of dollars)</i>			
		<b>Totals</b>	
		<b>2024</b>	<b>2023</b>
Governmental:			
Notes	\$	3,865	\$ 4,521
Subscription		102	-
Compensated Absences		364	288
Sub-total		4,331	4,809
Business-type:			
Leases	\$	141	\$ 195
Notes		11,899	11,593
Water and Sewer Bonds		5,993	6,971
Compensated Absences		119	121
Sub-total		18,152	18,880
Total	\$	22,483	\$ 23,689

The City issued approximately \$1.6 million in financed purchases for the acquisition of equipment. Total debt service for FY 2024 was approximately \$3.4 million.

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

## Economic Factors

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

The 2025 budget was developed and adopted to reflect conservative revenue figures, and the following indicators were considered:

- The City's FY 2024-2025 General Fund Budget increased by approximately \$3.5 million, or 18.4%, from the FY 2023-2024 General Fund Budget; and increased by approximately \$3.8 million, or 20.5%, over the FY 2022-2023 General Fund Budget.
- The City will assess each single residential and standard commercial parcel in the City of Winder \$32 to fund the Winder Library. The City will also assess multifamily parcels \$32 per Equivalent Residential Unit. Barrow County will bill and collect this assessment on the property tax bills and will remit the funds back to the City less the collection fee charged by the Barrow County Tax Commissioner. The City levied a maintenance and operations tax of 4.963 mills. As the funds are received from Tax Commissioner, the City will remit up to \$240,000 to the Winder Library. Amounts received in excess of \$240,000 will be used to maintain the Winder Library building located at 189 Bellview Street.
- The Winder Downtown Development Authority will be funded with \$13,500, which will be accounted for by the City of Winder.
- The Water and Sewer Fund is estimated to decrease due to a significant reservoir capital project and other infrastructure repairs and maintenance.
- The Gas Fund is expected to have a decrease of approximately \$5.4 million primarily due to a increase in construction as compared to FY 2024.
- The City of Winder assumes that all capital purchases will be acquired with proceeds from debt or revenues that exceed expenditures.
- In the FY 2024-2025 budget, the City's number of full-time authorized positions remained neutral and part-time authorized positions decreased by 6.
- The City's total cost of personal services is 20.5% of the total operating budget while capital represents 37.8%. The FY 2025 budget reflects a 3% cost of living adjustment and an up to 3% performance-based merit increase for the employees, in addition to the new benefit of a longevity bonus. The merit raises will only be considered if the economic conditions allow for it.

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

### **Financial Contact**

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

Finance Department  
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, 2024**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 17,220,565	\$ 25,742,538	\$ 42,963,103	\$ 13,526
Investments	1,165,734	12,496,592	13,662,326	0
Restricted assets				
Cash and cash equivalents	0	2,104,261	2,104,261	0
Receivables (net)				
Accounts	442,987	3,893,423	4,336,410	0
Taxes	587,920	0	587,920	0
Intergovernmental	1,823,748	1,606,323	3,430,071	0
Leases	74,061	0	74,061	0
Prepaid items	202,324	52,009	254,333	0
Inventories	32,541	2,131,026	2,163,567	0
Internal balances	(621,522)	621,522	0	0
Total current assets	20,928,358	48,647,694	69,576,052	13,526
<b>Noncurrent assets</b>				
Lease receivable	1,024,013	0	1,024,013	0
Net OPEB asset	140,828	90,459	231,287	0
Capital assets				
Non-depreciable	3,671,704	29,501,792	33,173,496	0
Depreciable (net)	24,613,459	92,179,347	116,792,806	0
Total noncurrent assets	29,450,004	121,771,598	151,221,602	0
<b>Total assets</b>	50,378,362	170,419,292	220,797,654	13,526
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	1,540,736	584,620	2,125,356	0
Deferred outflows related to other post employment benefits	126,800	81,448	208,248	0
<b>Total deferred outflows of resources</b>	1,667,536	666,068	2,333,604	0
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables				
Accounts	800,208	2,972,872	3,773,080	0
Retainages	0	260,065	260,065	0
Sales tax	0	21,260	21,260	0
Interest	8,679	0	8,679	0
Accrued salaries and payroll liabilities	296,698	174,697	471,395	0
Compensated absences	327,926	107,214	435,140	0
Unearned revenue	6,631,546	33,246	6,664,792	0
Other current liabilities	63,947	3,656	67,603	0
Leases payable	0	56,623	56,623	0
Subscription payable	23,312	0	23,312	0
Notes payable	684,751	1,319,716	2,004,467	0
Liabilities payable from restricted assets				
Customer deposits payable	0	414,075	414,075	0
Interest payable	0	13,391	13,391	0
Bonds payable	0	994,000	994,000	0
Total current liabilities	8,837,067	6,370,815	15,207,882	0

**CITY OF WINDER, GEORGIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2024**

	Primary Government			Component Unit
	Governmental	Business-type		Downtown
	Activities	Activities	Total	Development
				Authority
<b>Noncurrent liabilities</b>				
Compensated absences	\$ 36,436	\$ 11,913	\$ 48,349	\$ 0
Leases payable	0	84,391	84,391	0
Subscription payable	79,048	0	79,048	0
Notes payable	3,180,194	10,579,720	13,759,914	0
Bonds payable	0	4,999,000	4,999,000	0
Net pension liability	5,272,282	1,709,929	6,982,211	0
Total noncurrent liabilities	8,567,960	17,384,953	25,952,913	0
<b>Total liabilities</b>	17,405,027	23,755,768	41,160,795	0
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred gain on refunding	0	177,544	177,544	0
Deferred inflows related to leases	1,025,593	0	1,025,593	0
Deferred inflows related to pensions	0	94,987	94,987	0
Deferred inflows related to other post employment benefits	212,615	136,570	349,185	0
<b>Total deferred inflows of resources</b>	1,238,208	409,101	1,647,309	0
<b>NET POSITION</b>				
Net investment in capital assets	24,260,344	102,840,973	127,101,317	0
Restricted for:				
Public Safety	694,738	0	694,738	0
Culture and Recreation	87,951	0	87,951	0
Capital projects	7,072,045	0	7,072,045	0
Debt service	0	1,676,795	1,676,795	0
Grant specifications	266,002	0	266,002	0
Net OPEB asset	140,828	90,459	231,287	0
Unrestricted	880,755	42,312,264	43,193,019	13,526
<b>Total net position</b>	\$ 33,402,663	\$ 146,920,491	\$ 180,323,154	\$ 13,526

**CITY OF WINDER, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
For the fiscal year ended June 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>						
Governmental activities						
General Government	\$ 4,807,610	\$ (2,979,700)	\$ 224,296	\$ 76,782	\$ 193,179	\$ (1,333,653)
Judicial	357,762	0	0	0	0	(357,762)
Public Safety	9,727,959	0	1,181,993	138,779	1,159,077	(7,248,110)
Public Works	4,988,092	0	41,780	0	1,931,795	(3,014,518)
Culture and Recreation	578,983	0	11,147	55,047	579,538	66,749
Housing and Development	2,122,363	0	1,096,349	0	0	(1,026,014)
Interest on long-term debt	21,494	0	0	0	0	(21,494)
Total governmental activities	22,604,263	(2,979,700)	2,555,565	270,608	3,863,589	(12,934,801)
Business-type activities						
Water and Sewer	15,758,284	1,549,200	24,680,681	0	1,372,496	8,745,693
Gas	7,954,023	813,200	11,270,160	0	225,387	2,728,324
Solid Waste Management	2,376,298	250,000	2,557,719	0	0	(68,579)
Environmental Protection	1,317,643	139,600	782,891	0	0	(674,352)
Special Facilities	451,421	47,800	38,288	0	0	(460,933)
Golf	1,740,306	179,900	2,474,314	0	0	554,108
Internal Service	1,554,164	0	1,554,164	0	0	0
Total business-type activities	31,152,139	2,979,700	43,358,217	0	1,597,883	10,824,261
Total primary government	53,756,402	0	45,913,782	270,608	5,461,472	(2,110,540)
<b>Component Unit</b>						
Downtown Development Authority	0	0	0	0	0	0
			<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>
<b>Change in net position</b>						
Net (expense) revenue			\$ (12,934,801)	\$ 10,824,261	\$ (2,110,540)	\$ 0
<b>General revenues</b>						
Taxes						
Property			3,844,828	0	3,844,828	0
Motor vehicle			805,672	0	805,672	0
Library assessment			249,684	0	249,684	0
Sales			4,239,983	0	4,239,983	0
Franchise			1,068,300	0	1,068,300	0
Occupational			282,239	0	282,239	0
Insurance premium			1,626,175	0	1,626,175	0
Alcoholic beverage			489,628	0	489,628	0
Hotel/Motel			324,154	0	324,154	0
Other			477,064	0	477,064	0
Interest			1,693,328	130,429	1,823,757	0
Net increase (decrease) in the fair value of investments			0	504,943	504,943	0
Miscellaneous			142,394	0	142,394	0
Gain on disposal of assets			25,910	7,539	33,449	0
Transfers			(1,150,340)	1,150,340	0	0
Total general revenues and transfers			14,119,019	1,793,251	15,912,270	0
Change in net position			1,184,218	12,617,512	13,801,730	0
Net position - beginning, as previously reported			32,284,419	134,302,979	166,587,398	13,526
Error Correction			(65,974)	0	(65,974)	0
Net position - beginning, restated			32,218,445	134,302,979	166,521,424	13,526
Net position - ending			\$ 33,402,663	\$ 146,920,491	\$ 180,323,154	\$ 13,526

**CITY OF WINDER, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2024**

	General	ARPA Grant	SPLOST 2022	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,023	\$ 6,964,330	\$ 2,706,481	\$ 7,545,731	\$ 17,220,565
Investments	1,165,734	0	0	0	1,165,734
Receivables (net)					
Accounts	4,963	0	0	438,024	442,987
Taxes	548,978	0	0	38,942	587,920
Intergovernmental	220,948	0	313,818	1,288,982	1,823,748
Leases	1,098,074	0	0	0	1,098,074
Inventories	32,541	0	0	0	32,541
Prepaid items	201,824	0	0	500	202,324
Due from other funds	4,844,502	0	0	0	4,844,502
Advances to other funds	250,212	0	0	0	250,212
<b>Total assets</b>	<b>\$ 8,371,799</b>	<b>\$ 6,964,330</b>	<b>\$ 3,020,299</b>	<b>\$ 9,312,179</b>	<b>\$ 27,668,607</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 768,563	\$ 0	\$ 2,482	\$ 29,163	\$ 800,208
Accrued salaries and payroll liabilities	292,747	0	0	3,951	296,698
Unearned revenue	0	6,631,546	0	0	6,631,546
Due to other funds	0	66,782	4,108,994	1,540,460	5,716,236
Other liabilities	63,947	0	0	0	63,947
<b>Total liabilities</b>	<b>1,125,257</b>	<b>6,698,328</b>	<b>4,111,476</b>	<b>1,573,574</b>	<b>13,508,635</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues					
Taxes	51,090	0	0	8,158	59,248
Fines, fees and forfeitures	0	0	0	419,270	419,270
Leases	1,025,593	0	0	0	1,025,593
<b>Total deferred inflows of resources</b>	<b>1,076,683</b>	<b>0</b>	<b>0</b>	<b>427,428</b>	<b>1,504,111</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	201,824	0	0	500	202,324
Advances to other funds	250,212	0	0	0	250,212
Inventories	32,541	0	0	0	32,541
Leases receivable	72,481	0	0	0	72,481
Restricted	0	266,002	0	7,377,952	7,643,954
Assigned	0	0	0	33,761	33,761
Unassigned	5,612,801	0	(1,091,177)	(101,036)	4,420,588
<b>Total fund balances</b>	<b>6,169,859</b>	<b>266,002</b>	<b>(1,091,177)</b>	<b>7,311,177</b>	<b>12,655,861</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 8,371,799</b>	<b>\$ 6,964,330</b>	<b>\$ 3,020,299</b>	<b>\$ 9,312,179</b>	<b>\$ 27,668,607</b>

**CITY OF WINDER, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**June 30, 2024**

<b>Total fund balance - total governmental funds</b>		<b>\$ 12,655,861</b>
Some assets are not financial resources and, therefore, are not reported in the funds.		
These are:		
Capital assets, net of accumulated depreciation and amortization		28,285,163
Long-term assets (receivables) are not available to pay current period expenditures and; therefore, are unavailable in the funds.		
		478,518
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
These are:		
Compensated absences	\$ (364,362)	
Interest payable	(8,679)	
Subscription payable	(102,360)	
Notes payable	(3,864,945)	
Net pension liability	(5,272,282)	
Net OPEB asset	<u>140,828</u>	(9,471,800)
Deferred outflows and inflows of resources related to pensions and other post employment benefits are applicable to future periods and, therefore, are not reported in the funds. These are:		
Deferred outflows of resources:		
Deferred outflows related to pensions	\$ 1,540,736	
Deferred outflows related to other post employment benefits	126,800	
Deferred inflows of resources:		
Deferred inflows related to pensions	0	
Deferred inflows related to other post employment benefits	<u>(212,615)</u>	<u>1,454,921</u>
Net position of governmental activities		<u><u>\$ 33,402,663</u></u>

**CITY OF WINDER, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the fiscal year ended June 30, 2024**

	General	ARPA Grant	SPLOST 2022	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>					
Taxes	\$ 12,892,191	\$ 0	\$ 0	\$ 576,423	\$ 13,468,614
Licenses and permits	1,320,313	0	0	0	1,320,313
Fines, fees and forfeitures	698,323	0	0	99,001	797,324
Charges for services	3,181,730	0	0	52,847	3,234,577
Intergovernmental	136,606	66,782	1,797,026	1,744,866	3,745,280
Interest	1,452,156	241,172	39,199	154,657	1,887,184
Contributions	12,174	0	0	55,048	67,222
Other	142,394	0	0	0	142,394
<b>Total revenues</b>	<b>19,835,887</b>	<b>307,954</b>	<b>1,836,225</b>	<b>2,682,842</b>	<b>24,662,908</b>
<b>EXPENDITURES</b>					
Current					
General Government	4,338,046	0	0	0	4,338,046
Judicial	352,738	0	0	0	352,738
Public Safety	9,420,669	0	0	4,854	9,425,523
Public Works	2,608,443	0	0	73,141	2,681,584
Culture and Recreation	0	0	0	586,826	586,826
Housing and Development	2,063,914	0	0	219,434	2,283,348
Capital outlay	0	0	1,803,904	406,328	2,210,232
Debt service	25,550	0	140,238	621,355	787,143
<b>Total expenditures</b>	<b>18,809,360</b>	<b>0</b>	<b>1,944,142</b>	<b>1,911,938</b>	<b>22,665,440</b>
Excess (deficiency) of revenues over (under) expenditures	1,026,527	307,954	(107,917)	770,904	1,997,468
Other financing sources (uses)					
Transfers in	617,953	0	0	1,463,014	2,080,967
Transfers out	(1,256,591)	(66,782)	0	(2,025,894)	(3,349,267)
Issuance of subscription agreement	127,839	0	0	0	127,839
Proceeds from the sale of capital assets	25,910	0	0	0	25,910
<b>Total other financing sources (uses)</b>	<b>(484,889)</b>	<b>(66,782)</b>	<b>0</b>	<b>(562,880)</b>	<b>(1,114,551)</b>
<b>Net change in fund balance</b>	<b>541,638</b>	<b>241,172</b>	<b>(107,917)</b>	<b>208,024</b>	<b>882,917</b>
Fund balances, July 1, as previously reported	5,605,055	24,830	(983,260)	7,192,293	11,838,918
Error Correction	23,166	0	0	(89,140)	(65,974)
Fund balances, July 1, restated	5,628,221	24,830	(983,260)	7,103,153	11,772,944
<b>Fund balances, June 30</b>	<b>\$ 6,169,859</b>	<b>\$ 266,002</b>	<b>\$ (1,091,177)</b>	<b>\$ 7,311,177</b>	<b>\$ 12,655,861</b>

**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, 2024**

<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>882,917</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	\$ 1,187,439	
Depreciation/amortization	<u>(1,558,822)</u>	(371,383)
In the statement of activities, the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources.		
Cost of assets disposed	\$ (645,431)	
Related accumulated depreciation	<u>645,431</u>	0
Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources		
Cost of assets	\$ 182,630	
Related accumulated depreciation	<u>(64,670)</u>	117,960
Distributions of capital assets to enterprise funds decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources		
Cost of assets	\$ (348,960)	
Related accumulated depreciation	<u>348,960</u>	0
Revenues in the statement of activities that do not provide current financial resources are not in the governmental funds because they are not financial resources.		
		122,165
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension contributions	\$ 823,828	
Cost of benefits earned net of employee contributions	<u>(934,952)</u>	(111,124)
Other post employment benefits are reported in the statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
OPEB contributions	\$ 100,409	
Cost of benefits earned net of employee contributions	<u>(32,570)</u>	67,839
The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.		
Net change in interest payable	\$ (1,514)	
Issuance of subscription agreement	(127,839)	
Debt repayments	<u>681,189</u>	551,836
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Change in compensated absences		<u>(75,992)</u>
Change in net position for the governmental activities	<u>\$</u>	<u>1,184,218</u>



**CITY OF WINDER, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) AND ACTUAL**  
**For the fiscal year ended June 30, 2024**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Taxes				
Property	\$ 3,999,004	\$ 4,201,554	\$ 3,902,724	\$ (298,830)
Motor vehicle	622,000	622,000	805,672	183,672
Intangible	360,000	360,000	399,793	39,793
Franchise	1,009,375	1,009,375	1,068,300	58,925
Local option	3,703,800	3,703,800	4,239,983	536,183
Street lighting assessment	0	0	1,050	1,050
Excise	606,000	606,000	566,255	(39,745)
Occupational	265,000	265,000	282,239	17,239
Insurance premium	1,500,000	1,625,000	1,626,175	1,175
Total taxes	12,065,179	12,392,729	12,892,191	499,462
Licenses and permits				
Alcohol licenses	110,000	110,000	137,045	27,045
Building permits	796,000	796,000	1,096,349	300,349
Other permits	90,200	90,200	86,919	(3,281)
Total licenses and permits	996,200	996,200	1,320,313	324,113
Fines, fees and forfeitures	368,500	395,500	698,323	302,823
Charges for services				
Indirect cost allocation	4,149,500	4,149,500	2,979,700	(1,169,800)
Other	261,500	261,500	202,030	(59,470)
Total charges for services	4,411,000	4,411,000	3,181,730	(1,229,270)
Intergovernmental	200,000	200,000	136,606	(63,394)
Investment	1,100,000	1,100,000	1,452,156	352,156
Contributions	27,000	27,000	12,174	(14,826)
Other				
Rents	0	19,500	97,266	77,766
Other	40,520	40,520	45,128	4,608
Total other	40,520	60,020	142,394	82,374
<b>Total revenues</b>	<b>19,208,399</b>	<b>19,582,449</b>	<b>19,835,887</b>	<b>253,438</b>
<b>EXPENDITURES</b>				
Current				
General Government				
Legislative	659,753	659,753	578,808	80,945
General Administration	1,357,588	1,357,228	1,179,181	178,047
Finance	917,566	940,926	875,647	65,279
Information Technology	1,100,739	915,340	762,168	153,172
Human Resources	375,234	375,234	155,985	219,249
General Building and Plant	571,000	571,000	186,369	384,631
Communications	280,639	466,038	397,932	68,106
Engineering	291,550	291,550	201,956	89,594
Total General Government	5,554,069	5,577,069	4,338,046	1,239,023
Judicial				
Municipal Court	217,168	217,168	222,938	(5,770)
Probation	127,484	127,484	129,800	(2,316)
Total Judicial	344,652	344,652	352,738	(8,086)
Public Safety				
Police	5,605,558	5,605,558	4,746,407	859,151
Fire	4,497,432	4,674,432	4,674,262	170
Total Public Safety	10,102,990	10,279,990	9,420,669	859,321
Public Works	2,722,493	2,722,493	2,608,443	114,050

**CITY OF WINDER, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) AND ACTUAL**  
**For the fiscal year ended June 30, 2024**

	<b>Budget</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>EXPENDITURES</b>				
Housing and Development				
Planning and Zoning	\$ 1,901,193	\$ 1,891,858	\$ 1,842,070	\$ 49,788
Code Enforcement	257,173	266,508	101,182	165,326
GIS	270,542	270,542	120,662	149,880
Total Housing and Development	2,428,908	2,428,908	2,063,914	364,994
Debt Service	0	25,550	25,550	0
<b>Total expenditures</b>	21,153,112	21,378,662	18,809,360	2,569,302
Excess (deficiency) of revenues over (under) expenditures	(1,944,713)	(1,796,213)	1,026,527	2,822,740
Other financing sources (uses)				
Transfers in (out)				
Transfers in	2,000,000	2,000,000	617,953	(1,382,047)
Transfers out	(20,719)	(20,719)	(1,256,591)	(1,235,872)
Issuance of subscription agreement	0	0	127,839	127,839
Proceeds from sale of capital assets	0	0	25,910	25,910
Contingency	(34,568)	(183,068)	0	183,068
Total other financing sources (uses)	1,944,713	1,796,213	(484,889)	(2,281,102)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	541,638	541,638
Fund balances, July 1, as previously reported	0	0	5,605,055	5,605,055
Error Correction	0	0	23,166	23,166
Fund balances, July 1, restated	0	0	5,628,221	5,628,221
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,169,859</b>	<b>\$ 6,169,859</b>

**CITY OF WINDER, GEORGIA**  
**ARPA GRANT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) AND ACTUAL**  
**For the fiscal year ended June 30, 2024**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 0	\$ 66,782	\$ 66,782	\$ 0
Interest	0	0	241,172	241,172
Total revenues	0	66,782	307,954	241,172
<b>EXPENDITURES</b>	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	66,782	307,954	241,172
Other financing sources (uses)				
Transfers in (out)				
Transfers out	0	(66,782)	(66,782)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	241,172	241,172
Fund balances, July 1	0	0	24,830	24,830
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 266,002</u>	<u>\$ 266,002</u>

**CITY OF WINDER, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2024**

	Business-Type Activities				Utility Service
	Water and Sewer	Gas	Nonmajor Enterprise Funds	Totals	Internal Service Fund
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 19,221,404	\$ 2,841,302	\$ 3,654,309	\$ 25,717,015	\$ 25,523
Investments	11,236,539	1,260,053	0	12,496,592	0
Restricted assets					
Cash and cash equivalents	1,973,231	131,030	0	2,104,261	0
Receivables					
Accounts (net)	2,827,281	612,971	453,171	3,893,423	0
Intergovernmental	1,606,323	0	0	1,606,323	0
Inventories	961,325	1,058,566	111,135	2,131,026	0
Prepaid items	8,300	14,622	6,647	29,569	22,440
Due from other funds	819,822	0	66,782	886,604	0
Total current assets	38,654,225	5,918,544	4,292,044	48,864,813	47,963
<b>Noncurrent assets</b>					
Advances to other funds	380,000	0	0	380,000	0
Net OPEB asset	24,671	13,363	42,146	80,180	10,279
Capital assets					
Non-depreciable	18,075,752	5,307,468	6,118,572	29,501,792	0
Depreciable (net)	77,471,159	6,992,261	7,685,521	92,148,941	30,406
Total noncurrent assets	95,951,582	12,313,092	13,846,239	122,110,913	40,685
<b>Total assets</b>	134,605,807	18,231,636	18,138,283	170,975,726	88,648
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	290,052	229,139	65,429	584,620	0
Deferred outflows related to other post employment benefits	22,213	12,032	37,948	72,193	9,255
<b>Total deferred outflows of resources</b>	312,265	241,171	103,377	656,813	9,255
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Payables					
Accounts	1,894,827	655,286	383,955	2,934,068	38,804
Retainages	202,359	57,706	0	260,065	0
Sales tax	0	21,260	0	21,260	0
Accrued salaries and payroll liabilities	97,104	29,728	42,827	169,659	5,038
Compensated absences	39,898	31,183	27,107	98,188	9,026
Unearned revenue	0	0	33,246	33,246	0
Other current liabilities	0	3,656	0	3,656	0
Due to other funds	0	0	0	0	14,870
Advances from other funds	0	0	75,000	75,000	0
Leases payable	0	0	56,623	56,623	0
Notes payable	1,248,885	0	70,831	1,319,716	0
Liabilities payable from restricted assets:					
Interest	13,391	0	0	13,391	0
Customer deposits payable	283,045	131,030	0	414,075	0
Bonds payable	994,000	0	0	994,000	0
Total current liabilities	4,773,509	929,849	689,589	6,392,947	67,738

**CITY OF WINDER, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2024**

	Business-Type Activities				Utility Service Internal Service Fund
	Water and Sewer	Gas	Nonmajor Enterprise Funds	Totals	
<b>Noncurrent liabilities</b>					
Net pension liability	\$ 997,459	\$ 569,976	\$ 142,494	\$ 1,709,929	\$ 0
Compensated absences	4,433	3,465	3,012	10,910	1,003
Advances from other funds	0	0	555,212	555,212	0
Leases payable	0	0	84,391	84,391	0
Notes payable	10,318,712	0	261,008	10,579,720	0
Bonds payable	4,999,000	0	0	4,999,000	0
Total noncurrent liabilities	16,319,604	573,441	1,046,117	17,939,162	1,003
<b>Total liabilities</b>	21,093,113	1,503,290	1,735,706	24,332,109	68,741
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred gain on refunding	177,544	0	0	177,544	0
Deferred inflows related to pensions	81,344	0	0	81,344	13,643
Deferred inflows related to other post employment benefits	37,246	20,175	63,630	121,051	15,519
Total deferred inflows of resources	296,134	20,175	63,630	379,939	29,162
<b>NET POSITION</b>					
Net investment in capital assets	77,431,281	12,048,044	13,331,242	102,810,567	30,406
Restricted for debt service	1,676,795	0	0	1,676,795	0
Restricted for net OPEB asset	24,671	13,363	42,146	80,180	10,279
Unrestricted	34,396,078	4,887,935	3,068,936	42,352,949	(40,685)
Total net position	\$ 113,528,825	\$ 16,949,342	\$ 16,442,324	\$ 146,920,491	\$ 0

**CITY OF WINDER, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2024**

	Business-Type Activities					Utility Service
		Formerly		Nonmajor		Internal
	Water and Sewer	Major Environmental Protection	Gas	Enterprise Funds	Totals	Service Fund
OPERATING REVENUES						
Charges for sales and services	\$ 24,620,104		\$ 11,270,160	\$ 5,838,834	\$ 41,729,098	\$ 1,554,164
Other	60,577		0	14,378	74,955	0
Total operating revenues	24,680,681		11,270,160	5,853,212	41,804,053	1,554,164
OPERATING EXPENSES						
Costs of sales and services	10,976,172		7,109,276	4,154,749	22,240,197	902,325
Personal services	2,352,354		1,134,255	1,705,174	5,191,783	643,354
Depreciation	3,598,061		523,692	627,135	4,748,888	8,485
Total operating expenses	16,926,587		8,767,223	6,487,058	32,180,868	1,554,164
Operating income (loss)	7,754,094		2,502,937	(633,846)	9,623,185	0
Non-operating revenues (expenses)						
Interest revenue	115,063		15,366	0	130,429	0
Interest expense	(189,924)		0	(15,910)	(205,834)	0
Net increase (decrease) in the fair value of investments	459,546		45,397	0	504,943	0
Debt issue costs	(175,000)		0	0	(175,000)	0
Distribution of capital assets to Governmental Activities	(117,960)		0	0	(117,960)	0
Gain (loss) on the sale of capital assets	(15,973)		2,500	5,039	(8,434)	0
Total non-operating revenues (expenses)	75,752		63,263	(10,871)	128,144	0
Net income (loss) before capital contributions and transfers	7,829,846		2,566,200	(644,717)	9,751,329	0
Capital contributions	1,372,496		225,387	0	1,597,883	0
Net income (loss) before transfers	9,202,342		2,791,587	(644,717)	11,349,212	0
Transfers in (out)						
Transfers in	1,804,952		0	4,579,637	6,384,589	0
Transfers out	(5,116,289)		0	0	(5,116,289)	0
Total transfers in (out)	(3,311,337)		0	4,579,637	1,268,300	0
Change in net position	5,891,005		2,791,587	3,934,920	12,617,512	0
Net position, July 1, as previously reported	107,637,820	3,921,034	14,157,755	8,586,370	134,302,979	0
Change within financial reporting entity	0	(3,921,034)	0	3,921,034	0	0
Net position, July 1, corrected	107,637,820		14,157,755	12,507,404	134,302,979	0
Net position, June 30	\$ 113,528,825		\$ 16,949,342	\$ 16,442,324	\$ 146,920,491	\$ 0

**CITY OF WINDER, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2024**

	Business-Type Activities				Utility Service Internal Service Fund
	Water and Sewer	Gas	Nonmajor Enterprise Funds	Totals	
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 23,697,508	\$ 11,210,552	\$ 5,696,647	\$ 40,604,707	\$ 0
Receipts from interfund services provided	0	0	0	0	1,554,164
Payments to suppliers	(10,606,573)	(7,175,217)	(4,023,086)	(21,804,876)	(883,006)
Payments to employees	(2,349,719)	(1,103,923)	(1,682,836)	(5,136,478)	(645,635)
Other receipts	60,577	0	14,378	74,955	0
Net cash provided (used) by operating activities	10,801,793	2,931,412	5,103	13,738,308	25,523
<b>Cash flows from non-capital financing activities:</b>					
Receipts from other funds	2,482,700	0	1,245,204	3,727,904	0
Payments to other funds	(5,116,289)	0	(1,020,000)	(6,136,289)	0
Net cash provided (used) by non-capital financing activities	(2,633,589)	0	225,204	(2,408,385)	0
<b>Cash flows from capital and related financing activities:</b>					
Receipts from other funds	1,804,952	0	0	1,804,952	0
Receipts from other organizations	0	225,387	0	225,387	0
Payment of capital related accounts payable	(1,305,414)	(134,627)	(496,944)	(1,936,985)	0
Proceeds from sale of capital assets	9,010	2,500	0	11,510	0
Acquisition of capital assets	(4,709,972)	(3,432,814)	(597,103)	(8,739,889)	0
Interest paid	(229,979)	0	(15,910)	(245,889)	0
Principal payments - bonds	(978,000)	0	0	(978,000)	0
Debt issuance costs	(175,000)	0	0	(175,000)	0
Principal payments - leases payable	0	0	(54,298)	(54,298)	0
Principal payments - notes payable	(1,230,796)	0	(69,235)	(1,300,031)	0
Net cash provided (used) by capital and related financing activities	(6,815,199)	(3,339,554)	(1,233,490)	(11,388,243)	0
<b>Cash flows from investing activities:</b>					
Interest received	115,063	15,366	0	130,429	0
Proceeds from sale of investments		94,883			0
Purchases of investments	(208,660)	0	0	(208,660)	0
Net cash provided (used) by investing activities	(93,597)	110,249	0	(78,231)	0
Net increase (decrease) in cash and cash equivalents	1,259,408	(297,893)	(1,003,183)	(41,668)	25,523
Cash and cash equivalents, July 1	19,935,227	3,270,225	4,657,492	27,862,944	0
<b>Cash and cash equivalents, June 30</b>	<b>\$ 21,194,635</b>	<b>\$ 2,972,332</b>	<b>\$ 3,654,309</b>	<b>\$ 27,821,276</b>	<b>\$ 25,523</b>

**CITY OF WINDER, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2024**

	Business-Type Activities			Utility Service
	Water and Sewer	Gas	Nonmajor Enterprise Funds	Internal Service Fund
			Totals	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 7,754,094	\$ 2,502,937	\$ (633,846)	\$ 9,623,185
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	3,598,061	523,692	627,135	4,748,888
(Increase) decrease in accounts receivable	(442,756)	(25,523)	(142,547)	(610,826)
(Increase) decrease in prepaids items	5,239	4,840	(3,256)	6,823
(Increase) decrease in inventories	377,969	(228,453)	(29,917)	119,599
(Increase) decrease in deferred outflows of resources	278,461	(43,641)	42,815	277,635
(Increase) decrease in net OPEB asset	(24,671)	(13,363)	(42,146)	(80,180)
Increase (decrease) in accounts payable	(13,609)	154,487	164,836	305,714
Increase (decrease) in other unearned revenue	(474,340)	(26,100)	360	(500,080)
Increase (decrease) in accrued salaries	23,216	13,418	17,149	53,783
Increase (decrease) in sales tax payable	0	3,185	0	3,185
Increase (decrease) in other current liabilities	0	(135)	0	(135)
Increase (decrease) in net pension liability	(307,243)	135,075	(2,473)	(174,641)
Increase (decrease) in net OPEB liability	(5,628)	(2,814)	(8,441)	(16,883)
Increase (decrease) in deferred inflows of resources	54,252	(64,104)	5,485	(4,367)
Increase (decrease) in compensated absences	(15,752)	5,761	9,949	(42)
Increase (decrease) in customer deposits payable	(5,500)	(7,850)	0	(13,350)
Total adjustments	3,047,699	428,475	638,949	4,115,123
Net cash provided (used) by operating activities	\$ 10,801,793	\$ 2,931,412	\$ 5,103	\$ 13,738,308
<b>Cash reconciliation:</b>				
Cash and cash equivalents	\$ 19,221,404	\$ 2,841,302	\$ 3,654,309	\$ 25,717,015
Restricted assets				
Cash and cash equivalents	1,973,231	131,030	0	2,104,261
Total cash and cash equivalents	\$ 21,194,635	\$ 2,972,332	\$ 3,654,309	\$ 27,821,276

**Noncash investing, capital, and financing activities:**

The net increase (decrease) in the fair value of investments totaled \$504,943.  
Acquisition of capital assets through accounts payable totaled \$1,225,559.  
Acquisition of capital assets through retainage payable totaled \$260,065.  
Distributions of capital assets to the Governmental Activities totaled \$182,630  
Contributions of capital assets from the Governmental Activities totaled \$348,960  
Contributions of capital assets from individuals totaled \$1,372,496.  
Increase in notes payable through intergovernmental receivables totaled \$1,606,323.



**CITY OF WINDER, GEORGIA**  
**MUNICIPAL COURT CUSTODIAL FUND**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2024**

**ASSETS**

Cash and cash equivalents	\$ 27,766
Accounts receivable (net)	<u>341,916</u>
 Total assets	 <u>369,682</u>

**LIABILITIES**

Accounts payable	<u>31,116</u>
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**NET POSITION**

Restricted for judicial	<u><u>\$ 338,566</u></u>
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**CITY OF WINDER, GEORGIA**  
**MUNICIPAL COURT CUSTODIAL FUND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the fiscal year ended June 30, 2024**

**ADDITIONS**

Fines and forfeitures collected for other governments	\$	316,111
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**DEDUCTIONS**

Distributions of fines and forfeitures to other governments		316,111
		316,111

Change in net position		0
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Net position, July 1		338,566
		338,566

<b>Net position, June 30</b>	<b>\$</b>	<b>338,566</b>
		338,566

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**1. Description of Government Unit**

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

**2. Summary of Significant Accounting Policies**

**A. Description of Government-wide Financial Statements**

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

**B. Reporting Entity**

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

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**B. Reporting Entity, continued**

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

The City presents in the accompanying financial statements those entities that comprise the primary government along with its component unit, an entity for which the City is considered to be financially accountable. At fiscal year end, the City's reporting entity consists of the City of Winder, Georgia and the Downtown Development Authority, Winder, Georgia (a component unit). The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

**Downtown Development Authority**

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

**C. Basis of Presentation – Government-wide Financial Statements**

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

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**D. Basis of Presentation – Fund Financial Statements**

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

The City reports the following major governmental funds:

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

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

**SPLOST 2022 Fund** – This fund is used to account for long-term projects financed by the passage of the 2022 special purpose local option sales tax.

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**D. Basis of Presentation – Fund Financial Statements, continued**

**Governmental Fund Types**

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

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

**Proprietary Fund Types**

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

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

**Fiduciary Fund Types**

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

**Component Units**

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**D. Basis of Presentation – Fund Financial Statements, continued**

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

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

**E. Measurement Focus and Basis of Accounting**

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

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**E. Measurement Focus and Basis of Accounting, continued**

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

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

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

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

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



**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**F. Revenues and Expenditures/Expenses**

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**G. Budgets and Budgetary Accounting**

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

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**G. Budgets and Budgetary Accounting, continued**

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

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

**H. Cash and Investments**

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

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

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**I. Taxes Receivable**

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

**J. Intergovernmental Receivables**

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

**K. Leases Receivable**

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

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

**L. Inventories**

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

**M. Prepaid Items**

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**N. Capital Assets**

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

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

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

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**N. Capital Assets, continued**

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

	<b>Useful Life in Years</b>	<b>Capitalization Threshold</b>
Land	N/A	\$1
Buildings	10 to 40	\$25,000
Infrastructure	5 to 60	\$25,000
Intangibles	3 to 10	\$5,000
Equipment	3 to 10	\$5,000
Furniture	3 to 10	\$5,000
Vehicles	5 to 10	\$5,000
Intangible Right-to-Use Assets		
Equipment	5 to 10	\$5,000

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**O. Deferred Outflows/Inflows of Resources**

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

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

**P. Net Position Flow Assumption**

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**Q. Fund Balance Flow Assumption**

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

**R. Restricted Assets and Restricted Net Position**

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

**S. Fund Balances – Governmental Funds**

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

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

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2024*

**2. Summary of Significant Accounting Policies (continued)**

**S. Fund Balances – Governmental Funds, continued**

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

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

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



**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**T. Long-Term Obligations**

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

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

**U. Compensation for Future Absences**

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

**V. Capital Contributions**

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**2. Summary of Significant Accounting Policies (continued)**

**W. Pension Plans**

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

**X. Use of Estimates**

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

**Y. Interfund Activity**

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

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**3. Deposit and Investment Risk**

**Custodial Credit Risk - Deposits**

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

**Interest Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Foreign Currency Risk**

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**3. Deposit and Investment Risk (continued)**

The City participates in the State of Georgia Local Government Investment Pool. Assets in this pool are invested in Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Fitch's criteria for AAAf rated money market funds. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

Georgia Fund 1 is rated AAAf/S1 by Fitch. The weighted average maturity at the end of the current fiscal year was 33 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$16,193,981.

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

**4. Property Tax**

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2024, based upon the assessments of January 1, 2023, were levied July 24, 2023, billed on October 4, 2023, and due on December 4, 2023. Taxes were billed and collected by Barrow County and remitted to the City during the current fiscal year.

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2024*

**5. Accounts Receivable**

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

**Major Funds**

General	\$ 4,963	
Water & Sewer	2,827,281	
Gas	<u>612,971</u>	\$ 3,445,215

**Nonmajor Funds**

**Governmental**

Opiod Settlement		438,024
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**Enterprise**

Environmental Protection	72,080	
Solid Waste Management	373,548	
Special Facilities	3,943	
Golf	<u>3,600</u>	<u>453,171</u>

Total primary government		<u>\$ 4,336,410</u>
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Municipal Court Custodial Fund		<u>\$ 341,916</u>
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**6. Intergovernmental Receivables**

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

**Major Funds**

General	\$ 220,948
SPLOST 2022	313,818
Water & Sewer	1,606,323

**Nonmajor Funds**

**Governmental**

TSPLOST 2023	484,030
Capital Grants	<u>804,952</u>

Total primary government	<u>\$ 3,430,071</u>
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**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**7. Leases Receivable**

In 2017, the City entered into a five year lease with a cell phone service provider to provide the tenant the right to a portion of real property located at the Smile Site, together with the right to use the tower located thereon. The lease provides for four additional, five-year terms. Under the lease, the tenant pays the City an annual payment of \$30,000 for the first 5 years of the lease. On the anniversary date of the commencement date every five years, the annual rent amount is increased by 10% of the rent paid in the previous year. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at an imputed discount rate of 3.00%. During the current fiscal year, the City recognized \$27,872 of lease revenue (reported as other revenue on the statement of activities) and \$15,964 of interest revenue under the lease. The outstanding balance at the end of the current year is \$507,824 in the General Fund.

In 2017, the City entered into a five year lease with a cell phone service provider to provide the tenant the right to a portion of real property located at the Patch Adams Site, together with the right to use the tower located thereon. The lease provides for four additional, five-year terms. Under the lease, the tenant pays the City an annual payment of \$30,000 for the first 5 years of the lease. On the anniversary date of the commencement date every five years, the annual rent amount is increased by 10% of the rent paid in the previous year. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at an imputed discount rate of 3.00%. During the current fiscal year, the City recognized \$27,872 of lease revenue (reported as other revenue on the statement of activities) and \$15,964 of interest revenue under the lease. The outstanding balance at the end of the current year is \$507,824 in the General Fund.

On June 7, 2023, the City entered into a three year lease with a cell phone service provider to provide the tenant the right to a portion of real property, together with the right to use the tower located thereon. Under the lease, the tenant pays the City monthly payments of \$3,400. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at an imputed discount rate of 2.856%. During the current fiscal year, the City recognized \$38,974 of lease revenue (reported as other revenue on the statement of activities) and \$2,903 of interest revenue under the lease. The outstanding balance at the end of the current year is \$82,426 in the General Fund.

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2024*

**8. Interfund Receivables, Payables, and Transfers**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	SPLOST 2022	\$ 4,108,994
	Nonmajor Governmental	735,508
Water and Sewer	Nonmajor Governmental	804,952
	Internal Service	14,870
Nonmajor Enterprise	ARPA Grant	66,782
		<u>\$ 5,731,106</u>

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

The General Fund advanced the Golf Fund \$1,464,783 to encourage growth and for past operating expenses. The Golf Fund will repay the General Fund in amounts equal to 10% of the Golf Fund's net income each year until the advance is repaid. During the current fiscal year, the Golf Fund made a scheduled payment, in excess of the previously determined amount, of \$1,000,000. The balance at the end of the current fiscal year is \$250,212.

The Water Fund advanced the Golf Fund \$600,000 for the purchase of the Chimneys Golf Course. The Golf Fund will repay the Water Fund \$20,000 a year for 30 years. The balance at the end of the current fiscal year is \$380,000.

