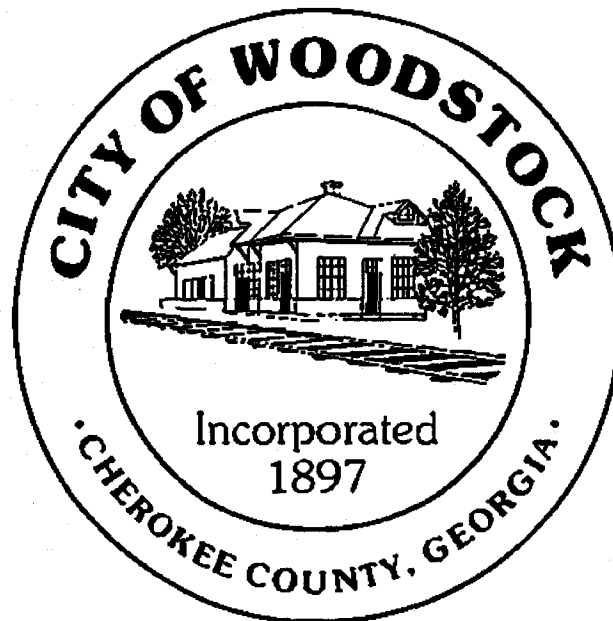


CITY OF WOODSTOCK, GEORGIA

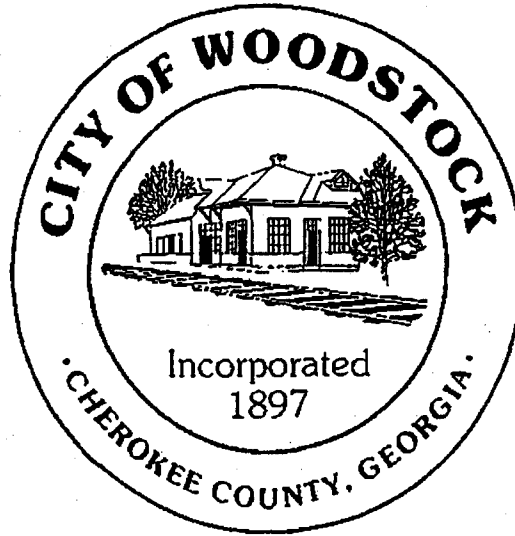


COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Prepared by
City Manager's Office

Woodstock City Hall



CITY OF WOODSTOCK, GEORGIA

INTRODUCTORY SECTION

This Section Contains the Following Subsections:

ORGANIZATION CHART

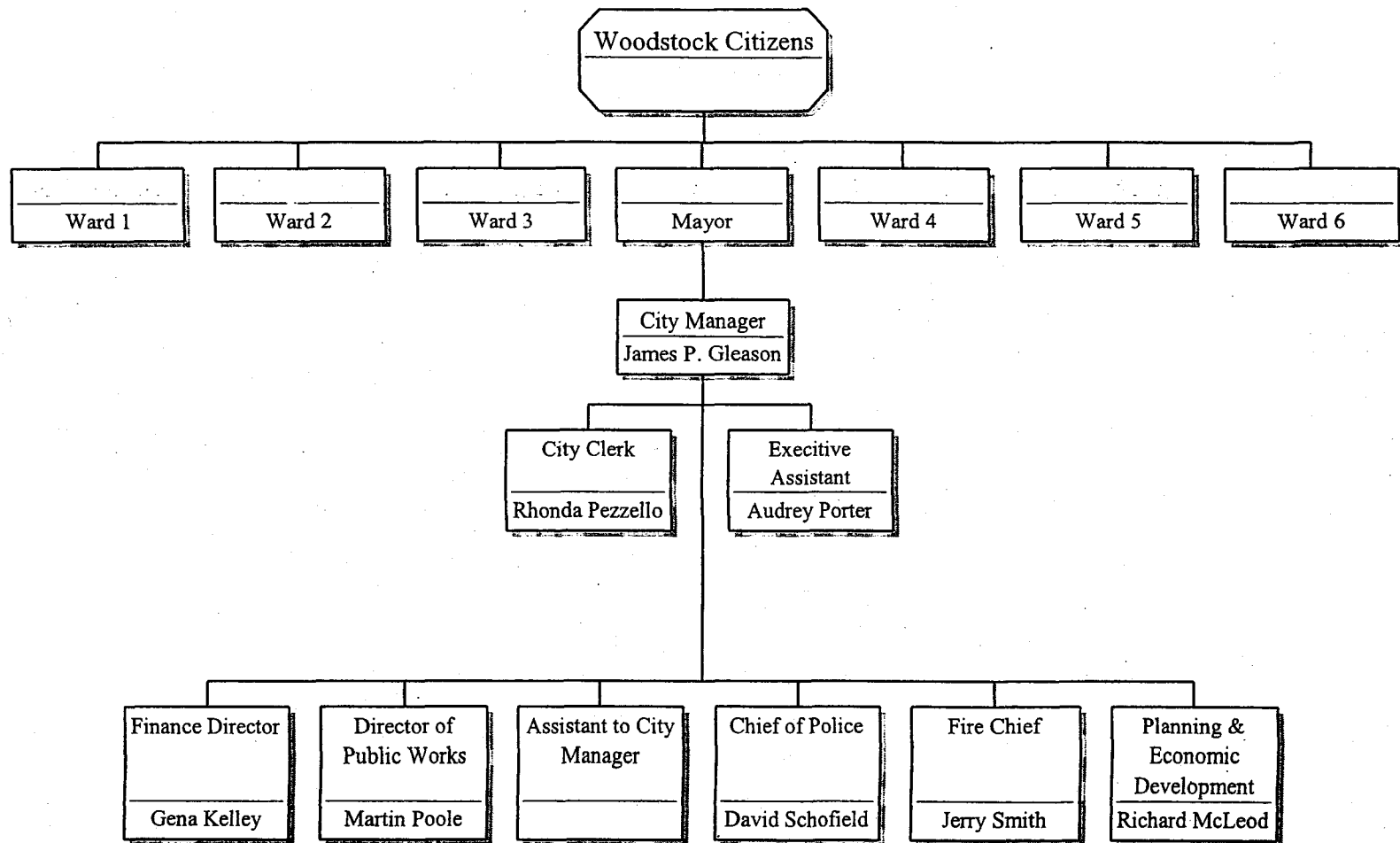
LISTING OF CITY OFFICIALS

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CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING

LETTER OF TRANSMITTAL

City of Woodstock, Georgia - Organizational Chart



CITY OF WOOSTOCK, GEORGIA

CITY OFFICIALS - 2006

MAYOR

Donnie Henriques

CITY COUNCIL

*Elizabeth "Liz" Baxter
Randall L. "Randy" Brewer
Christopher Casdia
Steven M. "Steve" Faris
Bud Leonard
Robert "Bob" Mueller*

CITY MANAGER

James P. "Jim" Gleason

CITY CLERK

Rhonda L. Pezzello

CHIEF OF POLICE

David Schofield

FIRE CHIEF

Jerry Smith

DIRECTOR OF INFORMATION TECHNOLOGY

Theresa Woodall

FIRE MARSHALL

David Soumas

DIRECTOR OF PLANNING & ECONOMIC DEVELOPMENT

Richard McLeod

CITY ATTORNEYS

Moore Ingram Johnson & Steele, LLP

City Finance Officer

Gena Kelley

CITY AUDITORS

Post & Associates, LLC

CITY OF WOODSTOCK, GEORGIA

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Woodstock
Georgia

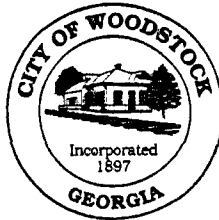
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



City of Woodstock

103 Arnold Mill Road, Woodstock, Georgia 30188
770-926-8852 • 770-926-1375 (Fax)
WWW.CI.WOODSTOCK.GA.US

November 27, 2006

To the Honorable Mayor and
Members of the City Council
City of Woodstock
Woodstock, Georgia 30188

The Comprehensive Annual Financial Report of the City of Woodstock, Georgia for the year ended June 30, 2006, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This comprehensive annual report is presented in three major sections:

INTRODUCTORY SECTION. This section is designed to introduce the reader to the report. It includes this letter of transmittal, a copy of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for our most recent comprehensive annual financial report, the City's organizational chart and a list of principal City officials. The transmittal letter includes general information about the City, economic condition and outlook for the City, major initiatives for the year and for the future and other information including the audit, awards and acknowledgments.