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2024*

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

A summary of interfund transfers is as follows:

<u>Transfer out Fund</u>	<u>Transfer in Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 1,256,591
ARPA	Nonmajor Enterprise	66,782
Nonmajor Governmental	Water and Sewer	1,804,952
	Nonmajor Governmental	206,423
	General	14,519
Water and Sewer	General	603,434
	Nonmajor Enterprise	4,512,855
		<u>\$ 8,465,556</u>

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



**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**9. Capital Assets**

Capital asset activity for the governmental activities for the current fiscal year was as follows:

	<b><u>Beginning Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balance</u></b>
<b>Governmental activities</b>				
Non-depreciable assets				
Land	\$ 3,206,434	\$ 0	\$ 0	\$ 3,206,434
Construction in progress	484,620	308,049	(327,399)	465,270
Total non-depreciable assets	<u>3,691,054</u>	<u>308,049</u>	<u>(327,399)</u>	<u>3,671,704</u>
Depreciable/amortizable assets				
Buildings	10,390,204	327,399	0	10,717,603
Intangibles	27,301	0	0	27,301
Vehicles	7,060,954	729,103	(837,503)	6,952,554
Furniture and equipment	4,638,369	144,289	(156,888)	4,625,770
Infrastructure	38,466,616	0	0	38,466,616
Intangible right-to-use assets				
Software	0	188,628	0	188,628
Total depreciable/amortizable assets	<u>60,583,444</u>	<u>1,389,419</u>	<u>(994,391)</u>	<u>60,978,472</u>
Accumulated depreciation/amortization				
Buildings	(2,169,450)	(352,844)	0	(2,522,294)
Intangibles	(21,992)	(5,308)	0	(27,300)
Vehicles	(5,195,666)	(465,576)	837,503	(4,823,739)
Furniture and equipment	(4,092,827)	(148,058)	156,888	(4,083,997)
Infrastructure	(24,255,977)	(617,124)	0	(24,873,101)
Intangible right-to-use assets				
Software	0	(34,582)	0	(34,582)
Total accumulated depreciation	<u>(35,735,912)</u>	<u>(1,623,492)</u>	<u>994,391</u>	<u>(36,365,013)</u>
Total depreciable/amortizable assets, net	<u>24,847,532</u>	<u>(234,073)</u>	<u>0</u>	<u>24,613,459</u>
Governmental activities capital assets, net	<u>\$ 28,538,586</u>	<u>\$ 73,976</u>	<u>\$ (327,399)</u>	<u>\$ 28,285,163</u>

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**9. Capital Assets(continued)**

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

	<b><u>Beginning Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balance</u></b>
<b>Business-type activities</b>				
Non-depreciable assets				
Land	\$ 6,793,673	\$ 6,662	\$ 0	\$ 6,800,335
Construction in progress	17,667,215	8,668,564	(3,634,322)	22,701,457
Total non-depreciable assets	<u>24,460,888</u>	<u>8,675,226</u>	<u>(3,634,322)</u>	<u>29,501,792</u>
Depreciable/amortizable assets				
Buildings	13,988,268	0	0	13,988,268
Vehicles	2,810,482	868,955	(366,063)	3,313,374
Distribution system	148,208,684	5,278,383	0	153,487,067
Furniture and equipment	4,383,315	758,727	(17,500)	5,124,542
Intangible right-to-use assets				
Equipment	225,406	0	0	225,406
Total depreciable/amortizable assets	<u>169,616,155</u>	<u>6,906,065</u>	<u>(383,563)</u>	<u>176,138,657</u>
Accumulated depreciation/amortization				
Buildings	(2,966,507)	(507,383)	0	(3,473,890)
Vehicles	(1,603,806)	(540,489)	228,159	(1,916,136)
Distribution system	(71,580,288)	(3,594,408)	0	(75,174,696)
Furniture and equipment	(2,915,163)	(407,702)	17,500	(3,305,365)
Intangible right-to-use assets				
Equipment	(32,872)	(56,351)	0	(89,223)
Total accumulated depreciation/amortization	<u>(79,098,636)</u>	<u>(5,106,333)</u>	<u>245,659</u>	<u>(83,959,310)</u>
Total depreciable/amortizable assets, net	<u>90,517,519</u>	<u>1,799,732</u>	<u>(137,904)</u>	<u>92,179,347</u>
Business-type activities capital assets, net	<u>\$ 114,978,407</u>	<u>\$ 10,474,958</u>	<u>\$ (3,772,226)</u>	<u>\$ 121,681,139</u>

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**9. Capital Assets(continued)**

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

**Primary Government**

**Governmental activities**

General Government	\$ 457,403
Public Safety	236,343
Public Works	828,322
Culture and Recreation	1,649
Housing and Development	35,105
Total depreciation/amortization expense for governmental activities	<u>\$ 1,558,822</u>

**Business-type activities**

Water & Sewer	\$ 3,598,061
Gas	523,692
Solid Waste	44,337
Environmental Protection	125,980
Special Facilities	314,893
Golf	141,925
Internal Service	8,485
Total depreciation/amortization expense for business-type activities	<u>\$ 4,757,373</u>

	<u><b>Governmental Activities</b></u>	<u><b>Business-type Activities</b></u>
Current year depreciation/amortization expense	\$ 1,558,822	\$ 4,757,373
Prior accumulated depreciation on assets through transfers from other funds:		
Vehicles	64,670	254,164
Furniture and Equipment	0	94,796
Additions to accumulated depreciation/amortization	<u>\$ 1,623,492</u>	<u>\$ 5,106,333</u>

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2024*

**10. Long-Term Debt**

**Revenue Bonds**

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

On January 19, 2021, the City issued Public Facilities Authority Taxable Refunding Revenue Bonds, Series 2021 in the amount of \$8,095,000, due at various dates ending December 1, 2029 with a yield of 1.49%. The proceeds from this refunding were to pay off the Series 2012 Refunding Revenue Bonds. The Series 2021 Bonds are secured by a pledge of the City's full faith and credit and taxing powers and will not expire as long as the Series 2021 Bonds remain outstanding and unpaid. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. The outstanding balance at the end of the current fiscal year is \$5,993,000.

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 994,000	\$ 81,890	\$ 1,075,890
2026	1,012,000	66,946	1,078,946
2027	1,023,000	51,785	1,074,785
2028	1,043,000	36,393	1,079,393
2029	1,057,000	20,748	1,077,748
2030	864,000	6,437	870,437
Total	<u>\$ 5,993,000</u>	<u>\$ 264,199</u>	<u>\$ 6,257,199</u>

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**10. Long-Term Debt (continued)**

**Notes from Direct Borrowings**

**Governmental Activities**

*Financed Purchases*

The City has entered into multiple agreements with various financial institutions to finance the purchase and construction of certain vehicles, equipment and other property. The notes are secured by the vehicles, equipment, and other property. The balances of these agreements at the end of the current year are \$3,864,945. Individual notes outstanding at the end of the current year are listed below with their related interest rate and maturity.

- \$6,000,000 building construction and other property improvements financed purchase due in monthly installments of \$56,487 through July 2029, interest at 2.62%, \$3,218,304 outstanding.
- \$207,557 equipment financed purchase due in monthly installments of \$9,147 through December 2028, interest at 2.28%, \$134,842 outstanding.
- \$603,545 equipment financed purchase due in monthly installments of \$5,912 through September 2032, interest at 3.3%, \$511,799 outstanding.

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 684,751	\$ 96,147	\$ 780,898
2026	703,191	78,708	781,899
2027	722,129	58,770	780,899
2028	741,581	39,318	780,899
2029	743,073	19,416	762,489
2030	121,079	6,346	127,425
2031	66,884	4,065	70,949
2032	69,124	1,824	70,948
2033	13,133	97	13,230
<b>Total</b>	<b>\$ 3,864,945</b>	<b>\$ 304,691</b>	<b>\$ 4,169,636</b>

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**10. Long-Term Debt (continued)**

**Notes from Direct Borrowings, continued**

**Business-type Activities**

*GEFA Loans*

The City entered into an agreement with the Georgia Environmental Finance Authority (GEFA) in the amount of \$3,000,000 for improvements to the City's water and sewer system. Collateral for this obligation is the City's full faith and credit and revenue-raising power (including its taxing power). Monthly installments of principal and interest are due beginning on the first day of the calendar month following the date that the loan is fully disbursed (the Amortization Commencement Date) for 120 months; interest at 0.70%. Monthly installments began on August 1, 2016 (\$795,223 outstanding). In the event of default on this obligation or any other outstanding debt obligation greater than \$100,000, the timing of repayment of outstanding principal and accrued interest may be declared immediately due and payable.

The City entered into a second agreement with the Georgia Environmental Finance Authority (GEFA) in the amount of \$9,000,000 to finance the costs of constructing a 6.7 million gallons per day raw water intake, and transmission main that will deliver water from Fort Yargo Lake to the Highway 53 water treatment plant. Collateral for this obligation is the City's full faith and credit and revenue-raising power (including its taxing power). Monthly installments of principal and interest are due beginning on the first day of the calendar month following the date that the loan is fully disbursed (the Amortization Commencement Date) for 120 months; interest at 0.89%. Monthly installments began on September 1, 2018 (\$6,754,336 outstanding). In the event of default on this obligation or any other outstanding debt obligation greater than \$100,000, the timing of repayment of outstanding principal and accrued interest may be declared immediately due and payable.

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**10. Long-Term Debt (continued)**

**Notes from Direct Borrowings, continued**

**Business-type Activities (continued)**

*GEFA Loans, continued*

During the current year, the City entered into an agreement with the Georgia Environmental Finance Authority (GEFA) in the amount of \$14,000,000 to finance the costs of improvements to the Highway 53 Water Treatment Plant. Collateral for this obligation is the City's full faith and credit and revenue-raising power (including its taxing power). Monthly installments of principal and interest are due beginning on the first day of the calendar month following the earlier of (1) the completion of the project, (2) February 1, 2027, or (3) the date that the loan is fully disbursed (the Amortization Commencement Date) for 240 months; interest at 1.63%. This loan is still in drawdown phase at the end of the current fiscal year (\$1,606,323 outstanding). In the event of default on this obligation or any other outstanding debt obligation greater than \$100,000, the timing of repayment of outstanding principal and accrued interest may be declared immediately due and payable.

*Financed Purchases*

The City has entered into multiple agreements with various financial institutions to finance the purchase and construction of certain vehicles, equipment and other property. The notes are secured by the vehicles, equipment, and other property. The balances of these agreements at the end of the current year are \$2,743,600. Individual notes outstanding at the end of the current year are listed below with their related interest rate and maturity.

- \$5,000,000 building construction and other property improvements financed purchase due in monthly installments of \$46,840 through December 2028, interest at 2.37%, \$2,411,716 outstanding.
- \$502,014 equipment financed purchase due in monthly installments of \$9,147 through December 2028, interest at 2.28%, \$331,838 outstanding.

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2024*

**10. Long-Term Debt (continued)**

**Notes from Direct Borrowings, continued**

**Business-type Activities (continued)**

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 1,319,716	\$ 122,137	\$ 1,441,853
2026	1,339,751	102,102	1,441,853
2027	1,230,560	81,830	1,312,390
2028	1,068,343	62,800	1,131,143
2029	784,771	45,106	829,877
2030-2034	2,304,586	152,433	2,457,019
2035-2039	2,245,386	47,785	2,293,171
<b>Total</b>	<b>\$ 10,293,113</b>	<b>\$ 614,193</b>	<b>\$ 10,907,306</b>

**Leases – Business-type Activities**

The City entered into an agreement to lease 74 golf carts during the current fiscal year. The lease agreement qualifies as other than short-term leases under GASB Statement No. 87, *Leases* and, therefore have been recorded at the present value of the future minimum lease payments at their inception. The outstanding balance at the end of the current fiscal year is \$141,014, due in monthly installments of \$5,122 through November 2026, interest at 4.2%.

Debt service requirements to maturity for leases are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 56,623	\$ 4,841	\$ 61,464
2026	59,048	2,416	61,464
2027	25,343	267	25,610
<b>Totals</b>	<b>\$ 141,014</b>	<b>\$ 7,524</b>	<b>\$ 148,538</b>



**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2024*

**10. Long-Term Debt (continued)**

**Subscriptions – Governmental Activities**

The City has entered into agreements to subscribe to certain software. The subscription agreements qualify as subscriptions under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and have been recorded at the present value of the future minimum subscription payments at their inception. Subscription liabilities are comprised of the following individual subscriptions at the end of the current year:

- \$127,839 permitting and licensing software due in annual installments of \$25,550 to \$28,757 through September 2027, interest at 2.90%, \$102,360 outstanding.

The following is a schedule of future minimum subscription payments together with the present value of the net minimum subscription payments at the end of the current year:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 23,312	\$ 3,005	\$ 26,317
2026	24,785	2,321	27,106
2027	26,326	1,593	27,919
2028	27,937	820	28,757
Total	<u>\$ 102,360</u>	<u>\$ 7,739</u>	<u>\$ 110,099</u>

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

## **11. Long-Term Liabilities**

### **Changes in Long-Term Liabilities**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Notes from direct borrowings	\$ 4,520,655	\$ 0	\$ (655,710)	\$ 3,864,945	\$ 684,751
Subscription payable	0	127,839	(25,479)	102,360	23,312
Compensated absences	288,370	421,290	(345,298)	364,362	327,926
Total Governmental Activities	<u>\$ 4,809,025</u>	<u>\$ 549,129</u>	<u>\$ (1,026,487)</u>	<u>\$ 4,331,667</u>	<u>\$ 1,035,989</u>
<b>Business-type Activities</b>					
Revenue bonds	\$ 6,971,000	\$ 0	\$ (978,000)	\$ 5,993,000	\$ 994,000
Notes from direct borrowings	11,593,144	1,606,323	(1,300,031)	11,899,436	1,319,716
Leases	195,312	0	(54,298)	141,014	56,623
Compensated absences	120,659	8,220	(9,752)	119,127	107,214
Total Business-type Activities	<u>\$ 18,880,115</u>	<u>\$ 1,614,543</u>	<u>\$ (2,342,081)</u>	<u>\$ 18,152,577</u>	<u>\$ 2,477,553</u>

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. Compensated absences are liquidated by those funds that have salary and wage expenditures. The total interest incurred and charged to expense during the current fiscal year was \$21,494 for governmental activities and \$205,834 for business-type activities.

## **12. Capital Improvement Program**

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2024*

**12. Capital Improvement Program (continued)**

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

<b>Major Funds</b>		
<b>Governmental</b>		
SPLOST 2022	\$ 6,362,100	
<b>Enterprise</b>		
Water & Sewer	<u>23,620,206</u>	\$ 29,982,306
<b>Nonmajor Governmental Funds</b>		4,817,095
<b>Nonmajor Enterprise Funds</b>		<u>998,598</u>
Total primary government		<u>\$ 35,797,999</u>

**13. Nonspendable, Restricted, and Assigned Fund Balances**

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

	<b>General</b>	<b>ARPA Grant</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Nonspendable:</b>				
Prepaid items	\$ 201,824	\$ 0	\$ 500	\$ 202,324
Inventories	32,541	0	0	32,541
Advances to other funds	250,212	0	0	250,212
Leases receivable	72,481	0	0	72,481
	<u>\$ 557,058</u>	<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 557,558</u>
<b>Restricted for:</b>				
Law enforcement	\$ 0	\$ 0	\$ 115,290	\$ 115,290
Opioid remediation			160,178	160,178
City festivals	0	0	87,952	87,952
Grant specifications	0	266,002	0	266,002
Capital projects	0	0	7,014,532	7,014,532
	<u>\$ 0</u>	<u>\$ 266,002</u>	<u>\$ 7,377,952</u>	<u>\$ 7,643,954</u>
<b>Assigned for:</b>				
Promoting trade and tourism	\$ 0	\$ 0	\$ 33,761	\$ 33,761

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**14. Net Investment in Capital Assets**

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

	Governmental Activities	Business-Type Activities
Cost of capital assets	\$ 64,650,176	\$ 205,640,449
Accumulated depreciation/amortization	(36,365,013)	(83,959,310)
Book value	28,285,163	121,681,139
Notes payable	(3,864,945)	(11,899,436)
Bonds payable	0	(5,993,000)
Leases payable	0	(141,014)
Subscription payable	(102,360)	0
Deferred gain on refunding	0	(177,544)
Capital-related accounts payable	(57,514)	(1,225,559)
Retainages payable	0	(260,065)
Unspent debt proceeds	0	856,452
Net investment in capital assets	<u>\$ 24,260,344</u>	<u>\$ 102,840,973</u>

**15. Pension Plan**

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

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

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**15. Pension Plan (continued)**

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

At January 1, 2024, the date of the most recent actuarial valuation, the plan consisting of the following:

Retirees and beneficiaries currently receiving benefits	118
Terminated vested participants entitled to but not yet receiving benefits	69
Active participants	<u>48</u>
Total number of participants	<u><u>235</u></u>

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

*Contributions.* Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. The City's actuarially determined contribution rate for the current the fiscal year was \$988,593 or 26.29% of covered payroll. The Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The administrative expenses set by contract with GMEBS are in addition to the state-required annual funding requirement. This funding policy, as specified by ordinance, has been the same since the inception of the plan.

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**15. Pension Plan (continued)**

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At the end of the current fiscal year, the City reported a net pension liability of \$6,982,211. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. During the current fiscal year, the City recognized pension expense of \$1,145,036. Net pension liability for governmental activities is liquidated by the General Fund.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 305,933	\$ 0
Changes in participant fund allocation	94,987	(94,987)
Net difference between projected and actual earnings on pension plan investments	900,605	0
City contributions subsequent to the measurement date	823,831	0
Totals	<u>\$ 2,125,356</u>	<u>\$ (94,987)</u>

The \$823,831 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	
2025	\$ 418,791
2026	192,461
2027	827,958
2028	<u>(232,672)</u>
Totals	<u>\$ 1,206,538</u>

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**15. Pension Plan (continued)**

*Actuarial Assumptions.* The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The mortality and economic actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2024*

**15. Pension Plan (continued)**

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	45%	6.91%
International equity	20%	7.21%
Domestic fixed income	20%	1.61%
Real estate	10%	3.61%
Global fixed income	5%	1.67%
Total	100%	

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



**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**15. Pension Plan (continued)**

*Changes in Net Pension Liability:*

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at September 30, 2022</b>	<b>\$ 26,427,338</b>	<b>\$ 18,599,127</b>	<b>\$ 7,828,211</b>
<b>Changes for the year:</b>			
Service cost	145,927	0	145,927
Interest	1,901,587	0	1,901,587
Differences between expected and actual experience	611,865	0	611,865
Contributions—employer	0	1,029,326	(1,029,326)
Contributions—employee	0	0	0
Net investment income	0	2,513,432	(2,513,432)
Benefit payments, including refunds of employee contributions	(1,578,070)	(1,578,070)	0
Administrative expense	0	(37,379)	37,379
<b>Net changes</b>	<b>1,081,309</b>	<b>1,927,309</b>	<b>(846,000)</b>
<b>Balances at September 30, 2023</b>	<b>\$ 27,508,647</b>	<b>\$ 20,526,436</b>	<b>\$ 6,982,211</b>

Plan fiduciary net position as a percentage of the total pension liability	74.62%
Covered payroll	\$ 3,124,228
Employer's net pension liability as a percentage of covered payroll	223.49%

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

	<b>Discount Rate</b>	<b>Net Pension Liability</b>
1% decrease	6.375%	\$ 10,281,752
Current discount rate	7.375%	6,982,211
1% increase	8.375%	4,212,033

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**15. Pension Plan (continued)**

**Other Plans**

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

**16. Defined Contribution Plan**

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

During the current fiscal year, the City contributed \$351,141 to the plan based on covered salaries of \$7,175,560. Plan members made voluntary contributions of \$266,365 to the plan. Total payroll was \$12,231,114.

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**17. Post-Employment Benefits Other Than Pensions**

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

At January 1, 2023, the City plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	3
Vested terminated members entitled to but not yet receiving benefits	0
Active participants	<u>162</u>
Total number of participants	<u><u>165</u></u>

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

*Contributions.* The City has elected to advance fund the OPEB Plan, as well as maintain the current costs of the OPEB Plan on a “pay-as-you-go” basis, in that claims are paid as they arise. Contributions to the plan are held in an irrevocable trust. The City Council provides for the benefits and funding policy through City resolution and maintains the authority to change the policy. The City’s contributions for the current fiscal year totaled \$100,409, or 0.82% of covered employee payroll. Net OPEB liability for governmental activities is liquidated by the General Fund.

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

*OPEB Liabilities (Assets), OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB.* At the end of the current fiscal year, the City reported a net OPEB liability (asset) of (\$231,287). The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined from actuarial valuations using data as of January 1, 2023 and measured by an actuarial valuation as of June 30, 2023. During the current fiscal year, the City recognized OPEB expense (income) of (\$5,660) .

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

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at June 30, 2022</b>	<b>\$ 1,275,559</b>	<b>\$ 1,229,364</b>	<b>\$ 46,195</b>
<b>Changes for the year:</b>			
Service cost	37,089	0	37,089
Interest	95,509	0	95,509
Change of benefit terms	16,820	0	16,820
Differences between expected and actual experience	(119,353)	0	(119,353)
Changes of assumptions	(59,015)	0	(59,015)
Contributions—employer	0	122,202	(122,202)
Net investment income	0	133,361	(133,361)
Benefit payments, including refunds of employee contributions	(35,852)	(35,852)	0
Administrative expense	0	(7,031)	7,031
<b>Net changes</b>	<b>(64,802)</b>	<b>212,680</b>	<b>(277,482)</b>
<b>Balances at June 30, 2023</b>	<b>\$ 1,210,757</b>	<b>\$ 1,442,044</b>	<b>\$ (231,287)</b>

Plan fiduciary net position as a percentage of the total pension liability	119.10%
Covered payroll	\$ 9,036,947
Employer's net pension liability as a percentage of covered payroll	-2.56%

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2024*

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 22,917	\$ (97,628)
Differences between expected and actual experience	53,792	(251,557)
Differences between projected and actual earnings on OPEB plan investments	31,130	0
City contributions subsequent to the measurement date	100,409	0
Totals	<u>\$ 208,248</u>	<u>\$ (349,185)</u>

The \$100,409 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

<b>Year Ending June 30</b>	
2025	\$ (66,014)
2026	(76,497)
2027	(21,482)
2028	(47,625)
2029	(29,728)
Totals	<u>\$ (241,346)</u>

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

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

*Actuarial Assumptions.* The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	3.00 to 8.50%, including inflation
Actuarial cost method	Entry age normal
Discount rate	7.375%
Healthcare Cost Trend Rate	11.20% for CY2023, then 7.00% trended down to 4.50% by 2034
Mortality rates	Healthy mortality rates were based on sex distinct Pri-2012 head-count weighted Mortality Table with rates multiplied by 1.25, projected generationally from 2012
Amortization method	Open 30 years, level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Market value

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

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

The target allocation and projected arithmetic real rates of return for each major asset class included in the OPEB plan's derivation of the long-term expected investment rate of return assumption as of June 30, 2023 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	45%	6.91%
International equity	20%	7.21%
Fixed income - core	20%	1.61%
Real estate	10%	3.61%
Global fixed income	5%	3.71%
Total	100%	

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

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

<b>Discount Rate</b>		<b>Net OPEB Liability</b>
1% decrease	6.375%	\$ (112,613)
Current discount rate	7.375%	(231,287)
1% increase	8.375%	(334,456)
<b>Healthcare Cost Trend Rates</b>		<b>Net OPEB Liability</b>
1% decrease		\$ (319,386)
Current discount rate		(231,287)
1% increase		(128,243)

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

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**18. Risk Management**

**General Insurance**

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has contracted with a private insurance carrier and is subject to various deductibles that are paid from City funds.

The City allows insurance carrier's agents and attorneys to represent the City in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the contract.

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

**Health Insurance**

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

**Workers Compensation**

The City has obtained workers' compensation insurance from a Georgia Municipal Association Group Self Insurance Workers Compensation Fund. The limits of the coverage are \$2,000,000 for each employee claim with a \$10,000 deductible.

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



**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**19. Hotel/Motel Lodging Tax**

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

Lodging tax receipts	\$ 324,154	
Disbursements to Chamber of Commerce, Festivals, and other tourism and visitor programs	\$298,187	98% of tax receipts

**20. Joint Ventures**

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

**21. Transportation Expenditures**

Amounts expended on transportation include transportation maintenance and operation costs and correspond with classifications and subclassifications specified in the local government uniform chart of accounts under subsection (e) of Code Section 36-81-3 within section 4200, including noncapital expenditures within sections 4210-4290.

Total general fund expenditures within these categories totaled \$2,608,443 for the current fiscal year.

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**22. Related Organizations**

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

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

**23. Commitments**

The City has committed to planning, designing, and constructing a 1.1 billion-gallon pump storage reservoir. This project will be funded in part by loan proceeds from GEFA.

During fiscal year 2015, the City entered into an agreement with the City of Auburn, Georgia for the acquisition and construction of a reservoir and the associated infrastructure required so that the City may withdraw raw water from the Mulberry River, Little Mulberry River, and Rock Creek, and store the raw water in the reservoir and transmit the water to each of the City's water treatment plants. The City's portion of the project is currently estimated to cost \$20.8 million. At the end of the current fiscal year, the City has spent \$4,829,881 pertaining to this project since its inception.

**24. Subsequent Events**

Subsequent to June 30, 2024, the City was approved for funding from the Georgia Environmental Finance Authority (GEFA) in the form of a Note from Direct Borrowing in the amount of \$10,000,000. These funds will be used to transform a former quarry into a raw water storage pond.

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**24. Subsequent Events (continued)**

Subsequent to June 30, 2024, the City was approved for funding from the Georgia Environmental Finance Authority (GEFA) in the form of a Note from Direct Borrowing in the amount of \$8,000,000. These funds will be used to transform a former quarry into a raw water storage pond.

**25. Deficit Fund Balances**

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

<b>Major Funds</b>	
SPLOST 2022	\$ (1,091,177)
<b>Nonmajor Funds</b>	
<b>Governmental</b>	
Cemetery	(1,973)
Library assessment	(33,133)
CDBG	<u>(65,930)</u>
Total primary government	<u>\$ (1,192,213)</u>

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

**26. New Accounting Pronouncements**

The City implemented GASB Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2023. The implementation of this new standard had no impact on the City's net position.

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2024*

**27. Changes in Beginning Balances**

***Changes To or Within Financial Reporting Entity***

**Environmental Protection Fund**

The City changed the presentation of the Environmental Protection Fund from major fund presentation to nonmajor fund presentation during the current fiscal year.

**CDBG Fund**

The City changed the presentation of the CDBG Fund from special revenue fund presentation to capital projects fund presentation during the current fiscal year.

***Correction of an Error***

**General Fund**

The City adjusted beginning fund balance to add a lease receivable and related deferred inflow of resources related to leases. To correct this error the City increased beginning fund balance in the amount of \$23,166.

**CDBG Fund**

The City adjusted beginning fund balance to remove an intergovernmental receivable. To correct this error the City decreased beginning fund balance in the amount of \$89,140.

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2024*

**27. Changes in Beginning Balances (continued)**

A summary of the changes in beginning balances is presented below:

	<b>Beginning As Previously Reported</b>	<b>Error Correction</b>	<b>Changes to or within Reporting Entity</b>	<b>Ending As Restated</b>
<b>Government-Wide</b>				
Governmental Activities	\$ 32,284,419	\$ (65,974)	\$ 0	\$ 32,218,445
Business-Type Activities	134,302,979	0	0	134,302,979
<b>Total Primary Government</b>	<u>\$ 166,587,398</u>	<u>\$ (65,974)</u>	<u>\$ 0</u>	<u>\$ 166,521,424</u>
<b>Governmental Funds</b>				
Major Fund				
General	\$ 5,605,055	\$ 23,166	\$ 0	\$ 5,628,221
Nonmajor	7,192,293	(89,140)	0	7,103,153
<b>Total Governmental Funds</b>	<u>\$ 12,797,348</u>	<u>\$ (65,974)</u>	<u>\$ 0</u>	<u>\$ 12,731,374</u>
<b>Proprietary Funds</b>				
Major Fund				
Environmental Protection	\$ 134,302,979	\$ 0	\$ (3,921,034)	\$ 130,381,945
Nonmajor	8,586,370	0	3,921,034	12,507,404
<b>Total Proprietary Funds</b>	<u>\$ 142,889,349</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 142,889,349</u>

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***REQUIRED SUPPLEMENTARY INFORMATION***

**CITY OF WINDER, GEORGIA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**  
**June 30, 2024**  
**(Unaudited)**

	Fiscal Year End			
	2024	2023	2022	2021
<b>Total pension liability</b>				
Service cost	\$ 145,927	\$ 148,061	\$ 183,625	\$ 155,280
Interest	1,901,587	1,893,319	1,860,405	1,703,034
Differences between expected and actual experience	611,865	(331,453)	8,409	1,729,167
Changes of assumptions	0	0	0	0
Benefit payments, including refunds of employee contributions	(1,578,070)	(1,613,304)	(1,527,868)	(1,436,104)
Net change in total pension liability	1,081,309	96,623	524,571	2,151,377
Total pension liability - beginning	26,427,338	26,330,715	25,806,144	23,654,767
<b>Total pension liability - ending (a)</b>	<b>\$ 27,508,647</b>	<b>\$ 26,427,338</b>	<b>\$ 26,330,715</b>	<b>\$ 25,806,144</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 1,029,326	\$ 1,190,175	\$ 957,499	\$ 996,453
Contributions - employee	0	18,182	0	6,685
Net investment income	2,513,432	(3,646,235)	4,538,463	1,675,230
Benefit payments, including refunds of employee contributions	(1,578,070)	(1,613,304)	(1,527,868)	(1,436,104)
Administrative expense	(37,379)	(37,638)	(38,595)	(36,925)
Net change in plan fiduciary net position	1,927,309	(4,088,820)	3,929,499	1,205,339
Plan fiduciary net position - beginning	18,599,127	22,687,947	18,758,448	17,553,109
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 20,526,436</b>	<b>\$ 18,599,127</b>	<b>\$ 22,687,947</b>	<b>\$ 18,758,448</b>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<b>\$ 6,982,211</b>	<b>\$ 7,828,211</b>	<b>\$ 3,642,768</b>	<b>\$ 7,047,696</b>
Plan's fiduciary net position as a percentage of the total pension liability	74.62%	70.38%	86.17%	72.69%
Covered payroll	\$ 3,124,228	\$ 3,114,200	\$ 3,088,285	\$ 3,661,543
Net pension liability as a percentage of covered payroll	223.49%	251.37%	117.95%	192.48%



Fiscal Year End					
2020	2019	2018	2017	2016	2015
\$ 159,256	\$ 148,204	\$ 173,051	\$ 179,037	\$ 236,833	\$ 328,917
1,671,280	1,549,264	1,506,920	1,474,422	1,412,604	1,443,234
(965,738)	350,657	268,580	67,694	463,073	(652,819)
1,348,241	888,088	402,748	0	0	(240,685)
(1,365,515)	(1,275,242)	(1,298,321)	(1,305,321)	(1,324,394)	(1,223,348)
847,524	1,660,971	1,052,978	415,832	788,116	(344,701)
22,807,243	21,146,272	20,093,294	19,677,462	18,889,346	19,234,047
<u>\$ 23,654,767</u>	<u>\$ 22,807,243</u>	<u>\$ 21,146,272</u>	<u>\$ 20,093,294</u>	<u>\$ 19,677,462</u>	<u>\$ 18,889,346</u>
\$ 1,003,136	\$ 961,342	\$ 988,953	\$ 1,032,165	\$ 1,228,670	\$ 1,409,342
31,816	12,084	0	26,847	0	59,823
506,528	1,590,479	2,138,768	1,461,014	151,347	1,334,881
(1,365,515)	(1,275,242)	(1,298,321)	(1,305,321)	(1,324,394)	(1,223,348)
(37,164)	(39,142)	(45,297)	(22,393)	(24,301)	(19,349)
138,801	1,249,521	1,784,103	1,192,312	31,322	1,561,349
17,414,308	16,164,787	14,380,684	13,188,372	13,157,050	11,595,701
<u>\$ 17,553,109</u>	<u>\$ 17,414,308</u>	<u>\$ 16,164,787</u>	<u>\$ 14,380,684</u>	<u>\$ 13,188,372</u>	<u>\$ 13,157,050</u>
<u>\$ 6,101,658</u>	<u>\$ 5,392,935</u>	<u>\$ 4,981,485</u>	<u>\$ 5,712,610</u>	<u>\$ 6,489,090</u>	<u>\$ 5,732,296</u>
74.21%	76.35%	76.44%	71.57%	67.02%	69.65%
\$ 3,482,985	\$ 3,505,675	\$ 3,730,435	\$ 3,845,923	\$ 4,034,416	\$ 4,658,538
175.18%	153.83%	133.54%	148.54%	160.84%	123.05%

**CITY OF WINDER, GEORGIA**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**June 30, 2024**  
**(Unaudited)**

	Fiscal Year End			
	2024	2023	2022	2021
Actuarially determined contribution	\$ 988,593	\$ 1,037,472	\$ 1,104,226	\$ 1,043,562
Contributions in relation to the actuarially determined contribution	(988,593)	(1,037,472)	(1,192,090)	(956,599)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ (87,864)	\$ 86,963
Covered payroll	\$ 3,760,761	\$ 3,453,539	\$ 3,401,044	\$ 3,661,543
Contributions as a percentage of covered payroll	26.29%	30.04%	32.47%	26.13%

Fiscal Year End					
2020	2019	2018	2017	2016	2015
\$ 1,096,701 (1,096,701)	\$ 970,814 (970,814)	\$ 956,718 (957,818)	\$ 997,298 (999,098)	\$ 1,042,387 (1,042,387)	\$ 1,292,164 (1,469,165)
\$ 0	\$ 0	\$ (1,100)	\$ (1,800)	\$ 0	\$ (177,001)
\$ 3,729,981	\$ 3,658,954	\$ 3,844,876	\$ 3,871,009	\$ 3,880,640	\$ 4,188,210
29.40%	26.53%	24.88%	25.76%	26.86%	30.85%

**CITY OF WINDER, GEORGIA**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**  
**June 30, 2024**  
**(Unaudited)**

	Fiscal Year End		
	2024	2023	2022
<b>Total OPEB liability</b>			
Service cost	\$ 37,089	\$ 36,421	\$ 32,191
Interest	95,509	93,027	96,830
Change of benefit terms	16,820	0	0
Differences between expected and actual experience	(119,353)	(55,224)	(193,639)
Changes in assumptions	(59,015)	(4,432)	45,833
Benefit payments, including refunds of member contributions	(35,852)	(37,713)	(36,344)
Net change in total OPEB liability	(64,802)	32,079	(55,129)
Total OPEB liability - beginning	1,275,559	1,243,480	1,298,609
<b>Total OPEB liability - ending (a)</b>	<b>\$ 1,210,757</b>	<b>\$ 1,275,559</b>	<b>\$ 1,243,480</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 122,202	\$ 126,330	\$ 118,144
Net investment income	133,361	(154,992)	306,749
Benefit payments, including refunds of member contributions	(35,852)	(37,713)	(36,344)
Administrative expenses	(7,031)	(1,777)	(685)
Other	0	0	(6,818)
Net change in plan fiduciary net position	212,680	(68,152)	381,046
Plan fiduciary net position - beginning	1,229,364	1,297,516	916,470
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 1,442,044</b>	<b>\$ 1,229,364</b>	<b>\$ 1,297,516</b>
<b>Net OPEB liability (asset) - ending : (a) - (b)</b>	<b>\$ (231,287)</b>	<b>\$ 46,195</b>	<b>\$ (54,036)</b>
Plan's fiduciary net position as a percentage of the total OPEB liability	119.10%	96.38%	104.35%
Covered employee payroll	\$ 9,036,947	\$ 6,700,859	\$ 6,553,407
Plan net OPEB liability as a percentage of covered employee payroll	-2.56%	0.69%	-0.82%

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

**Fiscal Year End**

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
\$ 31,482	\$ 41,301	\$ 40,300	\$ 44,900
94,520	87,670	79,400	68,700
0	0	0	0
(55,386)	284,951	35,100	0
0	(255,552)	(1,300)	(49,000)
(43,539)	(28,938)	(59,300)	(57,800)
27,077	129,432	94,200	6,800
1,271,532	1,142,100	1,047,900	1,041,100
<u>\$ 1,298,609</u>	<u>\$ 1,271,532</u>	<u>\$ 1,142,100</u>	<u>\$ 1,047,900</u>
\$ 125,339	\$ 124,338	\$ 134,300	\$ 132,800
36,075	46,100	55,000	64,300
(43,539)	(28,938)	(59,300)	(57,800)
(2,105)	(1,800)	(600)	(900)
0	0	0	0
115,770	139,700	129,400	138,400
800,700	661,000	531,600	393,200
<u>\$ 916,470</u>	<u>\$ 800,700</u>	<u>\$ 661,000</u>	<u>\$ 531,600</u>
<u>\$ 382,139</u>	<u>\$ 470,832</u>	<u>\$ 481,100</u>	<u>\$ 516,300</u>
70.57%	62.97%	57.88%	50.73%
\$ 7,228,982	\$ 6,952,819	\$ 6,952,800	\$ 6,489,900
5.29%	6.77%	6.92%	7.96%

**CITY OF WINDER, GEORGIA**  
**SCHEDULE OF OPEB CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**June 30, 2024**  
**(Unaudited)**

	Fiscal Year End		
	2024	2023	2022
Actuarially determined contribution	\$ 47,335	\$ 40,402	\$ 36,828
Contributions in relation to the actuarially determined contribution	(100,409)	(122,202)	(126,330)
Contribution deficiency (excess)	<u>\$ (53,074)</u>	<u>\$ (81,800)</u>	<u>\$ (89,502)</u>
Covered employee payroll	\$ 12,227,864	\$ 9,036,947	\$ 8,201,653
Contributions as a percentage of covered employee payroll	0.82%	1.35%	1.54%

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

Fiscal Year End			
2021	2020	2019	2018
\$ 57,959	\$ 62,929	\$ 59,300	\$ 57,800
(111,327)	(125,339)	(124,338)	(134,292)
<u>\$ (53,368)</u>	<u>\$ (62,410)</u>	<u>\$ (65,038)</u>	<u>\$ (76,492)</u>
\$ 7,740,746	\$ 7,109,257	\$ 6,952,819	\$ 6,950,672
1.44%	1.76%	1.79%	1.93%

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2024**

**Pension Plan**

**1. Valuation Date**

The actuarially determined contribution rate was determined as of January 1, 2024, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2025.

**2. Methods and Assumptions Used to Determine Contribution Rates**

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 12 years.

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

Net investment rate of return = 7.375%

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

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 65

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



**CITY OF WINDER, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2024**

**Pension Plan (continued)**

**3. Changes in Benefits**

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

**4. Changes of Assumptions**

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

**OPEB Plan**

**1. Valuation Date**

The actuarially determined contribution rates are determined as of July 1, 2023 based on the most recent valuation within 30 months of the fiscal year end.

**2. Methods and Assumptions Used to Determine Contribution Rates**

Actuarial cost method = Entry age normal

Amortization method = Open 30 years, level percent of payroll

Remaining amortization period = 30 years

Asset valuation method = Market value

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

Inflation = 2.25%

Discount rate = 7.375%

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2024**

**OPEB Plan (continued)**

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

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

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

**3. Changes in Benefits**

Effective January 1, 2023, the HRA plan has been eliminated and replaced by an HSA plan.

**4. Changes of Assumptions**

Healthcare trend rates were updated to reflect recent experience.

***COMBINING STATEMENTS***

***Nonmajor Governmental Funds***

***Nonmajor Enterprise Funds***

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

Opioid Settlement Fund – This fund is used to account for the opioid settlement collections and expenditures.

### **CAPITAL PROJECTS FUNDS**

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

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

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

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

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

2023 Transportation Special Purpose Local Option Sales Tax Fund – This fund is used to account for the expenditures of the 2023 TSPLOST.

Capital Grants Fund – This fund is used to account for revenues and expenditures of the capital-related grants received by the City.

**CITY OF WINDER, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2024**

	Special Revenue					
	Hotel/ Motel Tax	Police Escrow	City Festivals	Cemetery	Library Assessment	Opioid Settlement
<b>ASSETS</b>						
Cash and cash equivalents	\$ 31,289	\$ 115,290	\$ 91,224	\$ 0	\$ 0	\$ 141,424
Receivables						
Accounts	0	0	0	0	0	438,024
Taxes	27,915	0	0	0	11,027	0
Intergovernmental	0	0	0	0	0	0
Prepaid items	0	0	500	0	0	0
<b>Total assets</b>	<u>\$ 59,204</u>	<u>\$ 115,290</u>	<u>\$ 91,724</u>	<u>\$ 0</u>	<u>\$ 11,027</u>	<u>\$ 579,448</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 25,443	\$ 0	\$ 444	\$ 850	\$ 84	\$ 0
Accrued salaries and payroll liabilities	0	0	2,828	1,123	0	0
Due to other funds	0	0	0	0	35,918	0
<b>Total liabilities</b>	<u>25,443</u>	<u>0</u>	<u>3,272</u>	<u>1,973</u>	<u>36,002</u>	<u>0</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue						
Taxes	0	0	0	0	8,158	0
Fines, fees and forfeitures	0	0	0	0	0	419,270
<b>Total deferred inflows of resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,158</u>	<u>419,270</u>
<b>Fund balances</b>						
Nonspendable prepaids	0	0	500	0	0	0
Restricted for:						
Public Safety	0	115,290	0	0	0	160,178
Culture and Recreation	0	0	87,952	0	0	0
Capital Outlay	0	0	0	0	0	0
Assigned for Housing and Development	33,761	0	0	0	0	0
Unassigned	0	0	0	(1,973)	(33,133)	0
<b>Total fund balances</b>	<u>33,761</u>	<u>115,290</u>	<u>88,452</u>	<u>(1,973)</u>	<u>(33,133)</u>	<u>160,178</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 59,204</u>	<u>\$ 115,290</u>	<u>\$ 91,724</u>	<u>\$ 0</u>	<u>\$ 11,027</u>	<u>\$ 579,448</u>

Capital Projects						Total Nonmajor Governmental Funds
CDBG	LMIG	SPLOST 2012	SPLOST 2018	TSPLOST 2023	Capital Grants	
\$ 0	\$ 100,183	\$ 983,954	\$ 5,857,624	\$ 224,743	\$ 0	\$ 7,545,731
0	0	0	0	0	0	438,024
0	0	0	0	0	0	38,942
0	0	0	0	484,030	804,952	1,288,982
0	0	0	0	0	0	500
<u>\$ 0</u>	<u>\$ 100,183</u>	<u>\$ 983,954</u>	<u>\$ 5,857,624</u>	<u>\$ 708,773</u>	<u>\$ 804,952</u>	<u>\$ 9,312,179</u>
\$ 1,100	\$ 0	\$ 1,242	\$ 0	\$ 0	\$ 0	\$ 29,163
0	0	0	0	0	0	3,951
64,830	0	13,277	619,301	2,182	804,952	1,540,460
<u>65,930</u>	<u>0</u>	<u>14,519</u>	<u>619,301</u>	<u>2,182</u>	<u>804,952</u>	<u>1,573,574</u>
0	0	0	0	0	0	8,158
0	0	0	0	0	0	419,270
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>427,428</u>
0	0	0	0	0	0	500
0	0	0	0	0	0	275,468
0	0	0	0	0	0	87,952
0	100,183	969,435	5,238,323	706,591	0	7,014,532
0	0	0	0	0	0	33,761
(65,930)	0	0	0	0	0	(101,036)
<u>(65,930)</u>	<u>100,183</u>	<u>969,435</u>	<u>5,238,323</u>	<u>706,591</u>	<u>0</u>	<u>7,311,177</u>
<u>\$ 0</u>	<u>\$ 100,183</u>	<u>\$ 983,954</u>	<u>\$ 5,857,624</u>	<u>\$ 708,773</u>	<u>\$ 804,952</u>	<u>\$ 9,312,179</u>

**CITY OF WINDER, GEORGIA**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the fiscal year ended June 30, 2024**

	Special Revenue					
	Hotel/ Motel Tax	Police Escrow	City Festivals	Cemetery	Library Assessment	Opioid Settlement
<b>REVENUES</b>						
Taxes	\$ 324,155	\$ 0	\$ 0	\$ 0	\$ 252,268	\$ 0
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	11,147	41,700	0	0
Fines, fees, and forfeitures	0	0	0	0	0	99,001
Contributions	0	0	55,048	0	0	0
Interest	0	0	0	0	0	0
<b>Total revenues</b>	<b>324,155</b>	<b>0</b>	<b>66,195</b>	<b>41,700</b>	<b>252,268</b>	<b>99,001</b>
<b>EXPENDITURES</b>						
Current						
Public Safety	0	4,854	0	0	0	0
Public Works	0	0	0	73,141	0	0
Culture and Recreation	0	0	332,502	0	254,324	0
Housing and Development	91,764	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0
<b>Total expenditures</b>	<b>91,764</b>	<b>4,854</b>	<b>332,502</b>	<b>73,141</b>	<b>254,324</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	<b>232,391</b>	<b>(4,854)</b>	<b>(266,307)</b>	<b>(31,441)</b>	<b>(2,056)</b>	<b>99,001</b>
Other financing sources (uses)						
Transfers in	0	0	206,423	33,449	10,965	61,177
Transfers out	(206,423)	0	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>(206,423)</b>	<b>0</b>	<b>206,423</b>	<b>33,449</b>	<b>10,965</b>	<b>61,177</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<b>25,968</b>	<b>(4,854)</b>	<b>(59,884)</b>	<b>2,008</b>	<b>8,909</b>	<b>160,178</b>
Fund balances, July 1, as previously reported	<b>7,793</b>	<b>120,144</b>	<b>148,336</b>	<b>(3,981)</b>	<b>(42,042)</b>	<b>0</b>
Error Correction	0	0	0	0	0	0
Change within reporting entity	0	0	0	0	0	0
Fund balances, July 1, restated	<b>7,793</b>	<b>120,144</b>	<b>148,336</b>	<b>(3,981)</b>	<b>(42,042)</b>	<b>0</b>
<b>Fund balances, June 30</b>	<b>\$ 33,761</b>	<b>\$ 115,290</b>	<b>\$ 88,452</b>	<b>\$ (1,973)</b>	<b>\$ (33,133)</b>	<b>\$ 160,178</b>



Special Revenue	Capital Projects						Total Nonmajor Governmental Funds
	CDBG	LMIG	SPLOST 2012	SPLOST 2018	TSPLOST 2023	Capital Grants	
\$	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 576,423
	0	231,148	0	0	708,766	804,952	1,744,866
	0	0	0	0	0	0	52,847
	0	0	0	0	0	0	99,001
	0	0	0	0	0	0	55,048
	0	0	22,538	132,112	7	0	154,657
	0	231,148	22,538	132,112	708,773	804,952	2,682,842
	0	0	0	0	0	0	4,854
	0	0	0	0	0	0	73,141
	0	0	0	0	0	0	586,826
	127,670	0	0	0	0	0	219,434
	0	198,469	0	205,557	2,182	120	406,328
	0	0	0	621,355	0	0	621,355
	127,670	198,469	0	826,912	2,182	120	1,911,938
	(127,670)	32,679	22,538	(694,800)	706,591	804,832	770,904
	150,880	0	0	0	0	1,000,120	1,463,014
	0	0	(14,519)	0	0	(1,804,952)	(2,025,894)
	150,880	0	(14,519)	0	0	(804,832)	(562,880)
	23,210	32,679	8,019	(694,800)	706,591	0	208,024
	0	67,504	961,416	5,933,123	0	0	7,192,293
(89,140)	0	0	0	0	0	0	(89,140)
89,140	(89,140)	0	0	0	0	0	0
	(89,140)	67,504	961,416	5,933,123	0	0	7,103,153
\$	\$ (65,930)	\$ 100,183	\$ 969,435	\$ 5,238,323	\$ 706,591	\$ 0	\$ 7,311,177

**CITY OF WINDER, GEORGIA**  
**HOTEL/MOTEL TAX SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2024**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Hotel/motel taxes	\$ 366,660	\$ 324,155	\$ (42,505)
<b>EXPENDITURES</b>			
<b>Current</b>			
Housing and Development	93,791	91,764	2,027
Excess (deficiency) of revenues over (under) expenditures	272,869	232,391	(40,478)
Other financing sources (uses)			
Transfers out	(272,869)	(206,423)	66,446
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	25,968	25,968
Fund balances, July 1	0	7,793	7,793
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 33,761</b>	<b>\$ 33,761</b>

**CITY OF WINDER, GEORGIA**  
**POLICE ESCROW SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ 19,500	\$ 0	\$ (19,500)
<b>EXPENDITURES</b>			
<b>Current</b>			
Public Safety	19,500	4,854	14,646
Excess (deficiency) of revenues over (under) expenditures	0	(4,854)	(4,854)
Fund balances, July 1	0	120,144	120,144
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 115,290</u>	<u>\$ 115,290</u>

**CITY OF WINDER, GEORGIA**  
**CITY FESTIVALS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2024**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Charges for services	\$ 35,700	\$ 11,147	\$ (24,553)
Contributions	35,000	55,048	20,048
<b>Total revenues</b>	<u>70,700</u>	<u>66,195</u>	<u>(4,505)</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
Culture and Recreation	<u>332,569</u>	<u>332,502</u>	<u>67</u>
Excess (deficiency) of revenues over (under) expenditures	(261,869)	(266,307)	(4,438)
Other financing sources (uses)			
Transfers in	<u>261,869</u>	<u>206,423</u>	<u>(55,446)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(59,884)	(59,884)
Fund balances, July 1	<u>0</u>	<u>148,336</u>	<u>148,336</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 88,452</u></u>	<u><u>\$ 88,452</u></u>

**CITY OF WINDER, GEORGIA**  
**CEMETERY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2024**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Charges for services	\$ 74,000	\$ 41,700	\$ (32,300)
<b>EXPENDITURES</b>			
<b>Current</b>			
Public Works	94,438	73,141	21,297
Excess (deficiency) of revenues over (under) expenditures	(20,438)	(31,441)	(11,003)
Other financing sources (uses)			
Transfers in	20,438	33,449	13,011
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	2,008	2,008
Fund balances, July 1	0	(3,981)	(3,981)
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ (1,973)</b>	<b>\$ (1,973)</b>

**CITY OF WINDER, GEORGIA**  
**LIBRARY ASSESSMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 260,000	\$ 252,268	\$ (7,732)
<b>EXPENDITURES</b>			
<b>Current</b>			
Culture and Recreation	260,000	254,324	5,676
Excess (deficiency) of revenues over (under) expenditures	0	(2,056)	(2,056)
Other financing sources (uses)			
Transfers in	0	10,965	10,965
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	8,909	8,909
Fund balances, July 1	0	(42,042)	(42,042)
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ (33,133)</u>	<u>\$ (33,133)</u>

**CITY OF WINDER, GEORGIA**  
**OPIOID SETTLEMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2024**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Fines, fees, and forfeitures	\$ 99,001	\$ 99,001	\$ 0
<b>EXPENDITURES</b>			
<b>Current</b>			
Public Safety	0	0	0
Excess (deficiency) of revenues over (under) expenditures	99,001	99,001	0
Other financing sources (uses)			
Transfers in	0	61,177	61,177
Contingency	(99,001)	0	(99,001)
Total other financing sources (uses)	(99,001)	61,177	160,178
Excess (deficiency) of revenues and other financial sources over (under) expenditures and other financing uses	0	160,178	160,178
Fund balances, July 1	0	0	0
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 160,178</b>	<b>\$ 160,178</b>

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### ***NONMAJOR ENTERPRISE FUNDS***

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.

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

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

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

**CITY OF WINDER, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2024**

	Environmental Protection	Solid Waste Management	Special Facilities	Golf	Total Nonmajor Enterprise Funds
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 0	\$ 1,124,620	\$ 1,151,222	\$ 1,378,467	\$ 3,654,309
Accounts receivable (net)	72,080	373,548	3,943	3,600	453,171
Prepaid items	285	0	2,271	4,091	6,647
Inventories	0	0	0	111,135	111,135
Due from other funds	66,782	0	0	0	66,782
Total current assets	139,147	1,498,168	1,157,436	1,497,293	4,292,044
<b>Noncurrent assets</b>					
Net OPEB asset	5,140	3,084	0	33,922	42,146
Capital assets					
Non-depreciable	5,164,568	0	458,458	495,546	6,118,572
Depreciable (net)	2,634,593	484,275	3,778,737	787,916	7,685,521
Total noncurrent assets	7,804,301	487,359	4,237,195	1,317,384	13,846,239
<b>Total assets</b>	<b>7,943,448</b>	<b>1,985,527</b>	<b>5,394,631</b>	<b>2,814,677</b>	<b>18,138,283</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	65,429	0	0	0	65,429
Deferred outflows related to other post employment benefits	4,628	2,777	0	30,543	37,948
<b>Total deferred outflows of resources</b>	<b>70,057</b>	<b>2,777</b>	<b>0</b>	<b>30,543</b>	<b>103,377</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable	9,251	167,102	29,441	178,161	383,955
Accrued salaries and payroll liabilities	16,564	6,978	0	19,285	42,827
Compensated absences	10,005	2,060	0	15,042	27,107
Unearned revenue	0	0	0	33,246	33,246
Advances from other funds	0	0	0	75,000	75,000
Leases payable	0	0	0	56,623	56,623
Notes payable	0	70,831	0	0	70,831
Total current liabilities	35,820	246,971	29,441	377,357	689,589
<b>Noncurrent liabilities</b>					
Advances from other funds	0	0	0	555,212	555,212
Net pension liability	142,494	0	0	0	142,494
Compensated absences	1,112	229	0	1,671	3,012
Leases payable	0	0	0	84,391	84,391
Note payable	0	261,008	0	0	261,008
Total noncurrent liabilities	143,606	261,237	0	641,274	1,046,117
<b>Total liabilities</b>	<b>179,426</b>	<b>508,208</b>	<b>29,441</b>	<b>1,018,631</b>	<b>1,735,706</b>

**CITY OF WINDER, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2024**

	<b>Environmental Protection</b>	<b>Solid Waste Management</b>	<b>Special Facilities</b>	<b>Golf</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to other post employment benefits	\$ 7,760	\$ 4,656	\$ 0	\$ 51,214	\$ 63,630
<b>NET POSITION</b>					
Net investment in capital assets	7,799,161	152,436	4,237,196	1,142,449	13,331,242
Restricted for net OPEB asset	5,140	3,084	0	33,922	42,146
Unrestricted	22,018	1,319,920	1,127,994	599,004	3,068,936
<b>Total net position</b>	<b>\$ 7,826,319</b>	<b>\$ 1,475,440</b>	<b>\$ 5,365,190</b>	<b>\$ 1,775,375</b>	<b>\$ 16,442,324</b>

**CITY OF WINDER, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the fiscal year ended June 30, 2024**

	Formerly Major Environmental Protection	Solid Waste Management	Special Facilities	Golf	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>					
Charges for sales and services	\$ 782,891	\$ 2,557,719	\$ 26,528	\$ 2,471,696	\$ 5,838,834
Other	0	0	11,760	2,618	14,378
<b>Total operating revenues</b>	<u>782,891</u>	<u>2,557,719</u>	<u>38,288</u>	<u>2,474,314</u>	<u>5,853,212</u>
<b>OPERATING EXPENSES</b>					
Costs of sales and services	733,431	2,295,010	167,237	959,071	4,154,749
Personal services	597,832	278,207	17,091	812,044	1,705,174
Depreciation	125,980	44,337	314,893	141,925	627,135
<b>Total operating expenses</b>	<u>1,457,243</u>	<u>2,617,554</u>	<u>499,221</u>	<u>1,913,040</u>	<u>6,487,058</u>
Operating income (loss)	<u>(674,352)</u>	<u>(59,835)</u>	<u>(460,933)</u>	<u>561,274</u>	<u>(633,846)</u>
Non-operating revenues (expenses)					
Interest expense	0	(8,744)	0	(7,166)	(15,910)
Gain (loss) on the sale of capital assets	0	0	0	5,039	5,039
<b>Total non-operating revenues (expenses)</b>	<u>0</u>	<u>(8,744)</u>	<u>0</u>	<u>(2,127)</u>	<u>(10,871)</u>
Net income (loss) before transfers	(674,352)	(68,579)	(460,933)	559,147	(644,717)
Transfers in (out)					
Transfers in	4,579,637	0	0	0	4,579,637
Change in net position	<u>3,905,285</u>	<u>(68,579)</u>	<u>(460,933)</u>	<u>559,147</u>	<u>3,934,920</u>
Net position, July 1, as previously reported	0	1,544,019	5,826,123	1,216,228	8,586,370
Change within financial reporting entity	3,921,034	0	0	0	3,921,034
Net position, July 1, corrected	<u>3,921,034</u>	<u>1,544,019</u>	<u>5,826,123</u>	<u>1,216,228</u>	<u>12,507,404</u>
<b>Net position, June 30</b>	<u><u>\$ 7,826,319</u></u>	<u><u>\$ 1,475,440</u></u>	<u><u>\$ 5,365,190</u></u>	<u><u>\$ 1,775,375</u></u>	<u><u>\$ 16,442,324</u></u>

**CITY OF WINDER, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the fiscal year ended June 30, 2024**

	Environmental Protection	Solid Waste Management	Special Facilities	Golf	Total Nonmajor Enterprise Funds
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 753,650	\$ 2,446,527	\$ 24,414	\$ 2,472,056	\$ 5,696,647
Payments to suppliers	(741,434)	(2,254,147)	(144,808)	(882,697)	(4,023,086)
Payments to employees	(567,359)	(273,496)	(17,458)	(824,523)	(1,682,836)
Other receipts	0	0	11,760	2,618	14,378
Net cash provided (used) by operating activities	(555,143)	(81,116)	(126,092)	767,454	5,103
<b>Cash flows from non-capital financing activities:</b>					
Receipts from other funds	1,245,204	0	0	0	1,245,204
Payments to other funds	0	0	0	(1,020,000)	(1,020,000)
Net cash provided (used) by non-capital and related financing activities	1,245,204	0	0	(1,020,000)	225,204
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets	(193,117)	0	(50,000)	(353,986)	(597,103)
Payment of capital related payables	(496,944)	0	0	0	(496,944)
Interest paid	0	(8,744)	0	(7,166)	(15,910)
Principal payments - leases payable	0	0	0	(54,298)	(54,298)
Principal payments - notes payable	0	(69,235)	0	0	(69,235)
Net cash provided (used) by capital and related financing activities	(690,061)	(77,979)	(50,000)	(415,450)	(1,233,490)
Net increase (decrease) in cash and cash equivalents	0	(159,095)	(176,092)	(667,996)	(1,003,183)
Cash and cash equivalents, July 1	0	1,283,715	1,327,314	2,046,463	4,657,492
<b>Cash and cash equivalents, June 30</b>	<b>\$ 0</b>	<b>\$ 1,124,620</b>	<b>\$ 1,151,222</b>	<b>\$ 1,378,467</b>	<b>\$ 3,654,309</b>

**CITY OF WINDER, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the fiscal year ended June 30, 2024**

	<b>Environmental Protection</b>	<b>Solid Waste Management</b>	<b>Special Facilities</b>	<b>Golf</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (674,352)	\$ (59,835)	\$ (460,933)	\$ 561,274	\$ (633,846)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	125,980	44,337	314,893	141,925	627,135
(Increase) decrease in accounts receivable	(29,241)	(111,192)	(2,114)	0	(142,547)
(Increase) decrease in prepaid items	(285)	0	(2,271)	(700)	(3,256)
(Increase) decrease in inventories	0	0	0	(29,917)	(29,917)
(Increase) decrease in deferred outflows of resources	21,591	(2,777)	0	24,001	42,815
(Increase) decrease in net OPEB asset	(5,140)	(3,084)	0	(33,922)	(42,146)
Increase (decrease) in accounts payable	(7,718)	40,863	24,700	106,991	164,836
Increase (decrease) in unearned revenue	0	0	0	360	360
Increase (decrease) in accrued salaries	12,516	3,627	(367)	1,373	17,149
Increase (decrease) in compensated absences payable	4,581	2,289	0	3,079	9,949
Increase (decrease) in net pension liability	(2,473)	0	0	0	(2,473)
Increase (decrease) in net OPEB liability	(703)	0	0	(7,738)	(8,441)
Increase (decrease) in deferred inflows of resources	101	4,656	0	728	5,485
Total adjustments	119,209	(21,281)	334,841	206,180	638,949
Net cash provided (used) by operating activities	<u>\$ (555,143)</u>	<u>\$ (81,116)</u>	<u>\$ (126,092)</u>	<u>\$ 767,454</u>	<u>\$ 5,103</u>

***OTHER REPORTING SECTION***

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## ***SINGLE AUDIT SECTION***

This section contains reports required by the Uniform Guidance and grantor agencies.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Winder, Georgia, as of and for the year ended June 30, 2024, 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 June 30, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Winder, Georgia's internal control over financial reporting (internal control) as a basis for designing 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.

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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003 to be significant deficiencies.

**Report on Compliance and Other Matters**

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

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Gainesville | Alpharetta

## **City of Winder, Georgia's Response to Findings**

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

### **Purpose of This Report**

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

*Rushton, LLC*

Gainesville, Georgia  
June 30, 2025

**Independent Auditor's Report on Compliance for Each Major Program and on  
Internal Control over Compliance Required by the Uniform Guidance**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Winder, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Winder, Georgia's major federal programs for the year ended June 30, 2024. The City of Winder, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Winder, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Winder, Georgia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Winder, Georgia's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Winder, Georgia's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Winder, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Winder, Georgia's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Winder, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Winder, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Winder, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Rushton, LLC*

Gainesville, Georgia  
June 30, 2025

**CITY OF WINDER, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the fiscal year ended June 30, 2024**

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Number	Total Federal Expenditures
<b><u>U.S. Department of Transportation</u></b>			
Passed through Atlanta Regional Commission: Highway Planning and Construction	20.205	AR-038-2425	\$ 136,606
<b><u>U.S. Department of the Treasury</u></b>			
COVID-19 Coronavirus Relief Fund	21.027	N/A	66,782
Passed through Georgia Governor's Office of Planning and Budget: COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	GA-0011708	804,952
			<u>871,734</u>
<b><u>U.S. Environmental Protection Agency</u></b>			
Passed through Georgia Environmental Finance Authority: Drinking Water State Revolving Fund	66.468	DW2023028	1,606,323
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 2,614,663</u></b>

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

**CITY OF WINDER, GEORGIA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the fiscal year ended June 30, 2024**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Winder, Georgia, under programs for the federal government for the current fiscal year. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Indirect Cost Rate**

The City of Winder, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

**4. Payments to Subrecipients**

For the current year, City of Winder, Georgia did not pass federal funds through to subrecipients.



**CITY OF WINDER, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended June 30, 2024**

**1. Summary of the Auditor's Results**

**A. Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiencies identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

**B. Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported
Identification of major programs:	
21.027      COVID-19 Coronavirus State and Local Fiscal Recovery Funds	
66.468      Drinking Water State Revolving Fund	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**CITY OF WINDER, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended June 30, 2024**

**2. Financial Statement Findings**

**A. Current Year Audit Findings**

**2024-001**

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

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

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

*Cause:* Various posting and classification errors led to account balances not agreeing to subsidiary ledgers.

*Recommendation:* We recommend that the City's Finance Department continue to implement and/or strengthen internal controls over the year-end closeout procedures.

*Management Response:* Management concurs with this finding. City management has hired finance personnel proficient in the application and implementation of proper internal controls over the year-end closeout procedures. The Finance Department implemented policies and procedures that will ensure that account balances are reconciled monthly to the subsidiary ledgers. This action was taken prior to the issuance of this report, but subsequent to the year end closeout procedures and audit preparation.

**2024-002**

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

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

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

*Cause:* The City's Golf Course currently has a limited number of employees available to perform financial duties; therefore, financial duties are not appropriately segregated amongst multiple employees.

*Recommendation:* To ensure that sufficient internal controls are in place, the City should properly segregate duties. It may not be practical to hire additional employees to properly segregate duties considering the current limitation of resources. Management should consider using a cost benefit analysis and or risk reward analysis to determine if the City should hire additional employees to properly segregate financial duties.

**CITY OF WINDER, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended June 30, 2024**

**2. Financial Statement Findings (continued)**

**A. Current Year Audit Findings, continued**

**2024-002, continued**

*Management Response:* Management concurs with this finding. Management intends to evaluate the current policies and procedures to ensure that duties are segregated to the greatest extent possible utilizing the City's current resources. This action was taken immediately upon receipt of the comment from our auditors.

**2024-003**

*Condition:* During audit procedures on journal entries, we noted manual journal entries being posted without evidence of proper approval.

*Criteria:* All manual journal entries should have approval by a member of management other than the employee who is posting the entry

*Effect:* Failure to properly approve manual journal entries subjects the assets of the City to greater risk of misappropriation.

*Cause:* The City's Finance Department experienced an abnormal amount of turnover after the current year fiscal year resulting in limited staffing. The City hired a 3<sup>rd</sup> party to complete the year-end close process at an accelerated pace with no member of management to properly approve journal entries.

*Recommendation:* To ensure that all manual journal entries are properly approved, the City should assign a member of management to review and approve journal entries.

*Management Response:* Management concurs with this finding. Management intends to evaluate the current policies and procedures to ensure that all manual journal entries have evidence of proper approval. This action was taken immediately upon receipt of the comment from our auditors.

**B. Prior Year Audit Findings Follow-Ups**

**2023-001**

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

Not corrected.

**2023-002**

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

Not corrected.

**CITY OF WINDER, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended June 30, 2024**

**2. Financial Statement Findings (continued)**

**B. Prior Year Audit Findings Follow-Ups, continued**

**2023-003**

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

Corrected.

**3. Federal Award Findings and Questioned Costs**

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

### ***STATE REPORTING SECTION***

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

**CITY OF WINDER, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX**  
**For the fiscal year ended June 30, 2024**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b>2012 SPLOST</b>					
Local Street Projects	\$ 2,451,259	\$ 2,451,259	\$ 2,528,349	\$ 0	\$ 2,528,349
Water and Sewer Infrastructure, Improvements, Facilities and Equipment	4,357,793	4,357,793	2,705,952	14,519	2,720,471
Total	<u>\$ 6,809,052</u>	<u>\$ 6,809,052</u>	<u>\$ 5,234,301</u>	<u>\$ 14,519</u>	<u>\$ 5,248,820</u>

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b>2018 SPLOST</b>					
Roads/Sidewalks/Parking Areas/ Stormwater Projects	\$ 5,004,274	\$ 5,004,274	\$ 2,513,807	\$ 236,667	\$ 2,750,474
Police Department Facilities and Equipment	1,501,282	1,501,282	455,736	0	455,736
Fire Department Facilities and Equipment	1,501,282	1,501,282	2,576,784	0	2,576,784
Recreation/Parks/Greenspace Projects	1,501,282	1,501,282	2,595,716	28,499	2,624,215
Administrative Facilities and Equipment	500,428	500,428	2,064,975	24,851	2,089,826
Total	<u>\$ 10,008,548</u>	<u>\$ 10,008,548</u>	<u>\$ 10,207,018</u>	<u>\$ 290,017</u>	<u>\$ 10,497,035</u>

Current year expenditures	\$ 290,017
Principal paid on notes payable	536,895
Total expenditures and transfers out of the SPLOST 2018 fund	<u>\$ 826,912</u>

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

**CITY OF WINDER, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX**  
**For the fiscal year ended June 30, 2024**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b>2022 SPLOST</b>					
Transportation Improvements	\$ 4,605,960	\$ 4,605,960	\$ 696,220	\$ 1,293,801	\$ 1,990,021
Police Department Facilities and Equipment	2,125,828	2,125,828	89,663	62,498	152,161
Fire Department Facilities and Equipment	2,125,828	2,125,828	116,024	100,142	216,166
Recreation/Parks/Cemetery/ Greenspace Projects	1,771,523	1,771,523	84,131	87,894	172,025
Stormwater Infrastructure	2,657,285	2,657,285	335,616	21,423	357,039
Administrative Facilities and Equipment	2,657,285	2,657,285	853,592	259,569	1,113,161
Sanitation/Solid Waste Facilities and Equipment	1,771,523	1,771,523	0	0	0
<b>Total</b>	<b>\$ 17,715,232</b>	<b>\$ 17,715,232</b>	<b>\$ 2,175,246</b>	<b>\$ 1,825,327</b>	<b>\$ 4,000,573</b>
Current year expenditures				\$ 1,825,327	
Principal paid on notes payable				118,815	
Total expenditures and transfers out of the SPLOST 2022 fund				<u>\$ 1,944,142</u>	

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

**CITY OF WINDER, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH TRANSPORTATION**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**For the fiscal year ended June 30, 2024**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b>2023 TSPLOST</b>					
Citywide Resurfacing/ Rehabilitation Program	\$ 5,000,000	\$ 5,000,000	\$ 0	\$ 2,182	\$ 2,182
Intersection & Roadway Improvements	4,000,000	4,000,000	0	0	0
Sims Road Realignment and Drainage Improvements	2,250,000	2,250,000	0	0	0
Intersection Improvements	1,500,000	1,500,000	0	0	0
Midland Avenue Operational Improvements	1,000,000	1,000,000	0	0	0
Road, Street, and Bridge Purposes	4,879,000	4,879,000	0	0	0
Total	<u>\$ 18,629,000</u>	<u>\$ 18,629,000</u>	<u>\$ 0</u>	<u>\$ 2,182</u>	<u>\$ 2,182</u>



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**City of Winder, Georgia  
Annual Financial Report  
June 30, 2024**

## Appendix B

### FORM OF BOND RESOLUTION

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CITY OF WINDER, GEORGIA

MASTER BOND RESOLUTION

Adopted November 3, 2025

PROVIDING FOR ISSUANCE OF  
CITY OF WINDER (GEORGIA)  
WATER AND SEWER REVENUE BONDS

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EXHIBIT A - Form of Current Interest Bond

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principal amount of \$63,000,000 (the “**Series 2025 Bonds**”) in accordance with the terms of this Resolution. The Series 2025 Bonds will be secured by a first and prior pledge of and charge on the Net Revenues of the System, on parity to any other charge or lien which may hereafter be created thereon.

5. The City anticipates future capital needs in addition to the 2025 Projects and in accordance with the terms of this Resolution will provide for the issuance of additional bonds to be issued on a parity or subordinate basis with the Series 2025 Bonds. The City has now determined, in order to revise and expand on the authorizing provisions for the issuance of its water and sewer revenue bonds, and in the incurrence of other obligations relating to the System by the City, that it is now necessary and desirable to adopt this Master Bond Resolution.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the City Council of the City of Winder in public meeting properly and lawfully called and assembled, and it is hereby resolved by authority of the same, as follows:

MASTER BOND RESOLUTION

**THIS MASTER BOND RESOLUTION** (THIS “**RESOLUTION**”), ADOPTED NOVEMBER 3, 2025, BY THE CITY COUNCIL OF THE CITY OF WINDER (THE “**CITY COUNCIL**”), PROVIDING FOR THE ISSUANCE OF CITY OF WINDER (GEORGIA) WATER AND SEWER REVENUE BONDS, IN ONE OR MORE SERIES TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS TO THE WATER AND SEWER SYSTEM (THE “**SYSTEM**”) FOR THE CITY OF WINDER, GEORGIA (THE “**CITY**” OR THE “**ISSUER**”); PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS AND INCURRENCE OF OTHER OBLIGATIONS; PROVIDING FOR PAYMENT OF SUCH BONDS AND OBLIGATIONS FROM CERTAIN REVENUES OF THE SYSTEM; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH, INCLUDING, BUT NOT LIMITED TO A RATE COVENANT AND COVENANTS REGARDING DEFAULTS AND REMEDIES; AND PROVIDING FOR OTHER MATTERS.

PREAMBLE

1. Under and by virtue of authority of the Revenue Bond Law, codified in O.C.G.A. § 36-82-60, *et seq.*, the Constitution of the State of Georgia, the general laws of the State of Georgia, and the laws of the State of Georgia relating to the City, a municipal corporation of the State of Georgia, the City is authorized to issue its revenue bonds payable from revenue derived from the operation and ownership of the existing System, and the City is authorized to improve the System for its own use and for the use of public and private consumers within the territorial limits of the City. The City is further authorized to prescribe and revise rates and collect fees, tolls and charges for the services and facilities furnished by the System and, in anticipation of the collection of revenues from the System, to issue revenue bonds to finance, in whole or in part, the cost of any such improvements and to pay the expenses incident thereto and to refund revenue bonds previously issued.

2. Capitalized terms used but not otherwise defined in this Preamble shall have the meanings given such terms Article II of this Resolution.

3. After due study, investigation and consideration, the City has now determined that it is necessary and desirable to acquire, construct, and equip additions, extensions, and improvements to the System, substantially in accordance with engineering plans and specifications prepared by the Issuer’s consulting engineers, Carter & Sloope, Inc. Such additions, extensions, and improvements include, but are not limited to, the following: construction of a new raw water storage quarry reservoir and related infrastructure, and construction and installation of additions and improvements to water mains, lines, intakes, pump stations, and tanks (collectively, the “**2025 Projects**”) which are detailed in the plans and specifications prepared by the Issuer’s consulting engineers which have been considered and approved by the City Council both prior to and simultaneously with the adoption of this Resolution and which are, by this reference, incorporated herein and made a part hereof as fully as if physically attached hereto.

4. In order to finance the costs of the 2025 Projects, the City proposes to issue its CITY OF WINDER (GEORGIA) WATER AND SEWER REVENUE BONDS, SERIES 2025, in the maximum

ARTICLE I

AUTHORITY FOR THIS RESOLUTION

**Section 101. Authority for this Resolution.** This Resolution is adopted pursuant to the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60, *et seq.*, the Constitution of the State of Georgia, the general laws of the State of Georgia, and the laws of the State of Georgia relating to the Issuer.

[End of Article I]

## ARTICLE II

### DEFINITIONS

**Section 201. Definitions.** As used herein, unless the context otherwise requires:

“**Additional Bonds**” means additional obligations, including, without limitation, Commercial Paper Obligations, issued in compliance with the terms, conditions and limitations contained in Article XII hereof which will have an equal lien on the Net Revenues in the manner and to the extent herein provided, and rank equally in all other respects with the Series 2025 Bonds except with respect to amounts held in any separate account created in the Construction Fund pursuant to Article VII hereof and with respect to amounts held in any separate account or accounts in the Debt Service Reserve Account, which amounts shall be held only for the benefit of the Holders of the Bonds for which such accounts were created.

“**Amortization Installment**” means the funds deposited in the Debt Service Account in a given Bond Year that are required for the payment at maturity or redemption of all or a portion of any Term Bond, as the case may be, within a Series of Bonds, as established by resolution of the Issuer at or before the delivery of that Series of Bonds.

“**Annual Budget**” means the budget, as amended and supplemented from time to time, prepared by the Issuer for each Fiscal Year in accordance with Section 1104 hereof.

“**Authorized Depository**” means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Issuer as a depository, having a combined capital, surplus and undivided profits of at least \$50,000,000, which is authorized under Georgia law to be a depository of municipal funds and which has qualified with all applicable state and federal requirements concerning the receipt of Issuer funds.

“**Bond Counsel**” means nationally recognized legal counsel experienced in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

“**Bond Insurer**” means, with respect to any Series of Bonds, the issuer of a municipal bond insurance policy insuring all or a portion of the payment, when due, of the principal of and interest on such Series of Bonds.

“**Bond Obligation**” means, as of the date of computation, the sum of: (i) the principal amount of all Current Interest Bonds then Outstanding and (ii) the Compounded Amount on any Capital Appreciation Bonds then Outstanding.

“**Bond Year**” means the 12-month consecutive period beginning on the second day of January and ending on the first day of January in the subsequent calendar year; provided that when such term is used to describe the period during which deposits are to be made pursuant to Section 902 to amortize principal and interest on the Bonds maturing or becoming subject to redemption, or the Debt Service Requirement, the principal amount of, and interest on, Bonds maturing or becoming subject to redemption, on January 1 of any year shall be deemed to mature, become subject to redemption, or be due for payment on the last day of the preceding Fiscal Year.

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“**Composite Reserve Requirement**” means an amount equal to the least of (i) the Maximum Debt Service Requirement calculated with respect to all Series of Bonds Outstanding hereunder that are secured by the Composite Reserve Account, (ii) 125% of the average Debt Service Requirement calculated with respect to all Series of Bonds Outstanding hereunder that are secured by the Composite Reserve Account, or (iii) 10% of the aggregate principal amount of all Series of Bonds Outstanding hereunder that are secured by the Composite Reserve Account, *provided, however*, that in determining the aggregate principal amount of Bonds Outstanding for the purposes of this clause (iii), the issue price of Bonds (net of pre-issuance accrued interest) shall be substituted for the aggregate stated original principal amount of those Bonds if such Bonds were sold at either an original issue discount or premium exceeding two percent (2%) of the stated redemption price at maturity, such amount to be calculated at the time of issuance of Bonds secured by the Composite Reserve Account and on the last day of each Bond Year.

“**Compounded Amounts**” means the principal amount of the Capital Appreciation Bonds plus the amount of interest that has accreted on such Bonds, compounded semiannually, to the date of calculation, determined by reference to accretion tables contained in each such Bond or an offering document or official statement with respect thereto. The Compounded Amounts for such Bonds as of any date not stated in such tables shall be calculated by adding to the Compounded Amount for such Bonds as of the date stated in such tables immediately preceding the date of computation a portion of the difference between the Compounded Amount for such preceding date and the Compounded Amount for such Bonds as of the date shown on such tables immediately succeeding the date of calculation, apportioned on the assumption that interest accretes during any period in equal daily amounts on the basis of a year of twelve 30-day months.

“**Construction Fund**” means the Construction Fund established pursuant to Article VII hereof.

“**Cost of Operation and Maintenance**” means the reasonable and necessary costs of operating, maintaining and repairing the System, including salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees, a reasonable allowance for working capital, and such other proper charges as may be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation and other nonoperating expenses including, but not limited to, amortization and interest expense.

“**Cost**” or “**Cost of the Projects**,” with respect to the 2025 Projects and each Project subsequently authorized pursuant to subsequent resolutions of the Issuer, shall include all items of cost with respect to such Project to be financed with proceeds of Bonds issued hereunder (including reimbursement to the Issuer in connection with items previously incurred in anticipation of the issuance of the Bonds). Without intending to limit the foregoing, Cost of the Projects shall include, without limitation: (i) all direct costs of the Project described in the plans and specifications for such Project; (ii) all costs of planning, designing, acquiring, constructing, financing, commissioning and placing such Projects in operation; (iii) all costs of issuance of Bonds, including the cost of bond insurance, any Reserve Product, any Credit Facility, any Liquidity Facility, fees and expenses of bond counsel, underwriters and underwriters’ counsel, purchaser and purchaser’s counsel, counsel for the Issuer, special tax counsel, financial advisors, printing

“**Bondholder**,” “**Holder**,” “**Owner**,” “**holder**” or “**owner**” means the registered owner (or their authorized representative) of Bonds.

“**Bonds**” means the Series 2025 Bonds and any Additional Bonds.

“**Book-Entry Bonds**” means those Bonds to which the provision of Section 613 hereof apply.

“**Business Day**,” unless otherwise provided by a supplemental resolution with respect to a particular Series of Bonds, means a day on which banking business is transacted in the city or cities in which the Paying Agent (if an Authorized Depository) has its designated corporate trust offices, on which the New York Stock Exchange is open and on which the Issuer is open to transact business.

“**Capital Appreciation Bonds**” means Bonds that bear interest, compounded semiannually, that is payable only at maturity or upon redemption prior to maturity in amounts determined by reference to the Compounded Amounts, and which may be either Serial Bonds or Term Bonds. In the case of Capital Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or prior to redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion, and after such conversion date shall be treated as having a principal amount equal to their accreted value on the conversion date.

“**Chief Financial Officer**” means the Finance Director of the Issuer.

“**City Administrator**” means the City Administrator or City Manager of the Issuer (as the case may be) or such other officer of the Issuer designated by the Governing Body as the chief administrative officer of the Issuer who oversees the day-to-day operations of the Issuer.

“**City Clerk**” means the City Clerk of the Issuer, or any such other person who is duly authorized to act on his or her behalf.

“**Code**” means the Internal Revenue Code of 1986, as amended, or any corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

“**Commercial Paper Obligations**” means all of the Bonds (which may be designated as notes or other obligations) of a Series or a proportionate maturity thereof with a maturity of less than 271 days so designated by the Issuer by a supplemental resolution prior to the issuance thereof.

“**Composite Reserve Account**” means the account in the Debt Service Reserve Account established pursuant to Section 901 hereof.

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costs and Rating Agency fees, initial acceptance fees of paying agents, registrars, trustees and depositories, and any other costs of issuance of Bonds; (iv) the cost of any lands or interests therein and all of the properties deemed necessary or convenient for the maintenance and operation of the Projects; (v) all other engineering, legal and financial costs and expenses; (vi) all expenses for estimates of costs and of projections of future revenues; (vii) costs of obtaining governmental and regulatory permits, licenses, covenants and approvals; (viii) all fees of special advisors and consultants associated with one or more aspects of the Projects or the financing thereof; (ix) all costs relating to claims or judgments arising out of the construction of the System; (x) all federal, state and local taxes and payments in lieu of taxes required to be paid in connection with the acquisition and construction of the System; (xi) all amounts required to be paid by this Resolution or any supplemental resolution authorizing the issuance of Bonds into the Debt Service Reserve Account upon the issuance of any Series of Bonds; (xii) the payment of all principal, premium, if any, and interest when due, of any Bonds of any Series or other evidences of indebtedness issued to finance a portion of the cost of the Projects, whether at the maturity thereof or at the due date of interest or upon redemption thereof; (xiii) interest on Bonds of any Series prior to and during construction of any Project for which such Bonds were issued, and for such additional periods as the Issuer may reasonably determine to be necessary for the placing of such Projects in operation; (xiv) the reimbursement to the Issuer of all such costs of any Project that have been advanced by the Issuer from its available funds before the delivery of a Series of Bonds issued to finance such costs; (xv) the principal, premium, if any, interest, and costs related thereto, payable with respect to any note or other obligation issued by the Issuer to pay any part of the Cost of the Project; (xvi) all amounts required to be rebated to the United States of America in order to preserve the exclusion from gross income for federal income tax purposes of interest on Bonds other than Taxable Bonds; and (xvii) such other costs and expenses which shall be necessary or incidental to the financing herein authorized and the construction and acquisition of the Projects and the placing of same in operation.

“**Credit Facility**” means a line of credit, letter of credit, bond insurance policy, guaranty or similar credit enhancement device or arrangement (including, without limitation, any reimbursement arrangement relating thereto) providing support for the payment of the principal of and interest on one or more Series of Bonds. A Credit Facility also may be a Liquidity Facility.

“**Credit Facility Provider**” means the issuer of a Credit Facility. A Credit Facility Provider also may be a Liquidity Facility Provider.

“**Current Interest Bonds**” means Bonds that bear interest which is payable periodically prior to, rather than solely at, the maturity of the Bonds.

“**Dated Date**” means the date established by a resolution authorizing the issuance of a Series of Bonds.

“**Debt Service Coverage Ratio**” means the quotient determined by dividing the Income Available for Debt Service by the Debt Service Requirement, and may be expressed as a fractional, decimal, or percentage result.

“**Debt Service Account**” means the Debt Service Account established pursuant to Section 901 hereof.

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**“Debt Service Reserve Account”** means the Debt Service Reserve Account established pursuant to Section 901 hereof.

**“Debt Service Offset”** means the receipts of the Issuer that are not included in Gross Revenues and are legally available to pay principal of and interest on Bonds, including without limitation any federal interest subsidy payments. Any Debt Service Offset shall be deposited directly to the Debt Service Account upon receipt by the Issuer.

**“Debt Service Requirement”** means, for a given Bond Year, the remainder after subtracting (i) any accrued and capitalized interest for that year that has been set aside in the Revenue Fund or in a separate account or subaccount in the Construction Fund for that purpose, concurrently with the issuance of Bonds hereunder and (ii) any Debt Service Offset, from the sum of:

- (a) The amount required to pay the interest coming due on Bonds during that Bond Year;
- (b) The amount required to pay the principal of Serial Bonds and the principal of Term Bonds maturing in that Bond Year that are not included in the Amortization Installments for such Term Bonds; and
- (c) The Amortization Installments for all series of Term Bonds for that Bond Year.
  - (1) For purpose of the rate covenant contained in Section 1105 of this Resolution, and for purposes of determining the Reserve Requirement pursuant to Sections 902 and 905 of this Resolution, the interest rate on Variable Rate Bonds for the Bond Year in which such calculation is made, or for any following Bond Year, as the case may be, shall be established by a supplemental resolution providing for the issuance of such Variable Rate Bonds.
  - (2) For purposes of determining the Maximum Debt Service Requirement or the Debt Service Requirement for the issuance of Additional Bonds pursuant to Section 1202 of this Resolution, the interest rate on Variable Rate Bonds Outstanding on the date of calculation shall be the same as the interest rate used for the rate covenant as described in paragraph (1) of this definition, and the interest rate on Variable Rate Bonds proposed to be issued under the provisions of Section 1202, shall be established by a supplemental resolution providing for the issuance of such Variable Rate Bonds.
  - (3) If Bonds are subject to purchase by the Issuer at the option of the Bondholder, the optional “put” date or dates shall be ignored and the stated maturity dates of such Bonds shall be used for the purposes of this calculation.
  - (4) For purposes of calculating the Debt Service Requirement with respect to Commercial Paper Obligations, only the interest component of such Commercial Paper Obligations and the principal component of the Commercial Paper Obligations that the Issuer reasonably expects to retire and not to pay with the proceeds of roll-over Commercial Paper Obligations in such Bond Year (as

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**“Issuer”** or **“City”** means the City of Winder, Georgia.

**“Liquidity Facility”** means a line of credit, letter of credit, standby bond purchase agreement or similar enhancement device or arrangement creating a source to be drawn upon by the Issuer to pay the purchase price of one or more Series of Bonds upon a mandatory or optional tender for payment. A Liquidity Facility may also be a Credit Facility.

**“Liquidity Facility Provider”** means the issuer of a Liquidity Facility. A Liquidity Facility Provider also may be a Credit Facility Provider.

**“Mayor”** means the Mayor or the Mayor Pro Tem of the Governing Body.

**“Maximum Annual Debt Service Coverage Ratio”** means the quotient determined by dividing Income Available for Debt Service by the Maximum Debt Service Requirement and may be expressed as a fractional, decimal, or percentage result.

**“Maximum Debt Service Requirement”** means, as of any particular date of calculation, the largest aggregate Debt Service Requirement for all Outstanding Bonds for any remaining Bond Year, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal scheduled to come due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed or paid from Amortization Installments to be made in prior Bond Years.

**“Net Revenues”** means, with respect to any Fiscal Year, the remainder of the Gross Revenues, after deducting the Cost of Operation and Maintenance for such Fiscal Year, and all other amounts, including investments thereof, held in the funds and accounts described hereunder, except funds held in the Rebate Fund and except funds held in an account in the Construction Fund or in the Debt Service Reserve Account for a specific Series of Bonds, which will be held solely for the Series of Bonds for which such account was created.

**“No Adverse Effect Opinion”** means an opinion of Bond Counsel that a particular event, plan of action or circumstance will not cause, in and of itself, interest on any Bonds issued hereunder to become includable in the gross income of the holders thereof for federal income tax purposes. A No Adverse Effect Opinion will not be required with respect to any Series of Bonds which were issued as Taxable Bonds.