FINANCIAL SECTION. This section contains the independent auditor's report on the financial statements, management's discussion and analysis, the basic audited financial statements with combining and individual fund statements and notes to the financial statements. This section also includes Required Supplementary Information.

STATISTICAL SECTION. This section presents multi year comparative trend data, data concerning fiscal capacity, and physical, economic, and social data of the City.

The City, for financial reporting purposes, is defined as including all funds and government wide financial statements. The City provides a full range of services. These services include police and fire protection; the construction and maintenance of

highways, streets, and infrastructure; recreational activities and cultural events. In addition to general government activities, the City's Water and Sewer System is included in the reporting entity.

ECONOMIC CONDITION AND OUTLOOK

Established in 1897, Woodstock, Georgia faces the next century as the pioneer in amenity based living, offering an excellent corporate environment for companies seeking the most effective solutions to relocate their facilities and their employees. Posting a healthy 80% growth in population in ten years, Woodstock is poised for new, planned growth in the next ten years. Gateway to the beautiful North Georgia mountains, with convenient access to major airports - Hartsfield Jackson Atlanta International and Chattanooga's Metropolitan, Woodstock's transportation access by air, rail and interstate highways facilitates commerce at a fast pace.

Woodstock's blend of small town charm with big city attractions within reach make it an attractive choice of residence for many metro area residents. Homes range from \$60,000 to \$2 million and offer a wide variety of elegant, southern living.

Woodstock's golf clubs include Eagle Watch and the Towne Lake Hills Golf Club. Eagle Watch with its Arnold Palmer design offers a 72-hole course, while Towne Lake's 18-hole championship course offers a challenge in a beautiful setting. Both golf courses are representative of the rolling green hills and wooded countryside unique to the foothills of the north Georgia mountains.

Within an easy ride, the northwest mountains of Georgia offer a wide range of family fun for nature lovers from camping, nature hikes, white water rafting and access to several lakes and over 13 State Parks. Part of Cherokee County, which formed in 1830 from lands held by Cherokee Indians, Woodstock also offers access to the rich history of native Americans in Georgia. Lake Allatoona, an 11,860 acre lake, also offers recreational activities. Part of Atlanta's metropolitan statistical area, Woodstock with its convenient location between Chattanooga and Atlanta, offers access to major national and international sporting events and cultural arts.

Current projections indicate continued economic growth for years to come and the City of Woodstock plans to take a pro-active approach to deal with the anticipated growth. The City will concentrate its efforts on long-range planning for City infrastructure, facilities and services as well as financial plans to support these initiatives.

MAJOR ACHIEVEMENTS

FOR 2006

The major highlight for Woodstock in 2006 was the completion or near completion of numerous capital improvement projects. The capital improvement projects covered a diversity of needs. Examples include:

- > Continuing improvements to the Waste Water Treatment Facility.
- > Improvements to the Annex Pump Station
- > Purchase of various equipment for the departments within the City
- > Addition of 27 new personnel including 6 Police Officers and 9 Firefighters. Other positions include Administrative Assistance's, Information Technology, Building Inspection Director and a Community Affairs Director.
- > Purchase of facility for the William G. Long Senior Center/Community Center.
- > Purchase of Public Works Facility.
- > Completion and implementation of a Five Year Strategic Plan.

FOR THE FUTURE

Growth and development continue to be the two major issues that affect the future of the City. These issues represent challenges and opportunities, which will impact Woodstock over the next several years. Growth must be managed however, and the City will have to prudently manage its financial resources to provide the increased demands for services that the increased growth and development will bring.

The City continues in being successful in attracting retail centers which not only increased the County revenue generated by sales tax but broadened the tax base which had the desired affect of stabilizing what has been a fairly volatile revenue source. Woodstock once again established itself as the premier commercial center in Cherokee County. Over the next five years staff anticipates the construction of additional hotels, retail super centers, banks, major restaurants, gas stations, office developments, convention center and other industrial clients.