**“O.C.G.A.”** means Official Code of Georgia Annotated.

**“Outstanding”** or **“Bonds outstanding”** or **“Outstanding Bonds”** means all Bonds that have been issued pursuant to this Resolution except:

- (1) Bonds paid at maturity or as a result of redemption prior to maturity, or which have been cancelled after purchase in the open market by the Issuer;
- (2) Bonds for the payment or redemption of which, pursuant to, and subject to the provisions of, Article XIV hereof, Defeasance Obligations shall have been theretofore irrevocably set aside in a special account with the Paying Agent or an Authorized

reflected in the Annual Budget and/or a certificate of the Chief Financial Officer) shall be included in the calculation of the Debt Service Requirement. The interest rate on the Commercial Paper Obligations shall be computed in the same manner as the computation of interest on Variable Rate Bonds as described above.

**“Defeasance Obligations”** means: (i) obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America, and (ii) obligations of, and obligations guaranteed by, the Federal Home Loan Mortgage Corporation, Federal National Mortgage Corporation, or the Federal Home Loan Bank system.

**“Depository”** means DTC as securities depository for the Series 2025 Bonds and, if so designated by supplemental resolution, any Additional Bonds issued hereunder, until a successor depository is appointed pursuant to Section 613 hereof and thereafter means the successor securities depository appointed pursuant to this Resolution.

**“DTC”** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Depository for the Series 2025 Bonds and any subsequent Series of Bonds issued hereunder, as designated by supplemental resolution or any successor Depository designated by supplemental resolution for any Bonds.

**“DTC Participant”** means those broker dealers, banks and other financial institutions reflected as such on the books of DTC.

**“Fiscal Year”** means the period commencing on July 1 of each year and ending on the succeeding June 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the Issuer.

**“Governing Body”** means the City Council of the Issuer.

**“Gross Revenues”** means all income and revenues derived from the ownership and operation of the System, including income from the investment of funds to be deposited in the Revenue Fund, and any proceeds from business interruption insurance, but shall not include (i) income from investments irrevocably pledged to the payment of any Bonds issued or to be refunded under any refunding plan of the Issuer, (ii) proceeds from the sale of any Bonds or other obligations of the Issuer and the earnings thereon (other than the earnings on proceeds deposited in reserve funds), (iii) moneys received by the Issuer from federal, state or local governmental grants or stipends that by their terms are restricted from being used in the manner that Gross Revenues are to be applied hereunder, (iv) payments made under Credit Facilities issued to pay or secure the payment of a particular Series of Bonds, (v) insurance or condemnation proceeds other than business interruption insurance, and (vi) any Debt Service Offset.

**“Income Available for Debt Service”** means, for any period of 12 consecutive calendar months for which such determination is made, Net Revenues; provided, however, that no determination thereof shall take into account (a) a gain or loss resulting from the extinguishment of Bonds, (b) the sale, exchange or other disposition of capital assets not made in the ordinary course of business, (c) unrealized gains or losses, or (d) earnings on the Construction Fund.

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Depository acting as an escrow agent (whether upon or prior to the maturity or redemption date of any such Bonds) in an amount which will be sufficient, together with earnings on such Defeasance Obligations, to pay the principal of and interest on such Bonds at maturity or the principal of, interest on and premium, if any, upon their earlier redemption; provided that, if such Bonds are to be redeemed before the maturity thereof, irrevocable and unconditional notice of such redemption shall have been given according to the requirements of this Resolution or irrevocable instructions directing the timely publication of such notice and directing the payment of the principal of, premium, if any, and interest on all Bonds at such redemption dates shall have been given to the Paying Agent or such escrow agent; and

- (3) Bonds which are deemed paid pursuant to Section 606 hereof or Section 608 hereof, or in lieu of which other Bonds have been issued under Section 605 hereof.

**“Paying Agent”** means the Issuer or any Authorized Depository designated by the Issuer to serve as a Paying Agent or place of payment for any one or more Series of Bonds issued hereunder that shall have agreed to arrange for the timely payment of the principal of, interest on and premium, if any, with respect to the Bonds to the registered owners thereof, from funds made available therefor by the Issuer, and any successors designated pursuant to this Resolution. All Paying Agents appointed hereunder, if other than the Issuer, shall have a combined capital, surplus and undivided profits of at least \$50,000,000.

**“Payment Date”** means, as the context may require, any date on which a payment of principal and/or interest on any Bonds Outstanding is due hereunder, including, without limitation, any date of redemption of Bonds.

**“Permitted Investments”** means:

- (a) with respect to bond proceeds, any investments currently authorized by O.C.G.A. § 36-82-7, or as subsequently amended, which currently consist of the following:
  - (1) The local government investment pool created in O.C.G.A. § 36-83-8; and
  - (2) The following securities:
    - A. Bonds or obligations of any municipal corporation, school district, political subdivision, authority, or body or bonds or obligations of the State or other states;
    - B. Bonds or other obligations of the United States of America or of subsidiary corporations of the United States government, which are fully guaranteed by such government;
    - C. Obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, Federal National Mortgage Corporation, Federal Home Loan Mortgage Corporation, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;



D. Bonds or other obligations issued by any public housing agency or municipal corporation in the United States of America, which such bonds or obligations are fully secured as to payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency or municipal corporation in the United States of America which are fully secured as to payment of both principal and interest by a requisition, loan or payment agreement with the United States government;

E. Certificates of deposit of national or state banks located within the State which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian or trustee for any proceeds of the Bonds. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State, or with a trust office within the State or with a trust office within the State, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State or other states or of any City or municipal corporation in the State, obligations of the United States of America or subsidiary corporations included in subparagraph (B) above, obligations of the agencies and instrumentalities of the United States government included in subparagraph (C) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in subparagraph (D) above;

F. Securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

- (1) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in subparagraphs (B) and (C) above and repurchase agreements fully collateralized by any such obligations;
- (2) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;
- (3) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and
- (4) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through

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System, as described from time to time by resolution of the Issuer, or the refunding of obligations issued or incurred for such purpose.

“**2025 Project**” means the Projects described in the Preamble hereof, and further detailed in the engineering plans and specifications.

“**Project Superintendent**” means the person designated by the Governing Body to have responsibility to supervise the acquisition, construction and equipping of the Projects and any successor to such person.

“**Qualified Independent Consultant**” means any one or more qualified and recognized independent consultants determined by the Issuer as having favorable reputation, skill and experience with respect to the acts and duties required of a Qualified Independent Consultant by a particular section or one or more sections hereof, as shall be retained by the Issuer from time to time for the purposes hereof.

“**Rating Agency**” means any nationally recognized securities rating agency.

“**Rebate Amount**” means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount that would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the applicable Series of Bonds, plus any income attributable to such excess, but shall not include any amount exempted by Section 148 of the Code thereof.

“**Rebate Fund**” means the fund of that name created by Section 901 hereof.

“**Rebate Year**” means a one year period (or shorter period from the date of first issuance of Bonds hereunder) that ends at the close of business on June 30 of each calendar year.

“**Record Date**” means the date specified as such in Section 602(d) hereof.

“**Registrar**” means the Issuer or any agent (including the Paying Agent) designated from time to time by the Issuer, by resolution, to maintain the registration books for the Bonds issued hereunder or to perform other duties with respect to registering the transfer of Bonds.

“**Renewal and Extension Fund**” means the fund of that name created by Section 901 hereof.

“**Revenue Bond Law**” means the Revenue Bond Law of the State, codified in O.C.G.A. § 36-82-60 through § 36-82-85, as amended.

“**Reserve Product**” means an insurance policy, a surety bond or a letter of credit or other credit facility issued by a Reserve Product Provider used in lieu of a cash deposit in an account in the Debt Service Reserve Account and meeting the terms and conditions of Section 902(a)(4) hereof.

“**Reserve Product Provider**” means a reputable and nationally recognized bond insurance provider or a bank or other financial institution providing a Reserve Product, whose bond insurance

the use of national or state banks having corporate trust powers and located within the State; and

G. Interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys.

(b) With respect to money which does not consist of bond proceeds, if and to the extent the same are at the time legal under State law:

(i) any of the investments authorized by O.C.G.A. § 36-80-3 and O.C.G.A. § 36-83-4, or as subsequently amended, which currently consist of the following:

A. Obligations of the United States of America and of its agencies and instrumentalities, or obligations fully insured or guaranteed by the United States government or by one of its agencies.

B. Obligations of any corporation of the United States government.

C. Bonds or certificates of indebtedness of the State and of its agencies and instrumentalities, or of other states.

D. Obligations of other political subdivisions of the State.

E. Certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State or the United States of America which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

F. Prime bankers’ acceptances.

G. Repurchase agreements.

H. The local government investment pool established by O.C.G.A. § 36-83-8; and

(ii) any other investments to the extent at the time hereafter permitted by the applicable law of the State for the investment of public funds.

“**Project**” or “**Projects**” means the construction or acquisition of additions, extensions and improvements and repairs to and replacements of various components of any portion of the

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policies insuring, or whose letters of credit, surety bonds or other credit facilities securing, the payment, when due, of the principal of and interest on bond issues by public entities results in such issues (as of the delivery date of the Reserve Product) being rated in one of the three highest rating categories by any Rating Agency.

“**Reserve Requirement**” means, with respect to the Composite Reserve Account, the Composite Reserve Requirement, and, with respect to each Series of Bonds issued hereunder that is not secured by the Composite Reserve Account, the amount of money, if any, or available amount of Reserve Product, if any, or any combination thereof, required by subsequent resolution adopted prior to the issuance of such Series of Bonds to be deposited in the separate account in the Debt Service Reserve Account with respect to such Series of Bonds pursuant to Section 902 hereof, if the reserve established with respect to such Series of Bonds is available for use only with respect to such Series of Bonds.

“**Serial Bonds**” means all Bonds of a Series other than Term Bonds.

“**Series**” means any portion of the Bonds of an issue authenticated and delivered in a single transaction, payable from an identical source of revenue and identified pursuant to the supplemental resolution authorizing such Bonds as a separate Series of Bonds, regardless of variations in maturity, interest rate, Amortization Installments or other provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution of a series of Bonds issued pursuant to this Resolution.

“**Series 2025 Bonds**” means the Issuer’s WATER AND SEWER REVENUE BONDS, SERIES 2025, authorized to be issued hereunder.

“**SIFMA Municipal Index**” means the Securities Industry and Financial Markets Association Municipal Swap Index as of the most recent date for which such index was published, or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Municipal Market Data, Inc., a Thompson Financial Services Company, or its successor, or as otherwise designated by Securities Industry and Financial Markets Association or any successor thereto; *provided, however*, that, if such index is no longer produced by Municipal Market Data, Inc. or its successor, then “SIFMA Municipal Index” shall mean such other reasonably comparable index selected by the Issuer.

“**State**” means the State of Georgia.

“**Subordinate Debt**” means any bond, note or other indebtedness or obligation authorized by resolution of the Issuer and designated in such resolution as constituting “Subordinate Debt” hereunder, which shall be payable from, and secured by a lien upon, Net Revenues subject and subordinate to Bonds issued hereunder.

“**System**” means the Issuer’s Water and Sewer System.

“**Taxable Bonds**” means Bonds for which the interest on which is not intended at the time of the issuance thereof to be excludable from the gross income of the holders thereof for federal tax purposes.

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“**Term Bonds**” means Bonds of a Series for which Amortization Installments are established, and such other Bonds of a Series so designated by supplemental resolution of the Issuer adopted on or before the date of delivery of such Bonds.

“**Trustee**” has the meaning provided in Section 1302 hereof.

“**Variable Rate Bonds**” means Bonds issued with a variable, adjustable, convertible or other similar interest rate, which rate cannot be ascertained and determined at the time of issuance for the entire term of such Bonds.

**Section 202. Rules of Construction.** Unless the context clearly indicates to the contrary:

(a) Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms, corporations or other entities including governments or governmental bodies.

(b) “herein,” “hereby,” “hereunder,” “hereof,” “hereinbefore,” “hereinafter” and other equivalent words refer to this Resolution and not solely to the particular portion thereof in which any such word is used.

(c) any pronoun used herein shall be deemed to cover all natural persons;

(d) all references herein to particular Articles or Sections are references to Articles or Sections of this Resolution; and

(e) The titles preceding each Section or this Resolution are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provisions of this Resolution.

[End of Article II]

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#### ARTICLE IV

##### AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF PROJECTS; COST OF PROJECTS

**Section 401. Authorization of Projects.** The Issuer hereby authorizes the 2025 Projects described in the Preamble hereof and in the engineering plans and specifications for the 2025 Projects. Projects in addition to the 2025 Projects to be financed with proceeds of Bonds shall be defined and described by subsequent resolutions of the Issuer, the description of which Projects also may be modified as provided in the resolution authorizing the Bonds financing such Projects.

**Section 402. Cost of the Projects.**

(a) Proceeds received from the sale of the Series 2025 Bonds are hereby authorized to be used to fund the 2025 Projects or to reimburse the Issuer for eligible costs previously incurred by the Issuer for the 2025 Projects.

(b) Proceeds received from the sale of one or more subsequent Series of Bonds are hereby authorized to be used to fund the acquisition, construction, and equipping of the System, to refinance, in whole or in part, outstanding obligations of the System (the proceeds of which financed the acquisition, construction and equipping of the System) or to reimburse the Issuer for costs previously incurred by the Issuer for Projects, all as described in subsequent resolutions authorizing the issuance of a Series of Bonds.

[End of Article IV]

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#### ARTICLE III

##### FINDINGS

**Section 301. Findings.** It is hereby ascertained, determined and declared that:

(a) The Issuer now owns, operates and maintains the System and derives Gross Revenues therefrom.

(b) Upon the effective date of this Resolution, there are not any outstanding obligations of the Issuer secured by the Net Revenues of the System. Upon the issuance of the Series 2025 Bonds, the Series 2025 Bonds and any Additional Bonds (collectively, the “**Bonds**”) will be secured by a first and prior pledge of and charge on the Net Revenues of the System, on parity to any other charge or lien which may hereafter be created thereon.

(c) All Gross Revenues will be deposited into the Revenue Fund. The principal of, interest on and premium, if any, with respect to the Bonds and all required debt service, reserve and other payments with respect thereto shall be payable solely from moneys deposited in the Revenue Fund, and in the manner and to the extent provided pursuant to this Resolution, which the Issuer has full authority to irrevocably pledge. The Issuer shall never be required to levy taxes on any property to pay the principal of, interest on or any premium with respect to the Bonds or to make any of the required debt service, reserve or other payments required herein, and the Bonds shall not constitute a lien on any property owned by or situated within the limits of the Issuer except the Net Revenues as expressly provided herein.

[End of Article III]

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#### ARTICLE V

##### RESOLUTION TO CONSTITUTE CONTRACT

**Section 501. Resolution to Constitute Contract.**

In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, and the issuance of a Reserve Product by a Reserve Product Provider or a Credit Facility by a Credit Facility Provider, from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer, the Bondholders, the Reserve Product Provider, and any Credit Facility Provider. The covenants and agreements herein set forth to be performed by the Issuer shall be first for the equal benefit, protection, and security of the Bondholders and all Bonds shall be of equal rank and without preference, priority, or distinction over any other thereof, except as expressly provided herein, and second, for the equal and proportionate benefit, protection, and security of all Reserve Product Providers, without preferences, priority, or distinction over any other thereof.

[End of Article V]

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## ARTICLE VI

### AUTHORIZATION, DESCRIPTION, FORM AND TERMS OF BONDS

#### Section 601. Authority for Issuance of Bonds; Terms of the Series 2025 Bonds.

(a) Subject and pursuant to the provisions hereof, Bonds to be known as CITY OF WINDER (GEORGIA) WATER AND SEWER REVENUE BONDS are hereby authorized to be issued for the purpose of financing or refinancing the Cost of the Projects, with other or different descriptive words intended to delineate the purpose for the issuance of the Bonds. Bonds may be issued in one or more series and the name and series designation of such Bonds may be changed to reflect the date and sequence of issuance and the particular terms thereof. The terms of a Series of Bonds shall be set forth in a supplemental resolution to be adopted by the Issuer prior to the issuance and delivery of a Series of Bonds.

(b) Subject and pursuant to the provisions hereof, Bonds to be known as CITY OF WINDER (GEORGIA) WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2025 (the “**Series 2025 Bonds**”) are hereby authorized to be issued in an aggregate principal amount not to exceed \$63,000,000 for the purposes of financing the acquisition, construction and equipping of the 2025 Projects, and paying the Cost of issuance thereof. Proceeds from the sale of the Series 2025 Bonds may also be used by the Issuer, in its discretion, to fund capitalized interest on the Series 2025 Bonds, purchase a municipal bond insurance policy, and fund the Reserve Requirement (either with cash, investments or Reserve Products) if a Reserve Requirement is established for the Series 2025 Bonds pursuant to a supplemental resolution to be adopted by the Issuer prior to the issuance and delivery of the Series 2025 Bonds. The Series 2025 Bonds may be issued in one or more series, and the name and series designation of such Bonds may be changed to reflect the date and sequence of issuance and the particular terms thereof. The Series 2025 Bonds shall bear interest, payable semi-annually at a rate or rates per annum not to exceed six percent (6.000%) per annum, shall be paid in full not later than January 1, 2059, shall have maximum annual principal and interest payments of \$5,500,000, and shall mature in the years and principal amounts to be set forth in a supplemental resolution to be adopted by the Issuer prior to the issuance and delivery of the Series 2025 Bonds.

#### Section 602. Description of Bonds.

(a) The Bonds authorized hereunder may be issued in one or more Series that may be delivered from time to time. The Bonds may be issued as obligations the interest on which is excludable from gross income for federal tax purposes, as Taxable Bonds, as fixed rate bonds, as Variable Rate Bonds, as Capital Appreciation Bonds, as Current Interest Bonds, as Commercial Paper Obligations, or any combination of two or more types of Bonds.

(b) The Issuer by supplemental resolution shall authorize such Series and specify the following:

- (1) the authorized principal amount of such Series;
- (2) the Projects to be financed with the proceeds thereof;

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(c) All Bonds hereunder shall be in registered form, in substantially the form set forth in Exhibit A hereto; shall be numbered from one upward per Series, preceded by the letter “R” and may contain such other designations as the Issuer may specify by supplemental resolution; and shall be payable in lawful money of the United States of America. In the case of Current Interest Bonds, interest thereon shall be payable by mail to the Holder thereof, *provided, however*, that (i) so long as the ownership of such Bonds is maintained in a Book-Entry-Only system by a securities depository, such payment shall be made by automatic funds transfer (“wire”) to such securities depository or its nominee; and (ii) if such Bonds are not maintained in a Book-Entry-Only system by a securities depository, upon written request of the registered owner of \$1,000,000 or more in principal amount of Bonds delivered 15 days prior to an interest Payment Date, interest may be paid when due by wire in immediately available funds to the bank account number of a bank within the continental United States of America designated in writing by such bondholder to the Paying Agent, on a form acceptable to it. Any such written election may state that it will apply to all subsequent payments due with respect to the Bonds held by such registered owner until a subsequent written notice is filed.

(d) Unless otherwise provided by subsequent resolution authorizing a Series of Bonds, interest will be paid to the Holders of Bonds as their addresses may appear on the registration books of the Issuer at the close of business on the fifteenth day, whether or not a Business Day, of the month next preceding the interest Payment Date (the “**Record Date**”), irrespective of any transfer or exchange of a Bond subsequent to such Record Date and prior to the next succeeding interest Payment Date, unless the Issuer shall be in default in payment of interest due on such interest Payment Date. Unless otherwise provided by subsequent resolution authorizing a Series of Bonds, in the event of any such default, such defaulted interest shall be payable to the persons in whose names the Bonds are registered at the close of business on a special record date (which date also shall be the date for the payment of such defaulted interest) as established by notice by deposit in the U.S. mail, postage prepaid, by the Issuer to the Holders of the Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day, whether or not a Business Day, preceding the date of mailing. Principal of Current Interest Bonds and principal of and any accreted interest on Capital Appreciation Bonds, shall be payable at maturity or earlier redemption thereof as provided herein upon presentation and surrender of such Bonds at the designated office of the Registrar by check or draft unless otherwise provided by subsequent resolution.

(e) If any date for payment of the principal of, premium, if any, or interest on any Bond is not a Business Day, then, unless otherwise provided by subsequent resolution with respect to a series of Bonds, the date for such payment shall be the next succeeding Business Day, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

(f) The form of Bonds may provide that the Holder of any such Bond may demand that the Issuer purchase such Bond by payment of principal and interest within a stated period after delivering notice to a designated agent for the Issuer and providing a copy of the notice with the tender of the Bond to such agent. The designated agent for the Issuer, in accordance with the terms of a remarketing or replacement agreement, may provide for the resale or redelivery of the Bonds on behalf of the Issuer at a price provided for in the agreement. If the Bonds shall not be resold or redelivered within a stated period, the agent for the Issuer may be authorized to draw upon a previously executed Credit Facility or Liquidity Facility between the Issuer and one or

(3) the date and terms of maturity or maturities of the Bonds of such Series, whether such Bonds are Taxable Bonds, Variable Rate Bonds, fixed rate Bonds, Capital Appreciation Bonds, Current Interest Bonds, Commercial Paper Obligations, or any combination of two or more types of Bonds, or the payment of the Bonds on the demand of the holder, provided that each maturity date shall be January 1 (or, in the event of semiannual maturities of principal, January 1 and July 1) unless otherwise expressly provided by subsequent resolution;

(4) the interest rate or rates of the Bonds of such series, which may include variable, dual, adjustable, convertible or other rates, original issue discounts, compound interest, Capital Appreciation Bonds and zero interest rate bonds, *provided* that the average net interest cost rate on each such Series shall never exceed for such Series the maximum interest rate permitted by law in effect at the time such Series are issued, and *provided* further that in the event original issue discount, zero interest rate, Capital Appreciation Bonds or similar Bonds are issued, only the original principal amount of such Bonds shall be deemed issued on the date of issuance for the purposes of the maximum amount of Bonds authorized hereunder or under a supplemental resolution;

(5) the denominations, numbering, lettering and series designation of such Series of Bonds, provided, however, that the Bonds shall be in denominations of \$5,000 or any integral multiple thereof, or in the case of Capital Appreciation Bonds, in denominations of \$5,000 due at maturity or any integral multiple thereof, or any other denomination as designated by subsequent resolution;

(6) the Paying Agent and place or places of payment of such Bonds;

(7) the redemption prices for such Series of Bonds and any terms of redemption or any formula for accretion upon redemption not inconsistent with the provisions of this Resolution which may include mandatory redemption at the election of the holder or registered owner thereof;

(8) the amount and date of each Amortization Installment, if any, for such Series of Bonds, *provided* that each Amortization Installment shall fall due on January 1 or July 1, of a Bond Year, unless otherwise expressly provided by subsequent resolution;

(9) the use of proceeds of such Series of Bonds, including deposits required to be made into the Construction Fund and the Debt Service Reserve Account, if any; and

(10) the Reserve Requirement, if any, and any other terms or provisions applicable to the Series of Bonds, not inconsistent with the provisions of this Resolution.

The supplemental resolution shall designate whether or not such Series of Bonds shall be secured by the Composite Reserve Account. All of the foregoing may be added by supplemental resolution or resolutions adopted at any time and from time to time prior to the issuance of such Series of Bonds. Unless otherwise so provided, each Bond shall bear interest from the later of the Dated Date or the most recent interest Payment Date to which interest has been paid, until payment of the principal sum or until provision for the payment thereof on or after the maturity or redemption date has been duly provided for and, unless otherwise so provided, interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months.

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more banks or other financial or lending institutions permitting the Issuer to borrow funds to pay for the purchase of Bonds to which such Credit Facility or Liquidity Facility shall pertain. The particular form or forms of such demand provisions, the period or periods for payment of principal and interest after delivery of notice, the appointment of the agent for the Issuer, the terms and provisions of the remarketing or replacement agreement, and the terms and provisions of the Credit Facility or Liquidity Facility shall be as designated by a supplemental resolution of the Issuer pertaining to each Series of Bonds to which such terms and provisions are applicable, prior to the sale and delivery thereof.

**Section 603. Execution of Bonds.** The Bonds shall be executed in the name of the Issuer by the Mayor, the seal of the Issuer shall be imprinted, reproduced or lithographed on the Bonds and attested to and countersigned by the City Clerk. The signatures of the Mayor and the City Clerk on the Bonds may be by facsimile, but one of such officers shall sign his or her manual signature on the Bonds unless the Issuer appoints an authenticating agent, registrar, transfer agent or trustee who shall be authorized and directed to cause one of its duly authorized officers to manually execute the Bonds. If any officer whose signature appears on the Bonds ceases to hold office before the delivery of the Bonds, his or her signature shall nevertheless be valid and sufficient for all purposes. In addition, any Bond may bear the signature of, or may be signed by, such persons as at the actual time of execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond or the date of delivery thereof such persons may not have been such officers.

#### Section 604. Registration.

(a) The Issuer shall establish a system of registration with respect to any Series or all Series of Bonds issued hereunder and may issue thereunder certificated registered public obligations (represented by instruments) or uncertificated registered public obligations (not represented by instruments) commonly known as book-entry obligations (which shall be subject to the provisions of Section 613), combinations thereof, or such other obligations as then may be permitted by law. The Issuer shall appoint such Registrars, transfer agents, depositories or other agents as may be necessary to cause the registration, registration of transfer, or reissuance of the Bonds within a commercially reasonable time according to the then-current industry standards and to cause the timely payment of interest, principal and premium, if any, payable with respect to the Bonds. Registration and registration of transfer of the Bonds shall be subject to the terms set forth below and those set forth in the forms of the Bonds referred to in Section 610 hereof. Any such system may be effective for any Series then Outstanding or subsequently to be issued, provided however, that if the Issuer adopts a system for the issuance of uncertificated registered public obligations, it may permit thereunder the conversion, at the option of a holder of any Bond then Outstanding, of a certificated registered public obligation to an uncertificated registered public obligation, and the reconversion of the same. A list of the names and addresses of the Holders of the Bonds shall be maintained at all times by the Registrar and shall be made available to any Bondholder requesting same during normal business hours.

(b) The registration of the Bonds may be transferred upon the registration books therefor upon delivery to the Registrar, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Holder of such Bonds or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of such Bonds, along with the social security number or

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federal employer identification number of such transferee. In all cases of a transfer of the Bonds, the Registrar shall enter the transfer of ownership in the registration books from the Bonds at the earliest practical time in accordance with the provisions of this Resolution and shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds (unless uncertificated registration shall be requested and the Issuer has a registration system that will accommodate uncertificated registration) of the same maturity and of authorized denomination or denominations for the same aggregate principal amount and payable from the same sources of funds. Unless otherwise provided by supplemental resolution with respect to any Series of Bonds issued hereunder, neither the Issuer nor the Registrar shall be required to register the transfer of any Bond during the period commencing on the fifteenth day of the month next preceding an interest Payment Date on the Bonds and ending on such interest Payment Date, or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof have been selected for redemption. The Registrar or the Issuer may charge the registered owners of such Bonds for the registration of every such transfer of such Bonds an amount sufficient to reimburse it for any tax, fee or any other governmental charge required to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bonds shall be delivered.

(c) The registered owner of any Bond shall be deemed and regarded as the absolute owner of such Bond for all purposes of this Resolution. Payment of or on account of the debt service on any Bond shall be made only to, or upon the order of, that registered owner or such registered owner's attorney-in-fact duly authorized in writing in the manner permitted by law, and neither the Issuer nor the Paying Agent shall be affected by notice to the contrary. All payments made as described in the Resolution shall be valid and effective to satisfy and discharge the liability upon that Bond, including without limitation, the interest on that Bond, to the extent of the amount or amounts so paid.

#### **Section 605. Bonds Mutilated, Destroyed, Stolen or Lost.**

If any Bond is mutilated, destroyed, stolen or lost, the Issuer or its agent may, in its discretion (i) deliver a duplicate replacement Bond, or (ii) pay a Bond that has matured or is about to mature. A mutilated Bond shall be surrendered to and cancelled by the Registrar. The Bondholder must furnish the Registrar proof of ownership of any destroyed, stolen, or lost Bond; post satisfactory indemnity; comply with any reasonable conditions the Registrar may prescribe; and pay the Registrar's reasonable expenses.

Any such duplicate Bond shall constitute an original contractual obligation on the part of the Issuer whether or not the destroyed, stolen, or lost Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on, and source of and security for payment from, the funds pledged to the payment of the Bond so mutilated, destroyed, stolen, or lost.

#### **Section 606. Provisions for Redemption.**

Each Series of Bonds shall be subject to redemption prior to the maturity thereof at the option of the Issuer at such times and in such manner as shall be established by subsequent resolutions of the Issuer adopted with respect to any Series of Bonds on or before the time of delivery of those Bonds. Except as otherwise provided by subsequent resolution with respect to a Series of Bonds, notice of redemption shall be given by the deposit in the U.S. mail of a copy of a

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#### **Section 608. Redemption of Portion of Registered Bonds.**

In case part but not all of an outstanding fully registered Bond shall be selected for redemption, the registered owners thereof shall present and surrender such Bond to the Issuer or its designated Paying Agent for payment of the principal amount thereof so called for redemption, and the Issuer shall execute and deliver to or upon the order of such registered owner, without charge therefor, a Bond or Bonds fully registered as to principal and interest, for the unredeemed balance of the principal amount of the Bond so surrendered.

#### **Section 609. Bonds Called for Redemption not Deemed Outstanding.**

Bonds or portions of Bonds that have been duly called for redemption under the provisions of this Article VI, with respect to which any conditions to such redemption have been satisfied and with respect to which amounts sufficient to pay the principal of, premium, if any, and interest to the date fixed for redemption shall be delivered to and held in separate accounts by an escrow agent, any Authorized Depository, or any Paying Agent in trust for the registered owners thereof, as provided in this Resolution, and as to which any conditions to such redemption have been satisfied, shall not be deemed to be outstanding under the provisions of this Resolution and shall cease to be entitled to any lien, benefit, or security under this Resolution, except to receive the payment of the redemption price on or after the designated date of redemption from moneys deposited with or held by the escrow agent, Authorized Depository or Paying Agent, as the case may be, for such redemption of the Bonds and, to the extent provided in Section 608 of this Article, to receive Bonds for any unredeemed portions of the Bonds.

#### **Section 610. Form of Bonds.**

The text of the Current Interest Bonds, the form of assignment for such Bond and the form of certificate of authentication, if any, provisions for compound, zero and dual interest rate Bonds (if other than Capital Appreciation Bonds), and the certificate of validation, if any, shall be substantially in the form set forth in Exhibit A attached hereto, with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by this Resolution or by any subsequent resolution adopted prior to the issuance thereof, including, without limitation, such changes as may be required for the issuance of Taxable Bonds, uncertificated public obligations to the extent herein authorized and for the execution of the Bonds by an authenticating agent.

The text of the Capital Appreciation Bonds shall be in such form as may be set forth in the subsequent resolution adopted by the Issuer authorizing such series of Bonds.

**Section 611. Application of Bond Proceeds.** Except as otherwise provided hereby, the proceeds, including accrued interest and premium, if any, received from the sale of the Bonds of any Series shall be applied by the Issuer simultaneously with the delivery of such Bonds in accordance with the provisions of a supplemental resolution of the Issuer in conformity with this Resolution to be adopted at or before the delivery of such Series of Bonds.

redemption notice, postage prepaid, at least thirty (30) days and not more than sixty (60) days before the redemption date to all Holders of the Bonds or portions of Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the provisions hereof. Failure to give any such notice to a registered owner of a Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Bond or portion thereof with respect to which no failure or defect occurred. Said notice also shall be given by certified mail, return receipt requested, or shall be filed electronically, not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA"), or as may be required by applicable law or regulation at the time of giving such notice provided however, failure to give such notice shall not affect the validity of the proceedings for redemption. Each notice shall set forth the date fixed for redemption for each Bond being redeemed, the redemption price to be paid, the date of publication of a notice of redemption, if any, the name and address of the Registrar and, if less than all of the Bonds then outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP numbers, if any, of such Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond also shall state that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice mailed in the U.S. mail as provided in this section shall be conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice.

Notwithstanding the foregoing or any other provision herein, notice of optional redemption pursuant to this Section 606 may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and also may be subject to rescission by the Issuer if expressly set forth in such notice.

#### **Section 607. Effect of Notice of Redemption.**

Except as set forth in the last paragraph of Section 606, notice having been given in the manner and under the conditions herein provided above, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date. On the date so designated for redemption, moneys for payment of the redemption price being held in separate accounts by the Paying Agents in trust for the Holders of the Bonds or portions thereof to be redeemed, and any conditions to such redemption having been satisfied, all as provided in this Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under this Resolution, and the Holders of such Bonds or portions of Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in Section 608 of this Article, to receive Bonds for any unredeemed portions of the Bonds.

**Section 612. Temporary Bonds.** Pending the preparation of definitive Bonds, the Issuer may execute and deliver temporary Bonds. Temporary Bonds shall be issuable as registered Bonds without coupons, of any authorized denomination, and substantially in the form of the definitive Bonds but with such omissions, insertions, and variations as may be appropriate for temporary Bonds, all as may be determined by the Issuer. Temporary Bonds may contain such reference to any provisions of this Resolution as may be appropriate. Every temporary Bond shall be executed and authenticated upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. As promptly as practicable, the Issuer shall execute and shall furnish definitive Bonds and thereupon temporary Bonds may be surrendered in exchange for definitive Bonds without charge at the designated office of the Registrar, and the Registrar shall authenticate and deliver in exchange for such temporary Bonds a like aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Resolution as definitive Bonds.

#### **Section 613. Book-Entry Bonds.**

(a) The Bonds may initially be issued as Book-Entry Bonds in the form of a separate single authenticated fully registered certificate for each interest rate per maturity of such Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the registration books of the Issuer kept by the Registrar in the name of Cede & Co., as nominee of DTC. The Issuer, the Registrar, and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive Holder of such Bonds registered in its name for the purposes of payment of the principal, redemption price of or interest on such Bonds; any notice permitted or required to be given to Bondholders under this Resolution; registering the transfer of Bonds; obtaining any consent or other action to be taken by Holders of such Bonds; and for all other purposes whatsoever, and neither the Issuer, the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Neither the Registrar, the Paying Agent nor the Issuer shall have any responsibility or obligation to any DTC Participant, any Person claiming a beneficial ownership interest in such Bonds under or through DTC or any DTC Participant, or any other Person which is not shown on the registration books of the Registrar as being a Holder, with respect to the accuracy of any records maintained by DTC or any DTC Participant; the payment of DTC or any DTC Participant of any amount in respect of the principal, Amortization Installments or redemption price of or interest on such Bonds; any notice which is permitted or required to be given to Bondholders under this Resolution or any other documents; the selection by DTC or any DTC Participant of any Person to receive payment in the event of a partial redemption of such Bonds; or any consent given or other action taken by DTC as Bondholder. The Registrar shall pay all principal of, and premium, if any, and interest on such Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the principal of, and premium, if any, and interest on such Bonds to the extent of the sum or sums so paid. Except as otherwise provided in subsection (c) below, no Person other than DTC shall receive an authenticated Bond certificate evidencing the obligation of the Issuer to make payments of principal of, Amortization Installments and premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to transfers of Bonds, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(b) Payment of interest for any Bond registered in the name of Cede & Co. shall be made by wire transfer of same day funds to the account of Cede & Co. on the interest Payment

Date for such Bonds at the address indicated for Cede & Co. in the registration books of the Issuer kept by the Registrar.

(c) In the event the Issuer determines that it is in the best interest of the beneficial owners that they be able to obtain Bond certificates, the Issuer shall so notify DTC and the Registrar, whereupon DTC will notify the DTC Participants, of the availability through DTC of obtaining Bond certificates. In such event, the Issuer shall prepare and shall execute and the Registrar shall authenticate, transfer and exchange Bond certificates as requested by DTC in appropriate amounts within the guidelines set forth in this Resolution. DTC may determine to discontinue providing its services with respect to such Bonds at any time by giving written notice to the Issuer and the Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, provided there is no successor securities depository, the Issuer and the Registrar shall be obligated to deliver Bond certificates as described herein. In the event Bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, premium, if any, and interest on such certificates. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer will direct the Registrar to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing such Bonds to any DTC Participant having Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing such Bonds.

(d) NEITHER THE ISSUER NOR THE REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, AMORTIZATION INSTALLMENT FOR, REDEMPTION PRICE OF OR INTEREST ON SUCH BONDS; (3) THE DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF SUCH BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO. AS THE NOMINEE OF DTC, AS REGISTERED OWNER.

SO LONG AS CEDE & CO IS THE REGISTERED OWNER OF SUCH BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED HOLDERS OF SUCH BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF SUCH BONDS.

**Section 614. Validation of Bonds.** Each Series of Bonds shall be validated through the Superior Court of Barrow County, Georgia. A validation certificate of the Clerk of the Superior Court of Barrow County, bearing the manual or facsimile signature of such Clerk will be endorsed on the Bonds of each Series and will be essential to their validity.

[End of Article VII]

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thereof, and to thereafter work with due diligence to complete each such Project. The Issuer may, however, upon receipt of a No Adverse Effect Opinion, abandon or defer any Project if it first obtains the written opinion of the City Administrator that such abandonment or deferral (and the use of the remaining proceeds set aside for the construction of such Project to acquire or construct a different Project or redeem Bonds according to the following paragraph) will not materially adversely affect Issuer's ability to comply with the rate covenant set forth in Section 1105. To the extent the cost of a Project is to be paid in part from revenues of the Issuer, such funds shall be transferred to and deposited into the appropriate account in the Construction Fund and used in accordance with the provisions of this section. If funds for any Project are to come from other sources (for example, from Issuer funding or state or federal grants or loans), the Issuer shall take all legally available actions to insure the receipt of such funds and shall cause such funds to be deposited into the Construction Fund or otherwise set aside in a separate fund or account and used for the purposes herein provided. For the purposes of this Article VII, "deferral" of a Project shall refer to situations where the Issuer shall not have formally taken action to abandon or cancel a Project, but shall have determined not to currently proceed with such Project and not to finance such Project with funds then held in the Construction Fund.

Except as otherwise provided with respect to any account in the Construction Fund in any supplemental resolution approving the issuance of a Series of Bonds, upon completion of each Project, or upon the abandonment or deferral thereof pursuant to the foregoing, any amounts then remaining in the corresponding account in the Construction Fund and not reserved by the Issuer for the payment of any remaining part of the cost of construction and acquisition thereof or for the payment of the cost of another Project, shall be used to redeem Bonds in the manner described in Section 903(c) below, or upon receipt of a No Adverse Effect Opinion, (i) shall be deposited into the Revenue Fund and used to pay principal and interest next coming due on the Bonds, or (ii) if needed to attain the Reserve Requirement amount to be on deposit therein, shall be deposited in the Debt Service Reserve Account, if any, with respect to the related Series of Bonds, or (iii) shall be paid to the Issuer to be used for any lawful purpose.

Upon the occurrence of an event of default hereunder, the moneys in an account in the Construction Fund related to a Series of Bonds may be applied to the payment of such Bonds.

[End of Article VII]

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## ARTICLE VII

### CONSTRUCTION FUND

**Section 701. Construction Fund.** The "WATER AND SEWER SYSTEM REVENUE BONDS CONSTRUCTION FUND" (the "**Construction Fund**") is hereby created and established. There shall be paid into the Construction Fund funds which, together with investment earnings thereon, will be sufficient to pay the cost of the Projects to be funded hereunder and as designated by supplemental resolution of the Issuer.

The Issuer shall establish a separate account in the Construction Fund for the Project or Projects to be financed by each Series of Bonds issued hereunder. Each such account in the Construction Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and the funds on deposit therein shall be withdrawn, used and applied by the Issuer solely for the payment of the costs of such Project or Projects and purposes incidental thereto as hereinabove described and set forth in Section 402. Capitalized interest with respect to any Series of Bonds, if any, will be deposited to a designated and so named account in the Construction Fund and kept separate and apart from all other funds and account of the Issuer and such funds, including any income therefrom, shall be transferred, to the extent necessary, to the Debt Service Account to pay interest on the related Series of Bonds. Any moneys on deposit in an account in the Construction Fund to pay capitalized interest but not needed to pay interest pursuant to the preceding sentence may be used to pay costs of issuance of the related Series of Bonds or if not necessary for such purpose may be used in the same manner as other funds on deposit in that account of the related Series of Bonds in the Construction Fund. All such moneys shall be and constitute trust funds for such purposes, and shall be delivered to and held by the Chief Financial Officer (or other designated Authorized Depository) who shall act as trustee of such funds for the purposes of this Resolution. There hereby is created a lien upon such funds in favor of the Holders of the Series of Bonds to which such account is related until applied as herein provided.

Any funds on deposit in the Construction Fund that, in the opinion of the Issuer, are not immediately necessary for expenditure, as hereinabove provided, shall be held and may be invested, in the manner provided by law, in Permitted Investments pursuant to Section 1002 below. All income derived from investments of funds in an account or sub-account in the Construction Fund shall be deposited in such account to which such investment income is attributable.

Any liquidated damages or settlement payments received by the Issuer as a result of the breach by any contractor, subcontractor or supplier working or supplying goods for the Projects, of any representation, warranty or performance guaranty, and all insurance and condemnation proceeds received with respect to damages to or the taking of the Projects during construction shall be deposited into the appropriate account or accounts in the Construction Fund to insure completion of the Projects, or, if the City Administrator shall certify that the failure to complete a Project or the modification of a Project or the acquisition or construction of a different Project or the abandonment of a Project will not materially adversely affect the Issuer's ability to comply with the rate covenant set forth in Section 1105, such damages or settlement payments shall be deposited in the Revenue Fund for the redemption of Bonds, as shall be determined by the Issuer.

The Issuer covenants to commence the acquisition and construction of each Project authorized hereunder, promptly upon the delivery of the Series of Bonds issued to pay the cost

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## ARTICLE VIII

### SOURCE OF PAYMENT OF BONDS; SPECIAL OBLIGATIONS OF THE ISSUER

**Section 801. Bonds Not to be General Indebtedness of the Issuer.** The Bonds shall not constitute general obligations or indebtedness of the Issuer within the meaning of the Constitution of the State of Georgia, nor a pledge of the general faith and credit of the Issuer nor shall the Issuer be subject to any pecuniary liability thereon, either as to payment of principal, premium, if any, or interest. The Bonds shall be payable solely from and secured by a lien upon and a pledge of the Net Revenues, in the manner and to the extent herein provided. No Bondholder shall ever have the right to compel the exercise of the taxing power of the Issuer or taxation in any form on any real or personal property to pay the principal of, premium, if any, and interest on the Bonds, nor shall any Bondholder be entitled to payment of such principal, premium and interest from any other funds of the Issuer other than the Net Revenues, all in the manner and to the extent herein provided. The Bondholders shall not have a lien upon the System, the Projects, or any other assets of the Issuer.

**Section 802. Pledge of Revenues.** The payment of the principal of, premium, if any, and interest on the Bonds, and the reimbursement of amounts due and owing any Reserve Product Provider or Credit Facility Provider, shall be secured forthwith equally and ratably by an irrevocable, valid and binding lien on and security interest in the Net Revenues, all in the manner and to the extent provided herein, prior and superior to all other liens or encumbrances on the Net Revenues, and, as provided herein, the Issuer does hereby irrevocably pledge, in the manner and to the extent provided herein, the Net Revenues, all to the payment of the principal of, premium, if any, and interest on the Bonds, the funding and maintaining of the reserves as required herein and for all other payments as provided herein. Notwithstanding the foregoing, nothing herein provided shall be deemed to grant or create a lien on any account in the Debt Service Reserve Account created only with respect to a particular Series of Bonds in favor of the owners of Bonds of any other Series. In addition, nothing herein shall be deemed to grant or create a lien on any funds, including investments and investment earnings in the Rebate Fund.

[End of Article VIII]

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## ARTICLE IX

### CREATION AND USE OF FUNDS AND ACCOUNTS; DISPOSITION OF REVENUES

**Section 901. Creation of Funds and Accounts.** The Issuer will heretofore establish the following funds, accounts, and subaccounts (i) the “CITY OF WINDER WATER AND SEWER SYSTEM REVENUE FUND” (the “**Revenue Fund**”), (ii) the “CITY OF WINDER WATER AND SEWER SYSTEM SINKING FUND” (the “**Sinking Fund**”), (iii) two subaccounts which are held within the Sinking Fund, the “**Debt Service Account**” and the “**Debt Service Reserve Account**,” (iv) the “WATER AND SEWER SYSTEM RENEWAL AND EXTENSION FUND” (the “**Renewal and Extension Fund**”), and (v) the “CITY OF WINDER WATER AND SEWER SYSTEM REBATE FUND” (the “**Rebate Fund**”). The Debt Service Account and the Debt Service Reserve Account are to be maintained with the “CITY OF WINDER WATER AND SEWER COMPOSITE RESERVE ACCOUNT” (the “**Composite Reserve Account**”) and any separate account therein for a Series of Bonds issued hereunder that is not secured by the Composite Reserve Account. Such funds, accounts, and any subaccounts shall constitute trust funds for the purposes herein provided, shall be delivered to and held by the Chief Financial Officer (or an Authorized Depository designated by the Chief Financial Officer), in each case who shall act as trustee of such funds for the purposes hereof, shall (except for the Rebate Fund) be subject to a pledge and lien or charge in favor of the Holders of the Bonds in the manner and to the extent provided herein, and shall, except as expressly permitted hereby, at all times be kept separate and distinct from all other funds of the Issuer and used only as herein provided.

**Section 902. Disposition of Revenues.** Commencing on the date of issuance and delivery of the Series 2025 Bonds, except as otherwise provided herein, all Gross Revenues shall be deposited by the Issuer into the Revenue Fund promptly upon receipt.

(a) *Disposition of Revenues.* Funds in the Revenue Fund shall be accumulated, paid out, withdrawn and disposed of from time to time for the payment of Cost of Operation and Maintenance of the System as the same become due and payable. In addition, each month, commencing on the First Business Day of the month immediately following the delivery of the Series 2025 Bonds, and continuing on the first Business of each month thereafter, only in the following order and priority:

(1) First, by deposit into the Debt Service Account an amount which will equal (i) one-sixth of the interest maturing on the Bonds on the next interest Payment Date, with respect to Bonds that bear interest payable semiannually, (ii) the amount of interest next maturing on Bonds that bear interest payable monthly, (iii) the amount of interest accruing in such month on Bonds that bear interest on other than a monthly or semiannual basis (other than Bonds that bear interest only payable upon maturity or redemption), (iv) one-twelfth of all principal, and with respect to Bonds that pay interest only upon maturity or redemption, principal and accreted interest, maturing or becoming payable during the current Bond Year on the various Serial Bonds that mature annually, (v) one-sixth of all principal, and with respect to Bonds that pay interest only upon maturity or redemption, principal and accreted interest, maturing or becoming payable on the next maturity date in such Bond Year on the various Serial Bonds that mature semiannually, and (vi) one-twelfth of the Amortization Installments and unamortized principal balances of Term Bonds coming due during the then-current Bond Year with respect to the Bonds, until there are

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Agent or an Authorized Depository who has agreed to serve in such capacity as trustee for the benefit of such Bondholders.

If a disbursement is made from a Reserve Product as provided pursuant hereto, the Issuer shall be obligated to reinstate the maximum limits of such Reserve Product promptly following such disbursement or to replace such Reserve Product by depositing into the applicable subaccount in the Debt Service Reserve subaccount pursuant to this Section 902(a)(3), from the first available Net Revenues, funds in the maximum amount originally payable under such Reserve Product, plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements made pursuant to such Reserve Product, or a combination of such alternatives, and for purposes of this Section 902(a)(3), amounts necessary to satisfy such reimbursement obligation and other obligations of the Issuer to such a Reserve Product Provider shall be deemed required deposits into the applicable subaccount in the Debt Service Reserve Account, but shall be used by the Issuer to satisfy its obligations to the Reserve Product Provider.

Notwithstanding the foregoing, if one or more subaccounts in the Debt Service Reserve Account has or have been funded with cash or Permitted Investments and no event of default shall have occurred and be continuing hereunder, the Issuer may, at any time in its discretion, substitute a Reserve Product meeting the requirements of this Resolution for the cash and Permitted Investments in any such subaccount, and the Issuer then may withdraw such cash and Permitted Investments from such subaccount and apply them to any lawful purpose that, in the opinion of Bond Counsel, will not result in the interest on the Bonds for which such Account in the Debt Service Reserve subaccount was held which are not Taxable Bonds to be includable in the gross income of the Holders thereof for federal income tax purposes.

(3) Next, by payment of all amounts related to any Subordinate Debt required to be paid by the terms of the resolution or other instrument authorizing such Subordinate Debt and the unpaid fees, costs and expenses of any Reserve Product Provider or issuer of a Liquidity Facility or Credit Facility.

(4) Next, by deposit into the Renewal and Extension Fund such amount as is recommended in writing by the Chief Financial Officer of the Issuer or Qualified Independent Consultant for the purpose of paying the cost of replacement of capital assets of the System.

(5) Next, by payment of all Rebate Amounts determined to be due and owing pursuant to the Code as provided in Section 1003 below.

(6) Next, any capital improvements to the System or any lawful purposes of the Issuer.

(b) *Additional Payments.* The Issuer shall not be required to make any further payments into the Debt Service Account or the Debt Service Reserve Account when (i) the aggregate amount of moneys in the Debt Service Account and moneys in the Revenue Fund set aside specifically to pay debt service on the Bonds, and (ii) the moneys in the Debt Service Reserve Account set aside specifically to pay debt service on the Bonds are, in the aggregate, at least equal to the aggregate principal amount of Bonds issued and Outstanding pursuant to this Resolution and not defaulted

sufficient funds then on deposit equal to the sum of all interest, principal and redemption payments coming due on the Bonds on the next interest, principal and redemption dates in such Bond Year.

Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to pay all interest, principal and redemption premiums next becoming due and payable, after making allowance for any accrued and capitalized interest, Debt Service Offset, and to make up any deficiency or loss that may otherwise arise or in the case of a shorter period between the date of issuance and the first Payment Date or may otherwise arise in such fund or account. If any Variable Rate Bonds are outstanding on the fifteenth day of such month, unless the Issuer shall establish a different procedure for the payment or deposit of monthly interest on Variable Rate Bonds, the Issuer shall deposit into the Debt Service Account in lieu of the monthly interest deposit or the one-sixth semiannual interest deposit described above, the interest actually accruing on such Bonds for such month (plus any deficiencies in interest deposits for the preceding month), assuming the interest rate thereon on the fifteenth day of such month will continue through the end of such month. On or before each interest Payment Date, the Issuer shall make up any deficiencies in such interest deposit, based on the actual interest accruing through such date, from and to the extent of the funds remaining on deposit in the Revenue Fund.

Notwithstanding anything in this Section 902(a)(2) to the contrary, if principal, interest or premium payments have been made on behalf of the Issuer by a Bond Insurer or the issuer of a Liquidity Facility or Credit Facility or other entity insuring, guarantying or providing for the payment of Bonds or any Series thereof, moneys on deposit in the Revenue Fund and allocable to such Bonds shall be paid to such Bond Insurer or issuer of the Liquidity Facility or Credit Facility having theretofore made a corresponding payment on the Bonds.

(2) Next, by deposit *pro rata* (such pro ration to be done on the basis of the amount of the Reserve Requirement for each applicable subaccount in the Debt Service Reserve Account) into the Composite Reserve Account and the other special reserve accounts in the Debt Service Reserve Account as created for separate Series of Bonds, such amounts that, after taking into account other concurrent deposits made in such accounts pursuant to the provisions of this Resolution, and other funds or Reserve Products then on deposit therein or credited to such accounts, if any, will be sufficient to make the funds on deposit therein and Reserve Products credited thereto equal to the Reserve Requirement for each such account.

Notwithstanding anything herein to the contrary, the Issuer may satisfy the Reserve Requirement for any subaccount in the Debt Service Reserve Account, in whole or in part with a Reserve Product in lieu of a cash funded deposit. Such Reserve Product must provide for payment of deficiencies (up to the policy limits of such Reserve Product) on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held hereunder for a payment with respect to Bonds secured by the applicable subaccount in the Debt Service Reserve Account, which cannot be cured by funds in any other account held pursuant to this Resolution and available for such purpose. Each such Reserve Product shall name as the beneficiary thereof, the Paying

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pursuant to Article XIV below, plus the amount of interest then due or thereafter to become due on said Bonds.

#### **Section 903. Use of Moneys in the Debt Service Account.**

(a) Moneys on deposit in the Debt Service Account and the subaccounts contained therein shall be used solely for the payment of principal of, interest on, and any premium required with respect to the Bonds.

(b) On or before the maturity date of each Bond, the due date of each Amortization Installment, or installment of interest on Bonds, the Issuer shall transfer from the Debt Service Account to the Paying Agent(s) sufficient moneys to pay all principal of, premium, if any, and interest due and payable with respect to such Bonds due and payable, and shall be paid by check or draft of the Paying Agent to the registered owner thereof unless the registered owner has elected to receive payments by wire transfer as permitted in this Resolution and the supplemental resolution authorizing a Series of Bonds.

(c) Moneys deposited in the Debt Service Account for the redemption of Bonds shall be applied with reasonable diligence to the retirement of Bonds issued under the provisions of this Resolution and then Outstanding in the following order:

(1) The Issuer may first endeavor to purchase outstanding Term Bonds of each Series redeemable from Amortization Installments, and pro rata (based on the principal amount of the Amortization Installments due in such Bond Year for each such Series of Term Bonds) among all such Bonds if more than one Series of such Term Bonds are outstanding, or if no such Term Bonds are outstanding, Serial Bonds, whether or not such Bonds shall then be subject to redemption, but only to the extent moneys are available therefor, at the most advantageous price obtainable or the Compounded Amount, as the case may be, but no such purchase shall be made by the Issuer within a period of thirty days next preceding any interest Payment Date on which such Bonds are subject to call for redemption under the provisions of this Resolution;

(2) Then, to the extent moneys remain on deposit in the Debt Service Account that are specifically set aside or that have been otherwise set aside or transferred specifically for the redemption of Bonds, the Issuer shall call for redemption on each interest Payment Date on which Bonds are subject to redemption, with or without premium, from such moneys, such amount of Term Bonds subject to the Amortization Installments for such Bond Year that have not been purchased pursuant to clause (a) above; and

(3) Then, to the extent moneys remain on deposit in the Debt Service Account that are specifically set aside therein or that have been otherwise set aside or transferred pursuant to this Resolution specifically for the purpose of redeeming Bonds, the Issuer shall first call any remaining Term Bonds then subject to redemption and then Serial Bonds then subject to redemption, in such order and by such selection method as the Issuer, in its discretion, may determine, from such funds as will exhaust the money then held for the redemption of such Bonds as nearly as may be possible.

If Term Bonds are purchased or redeemed pursuant to this section in excess of the Amortization Installments for such Bond Year, such excess principal amount of such Term

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Bonds so purchased or redeemed shall be credited against subsequent Amortization Installments for Bonds in such Series in such Bond Year or Years as the Issuer may determine and as may be reflected in the Issuer's permanent accounting records. Such election shall be included in the annual audited reports of Issuer referred to in Section 1107 below.

**Section 904. Use of Moneys in the Debt Service Reserve Account; Funding of Subaccounts in Debt Service Reserve Account.**

(a) Except as otherwise expressly provided in this Section 905, or in a supplemental resolution, funds on deposit in a subaccount in the Debt Service Reserve Account (including, without limitation, the Composite Reserve Account) may be used only for the purpose of curing deficiencies in the amounts available for such purposes in the Debt Service Account related to the Series of Bonds with respect to which such subaccount in the Debt Service Reserve Account was created and for no other purpose. If funds on deposit in a subaccount in the Debt Service Reserve Account exceed, in the aggregate, the applicable Reserve Requirement for such subaccount, such excess shall be paid into the Revenue Fund. Any proceeds received from a Reserve Product shall be applied immediately to cure deficiencies in the moneys or investments set aside and available in the Revenue Fund to pay debt service with respect to all Series of Bonds secured by the Composite Reserve Account, or the subaccount in the Debt Service Reserve Account to which such Reserve Product was credited, as the case may be, and for no other purpose.

(b) At the time of issuance of any Series of Additional Bonds, the Issuer shall, by resolution, indicate whether such Series is to be secured by the Composite Reserve Account or by a special account in the Debt Service Reserve Account. If such Series of Additional Bonds is to be secured by the Composite Reserve Account, such resolution shall provide that the amounts on deposit in the Composite Reserve Account shall be increased to the Composite Reserve Requirement in the manner to be set forth in the supplemental resolution authorizing the issuance of such Additional Bonds. If such Additional Bonds are to be secured by another account in the Debt Service Reserve Account, such supplemental resolution shall set forth the Reserve Requirement with respect thereto. Nothing herein prevents a Series of Bonds from not being secured by the Composite Reserve Account or by an account in the Debt Service Reserve Account.

Notwithstanding anything in the foregoing to the contrary, to the extent that such Series of Additional Bonds are being issued to refund Outstanding Bonds secured by the Composite Reserve Account and the Composite Reserve Account has been funded or partially funded with respect to the Outstanding Bonds to be refunded, the amount theretofore funded allocable to the Bonds being refunded by such Series of Additional Bonds shall be credited against the amount required by this Section 905(c) to be deposited to the Composite Reserve Account.

(c) If cash has been deposited in an account in the Debt Service Reserve Account, all such cash shall be used (or Permitted Investments purchased with such cash and held in such account shall be liquidated and the proceeds applied as required) prior to any disbursement made under any Reserve Product relating to Bonds secured by such account. If more than one Reserve Product relates to Bonds secured by an Account in the Debt Service Reserve Account, then disbursements under such Reserve Products shall be made on a pro rata basis (calculated by reference to the maximum amounts available thereunder) after applying all available cash in such Account in the Debt Service Reserve Account.

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**ARTICLE X**

**DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS**

**Section 1001. Deposits Constitute Trust Funds.** All funds or other property which at any time may be owned or held in the possession of or deposited with the Issuer in the funds and accounts created under the provisions of this Resolution shall be held in trust and applied only in accordance with the provisions of this Resolution and shall not be subject to lien or attachment by any general creditor of the Issuer.

All funds or other property which at any time may be owned or held in the possession of or deposited with the Issuer pursuant to this Resolution shall be continuously secured, for the benefit of the Issuer and (except in the case of the Rebate Fund) the Bondholders in such manner as permitted hereunder and as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds. All cash held in deposit accounts must be collateralized by obligations of, or obligations the principal of an interest on which are unconditionally guaranteed by, the United States of America having a market value (exclusive of accrued interest) not less than the amount of such deposit.

All moneys deposited with each Authorized Depository shall be credited to the particular fund or account to which such moneys belong. Notwithstanding anything herein to the contrary, for purposes of investment and to the extent permitted by applicable law, amounts on deposit in any fund or account may be commingled, as provided in Section 1004 below, provided adequate care is taken to account for such amounts as provided in the preceding sentence.

**Section 1002. Investment of Moneys.** Moneys held for the credit of each of the funds and accounts created hereby shall be invested and reinvested by the Issuer in Permitted Investments, either directly or through broker-dealer deposit agreements or a combination thereof. Such investments or reinvestments shall mature not later than the respective dates, as estimated by the Issuer, that the moneys held for the credit of said funds or accounts will be needed for the purposes of such funds or accounts, but in no event shall any of the investments of funds in an account in the Debt Service Reserve Account have a term to maturity exceeding the final maturity date of the Series of Bonds secured by such account.

Obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be a part of such fund or account, and shall at all times, for the purposes of this Resolution, be valued annually as of the last day of each Fiscal Year at the market value thereof on the date of valuation, as determined by the Issuer, exclusive of accrued interest, except with regard to a Debt Service Reserve Account, which will be determined by a supplemental resolution.

Except as otherwise provided herein, all income and profits derived from the investment of money in the Construction Fund or the Debt Service Account shall be retained in such Fund and used for the purposes specified for such Fund. All income and profits derived from the investment of moneys in an account in the Debt Service Reserve Account shall be retained therein until the amount in such account equals the applicable Reserve Requirement, and thereafter, shall be applied as provided by Section 905 hereof. Except as otherwise provided above, all income and profits

**Section 905. Use of Moneys in the Renewal and Extension Fund.**

The funds in the Renewal and Extension Fund shall be used only (i) first, at any time for the purpose of curing deficiencies in the amount in the Debt Service Fund or in the Reserve Fund, or both or (ii) when no such deficiencies exist, as needed for the purpose of paying the cost of the replacement of capital assets of the System, including land, or any unusual or extraordinary maintenance or repairs which the Chief Financial Officer of the Issuer shall certify are necessary for the System. The Issuer does not expect to pay any debt service on the Bonds from the Renewal and Extension Fund, nor does it expect that moneys in the Renewal and Extension Fund will be available for such purpose.

**Section 906. Use of Moneys in the Rebate Fund.**

Moneys in the Rebate Fund shall be applied only to the Rebate Amount except as otherwise provided in Section 1004 hereof.

**Section 907. Paying Agents.**

The Issuer shall transfer, from the various funds and accounts established in this Article IX, to one or more Paying Agents as shall be designated by resolution hereafter and from time to time adopted or enacted by the Issuer, on the date preceding each interest, principal and redemption date, an amount sufficient to pay when due the principal of, interest on and premium, if any, with respect to the Bonds.

No resignation or removal of a Paying Agent appointed hereunder shall be effective until such time as a successor has been appointed by the Issuer and has accepted the duties as Paying Agent hereunder.

[End of Article IX]

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derived from the investment of moneys in all other accounts or funds created hereby shall be deposited upon receipt in the Revenue Fund.

**Section 1003. Tax Covenants.** It is the intention of the Issuer and all parties under its control that the interest on the Bonds issued hereunder that are not Taxable Bonds be and remain excludable from gross income for federal income tax purposes, and to this end the Issuer hereby represents to and covenants with each of the Holders of the Bonds issued hereunder that are not Taxable Bonds that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code to the extent necessary to preserve the exclusion of interest on the Bonds issued hereunder that are not Taxable Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees:

(a) to make or cause to be made all necessary determinations and calculations of the Rebate Amount required to be paid to the United States of America pursuant to Section 148(f) of the Code;

(b) to set aside in the Rebate Fund sufficient moneys from the Gross Revenues or other legally available funds of the Issuer to timely pay the Rebate Amount to the United States of America;

(c) to pay the Rebate Amount to the United States of America at the times and to the extent required pursuant to Section 148(f) of the Code;

(d) to maintain and retain all records pertaining to the Rebate Amount with respect to the Bonds that are not Taxable Bonds issued hereunder and required payments of the Rebate Amount with respect to the Bonds that are not Taxable Bonds for at least six years after the final maturity of the Bonds that are not Taxable Bonds or such other period as shall be necessary to comply with the Code;

(e) to refrain from taking any action that would cause any Bonds or any Series of Bonds or portion thereof issued hereunder, other than Taxable Bonds and bonds issued with the intent that they shall constitute "private activity bonds" under Section 141(a) of the Code, to be classified as "private activity bonds" under Section 141(a) of the Code; and

(f) to refrain from taking any action that would cause the Bonds that are not Taxable Bonds issued hereunder to become arbitrage bonds under Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations of the Issuer that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are applicable to the Bonds.

Notwithstanding any other provision of this Resolution, including, in particular Article XIV hereof, the obligation of the Issuer to pay the Rebate Amount to the United States of America and to comply with the other requirements of this Section 1003 shall survive the defeasance or payment in full of the Bonds that are not Taxable Bonds.

**Section 1004. Rebate Fund.** The Issuer covenants and agrees that it shall maintain and retain all records pertaining to and shall be responsible for making or having made all

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determinations and calculations of the Rebate Amount for each Series of Bonds issued hereunder that are not Taxable Bonds for each Rebate Year within twenty-five (25) days after the end of such Rebate Year and within twenty-five (25) days after the final maturity of each Series of Bonds. On or before the expiration of each such period, the Issuer shall deposit into the Rebate Fund from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Issuer, an amount equal to the Rebate Amount for such Rebate Year. The Issuer shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States of America as required by Section 1003 hereof, which payments shall, unless otherwise permitted or required by applicable law, be made in installments, commencing not more than thirty (30) days after the end of the fifth Rebate Year and with subsequent payments to be made not later than five (5) years after the preceding payment was due, except that the final payment shall be made within sixty (60) days after the final maturity of the last obligation of the Series of Bonds issued hereunder that are not Taxable Bonds. In complying with the foregoing, the Issuer may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Rebate Fund after payment in full of all Bonds issued hereunder that are not Taxable Bonds and after payment in full of the Rebate Amount to the United States of America in accordance with the terms hereof, such amounts shall be available to the Issuer for any lawful purpose.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the Issuer, shall not be impressed with a lien in favor of the Bondholders and the moneys therein shall be available for use only as herein provided.

Notwithstanding any other provision of this Resolution, including in particular Article XIV hereof, the obligation to pay over the Rebate Amount to the United States of America and to comply with all other requirements of Section 1003 and this Section 1004 shall survive the defeasance or payment in full of the Bonds.

The Issuer shall apply any funds in the Rebate Fund for a purpose other than the payment of the Rebate Amount only upon receipt of a No Adverse Effect Opinion from Bond Counsel.

**Section 1005. Separate Accounts.** The moneys required to be accounted for in each of the funds and accounts established under this Resolution may be deposited in a single account, and funds allocated to the various funds and accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

The designation and establishment of the various funds and accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

[End of Article X]

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**Section 1104. Operating Budget.** Before the first day of each Fiscal Year the Governing Body shall prepare, approve and adopt in the manner prescribed by law, a detailed budget of the Gross Revenues, the Debt Service Requirement (including anticipated amortization of Commercial Paper Obligations) and the Cost of Operation and Maintenance for the next succeeding Fiscal Year. Copies of its Annual Budgets and all authorizations for increases in the Cost of Operation and Maintenance shall be available for inspection at the offices of the Issuer.

**Section 1105. Rate Covenant.** Commencing on a date at least thirty (30) days prior to the first interest Payment Date for which interest on the initial Series of the Bonds has not been fully funded from Bond proceeds or from other funds of the Issuer, the Issuer will adopt (unless the existing rate ordinance or resolution is sufficient for the purposes hereof) and cause to be in effect a rate ordinance or resolution, and the Issuer covenants with the Bondholders to fix, establish, revise from time to time whenever necessary, maintain and collect fees, rates, rentals and other charges for the use of the products, services and facilities of the System that will always provide Net Revenues in each Bond Year which shall not be less than one hundred twenty percent (120%) of the Debt Service Requirement (after subtracting the amount of any scheduled payments of Debt Service Offset) for such Bond Year, plus one hundred percent (100%) of the amounts required to be deposited in such Bond Year into the Debt Service Reserve Account (including the various accounts therein).

Notwithstanding the foregoing, failure of the Issuer to comply with the foregoing provisions of this Section 1105 shall not constitute an event of default hereunder if funds are otherwise available to pay all amounts due under this Resolution and the Issuer promptly engages the services of a Qualified Independent Consultant to perform a rate study recommending the rate levels necessary to comply with the foregoing provisions of this Section 1105 in the next succeeding Bond Year. Such study must be completed within ninety (90) days after the Issuer becomes aware of its non-compliance with this section. The Issuer will place in effect, as soon as practicable, either (i) the recommendations of such study by the Qualified Independent Consultant, or (ii) certain adjustments to the Issuer's current budget, as recommended by the Chief Financial Officer, to comply with the provisions of this Section 1105, provided however such deviations from the recommendations by the Qualified Independent Consultant shall be subject to approval by the Governing Body.

**Section 1106. Books and Records.** The Issuer shall keep separately identifiable financial books, records, accounts and data concerning the operation of the System and the receipt and disbursement of Gross Revenues.

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## ARTICLE XI

### GENERAL COVENANTS OF THE ISSUER

**Section 1101. Representations of the Issuer.** The Issuer makes the following representations on which the Bondholders are hereby entitled to rely:

(a) Adoption of this Resolution and the compliance by the Issuer with the requirements hereof will not conflict with or result in a breach of or a default under any ordinance, resolution, agreement or instrument to which the Issuer is now a party.

(b) The Issuer is duly authorized and empowered to operate the System under the laws, rulings, regulations and ordinances of the United States of America, the State and the departments, agencies and political subdivisions thereof.

(c) As of the date of issuance of a Series of Bonds, there will exist no event of default, as defined in Section 1301 hereof, or any condition or event which, or with the passage of time or the giving of notice, or both, would constitute an event of default hereunder.

(d) There are no pending, or to the knowledge of the Issuer, threatened actions or proceedings against the Issuer before any court of the State or any federal court in the State or any administrative agency which are likely in any case or in the aggregate to materially adversely affect the financial condition or operations of the Issuer or its obligations under this Resolution, nor is the Issuer aware of any facts or circumstances that would give rise to any such actions or proceedings.

**Section 1102. Punctual Payment.** The Issuer covenants and agrees with the Bondholders that it will punctually pay or cause to be paid the principal of, premium, if any, and interest on the Bonds and that it will be unconditionally and irrevocably obligated, so long as any of the Bonds are Outstanding and unpaid, to take all lawful action necessary or required during each Fiscal Year so long as any of the Bonds are Outstanding, to pay from the funds pledged hereunder, in accordance with the provisions hereof (i) all Debt Service Reserve Account deposits provided herein for such year, (ii) the Debt Service Requirement deposits that shall become due on the Bonds in such Bond Year, and (iii) all other payments required by this Resolution, and that the funds pledged hereunder shall not, in the aggregate, be reduced so as to be insufficient to provide adequate revenues for such purposes. Such covenant and agreement of the Issuer shall be cumulative and shall continue until such funds in amounts sufficient to make all payments required hereunder have been paid in lawful money as herein provided.

**Section 1103. Maintenance of System.** The Issuer will maintain the System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for such equipment, maintenance and repairs and for renewals and replacements thereof as may be proper for its economical operation and maintenance.

If the System is not in good condition, then to the extent funds in the Issuer's operating Debt Service Reserve Account are available for such purpose, the Issuer shall promptly make or cause to be made such repairs as shall be necessary to place it in good condition.

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### **Section 1107. Reports and Annual Audits.**

The Issuer shall use its best efforts to cause an annual audit of its accounts and records be completed no later than twelve (12) months after the end of each Fiscal Year by an independent certified public accountant of recognized standing. Such audits shall be conducted in accordance with generally accepted auditing standards as applied to governments. Notwithstanding any provision hereunder to the contrary, any failure to have an audit completed within twelve (12) months after the end of each Fiscal Year shall not constitute an event of default hereunder with respect to the Bonds.

### **Section 1108. No Mortgage or Sale of System.**

(a) The Issuer shall not mortgage, pledge or otherwise encumber the physical assets of the System.

(b) The Issuer may sell, lease or dispose of, for fair market value, any properties, parts or portions of the System if a Qualified Independent Consultant shall certify that (i) such properties, parts or portions of the System are not necessary for the continued operation and functioning of the System and (ii) the sale, lease or disposal of such properties, portions or parts of the System will not adversely affect the Gross Revenues to be derived from the System to such an extent that the Issuer will fail to comply with the covenants of this Resolution, including, without limitation, the covenants of Section 1105 hereof; *provided, however*, that the Issuer shall have, and hereby expressly reserves, the right to sell, lease or otherwise dispose of any of the properties, parts or portions of the System having a fair market value not in excess of ten percent (10%) of the value of the fixed assets of the System according to the most recent available annual audit at the time of such disposition that the Issuer shall determine, as evidenced by a certificate of the City Administrator, to be no longer necessary, useful or beneficial for the continued operation of the System.

Notwithstanding anything in the foregoing to the contrary, the Issuer shall have, and hereby expressly reserves, the right to sell, lease, or otherwise dispose of, for fair and reasonable consideration, any land or interests in land comprising a portion or part of the System which is no longer necessary or useful in the operation of the System, or the sale or leasing of an interest in land which will not interfere with the operation of the System in any material respect, all as certified in writing by the City Administrator.

The Issuer will not sell any portion of the System or enter into any leasing of the components thereof, in each case to the extent such portion or components were financed with proceeds of Bonds issued hereunder, without first (i) making a good faith determination, as certified by the City Administrator, that such sale or leasing will not materially adversely affect the Issuer's ability to comply with the rate covenant set forth in Section 1105 and (ii) with respect to leases, obtaining a No Adverse Effect Opinion. In addition, proceeds received from the sale or disposition of the System or any portion thereof shall not be deemed Gross Revenues and may be used and applied by the Issuer in any manner for which a No Adverse Effect Opinion may be obtained. Proceeds received from the leasing of the System or any portion thereof shall be included in Gross Revenues for all purposes of this Resolution.

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**Section 1109. Insurance and Condemnation Awards.** The Issuer will, to the extent economically feasible, carry adequate fire, windstorm, earthquake, and extended coverage policies on the components of the System that are subject to loss through fire, windstorm, or earthquake; adequate business interruption insurance; adequate public liability insurance; other insurance of the kinds and amounts normally carried in the operation of similar facilities and properties in Georgia. The Issuer may, upon appropriate authorization by its Governing Body, self-insure against such risks on a sound actuarial basis. Any such insurance shall be carried for the benefit of the Issuer. All proceeds received from property damage or destruction insurance, business interruption insurance, and all proceeds received from the condemnation of the System or any part thereof are hereby pledged by the Issuer as security for the Bonds and shall be deposited at the option of the Issuer but subject to the limitations hereinafter described either (i) into the Issuer's Revenue Fund and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) into the Debt Service Account for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Section 903(c) above.

Proceeds received from such insurance proceeds and condemnation awards shall not be deemed Gross Revenues.

**Section 1110. No Free Services.** Except as otherwise required by applicable law, the Issuer will not render or cause to be rendered any free services of any nature by its System; and in the event the Issuer or any department, agency, instrumentality, officer or employee thereof, shall avail itself of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged to the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenue derived from such operation of the System. Notwithstanding the foregoing, nothing in this Section 1110 shall prohibit the Issuer from charging different rates for different service regions of the System.

**Section 1111. Enforcement of Collections.** The Issuer will diligently enforce its right to receive the Gross Revenues and will diligently enforce and collect the fees, rates, rentals and other charges for the use of the products, services and facilities of the System. The Issuer will not take any action that will impair or adversely affect its rights to levy, collect and receive the Gross Revenues, as herein pledged, or impair or adversely affect in any manner the pledge of the Gross Revenues, made herein or the rights of the Bondholders. The Issuer shall be unconditionally and irrevocably obligated, so long as any of the Bonds are Outstanding and unpaid, to take all lawful action necessary or required to continue to entitle the Issuer to receive the Gross Revenues in at least the amounts required by this Resolution.

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## ARTICLE XII

### CONDITIONS TO THE ISSUANCE OF EACH SERIES OF BONDS AND ADDITIONAL BONDS

**Section 1201. Issuance of Obligations.** The Issuer will not issue or incur any obligations payable from the Gross Revenues or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of any Bonds issued pursuant to this Resolution upon the Gross Revenues, except under the conditions and in the manner provided herein. Any obligations issued by the Issuer other than in accordance with this Article XII and payable from the Gross Revenues shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds as to the lien on, and source of and security for payment from, the Gross Revenues.

**Section 1202. Issuance of Additional Bonds.** Except as otherwise provided in this section, no Series of Additional Bonds may be issued under this Resolution, unless the Issuer shall first have complied with the requirements of this section.

No other obligations of any kind or nature will hereafter be issued which are payable from or enjoy a lien on the Net Revenues prior to the lien created for the payment of the Bonds. It is expressly provided, however, that Additional Bonds may be issued from time to time, for the purpose of refunding any issue or issues of outstanding Bonds or financing, in whole or in part, additions, extensions and improvements to the System ranking as to lien on the Net Revenues on a parity with the Bonds herein authorized to be issued, provided all of the following conditions are met:

(a) None of the Bonds or any Additional Bonds then outstanding are in default as to principal or interest and the Issuer is in compliance with this Resolution.

(b) The payments covenanted to be made into the Debt Service Account and the Debt Service Reserve Account (including the various subaccounts therein) currently are being made in the full amount as required and said funds and accounts are at their proper respective balances.

(c) Except where Additional Bonds are to be issued for the purpose of refunding Outstanding Bonds and the Maximum Debt Service Requirement is not increased by such Additional Bonds, the following conditions must be met:

(i) A Qualified Independent Consultant shall have certified either: (A) that for a period of 12 full consecutive calendar months out of the 24 consecutive calendar months preceding the month of the adoption of proceedings for the issuance of the Additional Bonds, the Debt Service Coverage Ratio (excluding (x) any Bonds which are to be refunded or defeased by the proposed Additional Bonds and (y) any payments of Debt Service Offset, and including for calculation of the Debt Service Requirement for the proposed Additional Bonds which are to be issued) for each full Bond Year subsequent to issuance of the proposed Additional Bonds, shall not be less than 1.20; or (B) if a new schedule of rates and charges for the services, facilities and commodities furnished by the System has been adopted, the Debt Service Coverage Ratio (excluding (x) any Bonds which are to be refunded and defeased by the proposed Additional Bonds and (y) any payments of Debt

**Section 1112. Qualified Independent Consultant.** The Issuer will retain Qualified Independent Consultants from time to time, when, if and as necessary to comply with the requirements of this Resolution.

**Section 1113. No Competing System.** To the full extent permitted by law, the Issuer will not, after the date hereof, grant, cause, consent to, or allow the granting of, any franchise or permit to any person for the furnishing and distribution of water or the furnishing of sewer collection and treatment services to or within the boundaries of the Issuer. This section shall not, however, prevent the Issuer from granting permits for wells, septic tanks or package plants or from granting or renewing franchises for the furnishing and distribution of water or the furnishing of sewer collection and treatment services (i) if the area in which such facilities are located or the area serviced by such plants or such franchises is not then being serviced by the System or (ii) if such areas are not located in the immediate vicinity of facilities of the System or the Issuer determines that servicing such area would not provide any material financial benefit to the System. The Issuer shall not establish, own or operate a competing water distribution or sewer treatment system.

[End of Article XI]

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Service Offset, and including for calculation of the Debt Service Requirement for the proposed Additional Bonds which are to be issued) would have met the test specified in (A) if such new schedule had been in effect throughout such specified period; or

(ii) A Qualified Independent Consultant shall certify that the projected Maximum Annual Debt Service Coverage Ratio (including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued and excluding the amount of any scheduled payments of Debt Service Offset) through each of the first five full Bond Years subsequent to the acquisition or completion of the facilities to be financed with the Additional Bonds shall not be less than 1.20.

The certificate or report of the Qualified Independent Consultant that is required by Section 1202(c), may not take into consideration any schedule of rates and charges to be imposed in the future unless such rate schedule has been adopted by resolution or ordinance of the Governing Body. Any future rates, fees and charges that are taken into consideration by the Qualified Independent Consultant must be scheduled to be in effect and imposed within the first five full Bond Years subsequent to the date the proposed Additional Bonds are issued.

(d) The Issuer shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and shall provide in such proceedings that such Additional Bonds shall be secured under and pursuant to this Resolution. Any such Additional Bonds may be issued under or pursuant to a trust indenture and, in such event, the proceedings authorizing the issuance of such Additional Bonds shall make appropriate provisions for the transfer of moneys on deposit in the Debt Service Account and the Debt Service Reserve Account to the trustee in sufficient time for the payment of debt service on such Additional Bonds; but nothing contained herein shall require the Debt Service Account or the Debt Service Reserve Account to be held by such trustee. In the event Additional Bonds are secured hereunder and issued pursuant to a trust indenture, the trustee thereunder shall for purposes of this Resolution, in accordance with the provisions of such trust indenture, exercise the rights and remedies of the owners of such Additional Bonds on behalf of such owners. It shall not be necessary that the interest and principal and payment dates or redemption provisions for such Additional Bonds correspond with the provisions of any other Bonds. Any Credit Facility or Liquidity Facility related to any Additional Bonds may secure only such Additional Bonds and not any other Bonds issued hereunder. Any such proceeding or proceedings shall restate and reaffirm, by reference, all of the applicable terms, conditions and provisions of this Resolution.

(e) Any proposed Additional Bonds which are Variable Rate Bonds shall specify a maximum interest rate. If any such Additional Bonds which are Variable Rate Bonds so issued provide for the mandatory redemption or purchase of such Additional Bonds at the option of owner, a Credit Facility or Liquidity Facility shall be provided at or prior to the issuance of such Additional Bonds which are Variable Rate Bonds to support the Issuer's obligations for any such mandatory redemption or purchase.

(f) Such Additional Bonds and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

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(g) Notwithstanding anything in this Section 1202 to the contrary, Subordinate Debt may be issued based on the requirements to be specified in a supplemental resolution of the Issuer providing for the issuance of such Subordinate Debt.

[End of Article XII]

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written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the registered owners of not less than ten percent (10%) of the Bond Obligation.

Notwithstanding the foregoing, with respect to the events described in clauses (a) or (b), when determining whether a payment default has occurred with respect to any Series of Bonds, no effect shall be given to payments made under a Credit Facility in place with respect to such Series of Bonds. Notwithstanding the foregoing, with respect to the events described in clause (h), the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected. With respect to the event described in clause (c) above, the Issuer shall not be deemed in default hereunder if the performance by the Issuer is prevented or delayed at any time by an act or the neglect of any contractor who is retained with due diligence by the Issuer or by the unavailability of labor, strikes, lockouts, fire, unusual delay in transportation, unavoidable casualties, war, hostilities, acts of God or other causes beyond the Issuer's control and arising without its fault or negligence, including the existence of any law, order, proclamation, regulation or ordinance of any government (excluding the Issuer), provided the Issuer shall use its best efforts to remedy the delay.

**Section 1302. Enforcement of Remedies.** Upon the happening and continuance of any event of default specified in Section 1301 above, then and in every such case the owners of not less than twenty-five percent (25%) of the Bond Obligation may appoint any state bank, national bank, trust company or national banking association qualified to transact business in Georgia and having a combined capital, surplus and undivided profits of at least \$50,000,000, to serve as trustee for the benefit of the holders of all Bonds then Outstanding (the "Trustee"). Notice of such appointment, together with evidence of the requisite signatures of the holders of twenty-five percent (25%) of the Bond Obligation and the trust instrument under which the Trustee shall have agreed to serve shall be filed with the Issuer and the Trustee and notice of such appointment shall be published in a financial journal of general circulation in the City of New York, New York. After the appointment of the first Trustee hereunder, no additional Trustees may be appointed; however, the holders of a majority of the Bond Obligation may remove the Trustee initially appointed and appoint a successor and subsequent successors at any time, but no such removal, and no resignation, of such Trustee shall be effective until a successor has been appointed and has accepted the duties of Trustee hereunder. If the default for which the Trustee was appointed is cured or waived pursuant to this Article, the appointment of the Trustee shall terminate as to such default.

After a Trustee has been appointed pursuant to the foregoing, the Trustee may proceed, and upon the written request of holders of twenty-five percent (25%) of the Bond Obligation shall proceed, subject to the provisions of Section 1303 of this Resolution, to protect and enforce the rights of the Bondholders under the laws of the State, including the Revenue Bond Law, and under this Resolution, by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, all as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy against the Issuer under this Resolution the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any

## ARTICLE XIII

### EVENTS OF DEFAULT; REMEDIES

**Section 1301. Events of Default.** Each of the following events is hereby declared an "event of default," that is to say if:

(a) payment of principal of any Bond shall not be made by the Issuer when the same shall become due and payable, either at maturity or on required payment dates by proceedings for redemption or otherwise; or

(b) payment of any installment of interest on any Bond shall not be made by the Issuer when the same shall become due and payable; or

(c) the Issuer shall discontinue or unreasonably delay or fail to complete within a reasonable period of time a Project for which Bonds have been issued hereunder, unless the same shall be abandoned or deferred pursuant to Article VII hereof; or

(d) the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder to the extent that the payment of or security for the Bonds would be materially adversely affected, and such conditions shall continue unremedied for a period of thirty (30) days after the Issuer becomes aware of such conditions; or

(e) an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Issuer, the System, the Gross Revenues, or any part thereof or the filing of a petition by the Issuer for relief under federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Georgia, which shall not be dismissed, vacated or discharged within thirty (30) days after the filing thereof; or

(f) any proceedings shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Gross Revenues; or

(g) the entry of a final judgment or judgments for the payment of money against the Issuer as a result of the ownership, operation or control of the System or which subjects any of the funds pledged hereunder to a lien for the payment thereof in contravention of the provisions of this Resolution for which there does not exist adequate insurance, reserves or appropriate bonds for the timely payment thereof, and any such judgment shall not be discharged within ninety (90) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(h) the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after

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default becoming, and at any time remaining, due from the Issuer for principal, interest or otherwise under any provisions of this Resolution or of such Bonds and unpaid, with interest on overdue payments of principal and, to the extent permitted by law, on interest at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce any judgment or decree against the Issuer, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the Revenue Fund specifically set aside for that purpose, the Debt Service Reserve Account and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable. Notwithstanding the foregoing, however, nothing herein shall permit an acceleration of the Bonds.

**Section 1303. Effect of Discontinuing Proceedings.** In case any proceeding taken by the Trustee or any Bondholder on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or such Bondholder, then and in every such case the Issuer, the Trustee and Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

**Section 1304. Directions to Trustee as to Remedial Proceedings.** Anything in this Resolution to the contrary notwithstanding, the holders of a majority of the Bond Obligation shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

**Section 1305. Restrictions on Actions by Individual Bondholders.** No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless such Bondholder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than twenty-five percent (25%) of the Bond Obligation shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, including the reasonable fees of its attorneys (including fees on appeal), and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Resolution or for any other remedy hereunder. It is understood and intended that no one or more owners of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein

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provided and for the benefit of all Bondholders, and that any individual rights of action or any other right given to one or more of such owners by law are restricted by this Resolution to the rights and remedies herein provided.

Nothing contained herein, however, shall affect or impair the right of any Bondholder, individually, to enforce the payment of the principal of and interest on his Bond or Bonds at and after the maturity thereof, at the time, place, from the source and in the manner provided in this Resolution.

**Section 1306. Appointment of a Receiver.** Upon the happening and continuance of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this Resolution, the Trustee shall be entitled, pursuant to the Revenue Bond Law, without regard to the solvency of the Issuer, to apply, in an appropriate judicial proceeding, for the appointment of a receiver of the System, pending such proceedings, with such powers as the court making such appointments shall confer whether or not the Gross Revenues and other funds pledged hereunder shall be deemed sufficient ultimately to satisfy the Bonds outstanding hereunder.