FINANCIAL INFORMATION, MANAGEMENT AND CONTROL

Management of the City is responsible for establishing and maintaining an internal control structure. In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Such controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles, and for maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of Federal and State financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is evaluated periodically by the internal audit staff of the City. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Budgetary controls are maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Mayor and City Council and to comply with generally accepted accounting principles. Budgetary control is maintained by encumbering estimated purchase prices on purchase orders against appropriated account balances prior to the issuance of the purchase order. Purchase orders which would result in an over expenditure of appropriated balances are not processed unless additional funds are approved. Encumbered amounts lapse at year-end; however, encumbrances generally are re-appropriated as part of the following year's budget.

In general, the City's budgeting process is structured by fund and a separate budget is provided for each fund. For operational purposes, the City is divided into major functions and each function is split into areas called Departments. The City defines specific objectives and performance measurements at the Department level so the activities and services for which each Department is responsible can be monitored.

INDEPENDENT AUDIT

The City Charter and the State of Georgia require an annual audit to be made of the books of account, financial records and transactions of all administrative departments of the City by independent Certified Public Accountants selected by the City Council. This requirement has been complied with and the auditor's opinion has been included in this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Woodstock for its comprehensive annual financial report for the fiscal year ended June 30, 2005. This was the thirteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report.

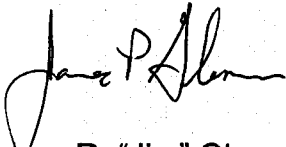
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

MD&A. Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The City of Woodstock's MD&A can be found immediately following the report of the independent auditors.

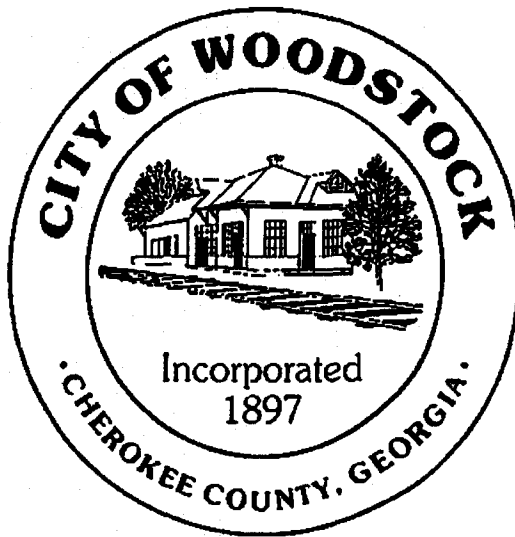
ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Director Gena Kelley in addition to the finance staff and the assistance of the Certified Public Accounting Firm of Post & Associates, LLC. We would like to express our appreciation to all individuals who assisted in and contributed to its preparation. We would also like to thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

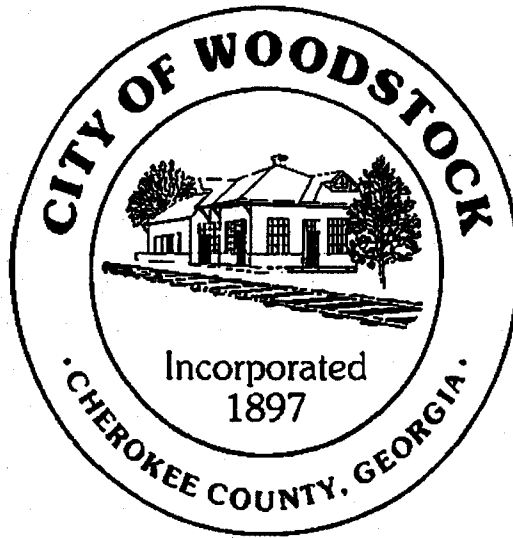
Respectfully submitted,

A handwritten signature in black ink, appearing to read "James P. Gleason". The signature is fluid and cursive, with the first name "James" and last name "Gleason" clearly distinguishable.