**Section 1307. Rights of Bond Insurer.**

(a) Each Bond Insurer, if any, shall receive from Issuer and the Trustee (i) copies of all notices required to be delivered to the Bondholders and (ii) notice of any event of default.

(b) Each Bond Insurer shall, in accordance with the provisions of Section 1503, be entitled to control and direct the enforcement of all remedies and rights to the extent granted to the holders of the Bonds insured by them hereunder, and shall also have the right to waive events of default on behalf of such holders; provided that no such Bond Insurer that (i) is insolvent, (ii) in default, or (iii) has a current credit rating that is below the "A" category by a nationally recognized rating service, with respect to its obligations under the Credit Facility shall be entitled to exercise any such right.

[End of Article XIII]

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**ARTICLE XV**

**MODIFICATION OR AMENDMENT**

**Section 1501. Modification or Amendment.** This Resolution may be modified and amended and all appropriate blanks appearing herein may be completed by the Issuer from time to time prior to the issuance of the first Series of Bonds hereunder. Thereafter, no modification or amendment of this Resolution, or of any resolution amendatory hereof, materially adverse to the interests of the Bondholders may be made without the consent in writing of the Holders of not less than a majority of the Bond Obligation, but no modification or amendment shall permit a change (a) in the maturity of any of the Bonds or a reduction in the rate of interest thereon, (b) in the amount of the principal obligation of any Bond, or (c) that would reduce such percentage of holders of the Bond Obligation, required above, for such modifications or amendments, without the consent of all of the Bondholders. For the purpose of Bondholders' voting rights or consents, the Bonds owned by or held for the account of the Issuer, directly or indirectly, shall not be counted as if Outstanding. Notwithstanding the foregoing, the Issuer may, from time to time and at any time without the consent of the Bondholders, approve such amendatory resolutions (which amendatory resolutions shall thereafter form a part hereof):

(a) To cure any ambiguity, inconsistency or formal defect or omission in this Resolution or in any supplemental resolution, or

(b) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon the Bondholders, or

(c) To provide for the sale, authentication and delivery of Additional Bonds, Commercial Paper Obligations, Variable Rate Bonds, or refunding Bonds and the disposition of the proceeds from the sale thereof, in the manner and to the extent authorized by Article XII above, or

(d) To modify, amend or supplement this Resolution or any resolution supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, and, if the Issuer so determines, to add to this Resolution or any resolution supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute, or

(e) To provide for certificated or uncertificated registered public obligations as contemplated in Section 602 hereof, or

(f) To provide for changes suggested by a Qualified Independent Consultant as necessary to secure the highest rating on the Bonds, or

(g) To subject to the terms of this Resolution any additional funds, securities or properties, or

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**ARTICLE XIV**

**DEFEASANCE AND RELEASE OF RESOLUTION**

**Section 1401. Defeasance and Release of Resolution.** If, at any time after the date of issuance of any Series of the Bonds, (a) all Bonds secured hereby or any Bonds within a Series or any maturity of any Bonds shall have become due and payable in accordance with their terms or otherwise as provided in this Resolution, or shall have been duly called for redemption, or the Issuer gives the Paying Agent irrevocable instructions directing the payment of the principal of, premium, if any, and interest on such Bonds or maturities thereof at maturity or at any earlier redemption date scheduled by the Issuer, or any combination thereof, and (b) the whole amount of the principal, premium, if any, and the interest so due and payable upon all of such Bonds or maturities thereof then Outstanding, at maturity or upon redemption, shall be paid, or sufficient moneys shall be held by the Paying Agent or other Authorized Depository acting as an escrow agent in irrevocable trust for the benefit of such Bondholders (whether or not in any accounts created hereby) which, as verified by a report of an independent certified public accountant or firm of certified public accountants, when so paid in full in cash or invested in Defeasance Obligations maturing not later than the maturity or redemption dates of such principal, premium, if any, and interest will, together with the income realized on such investments, be sufficient to pay all such principal, premium, if any, and interest on said Bonds or maturities thereof at the maturity thereof or the date upon which such Bonds or maturities thereof are to be called for redemption prior to maturity, *then* and in that case the right, title and interest of such Bondholders hereunder and the pledge of and lien on the Gross Revenues and all other pledges and liens created hereby or pursuant hereto, with respect to such Bonds and the Bondholders thereof, shall thereupon cease and become void, and such Bonds or maturities thereof shall no longer be deemed Outstanding for purposes of this Resolution, and if such conditions have been satisfied with respect to all Bonds issued hereunder and then Outstanding, all balances remaining in any other funds or accounts created by this Resolution other than moneys held for redemption or payment of Bonds and to pay all other sums payable by the Issuer hereunder, shall be distributed to the Issuer for any lawful purpose; otherwise this Resolution shall be, continue and remain in full force and effect.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest on Bonds shall have been paid to the Holders of such Bonds by a Bond Insurer, such Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the security hereunder and all covenants, agreements and other obligations of the Issuer to the Holders shall continue to exist and shall accrue to the benefit of the Bond Insurer and the Bond Insurer shall be subrogated to the rights of such Holders.

Notwithstanding any other provision of this Resolution, including in particular this Article XIV, the obligation to pay over the Rebate Amount to the United States of America and to comply with all other requirements of Section 1003 shall survive the defeasance or payment in full of the Bonds and continue to be an obligation of the Issuer until paid in full, together with any interest or penalties accruing thereto.

[End of Article XIV]

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(h) To make any other change or modification of the terms hereof which, in the reasonable judgment of the Issuer is not materially prejudicial to the rights or interests of the holders of the Bonds hereunder.

**Section 1502. Amendatory Resolutions With Bondholders' Consent.** Subject to the terms and provisions contained in this section, and not otherwise, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such amendatory resolution or resolutions as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any supplemental resolution; *provided, however*, that nothing in this section shall permit, or be construed as permitting, without the consent of the Holders of all Bonds Outstanding, (a) an extension of the maturity of the principal of or the interest on any Bonds, or (b) a reduction in the principal amount of, or the premium or the rate of interest on, any Bonds, or (c) the creation of a lien upon or a pledge of any of the funds or accounts established under or pursuant to this Resolution other than a lien and pledge (i) created by this Resolution or (ii) that is made expressly subordinate to the Issuer's obligations hereunder, or (d) a preference or priority of any Bond or Bonds over any other Bond other Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution. Nothing in this section, however, shall be construed as making necessary the approval by Bondholders of the adoption of any supplemental resolution as authorized in Section 1501.

Subject to the provisions of Section 1503, if the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory resolution shall have consented to and approved its adoption, no Owner of any Bond, any Bond Insurer, or any Reserve Product Provider of a Reserve Product shall have any right to object to the adoption of such supplemental resolution, or to object to any of its terms and provisions, or in any manner to question the propriety of its adoption, or enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to its provisions. Bondholder approval need not be given at one time, and approvals may be prospective in nature and aggregated over a period of time. Once a Bondholder has given approval to an amendment (either current or prospective), such approval shall be irrevocable and binding on all subsequent holders of such Bonds.

Upon the adoption of any amendatory resolution pursuant to the provisions of this section, this Resolution shall be modified and amended in accordance with such supplemental resolution, and the respective rights, duties and obligations under this Resolution of the Issuer and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

**Section 1503. Rights of Bond Insurer or Credit Facility Provider.** In the event that a Credit Facility is in full force and effect as to a Series of Bonds and the Bond Insurer or Credit Facility Provider is not (i) insolvent, (ii) in default, or (iii) rated below the "A" category by a nationally recognized rating service, the Bond Insurer or Credit Facility Provider, in place of the Holder of such Bonds, shall have the power and authority to give any consents and exercise any and all other rights that the Owners of such Bonds otherwise would have the power and authority to make, give or exercise, including, but not limited to, the exercise of remedies provided in Article

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XIII, and the giving of consents to amendatory resolutions when required by Section 1502 (exclusive of those matters referred to in the proviso to the first sentence of Section 1502), and such consent shall be deemed to constitute the consent of the Holders of all of those Bonds which are secured by such Credit Facility.

**Section 1504. Supplemental or Amendatory Resolutions Part of Resolution.** Any supplemental or amendatory resolution adopted in accordance with the provisions of this Resolution shall thereafter form a part of this Resolution, and all of the terms and conditions contained in any such amendatory or supplemental resolution shall be part of the terms and conditions of this Resolution for any and all purposes. Express reference to any supplemental or amendatory resolution may be made in the text of any Bonds issued after its adoption, if deemed necessary or desirable by the Issuer.

**Section 1505. Notice of Amendatory Resolutions.** The Issuer shall give to the Rating Agencies then maintaining a rating on any Outstanding Bonds notice of the adoption of any amendatory resolution, which notice shall include the form of such amendatory resolution.

[End of Article XV]

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## ARTICLE XVII

### MISCELLANEOUS PROVISIONS

**Section 1701. Limitation of Rights.** With the exception of rights in this Resolution expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, the Registrar and Paying Agent, each provider of a Credit Facility, each provider of a Reserve Product and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Resolution or any covenants, conditions and provisions in this Resolution contained; this Resolution and all of the covenants, conditions and provisions of this Resolution being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registrar and Paying Agent, each provider of a Credit Facility, each provider of a Reserve Product and the Holders of the Bonds as in this Resolution provided.

Each provider of a Credit Facility is an express third party beneficiary of this Resolution and is entitled to enforce this Resolution as if it were a party hereto to the extent provided in this Resolution.

**Section 1702. Unclaimed Moneys.** Any moneys deposited with the Registrar and Paying Agent by the Issuer in accordance with the terms and covenants of this Resolution, in order to redeem or pay any Bond in accordance with the provisions of this Resolution, and remaining unclaimed by the registered owner of the Bond for five (5) years after the date fixed for redemption or of maturity, as the case may be, shall, if the Issuer is not at the time to the actual knowledge of the Registrar and Paying Agent in default with respect to any of the terms and conditions of this Resolution, be repaid by the Registrar and Paying Agent to the Issuer upon its written request therefor; and thereafter the registered owner of the Bond shall be entitled to look only to the Issuer for payment of such amount, *provided, however*, that the Registrar and Paying Agent, before being required to make any such repayment, shall, at the expense of the Issuer, mail to the registered owner of such Bond at its address, as the same shall last appear on the Bond Register, a notice to the effect that said moneys have not been so applied and that after the date named in said notice any unclaimed balance of said moneys then remaining shall be returned to the Issuer. If the Issuer makes arrangements satisfactory to the Registrar and Paying Agent to indemnify the Registrar and Paying Agent for any costs which it may incur due to the unavailability of moneys due to such investment, such moneys may be invested in accordance with Section 1002. Investment income on any such unclaimed moneys received by the Registrar and Paying Agent shall be deposited as provided in Section 1002 until the final maturity or redemption date of the Bonds. Any such income generated after such date shall be deemed to be unclaimed moneys of the type referred to in the first sentence of this section and shall be disposed of in accordance with such sentence. The Issuer must covenant and agree, as a condition to it receiving such funds, to indemnify and save the Registrar and Paying Agent harmless from any and all loss, costs, liability and expense suffered or incurred by the Registrar and Paying Agent by reason of having returned any such moneys to the Issuer as in this Resolution provided.

**Section 1703. Action Required on Non-Business Day.** Notwithstanding anything to the contrary in this Resolution, in the event that any payment, action or notice required by this Resolution is required or scheduled for a day which is not a Business Day, except as otherwise

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## ARTICLE XVI

### REGISTRAR AND PAYING AGENT

**Section 1601. Notice by Registrar and Paying Agent if Default Occurs.** The Registrar and Paying Agent shall not be required to take notice or be deemed to have notice of any default under this Resolution except failure by the Issuer to cause to be made any of the payments to the Registrar and Paying Agent required to be made by this Resolution unless the Registrar and Paying Agent shall be specifically notified in writing of such default by the Issuer or by the Holders of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding, and all notices or other instruments required by this Resolution to be delivered to the Registrar and Paying Agent must, in order to be effective, be delivered at a corporate trust office of the Registrar and Paying Agent, and in the absence of such notice so delivered, the Registrar and Paying Agent may conclusively assume there is no default except as aforesaid.

If a default occurs of which the Registrar and Paying Agent is by this Section 1601 required to take notice or if notice of default be given as provided in the preceding paragraph, then the Registrar and Paying Agent shall give written notice thereof by mail to the Issuer, each provider of a Credit Facility any Reserve Product and the registered owners of all Bonds then Outstanding.

### **Section 1602. Registrar and Paying Agent; Appointment and Acceptance of Duties; Removal.**

(a) Unless otherwise designated by subsequent resolution, the City Administrator or Chief Financial Officer shall select and designate a Registrar and Paying Agent for each Series of Bonds, and the Issuer is authorized to enter into a registrar and paying agent agreement with the Registrar and Paying Agent, if so required.

(b) The Issuer may appoint one or more additional Paying Agents for each Series of Bonds which may include the Registrar. Any such Paying Agent shall be a commercial bank or trust company organized under the laws of the United States of America or one of the States thereof. Each Paying Agent other than the Registrar and Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the Issuer and the Registrar and Paying Agent a written acceptance of this Resolution.

The Issuer may remove any Paying Agent or the Registrar and Paying Agent and any successors thereto, and may appoint a successor or successors thereto; provided that the Registrar and Paying Agent or any other such Paying Agent then so designated by the Issuer shall continue to function as such until the designation of a successor. The Registrar and Paying Agent and each other Paying Agent is hereby authorized to pay or redeem Bonds from money on deposit in the respective funds and accounts hereunder when duly presented to it for payment or redemption.

[End of Article XVI]

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provided in this Resolution or in a supplemental resolution with respect to a Series of Bonds, such payment, action or notice shall take place on the next succeeding Business Day with the same effect as if made on the required or scheduled date, and no Event of Default shall exist solely because of the failure to make such payment, take such action or give such notice on such required or scheduled date.

### **Section 1704. Performance Audit.**

Unless specifically waived pursuant to the publication of such waiver in compliance with the provisions of O.C.G.A. § 36-82-100, the Issuer will select a certified public accountant or an outside auditor, consultant or provider for the purpose of providing for a continuing performance audit or performance review of the expenditure of bond proceeds and otherwise complying with the provisions of O.C.G.A. § 36-82-100, the cost of which performance audit or performance review shall be paid by the funds of the Issuer. Notice to the public of the waiver of such performance audits or reviews is to contain an appropriate statement of such waiver.

**Section 1705. Severability.** If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid by a court of competent jurisdiction, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the Bonds issued hereunder, which remaining covenants, agreements and provisions shall remain in full force and effect.

**Section 1706. No Third-Party Beneficiaries.** Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners and holders of the Bonds issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners and holders from time to time of the Bonds issued hereunder.

**Section 1707. Controlling Law; Members of Governing Body Not Liable.** All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized by the Constitution and laws of the State of Georgia. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent, officer or employee of the Issuer or the Governing Body of the Issuer in his or her individual capacity, and neither the members or officers of the Governing Body of the Issuer nor any official executing the Bonds shall be liable personally on the Bonds or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the Issuer or such members thereof.

**Section 1708. Repeal of Inconsistent Resolutions.** All resolutions in conflict with the express terms hereof are hereby repealed.

**Section 1709. Effective Date.** This Resolution shall take effect immediately upon its passage in the manner provided by law.

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By: \_\_\_\_\_  
Mayor

(S E A L)

ATTEST:

By: \_\_\_\_\_  
City Clerk

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## EXHIBIT A

## [FORM OF CURRENT INTEREST BOND]

*[Unless this Series 20\_\_ Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 20\_\_ Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]*

No. R-

UNITED STATES OF AMERICA  
STATE OF GEORGIA  
  
CITY OF WINDER (GEORGIA)  
WATER AND SEWER [REFUNDING] REVENUE BOND  
SERIES 20\_\_

Maturity Date: \_\_\_\_\_ [CUSIP:]  
Interest Rate: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Bond Date: [Date of Issuance]  
Registered Owner: [Cede & Co.]

The City of Winder, Georgia (hereinafter called the "Issuer"), a municipal corporation of the State of Georgia, for value received, hereby promises to pay to the Registered Owner identified above, or to registered assigns or legal representatives, but solely from the revenues hereinafter mentioned, on the Maturity Date identified above (or earlier as hereinafter provided), the Principal Amount identified above, upon presentation and surrender hereof at the designated office of \_\_\_\_\_, \_\_\_\_\_, or its successors, as Registrar and Paying Agent (the "Registrar" and "Paying Agent"), and to pay, solely from such special revenues, interest on the Principal Amount from the Dated Date, or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above, until payment of the Principal Amount, or until provision for the payment thereof has been duly provided for, such interest being payable semiannually on the first day of January and the first day of July of each year, commencing on \_\_\_\_\_ 1, 20\_\_ . Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be paid by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Issuer maintained by the Registrar at the close of business on the fifteenth day (whether or not a Business Day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to the Record Date and prior to such interest payment date, unless the Issuer shall be in default in payment of interest due on such interest payment date. In

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the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (which date shall also be the date for the payment of such defaulted interest) as established by notice by deposit in the U.S. mails, postage prepaid, by the Issuer to the Registered Owners of Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day (whether or not a Business Day) preceding the date of mailing.

This Bond and the interest hereon is payable solely from and secured by a lien upon and pledge of certain revenues derived by the Issuer from the operation of Issuer's water and sewer system (the "System"), pursuant to the terms and subject to the conditions described in a master bond resolution adopted by the Issuer on November 3, 2025, [as supplemented by a supplemental bond resolution adopted by the Issuer on \_\_\_\_\_, 20\_\_] (the "Resolution"), and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Resolution and as more particularly described below. Reference is hereby made to the Resolution for the provisions, among others, relating to the terms, lien and security of the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the Registered Owners of the Bonds, the extent of and limitations on the Issuer's rights, duties and obligations, and the provisions permitting the issuance or incurrence of additional parity indebtedness (including Additional Bonds), to all of which provisions the Registered Owner hereof for himself and his successors in interest assents by acceptance of this Bond. All terms used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed thereto in the Resolution.

[THE ISSUER HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS SERIES 20\_\_ BOND, EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE HEREINAFTER DEFINED RESOLUTION, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, WILL BE THE REGISTERED OWNER AND WILL HOLD THIS SERIES 20\_\_ BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS SERIES 20\_\_ BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS SERIES 20\_\_ BOND, WILL BE TREATED AS THE OWNER OF THIS SERIES 20\_\_ BOND FOR ALL PURPOSES.]

This Bond shall not be deemed to constitute a general debt or a pledge of the faith and credit of the Issuer, or a debt or a pledge of the faith and credit of the State of Georgia or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, and it is expressly agreed by the Registered Owner of this Bond that such Registered Owner shall never have the right, directly or indirectly, to require or compel the exercise of the taxing power of the Issuer or any other political subdivision of the State of Georgia or taxation in any form on any real or personal property for the payment of the principal of, premium, if any, and interest on this Bond or for the payment of any other amounts provided for in the Resolution.

It is further agreed between the Issuer and the Registered Owner of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien upon the System, or any part thereof, or any other tangible personal property of or in the Issuer, but shall constitute a lien only on the Net Revenues and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Resolution. Neither the Mayor, the City Council, officers or

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## Form of Bond Resolution

officials of the Issuer, nor any person executing the Bonds shall be liable personally on the Bonds by reason of their issuance.

Under the terms of the Resolution, the Issuer may issue, under certain terms and conditions, Additional Bonds on a parity as to lien on the Net Revenues of the System with the Bonds.

This Bond is one of an authorized issue of Bonds in the [aggregate] principal amount of \$ \_\_\_\_\_, of like tenor and effect, except as to number, maturity (unless all Bonds mature on the same date) and interest rate, issued to [finance or refinance] the cost of the acquisition, construction and equipping of additions, extensions and improvements to the System, pursuant to the authority of and in full compliance with the Constitution and laws of the State of Georgia. This Bond is also subject to the terms and conditions of the Resolution.

The Bonds of this issue are subject to redemption prior to their maturity [Insert Term Bond amortization provisions]. The Bonds of this issue shall be further subject to redemption prior to their maturity at the option of the Issuer [Insert optional redemption provisions].

[Notice of such redemption shall be given in the manner required by the Resolution.]

The registration of this Bond may be transferred upon the registration books upon delivery to the designated office of the Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the owner of this Bond or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of this Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Resolution enter the transfer of ownership in the registration books and (unless uncertificated registration shall be requested and the Issuer has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. Neither the Issuer nor the Registrar shall be required to register the transfer of any Bond during the period commencing on the fifteenth day of the month immediately preceding an interest payment date on the Bonds and ending on such interest payment date, or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof have been selected for redemption. The Issuer and the Registrar may charge the owner of such Bond for the registration of every such transfer of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Issuer) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

If the date for payment of the principal of, premium, if any, or interest on this Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond exist, have happened

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STATE OF GEORGIA )  
 )  
BARROW COUNTY ) VALIDATION CERTIFICATE

I, the undersigned Clerk of the Superior Court of Barrow County, State of Georgia, keeper of the records and seal thereof, hereby certify that this Bond was validated and confirmed by judgment of the Superior Court of Barrow County, Georgia, on \_\_\_\_\_, 20\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand or caused my official signature and the seal of the Superior Court of Barrow County, Georgia, to be reproduced hereon in facsimile.

(S E A L)

\_\_\_\_\_  
CLERK, SUPERIOR COURT  
BARROW COUNTY, GEORGIA

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds designated in and executed under the provisions of the within mentioned Resolution.

Date of Authentication: \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
As Authentication Agent

By: \_\_\_\_\_  
Authorized Officer

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and have been performed in regular and due form and time as required by the laws and Constitution of the State of Georgia applicable hereto, and that the issuance of the Bonds of this Series does not violate any constitutional or statutory limitation or provision.

[PROVISION FOR VARIABLE RATE BONDS]

[The form of the Current Interest Bonds may be modified as appropriate by supplemental resolution to provide for a variable interest rate calculated as provided by supplemental resolution pertaining to each Series of Bonds, provided that in no event shall the interest rate calculated in accordance with such formula or any accreted interest exceed the maximum rate permitted by law.]

[PROVISION FOR DEMAND BONDS]

[The form of the Current Interest Bonds may be modified as appropriate by supplemental resolution of the Issuer for each series of Bonds prior to the sale thereof, to provide that the holder of any such Bond may demand from the Issuer payment of principal and interest on his Bond within a specified number of calendar days after delivering notice to a remarketing or other agent for the Issuer and providing a copy of the notice and tendering the Bonds to a named tender or other agent for the Issuer.]

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication endorsed hereon shall have been signed by the Registrar.

This Bond is issued with the intent that the laws of the State of Georgia shall govern its construction.

IN WITNESS WHEREOF, the City of Winder, Georgia, has issued this Bond and has caused the same to be signed by the Mayor and attested to and countersigned by the City Clerk, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

CITY OF WINDER, GEORGIA  
  
(S E A L)  
  
By: \_\_\_\_\_ (FORM)  
Mayor

ATTEST:

By: \_\_\_\_\_ (FORM)  
City Clerk

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ASSIGNMENT  
  
FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF ASSIGNEE  
  
\_\_\_\_\_

\_\_\_\_\_  
Please print or typewrite name and address, including postal zip code of transferee.

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Agent to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

\_\_\_\_\_  
Assignor

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Date: \_\_\_\_\_, 20\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP or MSP signature guarantee medallion programs.

[END OF BOND FORM]

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CITY CLERK'S CERTIFICATE

Now comes the undersigned City Clerk of the City of Winder, Georgia, keeper of the records and seal thereof, and certifies that the foregoing is a true and correct copy of a resolution approved and adopted by the City Council of the City of Winder in public meeting properly and lawfully held and assembled on November 3, 2025, the original of which resolution has been entered in the official records of the City under my supervision and is in my official possession, custody and control.

I further certify that the meeting was held in conformity with the open meeting requirements of Title 50, Chapter 14 of the Official Code of Georgia.

(S E A L)

\_\_\_\_\_  
CITY CLERK

CITY OF WINDER, GEORGIA

FIRST SUPPLEMENTAL  
BOND RESOLUTION

Adopted December 4, 2025

PROVIDING FOR ISSUANCE OF  
CITY OF WINDER (GEORGIA)  
WATER AND SEWER REVENUE BONDS, SERIES 2025  
IN THE AGGREGATE PRINCIPAL AMOUNT OF  
\$ \_\_\_\_\_

**THIS FIRST SUPPLEMENTAL BOND RESOLUTION** (this “**First Supplemental Resolution**”) is adopted this December 4, 2025, by the City Council of the City of Winder (the “**Issuer**” or the “**City**”), for the purpose of amending and supplementing a Master Bond Resolution adopted by the Mayor and Council on November 3, 2025 (the “**Master Resolution**”). Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Master Resolution.

**WHEREAS**, the City Council, has now determined for the benefit of the citizens of the City of Winder to issue its CITY OF WINDER WATER AND SEWER REVENUE BONDS, SERIES 2025, in the aggregate principal amount of \$ \_\_\_\_\_ (the “**Series 2025 Bonds**”), to acquire, construct and equip certain additions, extensions and improvements to the City’s water and sewer system (the “**System**”), including, but not limited to, paying part of the costs of the construction of a new raw water storage quarry reservoir and related infrastructure (the “**2025 Projects**”), substantially in accordance with engineering plans and specifications prepared by the Issuer’s consulting engineers, which plans are, by this reference, incorporated herein and made a part hereof as fully as if physically attached hereto; and

**WHEREAS**, in accordance with an Official Notice of Sale dated November \_\_, 2025, the Issuer received electronic bids for the purchase of the Series 2025 Bonds on December 4, 2025, and the proper officers of the Issuer, with the assistance of Davenport & Company LLC, as financial advisor to the Issuer, reviewed the bids and determined that the best bid for the Series 2025 Bonds was submitted by [ \_\_\_\_\_ ]; and

**WHEREAS**, the Series 2025 Bonds now proposed to be issued and any Additional Bonds hereafter issued and the interest thereon shall be secured by a first pledge of and charge or lien on the Net Revenues of the System, superior to any other charge or lien now existing or which may hereafter be created thereon; and

**WHEREAS**, it is necessary and proper for the City Council to authorize the Mayor, City Administrator, Finance Director, City Attorney and other officials to take such actions relating to the 2025 Projects as shall be necessary to develop and proceed with a plan of financing for the same and take such actions as necessary for the issuance and delivery of the Series 2025 Bonds; and

**WHEREAS**, in order to provide for the issuance of the Series 2025 Bonds for the purpose of financing the 2025 Projects, it is necessary to supplement and amend the Master Resolution, pursuant to this First Supplemental Resolution.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Winder in public meeting properly and lawfully called and assembled, and it is hereby resolved by authority of the same, as follows:

**Section 1. Authorization, Description and Terms of Series 2025 Bonds.** The Series 2025 Bonds shall be issued in the aggregate principal amount of \$ \_\_\_\_\_. The Series 2025 Bonds shall bear interest at the rates set out below, payable semi-annually on the first days of

January and July in each year, beginning July 1, 2026, and shall mature on January 1 in the years and in the amounts as follows:

Maturity	Principal Amount	Interest Rate
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
2047		
2048		
2049		
2050		
2051		
2052		
2053		
2054		
2055		

[\*Subject to scheduled mandatory redemption prior to maturity.]

The Series 2025 Bonds as originally issued shall be lettered and numbered from R-1 upward in order of maturity according to the records maintained by the Registrar and shall be dated as of their date of issuance and delivery. The Series 2025 Bonds are issued in fully registered form in denominations of \$5,000 or any integral multiple thereof.

As provided by Section 613 of the Master Resolution, the Series 2025 Bonds shall be issued in book-entry only form, as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity, in the aggregate principal amount of such maturity, and will be deposited with DTC as the Depository.

**Section 2. Redemption Provisions for Series 2025 Bonds.**

(a) **Optional Redemption.** The Series 2025 Bonds maturing on January 1, 2037, and thereafter are subject to optional redemption by the Issuer, in whole or in part, at any time, beginning January 1, 2036, (if less than all of the Series 2025 Bonds of a maturity are to be redeemed, the actual Series 2025 Bonds of such maturity shall be selected by lot in such manner as may be designated by DTC while the Series 2025 Bonds are held as Book-Entry Bonds and by the Paying Agent if the Series 2025 Bonds are no longer held as Book-Entry Bonds), in such order as may be designated by the Issuer at a redemption price of 100% of the principal amount of the Series 2025 Bonds called for redemption plus accrued interest to the redemption date.

The Series 2025 Bonds which are subject to optional redemption shall be called for redemption by the Registrar upon receipt by the Registrar at least 30 days prior to the redemption date of a certificate of the Issuer directing such redemption. Such certificate shall specify the maturity or maturities of the Series 2025 Bonds to be redeemed, the redemption date, the principal amount of the Series 2025 Bonds or portions thereof so to be called for redemption, the applicable redemption price or prices, and the provision or provisions of the Resolution, pursuant to which such Series 2025 Bonds are to be called for redemption.

(b) **Scheduled Mandatory Redemption.** The Series 2025 Bonds maturing on January 1, 20 \_\_, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the maturity of the Series 2025 Bonds to be redeemed (rounded to the nearest \$5,000 of the principal amount of each Series 2025 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on January 1 of the years set forth below (the January 1, 20 \_\_, amount to be paid at maturity rather than redeemed):

Year	Principal Amount
------	------------------

The Series 2025 Bonds maturing on January 1, 20 \_\_, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the maturity of the Series 2025 Bonds to be redeemed (rounded to the nearest \$5,000 of the principal amount of each Series 2025 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on January 1 of the years set forth below (the January 1, 20 \_\_, amount to be paid at maturity rather than redeemed):

Year	Principal Amount
------	------------------



The *pro rata* redemption shall be made by redeeming from each Bondholder of the maturity to be redeemed that principal amount which bears the same proportion to the principal amount of such stated maturity registered in the name of such Bondholder as the total principal amount of such stated maturity to be redeemed on any date of scheduled mandatory redemption bears to the aggregate principal amount of such stated maturity Outstanding prior to redemption. If the Paying Agent cannot make a strict *pro rata* redemption among the Bondholders of a stated maturity, the Paying Agent will redeem more or less than a *pro rata* portion from one or more Bondholders of such stated maturity in such manner as the Paying Agent deems fair and reasonable. In connection with any such redemption prior to maturity, the Paying Agent will make appropriate entries in the Bond Register to reflect a portion of any Series 2025 Bond so redeemed and the amount of the principal remaining outstanding. The Paying Agent's notation in the Bond Register shall be conclusive as to the principal amount of any Outstanding Bond at any time.

(c) **Notice of Redemption.** The Bond Registrar shall give notice of redemption one time not less than 30 days nor more than 45 days prior to the date fixed for redemption to the Holders of each of the Series 2025 Bonds being called for redemption by first class mail (electronically while the Series 2025 Bonds are held as book-entry bonds) at the address shown on the register of the Bond Registrar. Said notice may be conditional and shall contain the complete official name of the Series 2025 Bonds being redeemed, CUSIP number, certificate numbers, amounts called of each certificate (for partial calls), redemption date, redemption price, the Paying Agent's name and address (with contact person and phone number), date of issue of the Series 2025 Bonds, interest rate, and maturity date. Said notice shall also be given not less than 30 days nor more than 45 days prior to the date fixed for redemption, to the Electronic Municipal Market Access system (EMMA) operated by the Municipal Securities Rulemaking Board or such other securities depository registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, which disseminate redemption notices. No transfer or exchange of any Bond so called for redemption shall be allowed. If any Holder of any Bond being redeemed pursuant to the provisions of this Article shall fail to present for redemption any such Bond within 60 days after the date fixed for redemption, a second notice of the redemption of such Bond shall be given to said Owner at the address of said Owner as shown on the bond register of the Bond Registrar within 90 days after the date fixed for redemption. The failure of the Bond Registrar to give such notice shall not affect the validity of the proceedings for the redemption of any Bond as to which no such failure occurred. Any notice mailed or delivered as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

(d) **Manner of Redemption.** Series 2025 Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. In the case of the Series 2025 Bonds of denominations greater than \$5,000, if less than all of such Bonds of a single maturity then outstanding are to be called for redemption then for all purposes in connection with redemption, each \$5,000 of face value shall be treated as though it were a separate Bond in the denomination of \$5,000. If it is determined that one or more, but not all of the \$5,000 units of face value represented by any Bond are to be called for redemption, then upon notice of the intention to redeem such \$5,000 unit or units, the Owner of such Bond shall forthwith surrender such Bond to the Paying Agent for payment of the redemption price (including the redemption premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption and there shall be issued to the Holder thereof, without charge therefor, fully registered

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(c) [ ] is hereby designated as Authorized Depository of the Revenue Fund, the Sinking Fund, the Renewal and Extension Fund, and the Rebate Fund (if created), established pursuant to the Master Resolution.

(d) A successor bond registrar, paying agent, and authentication agent and a successor Authorized Depository or custodian for any fund may be designated, from time to time, by the Issuer, provided such depository or successor agrees to comply with the provisions in the Master Resolution.

**Section 7. Application of Proceeds of the Series 2025 Bonds; Requisitions from 2025 Project Construction Account.**

(a) The proceeds from the sale of the Series 2025 Bonds, together with other available funds of the Issuer, shall be applied as follows:

(i) Proceeds sufficient to pay all costs and expenses in connection with the issuance and sale of the Series 2025 Bonds, including without limitation the fees and expenses of accountants, attorneys, financial advisors, and underwriters, shall be paid by the Issuer to those persons who shall be entitled to receive the same. In connection with the payment of such costs and expenses, the same may be deposited in and paid from the 2025 Project Construction Account or the Issuer may establish with the Construction Fund Custodian a costs of issuance account from which to make such payments;

(ii) The remaining balance of the proceeds of the Series 2025 Bonds shall be deposited into the 2025 Project Construction Account within the Construction Fund to pay costs of the 2025 Projects.

(b) All payments from the 2025 Project Construction Account shall be made upon wire transfer, ACH, or checks authorized by the Project Superintendent, but before any such payment shall be made (other than payments therefrom for costs of issuance) there shall be maintained by the Issuer a written record reflecting:

(i) each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due;

(ii) that an obligation in the stated amount has been incurred by the Issuer, and that the same is a proper charge against the 2025 Project Construction Account and has not been paid, and stating that the bill, invoice or statement of account for such obligation, or a copy thereof, is on file in the office of the Project Superintendent;

(iii) that the Project Superintendent has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages or conditional sales contracts which should be satisfied or discharged before such payment is made;

(iv) that such requisition contains no item representing payment on account or any retained percentages which the Issuer is, at the date of such certificate, entitled to retain; and

Bonds for the unredeemed balance of the principal amount thereof, in any of the authorized denominations. If the Owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for payment in exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such Bond represented by such \$5,000 unit or units of face value on and after the date fixed for redemption and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent and being available for the redemption) such Bond shall not be entitled to the benefit and security of the Master Resolution or this First Supplemental Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such \$5,000 unit or units.

(e) **Effect of Redemption Call.** Notice having been given in the manner and under the terms and conditions hereinabove provided, and money for the payment of the redemption price being held by the Paying Agent, all as provided in this First Supplemental Resolution, the Series 2025 Bonds or the portion thereof so called for redemption shall become and be due and payable on the redemption date designated in such notice at the redemption price provided for redemption of such Bonds on such date. Interest on the Series 2025 Bonds or the portion thereof so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in payment of the redemption price thereof upon presentation and surrender thereof. Such Bonds shall cease to be entitled to any lien, benefit or security under the Master Resolution and this First Supplemental Resolution and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such Bond or the portion thereof so called shall not be considered to be outstanding. Upon surrender of such Bond paid or redeemed in part only, the City shall execute and the Bond Registrar shall deliver to the Owner thereof, at the expense of the City, a new Bond or Bonds of the same type, of authorized denominations in the aggregate principal amount equal to the unpaid or unredeemed portion of the Bond.

**Section 3. Form of Series 2025 Bonds.** The Series 2025 Bonds and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the form set forth in Exhibit A attached hereto and made a part hereof.

**Section 4. 2025 Project Construction Account.** The "2025 Project Construction Account" is hereby created within the Construction Fund into which the Issuer shall deposit proceeds of the Series 2025 Bonds and make requisitions therefrom for the 2025 Projects.

**Section 5. Reserve Requirement.**

(a) There will be no Reserve Requirement established for the Series 2025 Bonds. The Series 2025 Bonds will not be secured by a Reserve Account.

**Section 6. Designation of Paying Agent, Registrar, and Authorized Depository.**

(a) U.S. Bank Trust Company, National Association, Atlanta, Georgia, is hereby designated as Paying Agent, Registrar and authenticating agent for the Series 2025 Bonds.

(b) U.S. Bank Trust Company, National Association, is hereby designated as Authorized Depository of the Construction Fund established pursuant to the Master Resolution.

(v) that insofar as such obligation was incurred for work, material, supplies or equipment in connection with the 2025 Projects, such work was actually performed, or such material, supplies or equipment was actually installed in or about the construction or delivered at the site of the work for that purpose.

(c) If the United States of America or the State, or any department, agency or instrumentality of either, agrees to allocate money to be used to defray any part of the Cost of the 2025 Projects upon the condition that the Issuer appropriate a designated amount of money for said specified purpose or purposes, and the Issuer is required to withdraw any sum so required from the 2025 Project Construction Account for deposit in a special account, the Issuer shall have the right to withdraw any sum so required from the 2025 Project Construction Account by appropriate transfer and deposit the same in a special account for that particular purpose; provided, however, that all payments thereafter made from said special account may be made only in accordance with the requirements set forth herein.

(d) Withdrawals for investment purposes only (including authorized deposits with other banks) may be made by the Authorized Depository of the 2025 Project Construction Account to comply with written directions from the Project Superintendent without any requisition other than said direction.

**Section 8. Continuing Disclosure.** The Issuer will undertake all responsibility for compliance with the continuing disclosure requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) pursuant to a Continuing Disclosure Certificate (the "**Disclosure Certificate**"). The execution and delivery of the Disclosure Certificate by the Mayor is hereby authorized. Notwithstanding any other provision of this First Supplemental Resolution, failure of the Issuer to comply with the Disclosure Certificate shall not be considered a default hereunder, and under no circumstances shall such failure affect the validity or the security for the payment of the Series 2025 Bonds. It is expressly provided, however, that any Bondholder may take such action, to the extent and in such manner as may be allowed by applicable law, as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Master Resolution, this First Supplemental Resolution and the Series 2025 Bonds.

**Section 9. Official Statement.** The Issuer has caused to be prepared and distributed a Preliminary Official Statement with respect to the Series 2025 Bonds and the Issuer shall execute and deliver an Official Statement in final form and the execution and delivery of the Official Statement in final form be and the same is hereby authorized and approved. The use and distribution of a Preliminary Official Statement with respect to the Series 2025 Bonds and the execution by the City Administrator of a certificate which "deemed final" the Preliminary Official Statement within the meaning of Securities Exchange Act Rule 15c2-12 be and the same are hereby ratified and confirmed. The Mayor is hereby authorized to execute and deliver the Official Statement for and on behalf of the Issuer, and the Official Statement shall be in substantially the form of the Preliminary Official Statement as presented to the Issuer on the date hereof and filed with the City Clerk subject to such minor changes, insertions or omissions as may be approved by the Mayor and the execution of said Official Statement by the Mayor as hereby authorized shall

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be conclusive evidence of any such approval. The distribution of the Official Statement for and on behalf of the Issuer is hereby authorized and approved.

**Section 10. Acceptance of Bid.** In accordance with an Official Notice of Sale dated November \_\_, 2025, the Issuer received electronic bids for the purchase of the Series 2025 Bonds on December 4, 2025 at \_\_: \_\_ a.m., and the proper officers of the Issuer, with the assistance of Davenport & Company LLC, as financial advisor to the Issuer, reviewed the bids and determined that the best bid for the Series 2025 Bonds was submitted by [\_\_\_\_], and said bid is hereby accepted and confirmed by the Issuer.

**Section 11. Reimbursement.** The Issuer reasonably expects to reimburse planned expenditures for portions of the 2025 Projects with proceeds of a tax-exempt financing and expresses its declaration of official intent pursuant to Treasury Regulations § 1.150-2(d), to reimburse original expenditures on the 2025 Projects in the maximum amount of \$ \_\_\_\_\_ with proceeds from the Series 2025 Bonds (to the extent permitted by § 1.150-2 of the Treasury Regulations). The Issuer will pay original expenditures on the 2025 Projects from accounts maintained by the Issuer and make its reimbursement allocations not later than 18 months after the later of (i) the date the original expenditure is paid or (ii) the date the 2025 Projects are placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

**Section 12. General Authorization.** The proper officers and agents of the Issuer are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Master Resolution and this First Supplemental Resolution, including execution and delivery of the Official Statement, the Series 2025 Bonds, and closing documents and certificates related to the Series 2025 Bonds, and are further authorized to take any and all further actions and execute and deliver any and all other documents as may be necessary in the issuance of the Series 2025 Bonds. All actions heretofore taken and all documents heretofore executed in connection with the issuance of the Series 2025 Bonds are ratified and approved.

**Section 13. Reaffirmation of Master Resolution.** Except as supplemented by the provisions of this First Supplemental Resolution, the Master Resolution is hereby reaffirmed and shall continue in full force and effect, and its terms and provisions shall be applicable to the Series 2025 Bonds.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT A

*Unless this Series 2025 Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2025 Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

No. R-\_\_

UNITED STATES OF AMERICA  
STATE OF GEORGIA  
  
CITY OF WINDER (GEORGIA)  
WATER AND SEWER REVENUE BOND  
SERIES 2025

Maturity Date: January 1, 20\_\_ CUSIP: \_\_\_\_\_  
Interest Rate: \_\_\_\_%  
Principal Amount: \$ \_\_\_\_\_  
Bond Date: [Date of Issuance]  
Registered Owner: Cede & Co.

The City of Winder, Georgia (hereinafter called the "Issuer"), a municipal corporation of the State of Georgia, for value received, hereby promises to pay to the Registered Owner identified above, or to registered assigns or legal representatives, but solely from the revenues hereinafter mentioned, on the Maturity Date identified above (or earlier as hereinafter provided), the Principal Amount identified above, upon presentation and surrender hereof at the designated office of U.S. Bank Trust Company, National Association, Atlanta, Georgia, or its successors, as Registrar and Paying Agent (the "Registrar" and "Paying Agent"), and to pay, solely from such special revenues, interest on the Principal Amount from the Dated Date, or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above, until payment of the Principal Amount, or until provision for the payment thereof has been duly provided for, such interest being payable semiannually on the first day of January and the first day of July of each year, commencing on July 1, 2026. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be paid by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Issuer maintained by the Registrar at the close of business on the fifteenth day (whether or not a Business Day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to the Record Date and prior to such interest payment date, unless the Issuer shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (which date shall also be

ADOPTED this \_\_ day of December, 2025

CITY OF WINDER, GEORGIA

By: \_\_\_\_\_  
Mayor

(S E A L)

ATTEST:

By: \_\_\_\_\_  
City Clerk

the date for the payment of such defaulted interest) as established by notice by deposit in the U.S. mails, postage prepaid, by the Issuer to the Registered Owners of Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day (whether or not a Business Day) preceding the date of mailing.

This Bond is one of a duly authorized series of bonds designated City of Winder (Georgia) Water and Sewer Revenue Bonds, Series 2025 (the "Series 2025 Bonds"), issued in the aggregate principal amount of \$ \_\_\_\_\_, of like tenor and effect, except as to number, maturity (unless all Bonds mature on the same date) and interest rate, issued to finance the cost of the acquisition, construction and equipping of additions, extensions and improvements to the System (hereinafter defined), pursuant to the authority of and in full compliance with the Constitution and laws of the State of Georgia. This Bond is also subject to the terms and conditions of the Resolution (hereinafter defined).

This Bond and the interest hereon is payable solely from and secured by a lien upon and pledge of certain revenues derived by the Issuer from the operation of Issuer's water and sewer system (the "System"), pursuant to the terms and subject to the conditions described in a master bond resolution adopted by the Issuer on November 3, 2025, as supplemented by a first supplemental bond resolution adopted by the Issuer on December \_\_, 2025 (the "Resolution"), and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Resolution and as more particularly described below. Reference is hereby made to the Resolution for the provisions, among others, relating to the terms, lien and security of the Series 2025 Bonds, the custody and application of the proceeds of the Series 2025 Bonds, the rights and remedies of the Registered Owners of the Series 2025 Bonds, the extent of and limitations on the Issuer's rights, duties and obligations, and the provisions permitting the issuance or incurrence of additional parity indebtedness (including Additional Bonds), to all of which provisions the Registered Owner hereof for himself and his successors in interest assents by acceptance of this Bond. All terms used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed thereto in the Resolution.

THE ISSUER HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS SERIES 2025 BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE HEREINAFTER DEFINED RESOLUTION, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, WILL BE THE REGISTERED OWNER AND WILL HOLD THIS SERIES 2025 BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS SERIES 2025 BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS SERIES 2025 BOND, WILL BE TREATED AS THE OWNER OF THIS SERIES 2025 BOND FOR ALL PURPOSES.

This Bond shall not be deemed to constitute a general debt or a pledge of the faith and credit of the Issuer, or a debt or a pledge of the faith and credit of the State of Georgia or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, and it is expressly agreed by the Registered Owner of this Bond that such Registered Owner shall never have the right, directly or indirectly, to require or compel the exercise of the taxing power of the Issuer or any other political subdivision of the State of Georgia

or taxation in any form on any real or personal property for the payment of the principal of, premium, if any, and interest on this Bond or for the payment of any other amounts provided for in the Resolution.

It is further agreed between the Issuer and the Registered Owner of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien upon the System, or any part thereof, or any other tangible personal property of or in the Issuer, but shall constitute a lien only on the Net Revenues and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Resolution. Neither the Mayor, the City Council, officers or officials of the Issuer, nor any person executing the Series 2025 Bonds shall be liable personally on the Series 2025 Bonds by reason of their issuance.

Under the terms of the Resolution, the Issuer may issue, under certain terms and conditions, Additional Bonds on a parity as to lien on the Net Revenues of the System with the Series 2025 Bonds.

The Series 2025 Bonds are subject to redemption prior to their maturity [Insert Term Bond amortization provisions]. The Series 2025 Bonds of this issue shall be further subject to redemption prior to their maturity at the option of the Issuer [Insert optional redemption provisions].

[Notice of such redemption shall be given in the manner required by the Resolution.]

The registration of this Bond may be transferred upon the registration books upon delivery to the designated office of the Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the owner of this Bond or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of this Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Resolution enter the transfer of ownership in the registration books and (unless uncertificated registration shall be requested and the Issuer has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. Neither the Issuer nor the Registrar shall be required to register the transfer of any Bond during the period commencing on the fifteenth day of the month immediately preceding an interest payment date on the Bonds and ending on such interest payment date, or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof have been selected for redemption. The Issuer and the Registrar may charge the owner of such Bond for the registration of every such transfer of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Issuer) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

If the date for payment of the principal of, premium, if any, or interest on this Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and

payment on such day shall have the same force and effect as if made on the nominal date of payment.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Georgia applicable hereto, and that the issuance of the Series 2025 Bonds does not violate any constitutional or statutory limitation or provision.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication endorsed hereon shall have been signed by the Registrar.

This Bond is issued with the intent that the laws of the State of Georgia shall govern its construction.

IN WITNESS WHEREOF, the City of Winder, Georgia, has issued this Bond and has caused the same to be signed by the Mayor and attested to and countersigned by the City Clerk, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

CITY OF WINDER, GEORGIA

(S E A L)

By: \_\_\_\_\_(FORM)  
Mayor

ATTEST:

By: \_\_\_\_\_(FORM)  
City Clerk

Exhibit A-3

Exhibit A-4

STATE OF GEORGIA )  
 )  
BARROW COUNTY )      VALIDATION CERTIFICATE

I, the undersigned Clerk of the Superior Court of Barrow County, State of Georgia, keeper of the records and seal thereof, hereby certify that this Bond was validated and confirmed by judgment of the Superior Court of Barrow County, Georgia, on \_\_\_\_\_, 2025.

IN WITNESS WHEREOF, I have hereunto set my hand or caused my official signature and the seal of the Superior Court of Barrow County, Georgia, to be reproduced hereon in facsimile.

(S E A L)      \_\_\_\_\_  
CLERK, SUPERIOR COURT  
BARROW COUNTY, GEORGIA

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2025 Bonds designated in and executed under the provisions of the within mentioned Resolution.

Date of Authentication: \_\_\_\_\_, 2025

U.S. Bank Trust Company, National Association,  
As Authentication Agent

By: \_\_\_\_\_  
Authorized Officer

Exhibit A-5

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF ASSIGNEE  
\_\_\_\_\_

\_\_\_\_\_  
Please print or typewrite name and address, including postal zip code of transferee.

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Agent to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

\_\_\_\_\_  
Assignor  
  
NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Date: \_\_\_\_\_, 20 \_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP or MSP signature guarantee medallion programs.

[END OF BOND FORM]

Exhibit A-6

CITY CLERK'S CERTIFICATE

Now comes the undersigned City Clerk of the City of Winder, Georgia, keeper of the records and seal thereof, and certifies that the foregoing is a true and correct copy of a resolution approved and adopted by the Mayor and Council of the City of Winder in public meeting properly and lawfully held and assembled on December 4, 2025, the original of which resolution has been entered in the official records of the City under my supervision and is in my official possession, custody and control.

I further certify that the meeting was held in conformity with the open meeting requirements of Title 50, Chapter 14 of the Official Code of Georgia.

(S E A L)

\_\_\_\_\_  
CITY CLERK

Appendix C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the City of Winder, Georgia (the “City”), in connection with the City’s issuance of its CITY OF WINDER (GEORGIA) WATER AND SEWER REVENUE BONDS, SERIES 2025, in the aggregate principal amount of \$60,360,000\* (the “Bonds”). The Bonds are being issued pursuant to a master bond resolution adopted by the Mayor and Council of the City on November 3, 2025, as supplemented and amended by a first supplemental bond resolution adopted by the City on \_\_\_\_\_, 2025 (together, the “Resolution”).

The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Bonds (together, the “Bondholders”) and in order to assist the Participating Underwriter (defined below) in complying with U.S. Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” means any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“City” means the City of Winder, Georgia, a municipal corporation of the State of Georgia.

“Dissemination Agent” means the City Administrator of the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“EMMA” means the MSRB’s Electronic Municipal Market Access System which became effective July 1, 2009, and which receives electronic submissions of the Annual Report on the EMMA website at <http://www.emma.msrb.org>.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means any period of 12 consecutive months adopted by the governing body of the City as the City’s fiscal year for financial reporting purposes. The City’s current fiscal year began on July 1, 2025, and will end on June 30, 2026.

“Listed Events” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board.

“Obligated Person” has the meaning set forth in the Rule and means the City.

“Participating Underwriter” means the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“System” means the water and sewerage system of the City.

### SECTION 3. Provision of Annual Reports.

(a) On an annual basis, the City will provide, or cause the Dissemination Agent (if other than the City) to provide, electronically to EMMA, not later than one year after the end of each Fiscal Year, commencing with the report for the Fiscal Year ending June 30, 2026, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report shall be uploaded to EMMA as PDF files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means or in such other format as is prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. In such event, the audited financial statements will be submitted promptly to EMMA upon their availability. If the City’s fiscal year changes, notice of such change shall be given in the same manner as for a Listed Event under Section 5(c). As of the date hereof, the general purpose financial statements of the City for the Fiscal Year ending June 30, 2025, is not available. Within one year after the end of the Fiscal Year ended June 30, 2025, or if unavailable at that time then as soon thereafter as is available, the City shall provide to EMMA the audited financial statements of the City for the Fiscal Year ended June 30, 2025.

(b) Not later than 15 business days prior to the dates specified in paragraph (a) of this Section 3 for providing the Annual Report to EMMA, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide an Annual Report by the date required in paragraph (a), the Dissemination Agent shall send a notice to EMMA in substantially the form attached as Exhibit A.



(c) The Dissemination Agent shall:

(i) determine each year, prior to the date for providing the Annual Report, the manner of filing with EMMA; and

(ii) (if the Dissemination Agent is other than the City) notify the City that the Annual Report has been provided to EMMA pursuant to this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following items:

(a) The general purpose financial statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as applicable to governmental entities from time to time by the Governmental Accounting Standards Board. Such financial statements will be accompanied by an audit report, if available at the time of submission of the Annual Report, resulting from an audit conducted by an independent certified public accountant or a firm of independent certified public accountants in conformity with generally accepted auditing standards. If such audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement relating to the Bonds, and the audited financial statements, together with the audit report thereon, shall be filed in the same manner as the Annual Report when they become available.

(b) If generally accepted accounting principles have changed since the last Annual Report was submitted pursuant to Section 3(a) hereof and if such changes are material to the City, a narrative explanation describing the impact of such changes on the City.

(c) Tabular information for the preceding Fiscal Year regarding the following categories of financial information and operating data regarding the City and the System which shall be consistent with the information contained in the Official Statement relating to the Bonds under the headings "WATER AND SEWER SYSTEM, -Historical Demand Data; -Water System Customer Data; -Sewer System Customer Data; -Ten Largest Water Customers; -Ten Largest Sewer Customers; and -Rates, Fees, and Charges."

Any or all of the items listed above may be incorporated by specific reference to other documents, including official statements of debt issues with respect to which the City is an Obligated Person, which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) The City shall provide or cause to be provided through the Dissemination Agent to EMMA, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of Bondholders, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership, or similar event of the Obligated Person. This event is considered to have occurred when any of the following have occurred: (i) appointment of receiver, fiscal agent, or similar officer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court of governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City;
13. the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

(b) Notwithstanding the foregoing, notice of Listed Events described in paragraph (a)(8) and (9) above need not be given under this Section 5 any earlier than the notice (if any) of the underlying event is given to the Bondholders of affected Bonds pursuant to the Resolution.

(c) The content of any notice of the occurrence of a Listed Event shall be determined by the City and shall be in substantially the form attached as Exhibit B.

SECTION 6. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 7. Termination of Reporting Obligation. The City reserves the right to terminate its obligations under this Disclosure Certificate if and when the City no longer remains an Obligated Person with respect to the Bonds within the meaning of the Rule; in particular upon the occurrence of the legal defeasance, prior redemption, or payment in full of all of the Bonds. If the City's obligations under this Disclosure Certificate are assumed in full by some other entity, such entity shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the City and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the City shall give notice of such termination or substitution to EMMA.

SECTION 8. Dissemination Agent. The City, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. A Dissemination Agent other than the City shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the City Administrator of the City.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate if:

(a) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City on the Bonds, or type of business conducted;

(b) such amendment is supported by an opinion of counsel expert in federal securities laws, to the effect that the undertakings contained herein, as amended, would have complied with the requirements of the Rule on the date hereof, after taking into account any amendments or official interpretations of the Rule, as well as any change in circumstances; and

(c) such amendment does not materially impair the interests of the Bondholders, as determined either by an unqualified opinion of nationally recognized bond counsel filed with the City, or by the approving vote of the Bondholders pursuant to the terms of the Resolution at the time of such amendment.

If any provision of this Disclosure Certificate is amended, the first release of the Annual Report containing any amended financial information or operating data shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being provided. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5 and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Default. If the City fails to comply with any provision of this Disclosure Certificate, any Bondholder's right to enforce the provisions of this undertaking shall be limited to a right to obtain mandamus or specific performance by court order of the City's obligations pursuant to this Disclosure Certificate. Any failure by the City to comply with the provisions of this Disclosure Certificate shall not be an event of default with respect to the Bonds under Section 801 of the Resolution.

SECTION 11. Duties, Immunities, and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent allowed by applicable law, the City agrees to indemnify and save the Dissemination Agent (if other than itself), its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section 11 shall survive resignation or removal of the Dissemination Agent (if other than itself) and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent (if other than the City), the Participating Underwriter, and the Bondholders, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: \_\_\_\_\_, 2025

CITY OF WINDER, GEORGIA

(S E A L)

By: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
City Clerk

Exhibit A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer and Obligor: City of Winder, Georgia

Name of Bond Issue: \$60,360,000\* CITY OF WINDER (GEORGIA) WATER AND SEWER  
REVENUE BONDS, SERIES 2025

Date of Issuance: \_\_\_\_\_, 2025

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate executed by the Issuer on \_\_\_\_\_, 2025. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_, 20\_\_.

Dated: \_\_\_\_\_, 20\_\_

Exhibit B

NOTICE OF THE OCCURRENCE OF [INSERT THE LISTED EVENT]

Relating to

\$60,360,000\* CITY OF WINDER (GEORGIA)  
WATER AND SEWER REVENUE BONDS, SERIES 2025 (the “Bonds”)

CUSIP NUMBER(S)<sup>1</sup>:

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of a Listed Event constituting defeasance shall include the following:

The City of Winder, Georgia hereby expressly reserves the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional/extraordinary redemption provisions of said defeased Bonds.

OR

The City of Winder, Georgia hereby covenants not to exercise any optional or extraordinary redemption provisions under the Bond Resolution; however, the sinking fund provision will survive the defeasance.

AND

The Bonds have been defeased to [maturity/the first call date, which is \_\_\_\_]. This notice does not constitute a notice of redemption and no Bonds should be delivered to the City of Winder, Georgia or the Paying Agent as a result of this mailing. A Notice of Redemption instructing you where to submit your Bonds for payment will be mailed \_\_\_\_\_ to \_\_\_\_\_ days prior to the redemption date.]

Dated: \_\_\_\_\_, 20\_\_

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<sup>1</sup> No representation is made as to the correctness of the CUSIP number(s) either as printed on the Bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

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## Appendix D

### FORM OF LEGAL OPINION OF BOND COUNSEL

The form of Legal Opinion included in this Appendix D has been prepared by Gray Pannell LLC, Savannah, Georgia, Bond Counsel, and is substantially the form to be given in connection with the delivery of the Series 2025 Bonds.

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323 East Congress Street  
Savannah, Georgia 31401  
(912) 443-4040

[Date of Issuance]

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

Re: \$60,360,000\* CITY OF WINDER (GEORGIA) WATER AND SEWER REVENUE BONDS,  
SERIES 2025

To the Addressee:

We have acted as bond counsel in connection with the issuance of the CITY OF WINDER (GEORGIA) WATER AND SEWER REVENUE BONDS, SERIES 2025, in the aggregate principal amount of \$60,360,000\* (the “Series 2025 Bonds”). In this capacity, we have examined the following:

- (a) the constitution and laws of the State of Georgia, including the laws of the State of Georgia relating to the City of Winder, Georgia, a municipal corporation of the State of Georgia (the “City”), and the Revenue Bond Law of Georgia (O.C.G.A. § 36-82-60, *et seq.*);
- (b) a master bond resolution of the City adopted on November 3, 2025, as supplemented and amended by a first supplemental bond resolution adopted on December \_\_, 2025 (together, the “Bond Resolution”).
- (c) certified copies of proceedings of the City preliminary to and in connection with the execution, issuance and delivery by the City of the Series 2025 Bonds; and
- (d) a certified copy of the proceedings in and the judgment of the Superior Court of Barrow County, Georgia, by which the Series 2025 Bonds were validated.

Capitalized terms used herein and not otherwise defined shall have the same meanings given such terms in the Bond Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Bond Resolution and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

The Series 2025 Bonds are subject to transfer and exchange at the times, in the manner and on the terms specified in the Bond Resolution. The Series 2025 Bonds are being issued by means of a book-entry system, and interest is payable thereon semi-annually on January 1 and July 1 of each year, beginning July 1, 2026.

The Series 2025 Bonds are being issued by the City for the purpose of financing the costs, in whole or in part, of : acquiring, constructing, and equipping additions, extensions and improvements to the City’s water and sewer system (the “System”), and paying the costs of issuing the Series 2025 Bonds.

The Series 2025 Bonds do not constitute a debt of the City or a pledge of the faith and credit thereof, and the City is not subject to any pecuniary liability thereon. The Series 2025 Bonds shall be payable solely from and secured by a lien upon and a pledge of the Net Revenues of the System (as defined in the Bond Resolution) in the manner and to the extent provided in the Bond Resolution. No holder of the Series 2025 Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the same, or the interest thereon, or to enforce payment thereof against any other property of the City, nor shall the Series 2025 Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any other property of the City.

The Series 2025 Bonds are secured by a first and prior pledge of and charge or lien on the Net Revenues of the System, superior to any other charge or lien now existing or which may hereafter be created thereon.

In addition to the Series 2025 Bonds, the City may, from time to time, under certain terms and conditions as provided in the Bond Resolution, issue additional obligations ranking on a parity basis with the Series 2025 Bonds as to the lien on the Net Revenues of the System.

The legal opinions expressed herein are based upon existing law, are subject to judicial discretion regarding usual equity principles and do not relate to compliance by the City, the initial purchasers of the Series 2025 Bonds, or any other party with any statute, regulation or ruling of the State of Georgia or the United States of America with respect to the sale (other than the initial sale by the City) or distribution of the Series 2025 Bonds except as specifically set forth in this opinion.

The Internal Revenue Code of 1986, as amended (the "Code") sets forth certain requirements which must be met subsequent to the issuance and delivery of the Series 2025 Bonds for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. Non-compliance with such requirements may cause interest on the Series 2025 Bonds to be included in gross income retroactively to the date of issue thereof. The City has covenanted to comply with the requirements of the Code in order to maintain the exclusion from federal gross income of the interest on the Series 2025 Bonds.

Based on the examinations, opinions and representations referred to above, we are of the opinion that as of the date hereof and under existing law:

1. The City is a duly existing municipal corporation of the State of Georgia and had and has the right and lawful authority to authorize and issue the Series 2025 Bonds and to carry out the transactions contemplated by the Bond Resolution.

2. The Bond Resolution has been duly adopted by the City Council of the City. The Bond Resolution constitutes a legal, valid, and binding obligation of the City enforceable in accordance with its terms.

3. The Series 2025 Bonds have been properly authorized by the Bond Resolution, have been validated, executed and issued in accordance with the constitution and laws of the State of Georgia, and particularly, in accordance with the provisions of the Revenue Bond Law.

4. The Series 2025 Bonds constitute valid, binding and legal special obligations of the City payable and secured in accordance with their tenor from special funds created for that purpose under the Bond Resolution, and the City has covenanted to pay into such funds, from revenues to be derived from the operation of the System, sums sufficient to pay the principal of and interest on the Series 2025 Bonds.

5. The payment of the principal of and the interest on the Series 2025 Bonds and any parity obligations hereafter issued is secured by a pledge of and charge or lien on the Net Revenues of the System superior to any other charge or lien now existing or which may be hereafter created thereon.

6. The Series 2025 Bonds have been duly confirmed and validated by judgment of the Superior Court of Barrow County, and no valid appeal may be taken from said judgment of the validation.

7. Interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Series 2025 Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2025 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The interest on the Series 2025 Bonds is exempt from present State of Georgia income taxation.

Although we have rendered an opinion that interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes, a bondowner's federal tax liability may otherwise be affected by the ownership or disposition of the Series 2025 Bonds. The nature and extent of these other tax consequences will depend upon the bondowner's other items of income or deduction. We express no opinion regarding any such other tax consequences.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that hereafter may come to our attention or any changes in law that may occur hereafter.

City of Winder, Georgia  
[Date of Issuance]  
Page 4 of 4

Very truly yours,

GRAY PANNELL LLC

By: \_\_\_\_\_  
A Partner

## Appendix E

### DRAFT WATER AND WASTEWATER RATE STUDY REPORT

The Rate Study included as part of this Appendix E, has been prepared by Nelsnick Enterprises. The Rate Study should be read in its entirety for complete information with respect to the subjects discussed therein.

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**The City of Winder**  
**FY25 Water and Wastewater Rate Study**  
**DRAFT 11/12/25**



# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

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DRAFT

**The City of Winder  
FY25 Water and Wastewater Rate Study**

**Executive Summary**

# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

## Executive Summary

This document is the second DRAFT of the FY25 Rate Study. *The final report is to be completed after FY25 data is audited and additional feedback from the Utility Committee addressed. The analysis/findings are complete and recommendations for water and sewer rate revenue requirements should be considered robust.* The following assumptions were utilized for the analysis.

### Assumptions Used:

1. Five-year CIP cost is \$96.8M.
2. Beginning balance available for projects in FY26 is \$30.9M.
3. Customer growth is at 2% per year.
4. Operating expense growth at 5% per year (customer growth plus inflation)
5. New revenue bond debt at \$63 million, estimated payment schedule provided by Davenport & Company
6. FY25 Revenue and Expenses provided by Winder Finance Department are unaudited 12-month results.
7. Planned rate increases of 7% for FY26 and FY27 approved, additional rate increases shown beyond FY27 for maintaining fund balance and sufficient debt coverage.
8. Shared cost is currently 25% wastewater and 75% water for this report.
9. Additional debt from the Georgia Environmental Finance Authority is assumed to be \$25M.
10. \$11M in ARPA is available.

### Potential Issues/Findings:

1. Wastewater cost subsidized by inside city water customers.
2. In FY19, Winder began equalizing inside/outside rate structure with some exceptions, the overall differential has dropped to 1.03 on a per gallon cost basis. *It should be noted that as volumes increase outside the city, the differential unit cost recovery will continue to decrease.*
3. Allocation of reservoir cost to inside/outside city customers is based on volume.

*Initial Recommendations include 7% rate increases for FY26 and FY27 (based on Council feedback on revenue sufficiency), rate structure adjustments in FY28 – FY30 to provide additional revenues from wastewater customers and outside city customers relative to inside water customers.*

**The City of Winder  
FY25 Water and Wastewater Rate Study**

**Existing Conditions**

# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

## Section 1 – Existing Conditions

### Historic Background

In FY10, the City of Winder performed a water and wastewater rate study to update the rate structure based on existing costs. The goal was to provide sufficient revenues to operate and maintain the water and wastewater systems, to allow renewal/replacement of existing assets, to allow for expansion, and to ensure stability in the revenue stream.

The findings at that time showed a significant increase in rate revenue was required. It was projected that the residential base charge for water would need to be \$17.10 for the inside city customer and \$20.65 for the outside city customer and \$40.72<sup>1</sup> for non-residential customers by FY15. Additionally, Tier 1 water unit charges per thousand gallons were projected to be at \$3.37 for inside city and \$4.14 for outside city customers and commercial customers at \$9.04.

Similarly, wastewater customers would see a significant increase in their monthly bills by FY15. The monthly base charge was projected to be \$14.66 for inside city and \$30.65 for outside city customers. The Tier 1 unit charge per thousand gallons was projected to be \$5.78 for inside city and \$8.26 for outside city customers. It was also determined that wastewater customers were not covering their full cost of operations and capital replacement.

In the FY15 Rate Study<sup>2</sup>, motivation to expand water supply to support the outside city demand growth increased. Demand began to increase and there were worries that new developments may have to be deferred due to lack of water supply. As such, the FY14 CIP included a project for a \$21-million, water supply reservoir. Additionally, the Fort Yargo transmission main cost has increased to \$9.5 million. In all, the five-year CIP was estimated to cost \$46.2 million, more than double the projected FY10 CIP. As such, the City Council desired to update the FY10 rate study to determine where the water and wastewater utility rates needed to be.

In FY18, the government of Barrow County held a public hearing over concerns related to the pricing differential between inside city and outside city residential customers. A formal notification dated April 3, 2018, was provided to the City of Winder from Barrow County challenging the reasonableness of the differential in water and sewer rates imposed by the City of Winder in Barrow County, Georgia. In response, the City of Winder authorized a Water and Sewer Rate Study using the latest available data to verify cost of services for both inside city and outside city residents.

Findings in the FY19 Rate Study update included increased outside city cost due to unanticipated utility relocations from Georgia Department of Transportation road improvements in the County. Revenue needs were calculated to be 30% higher for outside city and 15% higher for inside city for this and other allocated costs. Though

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<sup>1</sup> This is the minimum monthly charge for a 5/8-inch meter. Larger meters would be charged more.

<sup>2</sup> The FY15 Rate Study used FY14 data. This includes the FY15 Budget, FY13 Audit, FY14 unaudited results and billing volumes for FY12 – FY14.



# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

the FY19 Rate Study confirmed the cost differential between inside and outside city customers and further showed that outside city customers pay less than the differential cost, the City Council approved a lower differential in the water rate structure.

After the FY19 Study, conditions for the water and wastewater utility were impacted by Covid-19 and system growth slowed, and rate increases were deferred. Also, capital improvement plans were delayed due to Covid-19, high construction cost inflation and other economic/regulatory factors.

## Current Conditions

In 2025, a new rate study was started using FY24 data and an updated capital improvement plan (CIP). The CIP includes the completion of the reservoir project and encompasses most of the capital cost over the next 5 years. The result is an increase in anticipated expenditures from \$44M in FY17 to over \$100M in construction over a 5 year period. A 7% water and wastewater rate increase has been approved for September 2025 and another 7% increase in July 2026 to cover the additional debt payments resulting from the funds needed for the CIP.

## Water System Billing Characteristics

In **Tables 1.1 and 1.2** the average revenue per gallon for FY17 and FY24 is provided in the last column. The inside city customer is paying \$10.45 per 1000 gallons delivered. The outside customer is paying an average of \$10.81 per 1000 gallons of water delivered. This equates to a 1.03 outside differential in terms of total base and unit charges received. The analysis also shows that outside city commercial customers are paying less per 1000 gallons than the inside city commercial customers. This phenomenon is occurring because the outside city commercial customer is utilizing more of the meter capacity (546k gallons) than the inside city customer (269k gallons) as shown by the average gallon/account column. *Note inside commercial unit cost decreased from FY17 to FY24 due to higher volumes per account, though rate increases were put into effect. Conversely, though residential customers reduced their annual volumes, the unit cost increased due to higher unit rates.*

**Table 1.1**  
**Inside City Water FY17 comparison to FY24 Billing Statistics**

<b>FY17 Class</b>	<b>Volume</b>	<b>Dollars</b>	<b>Accounts</b>	<b>Gal/Acc</b>	<b>\$/Account</b>	<b>\$/1000 Gallons</b>
Commercial	1,599,722	\$1,611,607	836	191,354	\$1,927.76	\$10.07
Residential	2,524,146	\$2,434,922	5,228	48,281	\$465.75	\$9.65
<b>Total</b>	<b>4,123,868</b>	<b>\$4,046,529</b>	<b>6,064</b>	<b>68,006</b>	<b>\$667.30</b>	<b>\$9.81</b>
<b>FY24 Class</b>	<b>Volume</b>	<b>Dollars</b>	<b>Accounts</b>	<b>Gal/Acc</b>	<b>\$/Account</b>	<b>\$/1000 Gallons</b>
Commercial	1,948,340	\$1,951,299	723	269,511	\$2,699.20	\$10.02
Residential	2,901,082	\$3,118,702	6,072	47,781	\$513.65	\$10.75
<b>Total</b>	<b>4,849,422</b>	<b>\$5,070,001</b>	<b>6,795</b>	<b>71,372</b>	<b>\$746.18</b>	<b>\$10.45</b>

# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

**Table 1.2**  
**Outside City Water FY17 comparison to FY24 Billing Statistics**

<b>FY17 Class</b>	<b>Volume</b>	<b>Dollars</b>	<b>Accounts</b>	<b>Gal/ Acc</b>	<b>\$/Account</b>	<b>\$/1000 Gallons</b>	<b>Differential</b>
Commercial	1,927,782	\$1,736,833	481	400,786	\$3,610.88	\$9.01	0.89
Industry	1,030,981	\$663,421	1	103,098,100	\$663,420.83	\$6.43	N/A
Residential	4,818,559	\$5,647,828	9,034	53,338	\$625.17	\$11.72	1.22
<b>Total</b>	<b>7,777,322</b>	<b>\$8,048,082</b>	<b>9,516</b>	<b>81,729</b>	<b>\$845.74</b>	<b>\$10.35</b>	<b>1.05</b>
<b>FY24 Class</b>	<b>Volume</b>	<b>Dollars</b>	<b>Accounts</b>	<b>Gal/ Acc</b>	<b>\$/Account</b>	<b>\$/1000 Gallons</b>	<b>Differential</b>
Commercial	2,347,171	\$2,168,290	429	546,595	5,049.39	\$9.24	0.92
Industry	1,507,712	\$1,020,402	1	150,771,200	1,020,402.03	\$6.77	N/A
Residential	6,001,564	\$7,470,202	11,074	54,197	674.59	\$12.45	1.16
<b>Total</b>	<b>9,856,447</b>	<b>\$10,658,894</b>	<b>11,504</b>	<b>85,678</b>	<b>\$926.53</b>	<b>\$10.81</b>	<b>1.03</b>

Similar to inside city customers, cost per gallon increased driven by higher rates. However, average volumes per account increased for all outside city classes. The overall cost differential for outside city customers decreased from 1.05 to 1.03 on a per gallon basis.

Annual volume growth between FY17 and FY24 is calculated at 2.3% for inside city customers and 3.4% for outside city customers. Overall system volume increased 3.1% per year. Account increases were 1.6% and 2.7% respectively for inside city and outside city customers. System wide, Winder added 2.3% customers per year between FY17 and FY24. For projections a 2.0% per year growth in volume and customers is used.

## *Wastewater System Billing Characteristics*

**Tables 1.3 and 1.4** provide information related to wastewater billing. The outside residential differential is calculated at 1.75 for FY24. The differential is related to the limited number of residential customers that are recovering a significant infrastructure cost.

# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

**Table 1.3**  
**Inside City Wastewater FY17 comparison to FY24 Billing Statistics**

<b>Class</b>	<b>Volume</b>	<b>Dollars</b>	<b>Accounts</b>	<b>Gal/Acc</b>	<b>\$/Account</b>	<b>\$/1000 Gallons</b>
Commercial	1,382,692	\$755,378	649	213,050	\$1,163.91	\$5.46
Residential	2,081,953	\$1,853,292	4,522	46,041	\$409.84	\$8.90
Total	3,464,645	\$2,608,670	5,171	67,001	\$504.48	\$7.53
<b>Class</b>	<b>Volume</b>	<b>Dollars</b>	<b>Accounts</b>	<b>Gal/Acc</b>	<b>\$/Account</b>	<b>\$/1000 Gallons</b>
Commercial	1,438,505	\$1,040,830	618	232,862	1,684.87	\$7.24
Residential	2,490,365	\$2,580,595	5,336	46,672	483.63	\$10.36
Total	3,928,870	\$3,621,425	5,954	65,991	608.27	\$9.22

**Table 1.4**  
**Outside City Wastewater FY17 comparison to FY24 Billing Statistics**

<b>Class</b>	<b>Volume</b>	<b>Dollars</b>	<b>Accounts</b>	<b>Gal/Acc</b>	<b>\$/Account</b>	<b>\$/1000 Gallons</b>	<b>Differential</b>
Commercial	586,960	\$350,543	16	3,668,501	\$21,908.94	\$5.97	1.09
Industry	607,327	\$357,363	5	12,146,543	\$71,472.63	\$5.88	N/A
Residential	2,109	\$3,503	6	35,150	\$583.76	\$16.61	1.87
Total	1,196,396	\$711,409	27	4,431,098	\$26,348.47	\$5.95	0.79
<b>Class</b>	<b>Volume</b>	<b>Dollars</b>	<b>Accounts</b>	<b>Gal/Acc</b>	<b>\$/Account</b>	<b>\$/1000 Gallons</b>	<b>Differential</b>
Commercial	241,291	\$513,021	12	1,917,544	40,769.88	21.26	2.94
Industry	224,939	\$157,991	4	5,623,475	39,497.79	7.02	N/A
Residential	39,499	\$71,814	101	39,108	711.03	18.18	1.75
Total	505,729	\$742,826	118	430,103	6,317.44	14.69	1.59

**The City of Winder  
FY25 Water and Wastewater Rate Study**

**Cost Allocation Methodology**

# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

## Section 2 – Cost Allocation Methodology

### Introduction

To calculate the required water and wastewater rates for a public utility, costs are separated into water and wastewater based on budget categories. Actual expenses for FY22 and FY23 provide a trend for FY24 and FY25.

### Cost Allocation

FY24 will be the base year used to allocate cost as it is the last year with audited actual expenses. The resulting allocation will be used to project rate revenue needs for FY25 and beyond until another rate study updates these assumptions. **Table 2-1** summarizes the expenses for the water and wastewater systems.

*Establishing cost-based rates, fees, and charges is an important component in a well-managed and operated water utility. Cost-based rates provide sufficient funding to allow communities to build, operate, maintain, and reinvest in their water and wastewater system that provides the community with safe and reliable drinking water and fire protection.<sup>3</sup> The City of Winder uses a cash-needs approach in determining overall revenue requirements. This includes operations and maintenance expenses, transfer payments for indirect costs, debt service, and rate funded capital expenditures.*

**Table 2-1**  
**Water and Sewer Expenses Actuals**

Utility Complex	FY22	FY23	FY24	FY25
Total	\$281,067	\$291,059	\$306,079	\$87,367
Depreciation	\$177,717	\$177,717	\$177,717	\$0
Indirect Cost Allocation	\$23,900	\$27,800	\$29,300	\$6,600
Direct Cost	\$79,450	\$85,542	\$99,062	\$80,767
<b>Utility Complex excluding depreciation</b>	<b>\$103,350</b>	<b>\$113,342</b>	<b>\$128,362</b>	<b>\$87,367</b>

<b>Utility Warehouse (no depreciation shown)</b>	<b>\$3,931</b>	<b>\$9,616</b>	<b>\$9,443</b>	<b>\$8,030</b>
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Water Treatment	FY22	FY23	FY24	FY25
Operations	\$980,733	\$1,208,743	\$1,307,268	\$1,542,240
Supplies	\$579,637	\$1,117,859	\$687,540	\$729,535
Other				
Total	\$1,560,370	\$2,326,602	\$1,994,808	\$2,271,775
Indirect Cost Allocation	\$148,700	\$244,500	\$200,600	\$334,800
	<b>\$1,709,070</b>	<b>\$2,571,102</b>	<b>\$2,195,408</b>	<b>\$2,606,575</b>

<sup>3</sup> AWWA M1 Manual 6<sup>th</sup> Edition  
Cost Allocation Methodology  
FY25 Water and Wastewater Rate Study  
2-1

# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

**Table 2-1 (Continued)**

<b>Water Distribution</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Personal Services	\$1,418,464	\$2,124,906	\$2,352,354	\$2,612,531
Contract	\$710,028	\$937,802	\$1,170,387	\$1,272,039
Supplies	\$1,000,379	\$1,406,658	\$1,536,844	\$1,644,445
Other	\$139	\$1,844	\$118,204	\$311
<b>Total</b>	<b>\$3,129,010</b>	<b>\$4,471,210</b>	<b>\$5,177,788</b>	<b>\$5,529,325</b>
Indirect Cost Allocation	\$493,500	\$701,700	\$736,100	\$661,100
<b>Total with Indirect Cost</b>	<b>\$3,622,510</b>	<b>\$5,172,910</b>	<b>\$5,913,888</b>	<b>\$6,190,425</b>

<b>Cedar Creek Wastewater Treatment</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Operations	\$825,648	\$1,479,776	\$1,070,759	\$1,198,731
Supplies	\$387,465	\$353,000	\$424,789	\$426,891
<b>Total</b>	<b>\$1,213,113</b>	<b>\$1,832,776</b>	<b>\$1,495,548</b>	<b>\$1,625,622</b>
Indirect Cost Allocation	\$154,800	\$217,200	\$191,300	\$123,000
<b>Total with Indirect Cost</b>	<b>\$1,367,913</b>	<b>\$2,049,976</b>	<b>\$1,686,848</b>	<b>\$1,748,622</b>

<b>Marburg Wastewater Treatment</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Operations	\$458,250	\$436,899	\$1,116,554	\$807,220
Supplies	\$248,566	\$282,810	\$202,553	\$212,363
<b>Total</b>	<b>\$706,816</b>	<b>\$719,709</b>	<b>\$1,319,107</b>	<b>\$1,019,582</b>
Indirect Cost Allocation	\$73,700	\$75,500	\$134,800	\$174,300
<b>Total with Indirect Cost</b>	<b>\$780,516</b>	<b>\$795,209</b>	<b>\$1,453,907</b>	<b>\$1,193,882</b>

<b>Wastewater Collection</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Operations	\$1,339,245	\$1,675,719	\$1,636,829	\$1,698,075
Supplies	\$81,885	\$142,409	\$114,482	\$130,082
<b>Total</b>	<b>\$1,421,130</b>	<b>\$1,818,128</b>	<b>\$1,751,310</b>	<b>\$1,828,157</b>
Indirect Cost Allocation	\$171,000	\$217,800	\$214,600	\$182,300
<b>Total with Indirect Cost</b>	<b>\$1,592,130</b>	<b>\$2,035,928</b>	<b>\$1,965,910</b>	<b>\$2,010,457</b>

<b>Debt Admin/Issuance Cost</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
<b>Total</b>	<b>\$298,300</b>	<b>\$83,563</b>	<b>\$296,619</b>	<b>\$886,206</b>

<b>Utility Wide</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
<b>Total W&amp;S</b>	<b>\$9,477,720</b>	<b>\$12,831,646</b>	<b>\$13,650,386</b>	<b>\$14,731,565</b>

<b>Cost by Service</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Utility Office/Warehouse (Shared Cost)	\$107,281	\$122,958	\$137,806	\$95,397
Water	\$5,331,580	\$7,744,012	\$8,109,296	\$8,797,000
Wastewater	\$3,740,559	\$4,881,113	\$5,106,666	\$4,952,961
Debt Admin/Issuance Cost	\$298,300	\$83,563	\$296,619	\$886,206
<b>Total</b>	<b>\$9,477,720</b>	<b>\$12,831,646</b>	<b>\$13,650,386</b>	<b>\$14,731,565</b>

# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

## Utility System

### **Base and Unit Charge Allocations**

In general, variable costs related to the operation of the water treatment plant or wastewater reclamation facility should be allocated to the unit charge. Costs related to meter reading/replacement, billing, administrative should be allocated to the base charge. Fixed costs related to staff, asset replacement, system expansion and debt should be allocated depending on the nature of the cost and the goals of the utility. To promote revenue stability more fixed costs should be applied to the monthly base charge. To promote water conservation more fixed costs should be applied to the unit charge.

In the case of the City of Winder, the rate structure was designed to balance revenue stability and water conservation. Additionally, the rate structure was designed to be sensitive to low-income households.

### **Inside City – Outside City Allocation**

To allocate operating costs to the inside city and outside city water customers, asset location, the number of customers and billed volume is used. **Table 2-2** summarizes the water pipe length, tank capacity and pump stations of the Winder water system. Outside city cost is driven by the additional infrastructure needed to maintain sufficient pressure/volume to meet customer demand and provide for fire protection flows. This cost is evident in the need for additional elevated tanks, pump stations and linear feet of water main in comparison to billed volumes.

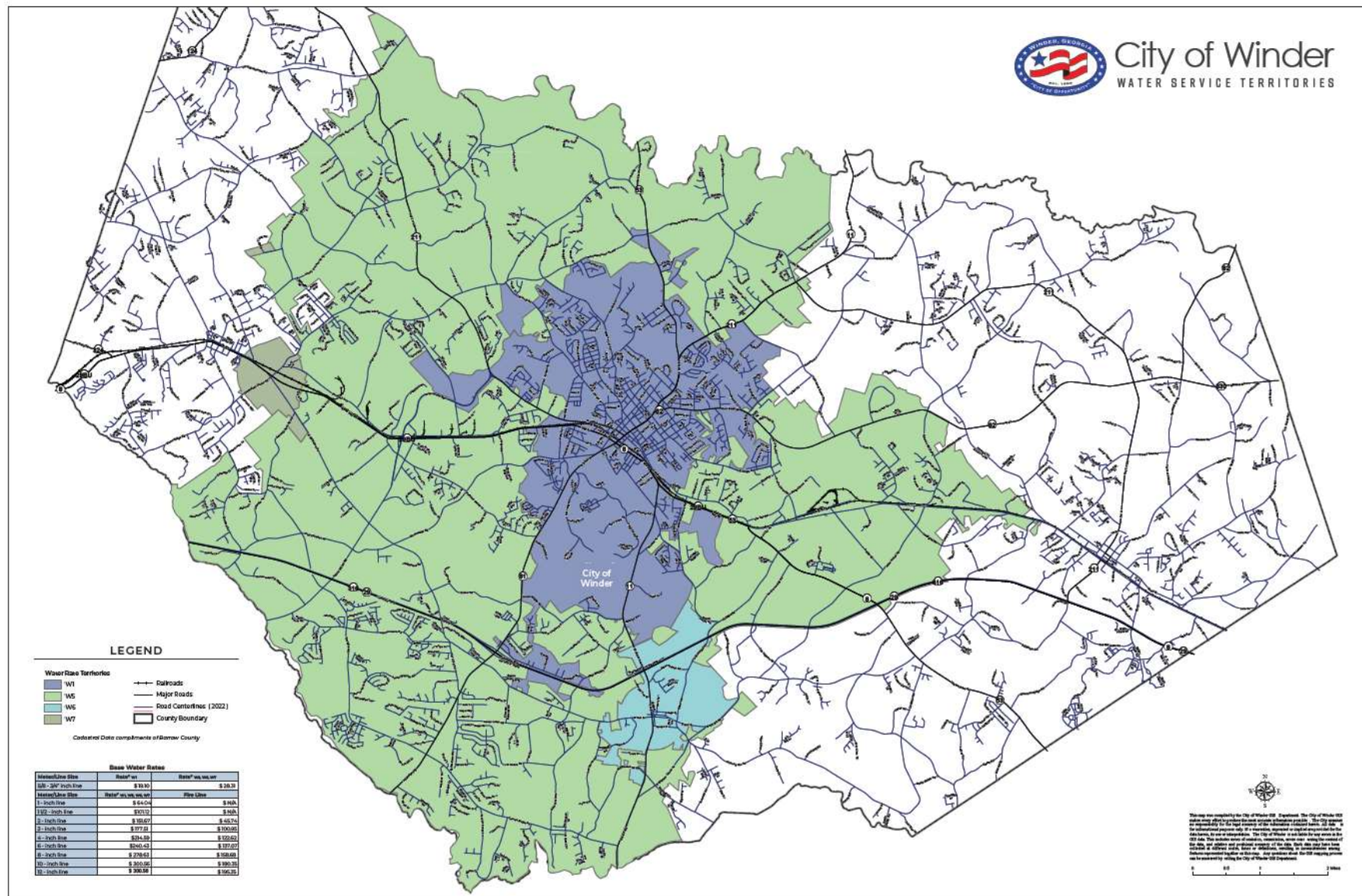
**Table 2-2**  
**Water System Asset Length/Capacity Information**

	FY17	FY25		FY17	FY25
Length of Pipe	2,126,653	2,349,777	Feet		
Inside	708,098	730,501	Feet	33.3%	31.1%
Outside	1,418,555	1,619,276	Feet	66.7%	68.9%
Tanks	8,150,000	8,125,000	Gallons		
Inside	900,000	875,000	Gallons	11.0%	10.8%
Outside	7,250,000	7,250,000	Gallons	89.0%	89.2%
Pump Stations	4.75	4.75	MGD		
Inside	0.00	0.00	MGD	0.0%	0.0%
Outside	4.75	4.75	MGD	100.0%	100.0%

*Though costs have shifted a bit toward outside city, outside city volume growth has offset this cost reducing the overall differential on a per gallon basis.*



# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings





## City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

### Debt Cost

Existing debt is provided in **Table 2-3**. The 2021 Series is a refunding of a 2012 Revenue Bond used for wastewater projects. The Raw water intake and transmission mains are allocated to the water system. The remaining debts are allocated 75% to water and 25% to wastewater.