James P. "Jim" Gleason
City Manager



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CITY OF WOODSTOCK, GEORGIA

FINANCIAL SECTION

This Section Contains the Following Subsections:

INDEPENDENT AUDITORS' REPORT

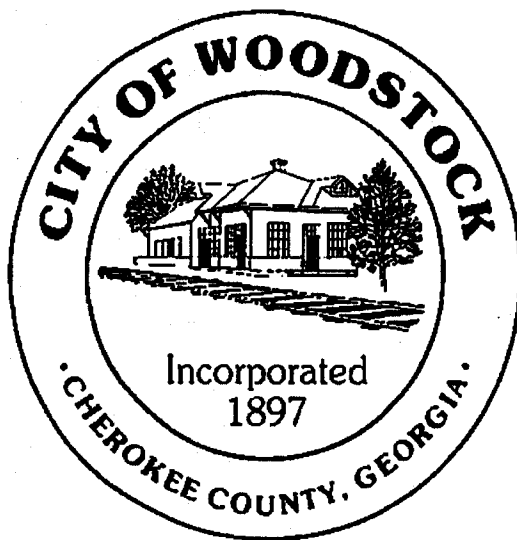
MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

COMBINING AND INDIVIDUAL FUND SCHEDULES

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS



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Post & Associates CPA's

ESTABLISHED 1968

Daniel L. Post, CPA
Daniel L. Post, Jr., CPA

MEMBERS

American Institute of CPA's
Georgia Society of CPA's

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woodstock, Georgia, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Woodstock's management. Our responsibility is to express opinions on these financial statements based on our audit. We have also audited the financial statements of the Downtown Development Authority, a discretely presented component unit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

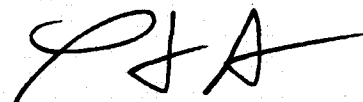
In our opinions, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Woodstock, Georgia as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary position of the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 27, 2006, on our consideration of the City of Woodstock, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 18 through 24 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Woodstock, Georgia's basic financial statements. The introductory section, statistical tables and data listed in the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section, combining and individual fund financial statements, and statistical tables have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Marietta, Georgia
November 27, 2006



Post & Associates, LLC - Certified Public Accountants

3475 Dallas Highway, Suite 125 • Marietta, Georgia 30064 • Office: (678) 290-5100 • Fax: (678) 290-3307

1130 Senoia Road, Suite 3-B • Tyrone, Georgia 30290 • Office: (770) 774-1872 • Fax: (770) 774-1873

postcpas.com

Management's Discussion and Analysis

As management of the City of Woodstock, we offer readers of the City of Woodstock's financial statements this narrative overview and analysis of the financial activities of the City of Woodstock for the fiscal year ended June 30, 2006. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

- ◇The assets of the City of Woodstock exceeded its liabilities at the close of the fiscal year by \$37,032,637 (net assets).
- ◇The government's total net assets increased by \$3,938,064, primarily due to increased revenues in the general fund's property taxes due to increases in fair market value of property, sales taxes, fines and forfeitures in addition to tight controls over expenditures and capital outlay in the general fund.
- ◇As of the close of the current fiscal year, the City of Woodstock's governmental funds reported combined ending fund balances of \$8,672,978, an increase of \$963,648 in comparison with the prior year.
- ◇At the end of the current fiscal year, unreserved fund balance for the General Fund was \$5,557,218.
- ◇The City of Woodstock's total debt decreased by \$1,836,744 during the current fiscal year. The key factor in this decrease is due to the principal repayments on the City's line of credit.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to City of Woodstock's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Woodstock.

Required Components of Annual Financial Report

Basic Financial Statements

The first two statements (pages 25 & 26) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the City's financial status.

The next statements (pages 27 - 37) are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statement; and 3) the proprietary funds statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements, the Statement of Net Assets and the Statement of Activities are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net assets and how they have changed. Net assets are the difference between the City's total assets and total liabilities. Quantifying net assets is one way to measure the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the City's basic services such as public safety, community services, and general administration. Property and other types of taxes and licenses and permits finance most of these activities. The business-type activities are those that the City charges customers to provide. This includes the water and sewer services offered by the City.

The government-wide financial statements are on pages 25 and 26 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Woodstock, like all other governmental entities in Georgia, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Woodstock can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Woodstock adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Council; 2) the final budget as amended by the Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds - City of Woodstock has two types of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. City of Woodstock uses enterprise funds to account for its water and sewer operations and also the storm water utility operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 38 - 64 of this report.