**Table 2-3**  
**Water and Wastewater Existing Debt**

Fiscal Year	2021 Series	Utility Complex	System Improvements	Raw Water Intake and Transmission Mains	Total
2024	1,064,582	562,080	310,710	491,404	2,428,775
2025	1,075,890	562,080	310,709	491,404	2,440,083
2026	1,078,946	562,080	310,709	491,404	2,443,138
2027	1,074,785	562,080	181,546	491,404	2,309,815
2028	1,079,393	562,080		491,404	2,132,877
2029	1,077,748	299,568		491,404	1,868,720
2030	870,437			491,404	1,361,841
2031				491,404	491,404
2032				491,404	491,404
2033				491,404	491,404
2034				491,404	491,404
2035				491,404	491,404
2036				491,404	491,404
2037				491,404	491,404
2038				491,404	491,404
2039				327,602	327,602
Total	7,321,781	3,109,966	1,113,675	7,698,661	19,244,083

Additional debt will be required for the capital improvement plan. This debt is primarily for the water reservoir project and is allocated to the water system. At this time, the allocation to inside and outside city customers has not been confirmed. The financial model assumes a split based on billed volumes. **Table 4** provides the allocation of debt to water and wastewater customers.

# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

**Table 2-4**  
**Allocated Water and Wastewater Existing Debt**

	2024	2025	2026	2027	2028	2029	2030
2021 Series	1,064,582	1,075,890	1,078,946	1,074,785	1,079,393	1,077,748	870,437
Utility Complex	562,080	562,080	562,080	562,080	562,080	299,568	
System Improvements	310,710	310,709	310,709	181,546			
Raw Water Intake and Transmission Mains	491,404	491,404	491,404	491,404	491,404	491,404	491,404
<b>Total</b>		<b>2,440,083</b>	<b>2,443,138</b>	<b>2,309,815</b>	<b>2,132,877</b>	<b>1,868,720</b>	<b>1,361,841</b>
Water	617,452	1,044,821	1,044,821	947,949	811,789	662,158	491,404
Wastewater	503,569	1,395,262	1,398,317	1,361,866	1,321,087	1,206,562	870,437
<b>Total</b>	<b>1,121,020</b>	<b>2,440,083</b>	<b>2,443,138</b>	<b>2,309,815</b>	<b>2,132,877</b>	<b>1,868,720</b>	<b>1,361,841</b>

**The City of Winder  
FY25 Water and Wastewater Rate Study**

**Revenue Sufficiency Analysis**

# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

## Section 3 – Revenue Sufficiency Analysis

As discussed earlier in this report, the Winder Rate Study uses a cash needs basis for determining water and sewer base charges and unit rates. Revenue sufficiency is analyzed in this section. The revenue sufficiency analysis provided in May 2025 has been further adjusted based on FY24 audit results which became available July. Additionally, Council has approved 7% rate increase for FY26 and FY27.

### Income and Expenses

**Table 3-1** provides a summary of system expenses and revenues to determine if sufficient revenues can be achieved to cover operations and to fund Winder’s capital improvements plan. Operational incomes generated by the water and wastewater systems and associated rate increase requirement are listed at the top of **Table 3-1**. Net operating income after expenses is available for debt retirement, indirect costs and for new construction projects (or additional debt payments). Rate increase requirements are shown at the bottom of the table in red font. These are needed to maintain a positive fund balance and sufficient debt payment coverage.

**Table 3-1**  
**Winder Water & Sewer Income and Expenses**  
**Projection FY24 – FY30**

Operations	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Income							
Water and Sewer Sales	20,758,621	22,630,060	24,698,447	26,955,885	28,044,903	29,177,917	30,356,705
Tap Fees	2,708,972	6,842,371	6,979,218	7,118,802	7,261,178	7,406,402	7,554,530
Barrow County	561,000	630,286	630,286	630,286	630,286	630,286	630,286
Misc Charges	455,132	506,663	516,796	527,132	537,675	548,428	559,397
Total System Needs	24,483,725	30,609,379	32,824,747	35,232,106	36,474,042	37,763,033	39,100,918
Expenses							
Water	8,109,296	8,797,000	9,236,850	9,698,692	10,183,627	10,692,808	11,227,449
Sewer	5,106,666	4,952,961	5,200,609	5,460,640	5,733,672	6,020,355	6,321,373
Debt Administration/Issuance Cost (Shared Cost)	296,619	886,206	930,516	343,373	360,542	378,569	397,498
Utility Office/Warehouse (Shared Cost)	137,806	95,397	100,167	105,176	110,434	115,956	121,754
Total System Expenses	13,650,386	14,731,565	15,468,143	15,607,881	16,388,275	17,207,689	18,068,074
Net Op Income	10,833,339	15,877,814	17,356,604	19,624,224	20,085,767	20,555,344	21,032,844
Non-Operating							
Existing GEFA/SRF Debt Payments	1,364,193	1,364,193	1,364,193	1,235,030	1,053,483	790,972	491,404
Existing Revenue Bond Debt Payment	1,064,582	1,075,890	1,078,946	1,074,785	1,079,393	1,077,748	870,437
New Revenue Bond Debt Service	-	-	-	2,930,064	3,227,944	3,607,944	3,927,944
New GEFA/SRF Debt Service	-	-	-	438,334	1,589,348	1,589,348	1,589,348
Total Non-Operating Costs	2,428,775	2,440,083	2,443,138	5,678,213	6,950,168	7,066,012	6,879,132
Total Debt Service	2,428,775	2,440,083	2,443,138	5,678,213	6,950,168	7,066,012	6,879,132
Bond Debt Coverage Ratio (Net Op Income/Bond Debt Payment)	10.2	14.8	16.1	4.9	4.7	4.4	4.4
Total Debt Coverage Ration (Net Op Income/Total Debt Payment)	4.5	6.5	7.1	3.5	2.9	2.9	3.1
Debt to Income Percentage	12%	11%	10%	21%	25%	24%	23%
Total Available for Projects	8,404,564	13,437,732	14,913,466	13,946,012	13,135,598	13,489,332	14,153,712
Base Expense Growth	5%	5%	5%	5%	5%	5%	5%
Base Consumption Growth	2%	2%	2%	2%	2%	2%	2%
Revenue Increase Requirement	0%	7%	7%	7%	2%	2%	2%

# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

## Capital Improvements Plan

To fund the 5-year \$109M system expansion and extension projects of the Capital Improvements Program, Winder will be required to use \$32M in cash and investments on hand and obtain additional debt. For purposes of determining revenue requirements, it is assumed that approximately \$25M in fund balance will be available at the start of FY26 and augmented with \$70M in new debt at 3.5% interest and a 20-year term. If loan terms are better and/or if projected capital expenses are less. **Table 3.2** provides the detailed CIP.

**Table 3-2**  
**Winder Capital Improvement Plan**

Description	Fund Source	FY26	FY27	FY28	FY29	FY30	FY26 - FY30 Total
WTP Upgrade CP # 518	Governor's Grant						\$0
Auburn Water Reservoir CP # 408	Water/Sewer	\$75,591,215					\$75,591,215
Corinth Church Rd Water Main Extension	Water/Sewer	\$205,000					\$205,000
Exchange Blvd Extension CP # UT23-04A & CP# UT23-04B	Water/Sewer	\$120,000					\$120,000
Hwy 211 Waterline Rehab - CP # UT23-09A	Water/Sewer		\$3,500,000				\$3,500,000
HWY 53 Waterline North - CP # 202101	Water/Sewer	\$700,000					\$700,000
Jefferson Hwy / Hwy 53 Relocation CP # UT23-10A & CP # UT23-10B	Water/Sewer	\$450,000					\$450,000
MLK Street Waterline CP # UT23-15A	Water/Sewer	\$1,200,000					\$1,200,000
West Winder Bypass Phase 3	Water/Sewer	\$3,000,000					\$3,000,000
Excavator	Water/Sewer	\$75,000					\$75,000
Trailer 8 Ton	Water/Sewer	\$12,000					\$12,000
Crew Service Body Truck	Water/Sewer	\$75,000					\$75,000
CEDAR CREEK BYPASS PUMP	Water/Sewer	\$240,000					\$240,000
Overhead Gantry Crane System	Water/Sewer	\$950,000					\$950,000
CEDAR CREEK WRF RAS PUMP HOIST SYSTEM	Water/Sewer	\$30,000					\$30,000
Marburg Plant Expansion CP#UT23-14A	Water/Sewer	\$4,000,000					\$4,000,000
SANITARY SEWER MODEL	Water/Sewer	\$125,000					\$125,000

## City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

Description	Fund Source	FY26	FY27	FY28	FY29	FY30	FY26 - FY30 Total
FORT YARGO REHABILITATION	Water/Sewer	\$6,000,000					\$6,000,000
EQUIPMENT TRAILER	Water/Sewer	\$20,000					\$20,000
HYDRO-JET TRAILER	Water/Sewer	\$97,500					\$97,500
MINI EXCAVATOR	Water/Sewer	\$75,000					\$75,000
DUMP TRUCK- WASTEWATER	Water/Sewer	\$125,000					\$125,000
Directional Drill	Water/Sewer	\$175,000					\$175,000
<b>Total</b>		<b>\$93,265,715</b>	<b>\$3,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$96,765,715</b>

**Table 3-3** provides the projected fund balances, planned construction cost, net system revenues after debt payments and new debt to fund the capital program. It is assumed that \$15M is used in FY25, dropping available funds to **\$31.6M in FY26**. The Series 2025 Bond will add \$63M for projects. Additionally, GEFA/SRF is expected to add \$18M (remaining expected distributions used from GEFA) from notes recently issued. The projected balances will allow for operating reserves and contingency for construction costs.

**Table 3-3**  
**Winder Water & Sewer Fund Balance Calculation**

Operations	FY24	FY25	FY26	FY27	FY28	FY29	FY30
<b>Construction Fund</b>	FY24 Audit end of year cash/investments						
Beginning Fund Balance (Cash)	17,958,049	32,431,174	31,589,613	31,859,962	40,011,402	51,041,529	62,647,639
Subtract Planned Capital Project Construction	5,000,000	15,000,000	93,265,715	3,500,000	-	-	-
Renewal/Replacement			3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Add net system revenues	8,326,765	13,634,929	14,913,034	13,946,011	13,135,597	13,489,331	14,153,711
Add Revenue Bond Proceeds	-	-	63,000,000	-	-	-	-
Add GEFA/SRF Proceeds			18,000,000				
Add Grants/SPLOST	-	-	-	-	-	-	-
<b>Ending Year Balance</b>	<b>21,284,814</b>	<b>31,066,103</b>	<b>31,236,932</b>	<b>39,305,973</b>	<b>50,146,999</b>	<b>61,530,861</b>	<b>73,801,350</b>
Construction Fund Earnings	212,848	523,509	623,030	705,429	894,530	1,116,779	1,353,322
Balance Forwarded to next FY	21,497,662	31,589,613	31,859,962	40,011,402	51,041,529	62,647,639	75,154,672

**The City of Winder  
FY25 Water and Wastewater Rate Study**

**FY25 Rate Calculations**

## Section 4 – FY25 Rate Calculations

### Assumptions

The rate calculations for water and wastewater to be developed after feedback from utility committee. Initial findings recommend rate increases be higher for wastewater customers. *Note revenue sufficiency rate increases are assessed on current rate structure, whereas the rate calculations in this section are used for proposed rate structure changes. These changes can be implemented over extended time to reallocate cost recovery to each customer class as needed.*

- Customer growth will be 2% per year
- Expense growth will be held at 5% per year for operational expenses (not debt)
- Debt service on existing debt provided by the City of Winder
- Debt service on new GEFA/SRF and Series 2025 Revenue Bond provided by Davenport & Company
- Capital Improvement Plan provided by the City of Winder
- Maintain Positive Fund Balance
- System cash is available for renewal/replacement



**The City of Winder  
FY25 Water and Wastewater Rate Study**

**Findings and Recommendations**

# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

## Section 5 – Findings and Recommendations

### Findings

The CIP will require an increase in water and wastewater rates to generate sufficient revenue for expanded debt service. Two rate increases are expected for FY26 and FY27 of 7% each. This would provide the revenues needed to maintain fund balance, sufficient debt coverage and keep the annual debt payment percentage of total income below 25%. **Table 5-1** provides financial statistics showing the impact of increased debt payment in FY27. Approved rate increases and assumed 2% customer growth will increase overall revenues over \$2M with assumed 5% increase per year in operating expenses will result in a net operating income of \$19.6M in FY27. Bond and total debt coverages remain above 1.5 target.

**Table 5-1**  
**Winder Water & Sewer Fund Debt Coverage Calculation**

Operations	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Net Op Income	10,833,339	15,877,814	17,356,604	19,624,224	20,085,767	20,555,344	21,032,844
Total Debt Service	2,506,574	2,242,885	2,443,570	5,678,213	6,950,169	7,066,013	6,879,133
Bond Debt Coverage Ratio (Net Op Income/Bond Debt Payment)	10.2	16.0	16.1	4.9	4.7	4.4	4.4
Total Debt Coverage Ration (Net Op Income/Total Debt Payment)	4.3	7.1	7.1	3.5	2.9	2.9	3.1
Debt to Income Percentage	12%	10%	10%	21%	25%	24%	23%
Total Available for Projects	8,326,765	13,634,929	14,913,034	13,946,011	13,135,597	13,489,331	14,153,711
Base Expense Growth	5%	5%	5%	5%	5%	5%	5%
Base Consumption Growth	2%	2%	2%	2%	2%	2%	2%
Revenue Increase Requirement	0%	7%	7%	7%	2%	2%	2%

Additional analysis was carried out to determine how increased expenses due to additional staffing needs would impact these financial statistics. Table 5-2 shows that debt coverages would drop, assuming expenses increased 10% per year from FY27 to FY29. However, total debt coverage would remain over 2.0 providing sufficient cash for funding a renewal and replacement program.

**Table 5-2**  
**Winder Water & Sewer Fund Debt Coverage Calculation**  
**Increased Operating Cost Assumption (10% Annually FY27 – FY29)**

Operations	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Net Op Income	10,833,339	15,877,814	17,356,604	18,897,343	18,505,803	17,997,970	18,347,602
Total Debt Service	2,506,574	2,242,885	2,443,570	5,678,213	6,950,169	7,066,013	6,879,133
Bond Debt Coverage Ratio (Net Op Income/Bond Debt Payment)	10.2	16.0	16.1	4.7	4.3	3.8	3.8
Total Debt Coverage Ration (Net Op Income/Total Debt Payment)	4.3	7.1	7.1	3.3	2.7	2.5	2.7
Debt to Income Percentage	12%	10%	10%	21%	25%	24%	23%
Total Available for Projects	8,326,765	13,634,929	14,913,034	13,219,129	11,555,634	10,931,958	11,468,468
Base Expense Growth	5%	5%	5%	10%	10%	10%	5%
Base Consumption Growth	2%	2%	2%	2%	2%	2%	2%
Revenue Increase Requirement	0%	7%	7%	7%	2%	2%	2%

# City of Winder FY25 Water and Wastewater Rate Study DRAFT Findings

## **Summary**

- The cost allocation section reveals that the water system currently subsidizes wastewater system costs. This can be addressed over time by increasing wastewater at a higher rate than water.
- The CIP will require a \$63 million revenue bond and is the primary driver for rate revenue increase requirements.
- Potential increases in operations due to expanded infrastructure will not drop debt coverages below 2.0 for the planning period.

## **Recommendations**

1. FY26 Rate increase of 7%.
2. FY27 Rate increase of 7%.
3. Finalize assumptions/address issues for Final FY25 Rate Study
4. Adjust FY28 through FY30 water/wastewater rates as needed to meet rate structure goals in FY25 Rate Study.

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Appendix F

FORM OF OFFICIAL NOTICE OF SALE

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## OFFICIAL NOTICE OF SALE

**\$60,360,000\***  
**CITY OF WINDER (GEORGIA)**  
**WATER AND SEWER REVENUE BONDS, SERIES 2025**

Electronic bids only will be received by the City of Winder, Georgia (the “City”), in accordance with this Official Notice of Sale until 10:45 a.m., Eastern Time, on December 4, 2025 (the “Date of Sale”).

The City will notify the apparent successful bidder as soon as possible after the bids have been received and verified (the “Verbal Award”) that such bidder’s bid is the lowest and best bid received which conforms to this Official Notice of Sale, subject to verification and official action by the City Council. The award of the bid shall be considered at the City Council meeting scheduled later on the Date of Sale, and the Verbal Award is subject to approval and ratification by the City Council.

### **Bid Submission**

Solely as an accommodation to bidders, electronic bids via BIDCOMP/PARITY (the “Electronic Bidding System”) will be accepted in accordance with this Official Notice of Sale. The City is using the Electronic Bidding System as a communication mechanism to conduct the electronic bidding for the sale of the City’s \$60,360,000\* Water and Sewer Revenue Bonds, Series 2025 (the “Series 2025 Bonds”), as described herein. To the extent any instructions or directions set forth in the Electronic Bidding System conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. Each bidder submitting an electronic bid agrees that (i) it is solely responsible for all arrangements with the Electronic Bidding System, (ii) the Electronic Bidding System is not acting as the agent of the City, and (iii) the City is not responsible for ensuring or verifying bidder compliance with any of the procedures of the Electronic Bidding System. The City does not assume any responsibility for, and each bidder expressly assumes the risks of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder through the Electronic Bidding System. Each bidder shall be solely responsible for making necessary arrangements to access the Electronic Bidding System for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the City nor the Electronic Bidding System shall have any duty or obligation to provide or assure such access to any bidder, and neither the City nor the Electronic Bidding System shall be responsible for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, the Electronic Bidding System. For further information about the Electronic Bidding System, potential bidders may contact i-Deal at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

In the event of a malfunction of the Electronic Bidding System on the Date of Sale, an attempt will be made to reschedule the bidding for 1:00 p.m., Eastern Time, on the Date of Sale. Should the Electronic Bidding System malfunction a second time, bidding will be rescheduled at the discretion of the City in coordination with its financial advisor, Davenport & Company LLC (the “Financial Advisor”). To the extent possible, the rescheduled bid time will be communicated to the bidders. Each bid must be unconditional.

### **Change of Date and Time for Receipt of Bids**

The City expects to take bids on the Series 2025 Bonds on the Date of Sale. However, the City reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by TM3 newswire, or any other such service. If the receipt of bids is postponed, any alternative date for receipt of bids will be announced via TM3 newswire, or any other such service. Any bidder must submit a sealed bid for the purchase of the Series 2025 Bonds on such alternative sale date in conformity with the provisions of this Official Notice of Sale, except for any changes announced via the TM3 newswire, or any other such service, as described therein.

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\*Preliminary, subject to change.

### **Annual Amortization Requirements\***

The Series 2025 Bonds will be dated the date of their issuance (the “Dated Date”), and will mature on January 1 in the years and amounts as follows:

<b>Maturity (January 1)*</b>	<b>Amount*</b>
2028	\$400,000
2029	800,000
2030	1,085,000
2031	1,140,000
2032	1,195,000
2033	1,255,000
2034	1,320,000
2035	1,385,000
2036	1,455,000
2037	1,525,000
2038	1,605,000
2039	1,685,000
2040	1,770,000
2041	1,855,000
2042	1,950,000
2043	2,045,000
2044	2,150,000
2045	2,255,000
2046	2,370,000
2047	2,490,000
2048	2,610,000
2049	2,740,000
2050	2,880,000
2051	3,025,000
2052	3,175,000
2053	3,320,000
2054	3,465,000
2055	3,625,000
2056	3,785,000

### **Adjustments to Amortization Requirements**

The preliminary annual amortization requirements as set forth in this Official Notice of Sale (the “Preliminary Amortization Requirements”) may be revised before the receipt of bids for the purchase of the Series 2025 Bonds. Any such revisions (the “Revised Amortization Requirements”) WILL BE ANNOUNCED ON TM3 NEWSWIRE NOT LATER THAN ONE HOUR PRIOR TO THE SPECIFIED BID TIME. In the event that no such revisions are made, the Preliminary Amortization Requirements will constitute the Revised Amortization Requirements. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMORTIZATION REQUIREMENTS. THE WINNING BID WILL BE DETERMINED ON THE BASIS OF THE REVISED AMORTIZATION REQUIREMENTS.

After selecting the winning bid, the City will determine each final annual amortization requirement (the “Final Amortization Requirements”). The City reserves the right, after bids are opened and prior to award, to increase or reduce the principal amount of the Series 2025 Bonds offered for sale. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ANY BID OR CHANGE THE INITIAL REOFFERING PRICES AS A RESULT OF ANY INCREASE OR REDUCTION IN THE REVISED AMORTIZATION REQUIREMENTS WITHIN THE LIMITS PROVIDED FOR IN THE PRECEDING SENTENCE. The bid price by the successful bidder (the “Bid Price”) will be adjusted to reflect any adjustments in the amortization requirements of the Series 2025 Bonds. Such adjusted Bid Price will reflect changes in the dollar amount of the underwriting discount, original issue discount/premium, but will not change the selling compensation per \$1,000 of par amount of Series 2025 Bonds from the selling compensation that would have been received based on the Bid Price in the winning bid and the initial reoffering prices. The interest rate for each maturity



will not change. The Final Amortization Requirements and the adjusted Bid Price will be communicated to the successful bidder by 4:00 p.m., Eastern Time on the day following the Date of Sale.

### **Serial Bonds and/or Term Bonds**

Bidders may provide that all of the Series 2025 Bonds be issued as serial bonds or may provide that annual principal amounts be combined into one or more term bonds with annual mandatory sinking fund redemption in amounts as provided above. Term bonds with overlapping sinking fund installments or sinking fund installments that overlap serial bond maturities will not be permitted.

### **Mandatory Sinking Fund Redemption**

If the successful bidder designates consecutive annual principal amounts to be combined into one or more term bonds, each such term bond shall be subject to mandatory sinking fund redemption at par commencing on January 1 of the first year that has been combined to form such term bond and continuing January 1 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the tables under the caption "Annual Amortization Requirements."

### **Optional Redemption**

The Series 2025 Bonds maturing on January 1, 2037, and thereafter are subject to redemption by the City, in whole or in part at any time, beginning January 1, 2036 (if less than all of the Series 2025 Bonds of a maturity are to be redeemed, the actual Series 2025 Bonds of such maturity shall be selected by lot in such manner as may be designated by DTC while the Series 2025 Bonds are held as book-entry bonds and by the Paying Agent if the Series 2025 Bonds are no longer held as book-entry bonds), in such order as may be designated by the City at a redemption price of 100% of the principal amount of the Series 2025 Bonds called for redemption plus accrued interest to the redemption date.

### **Bidding Rules; Award of Bonds**

Bidders may bid only to purchase all of the Series 2025 Bonds. Bidders are invited to name the rate or rates of interest per annum that the Series 2025 Bonds are to bear in multiples of one-twentieth (1/20) or one-eighth (1/8) of one percent. All Series 2025 Bonds maturing on the same date must bear interest at the same rate. Any number of rates may be named provided that (a) the highest rate of interest may not exceed the lowest rate of interest by more than 4.00%, and (b) the highest rate of interest stated for any maturity may not exceed 5.00% per year. In addition, the Series 2025 Bonds shall bear interest at a "true" or "Canadian" interest cost not to exceed 5.00% (taking into account any original issue discount or premium). No bid for less than 100% of the aggregate principal amount of the Series 2025 Bonds shall be considered. **The City reserves the right to reject any or all bids (regardless of the interest rate bid)**, to reject any bid not complying with this Official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any bid for the bidding process.

As promptly as reasonably possible after the bids are received, the City will notify the bidder to whom the Series 2025 Bonds will be awarded, if and when such award is made. Such bidder, upon such notice, shall advise the City of the initial reoffering prices or yields to the public of each maturity of the Series 2025 Bonds. The winning bid will remain firm for a period of no less than eight hours after the time specified for the opening of bids. An award of the Series 2025 Bonds, if made, will be made by the City within such eight-hour period or, with the express consent of the winning bidder, such longer time period as deemed necessary.

Unless all bids are rejected, the Series 2025 Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale and submitting a bid which provides the lowest "true" or "Canadian" interest cost to the City. True interest cost shall be determined for each bid by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to the Dated Date and to the price bid. If more than one bid offers the same lowest true interest cost, the successful bid will be selected by the City by lot.

## Insurance

Bids for the Series 2025 Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement. If a bidder proposes to obtain a policy of municipal bond insurance or any other credit enhancement, any such purchase of insurance or commitment therefor shall be at the sole option and expense of the bidder, and the bidder must pay any increased costs of issuance of the Series 2025 Bonds as a result of such insurance or commitment. Any failure by the bidder to obtain such a policy of insurance shall not in any way relieve such bidder of its contractual obligations arising from the acceptance of its bid for the purchase of the Series 2025 Bonds.

## Good Faith Deposit

A good faith deposit in the amount of \$603,600 (the “Deposit”) is required. The Deposit may be provided in the form of (i) a certified check upon, or a cashier’s, treasurer’s or official check of, a responsible banking institution, payable to the order of the City (and delivered by 1:30 p.m., Eastern Time, on the Date of Sale, to the Financial Advisor, 901 East Cary Street, 11th Floor, Richmond, Virginia 23219 (Attention: Mr. Courtney Rogers) or (ii) a federal funds wire transfer to be submitted to the City by the successful bidder not later than 1:30 p.m., prevailing Eastern time (the “Deposit Deadline”), on the Date of Sale. Option (ii) is described in more detail below. The Deposit of the successful bidder will be collected and the proceeds thereof retained by the City to be applied in partial payment for the Series 2025 Bonds, and no interest will be allowed or paid upon the amount thereof; provided, however, that in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages. Any checks of the unsuccessful bidders will be returned promptly after the Series 2025 Bonds are awarded.

If a federal funds wire transfer is used, the City or the Financial Advisor shall distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Deposit Deadline. **The award of the Series 2025 Bonds will be made following the receipt of the federal funds wire.** If the Deposit is not received by the Deposit Deadline, the award of the sale of the Series 2025 Bonds to the successful bidder may be cancelled by the City in its discretion, upon the advice of the Financial Advisor, without the City incurring any financial liability to such bidder or any limitation whatsoever on the City’s right to sell the Series 2025 Bonds to a different purchaser upon such terms and conditions as the City shall deem appropriate.

## Book-Entry-Only System

The Series 2025 Bonds will be issued by means of a book-entry system with no distribution of physical bond certificates made to the public. One bond certificate for each maturity of the Series 2025 Bonds will be issued to The Depository Trust Company, New York, New York (“DTC”), or its nominee, and immobilized in its custody. The book-entry system will evidence beneficial ownership of the Series 2025 Bonds in principal amounts of \$5,000 or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Interest on the Series 2025 Bonds will be payable from their date semiannually on each January 1 and July 1 beginning July 1, 2026, and principal of the Series 2025 Bonds will be paid annually as set forth above to DTC or its nominee as registered owner of the Series 2025 Bonds. Transfer of principal, premium and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2025 Bonds are required to be prepared, executed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that case, either a successor depository will be selected by the City or Series 2025 Bonds will be prepared, executed and delivered.

## **Security and Sources of Payment for the Series 2025 Bonds**

The Series 2025 Bonds are special limited obligations of the City payable solely from the Net Revenues of the City's water and sewer system and other money available for such purpose under the Bond Resolution. The Series 2025 Bonds are not payable from and are not secured by a charge, lien, or encumbrance upon any funds or assets of the City other than the Net Revenues and the funds created and held under the Bond Resolution.

The Series 2025 Bonds do not constitute a general obligation, or a pledge of the faith and credit or taxing power of the City. Neither the State of Georgia nor any political subdivision thereof is obligated to levy any tax for the payment of the Series 2025 Bonds, including the City. The pledge of and lien on Net Revenues securing the Series 2025 Bonds does not create a legal or equitable pledge, charge, lien, or encumbrance upon any of the City's property or income, receipts, or revenues, except the Net Revenues of the System and the amounts on deposit in certain funds held under the Bond Resolution.

Subject to certain conditions as set forth in the Bond Resolution, the City may hereafter issue additional bonds on a parity basis with the lien of the Series 2025 Bonds on the Net Revenues of the System. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" in the Preliminary Official Statement.

**THE SERIES 2025 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION, OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE CITY. NEITHER THE STATE OF GEORGIA NOR ANY POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION THEREOF, INCLUDING THE CITY, IS OBLIGATED TO LEVY ANY TAX FOR THE PAYMENT OF THE SERIES 2025 BONDS.**

### **Reserve Requirement**

There will be no Reserve Requirement established for the Series 2025 Bonds.

### **Delivery of the Series 2025 Bonds**

The Series 2025 Bonds in definitive form are expected to be delivered through DTC in New York, New York on or about December 18, 2025.

### **Certificates of Winning Bidder**

The successful bidder must, by facsimile transmission or overnight delivery received by the City within 24 hours after receipt of bids for the Series 2025 Bonds, furnish the following information to complete the Official Statement in final form, as described below:

- A. The offering prices for the Series 2025 Bonds (expressed as the price or yield per maturity).
- B. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Series 2025 Bonds are sold at the prices or yields described in Subpart A above).
- C. The identity of the underwriters if the successful bidder is a part of a group or syndicate.
- D. Any other material information necessary to complete the Official Statement in final form but not known to the City.

### **Establishment of Issue Price and Certificate of Successful Bidder; Hold-the-Offering-Price Rule May Apply if Competitive Sale Requirements are Not Satisfied.**

The successful bidder will be required to provide to the City within one-half (½) hour after the Verbal Award of the Series 2025 Bonds the initial offering price/yields of the Series 2025 Bonds to the public (as defined herein below).

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Series 2025 Bonds) will apply to the initial sale of the Series 2025 Bonds (the “Competitive Sale Requirements”) because: (1) the City shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (2) all bidders shall have an equal opportunity to bid; (3) the City may receive bids from at least three underwriters of municipal certificates who have established industry reputations for underwriting new issuances of municipal certificates; and (4) the City anticipates awarding the sale of the Series 2025 Bonds to the bidder who submits a firm offer to purchase the Series 2025 Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Series 2025 Bonds, as specified in the bid.

In the event that the Competitive Sale Requirements described above are not satisfied, the City shall so advise the successful bidder. The City may determine to treat (i) the first price at which 10% of a maturity of the Series 2025 Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Series 2025 Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the City if any maturity of the Series 2025 Bonds satisfies the 10% test as of the date and time of the award of the Series 2025 Bonds. Any maturities of the Series 2025 Bonds that do not satisfy the 10% test as of the date and time of the award shall be subject to the hold-the-offering-price rule. **Bids will not be subject to cancellation in the event that the Competitive Sale Requirements described above are not satisfied. Bidders should prepare their bids on the assumption that some or all of the maturities of the Series 2025 Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2025 Bonds.**

The successful bidder shall deliver to the City at closing an “issue price” or similar certificate, substantially in one of the forms attached to this Official Notice of Sale as Attachment I or Attachment II, setting forth either the reasonably expected initial offering price to the public or the sales price or prices of the Series 2025 Bonds or the first price at which maturities were sold in accordance with the 10% test and which maturities were sold in accordance with the hold-the-offering-price rule, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the City and Bond Counsel.

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Series 2025 Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2025 Bonds, that the underwriters will neither offer nor sell unsold Series 2025 Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following: (1) the close of the fifth (5th) business day after the sale date; or (2) the date on which the underwriters have sold at least 10% of that maturity of the Series 2025 Bonds to the public at a price that is no higher than the initial offering price to the public. The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Series 2025 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The City acknowledges that, if the hold-the-offering price rule applies, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing the issue price of the Series 2025 Bonds, including but not limited to its agreement to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2025 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Series 2025 Bonds, including but not limited to its agreement to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or a dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2025 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Series 2025 Bonds, including but not limited to its agreement to comply with the hold-the-offering-price rule, as set forth in the third-party distribution

agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Series 2025 Bonds, including but not limited to its agreement to comply with the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with the requirements for establishing the issue price of the Series 2025 Bonds, including but not limited to its agreement to comply with the hold-the-offering-price rule as applicable to the Series 2025 Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and any third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2025 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A)(i) report the prices at which it sells to the public the unsold Series 2025 Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Series 2025 Bonds of that maturity or all Series 2025 Bonds of that maturity have been sold to the public, and (ii) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires, (B) promptly notify the City of any sales of Series 2025 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2025 Bonds to the public (each such term being used as defined below), and (C) acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public, and (ii) any agreement among underwriters or selling group relating to the initial sale of the Series 2025 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2025 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2025 Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Series 2025 Bonds of that maturity or all Series 2025 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Series 2025 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2025 Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale: (i) “public” means any person other than an underwriter or a related party, (ii) “underwriter” means (A) the successful bidder, (B) any person that agrees pursuant to a written contract with the successful bidder to form an underwriting syndicate to participate in the initial sale of the Series 2025 Bonds to the public and (C) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (B) to participate in the initial sale of the Series 2025 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2025 Bonds to the public), (iii) “related party” means any entity if an underwriter and such entity are subject, directly or indirectly, to (I) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (II) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another) or (III) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and (IV) “sale date” means the date that the Series 2025 Bonds are awarded by the City to the successful bidder.

### **CUSIP Numbers**

It is anticipated that CUSIP identification numbers will be printed on the Series 2025 Bonds, but neither the failure to print such numbers on any Series 2025 Bonds nor any error with respect thereto shall constitute cause for

failure or refusal by the successful bidder thereof to accept delivery of and pay for the Series 2025 Bonds in accordance with the terms of its bid.

### **Official Statement**

The City will furnish the successful bidder, at the expense of the City, up to 15 copies of the final Official Statement within seven business days from the date of the award of the Series 2025 Bonds, as specified in Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission (the “SEC”) and the rules of the MSRB; provided that minor delays in furnishing such final Official Statement will not be a basis for failure to pay for and accept delivery of the Series 2025 Bonds. Additional copies will be made available at the successful bidder’s request and expense. The City does not assume any responsibility or obligation for the distribution or delivery of the Official Statement to anyone other than the successful bidder.

The successful bidder, by executing the Official Bid Form, agrees to provide two copies of the Official Statement (with any required forms) to the MSRB or its designee no later than ten business days following the Date of Sale. The successful bidder shall notify the City as soon as practicable of (1) the date which is the end of the underwriting period (such “underwriting period” is described in the Rule) and (2) the date of filing of the Official Statement with the MSRB or its designee.

If the Series 2025 Bonds are awarded to a syndicate, the City will designate the senior managing underwriter of the syndicate as its agent for purposes of distributing copies of the Official Statement to each participating underwriter. Any underwriter executing and delivering a bid form with respect to the Series 2025 Bonds agrees thereby that if its bid is accepted it shall accept such designation and shall enter into a contractual relationship with all participating underwriters for the purposes of assuring the receipt and distribution by each such participating underwriter of the Official Statement, unless another firm is so designated by the syndicate in writing and approved by the City.

### **Legal Opinion (Tax Status)**

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes under § 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Series 2025 Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest on the Series 2025 Bonds is exempt from present State of Georgia income taxation. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2025 Bonds.

### **Continuing Disclosure**

Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”) under the Securities Exchange Act of 1934 imposes continuing disclosure obligations on the issuers and obligors of certain state and municipal securities to permit participating underwriters to offer and sell the issuer’s securities. The City will sign a Continuing Disclosure Certificate in connection with the issuance of the Series 2025 Bonds, under the provisions of which it will covenant for the benefit of the beneficial owners of the Series 2025 Bonds to provide (i) certain financial information and/or operating data relating to the City and the System (the “Annual Report”) and (ii) notices of the occurrence of certain enumerated events, if material. The Annual Report and the notices of material events will be filed electronically with the Electronic Municipal Market Access website (“EMMA”), an Internet-based electronic filing system supported by the Municipal Securities Rulemaking Board (“MSRB”). These covenants will be made by the City in order to assist the Underwriter in complying with the Rule.

### **Additional Information**

For further information relating to the Series 2025 Bonds and the City, reference is made to the Preliminary Official Statement. The City has deemed the Preliminary Official Statement to be final as of its date within the meaning

of the Rule, except for the omission of certain pricing and other information permitted to be omitted pursuant to the Rule. The Official Bid Form and the Preliminary Official Statement may be obtained from the Financial Advisor (telephone 404-922-7301).

Dated: November 24, 2025

**CITY OF WINDER (GEORGIA)**

**\$(PAR AMOUNT)**

**CITY OF WINDER (GEORGIA)  
WATER AND SEWER REVENUE BONDS, SERIES 2025**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER] (the “[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligation (the “Series 2025 Bonds”).

**1. Reasonably Expected Initial Offering Price.**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2025 Bonds to the Public by the “[SHORT NAME OF UNDERWRITER]” are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Series 2025 Bonds used by the “[SHORT NAME OF UNDERWRITER]” in formulating its bid to purchase the Series 2025 Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the “[SHORT NAME OF UNDERWRITER]” to purchase the Series 2025 Bonds.

(b) The “[SHORT NAME OF UNDERWRITER]” was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the “[SHORT NAME OF UNDERWRITER]” constituted a firm offer to purchase the Series 2025 Bonds.

**2. Defined Terms.**

(a) *Maturity* means Series 2025 Bonds with the same credit and payment terms. Series 2025 Bonds with different maturity dates, or Series 2025 Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange of a Maturity of the Series 2025 Bonds. The Sale Date of the Series 2025 Bonds is [DATE].

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City of Winder, Georgia (the “City”) (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2025 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2025 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2025 Bonds to the Public).



3. ***Yield.***

(a) We have been asked by Bond Counsel to calculate the yield of the Series 2025 Bonds using the definition that follows. Generally, “yield” is the discount rate calculated on the basis of a 360-day year consisting of 12 months of 30 days each and assuming semiannual compounding that, when used in computing the present value as of the date hereof of all unconditionally payable payments of principal, interest (including original issue discount), and fees for qualified guarantees on the Series 2025 Bonds, produces an amount equal to the present value, using the same discount rate, of the issue price of the Series 2025 Bonds. The yield on the Series 2025 Bonds that are “Yield to Call Bonds” is computed by treating such Series 2025 Bonds as redeemed on the optional redemption date that would produce the lowest yield on the issue. Yield to Call Bonds are Series 2025 Bonds subject to optional early redemption and issued at an issue price that exceeds the stated redemption price at maturity by more than one-fourth of one percent multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional call date for such Series 2025 Bonds. In accordance with this calculation, the yield on the Series 2025 Bonds is \_\_\_\_\_%.

4. ***Weighted Average Maturity.***

(a) We have been asked by Bond Counsel to calculate the weighted average maturity of the Series 2025 Bonds in the following manner: divide (i) the sum of the products determined by taking the Issue Price of each maturity of the Series 2025 Bonds times the number of years from the date hereof to the date of such maturity (treating the mandatory redemption of the Series 2025 Bonds as a maturity), by (ii) the aggregate issue price of the Series 2025 Bonds. Based on this calculation, the weighted average maturity of the Series 2025 Bonds is \_\_\_\_\_ years.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Certificate As To Arbitrage Matters dated [Issue Date] relating to the Series 2025 Bonds and with respect to compliance with the federal income tax rules affecting the Series 2025 Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Series 2025 Bonds.

[NAME OF UNDERWRITER]

By: \_\_\_\_\_

Dated: [ISSUE DATE]

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE A**  
**EXPECTED OFFERING PRICES**  
*(Attached)*

**SCHEDULE B**  
**COPY OF UNDERWRITER'S BID**  
*(Attached)*

**\$(PAR AMOUNT)**

**CITY OF WINDER (GEORGIA)**  
**WATER AND SEWER REVENUE BONDS, SERIES 2025**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Series 2025 Bonds”).

1. ***Sale of the General Rule Maturities.***

As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT NAME OF UNDERWRITER] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2025 Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, [SHORT NAME OF UNDERWRITER] has] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Series 2025 Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2025 Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *City* means City of Winder, Georgia

(b) *General Rule Maturities* means those Maturities of the Series 2025 Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(c) *Hold-the-Offering-Price Maturities* means those Maturities of the Series 2025 Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(d) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the Underwriter sold at least 10% of such Hold-the-Offering-Price

Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(e) *Maturity* means Series 2025 Bonds with the same credit and payment terms. Series 2025 Bonds with different maturity dates, or Series 2025 Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2025 Bonds. The Sale Date of the Series 2025 Bonds is [DATE].

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2025 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2025 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2025 Bonds to the Public).

#### **4. *Yield.***

We have been asked by Bond Counsel to calculate the yield of the Series 2025 Bonds using the definition that follows. Generally, “yield” is the discount rate calculated on the basis of a 360-day year consisting of 12 months of 30 days each and assuming semiannual compounding that, when used in computing the present value as of the date hereof of all unconditionally payable payments of principal, interest (including original issue discount), and fees for qualified guarantees on the Series 2025 Bonds, produces an amount equal to the present value, using the same discount rate, of the issue price of the Series 2025 Bonds. The yield on the Series 2025 Bonds that are “Yield to Call Series 2025 Bonds” is computed by treating such Series 2025 Bonds as redeemed on the optional redemption date that would produce the lowest yield on the issue. Yield to Call Series 2025 Bonds are Series 2025 Bonds subject to optional early redemption and issued at an issue price that exceeds the stated redemption price at maturity by more than one-fourth of one percent multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional call date for such Series 2025 Bonds. In accordance with this calculation, the yield on the Series 2025 Bonds is \_\_\_\_\_%.

#### **5. *Weighted Average Maturity.***

We have been asked by Bond Counsel to calculate the weighted average maturity of the Series 2025 Bonds in the following manner: divide (i) the sum of the products determined by taking the Issue Price of each maturity of the Series 2025 Bonds times the number of years from the date hereof to the date of such maturity (treating the mandatory redemption of the Series 2025 Bonds as a maturity), by (ii) the aggregate issue price of the Series 2025 Bonds. Based on this calculation, the weighted average maturity of the Series 2025 Bonds is \_\_\_\_\_ years.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury

Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Certificate As To Arbitrage Matters dated [Issue Date] relating to the Series 2025 Bonds and with respect to compliance with the federal income tax rules affecting the Series 2025 Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Series 2025 Bonds.

[NAME OF UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: [ISSUE DATE]

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND  
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

*(Attached)*

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

*(Attached)*