Government-Wide Financial Analysis

Prior to fiscal year ending June 30, 2004, the City of Woodstock maintained their governmental and proprietary fund groups as two separate and very distinct types of accounting without any type of consolidated statement that accurately reflected the operations and net assets of the government as a whole. There was a total column that appeared on the financial statements, but it was a memorandum total only. No attempt was made to adjust the statements in such a way that the total column would represent the overall financial condition of the City of Woodstock. These statements were basically the equivalent of the fund financial statements that appear in this report with fiduciary funds and two account groups, the long-term debt and the general fixed assets, added in.

The changes in the financial statement reporting model are mandated by the Governmental Accounting Standards Board (GASB). GASB Statement 34 dictated the changes you see in the City of Woodstock's financial reports as well as those of many other units of government. The City of Woodstock was required to implement these changes for the fiscal year ended June 30, 2004 while other governmental entities may have been required to implement at an earlier date.

City of Woodstock, Georgia
Statement of Net Assets - Primary Government
June 30, 2006 and 2005

	Governmental Activities	Business-type Activities	2006 Total	Governmental Activities	Business-type Activities	2005 Total
Current Assets	\$ 9,506,166	\$ 2,135,652	\$ 11,641,818	\$ 8,165,478	\$ 4,471,727	\$ 12,637,205
Non Current Assets	-	1,610,959	1,610,959	-	2,132,817	2,132,817
Land	1,904,461	409,672	2,314,133	1,496,338	130,500	1,626,838
Capital Assets - net	12,877,299	35,043,925	47,921,224	9,825,458	35,164,496	44,989,954
Total Assets	\$ 24,287,926	\$ 39,200,208	\$ 63,488,134	\$ 19,487,274	\$ 41,899,540	\$ 61,386,814
Current Liabilities	\$ 932,492	\$ 4,392,062	\$ 5,324,554	\$ 718,685	\$ 5,795,284	\$ 6,513,969
Non Current Liabilities	3,140,463	17,990,480	21,130,943	3,033,071	18,745,201	21,778,272
Total Liabilities	\$ 4,072,955	\$ 22,382,542	\$ 26,455,497	\$ 3,751,756	\$ 24,540,485	\$ 28,292,241
Invested in Capital Assets, Net of Related Debt	\$ 13,507,615	\$ 13,947,045	\$ 27,454,660	\$ 9,431,454	\$ 19,642,604	\$ 29,074,058
Restricted	-	1,490,079	1,490,079	-	1,425,463	1,425,463
Unrestricted	6,707,356	1,380,542	8,087,898	6,304,064	(3,709,012)	2,595,052

	Governmental Activities	Business-type Activities	2006 Total	Governmental Activities	Business-type Activities	2005 Total
Total Net Assets	\$ 20,214,971	\$ 16,817,666	\$ 37,032,637	\$ 15,735,518	\$ 17,359,055	\$ 33,094,573

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The total assets of the City of Woodstock exceeded total liabilities by \$37,032,637 as of June 30, 2006. The City's net assets increased by \$3,938,064 for the fiscal year ended June 30, 2006. This increase was primarily due to increased revenues in the general fund's property taxes, sales taxes, fines and forfeitures in addition to tight controls over expenditures and capital outlay in the general fund.

The largest portion of assets is the City's investment in capital assets (e.g. land, buildings, distribution system, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The City of Woodstock uses these capital assets to provide services to citizens and, therefore, these assets are not available for future spending. A portion of the City of Woodstock's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$7,967,018 may be used to meet the government's ongoing obligations to citizens and creditors.

City of Woodstock, Georgia
Changes in Net Assets - Primary Government
June 30, 2006 and 2005

	Governmental Activities	Business-type Activities	2006 Total	Governmental Activities	Business-type Activities	2005 Total
Revenues:						
Program revenues:						
Charges for Services	\$ 3,195,028	\$ 6,356,143	\$ 9,551,171	\$ 2,847,660	\$ 6,209,155	\$ 9,056,815
Operating Grants and Contributions	99,987	-	99,987	75,933	-	75,933
General Revenues:						
Property Taxes	5,030,477	-	5,030,477	4,641,759	-	4,641,759
Other Taxes	8,145,172	-	8,145,172	3,963,111	-	3,963,111
Other	551,273	159,995	711,268	363,163	87,214	450,377
Total Revenues	\$ 17,021,937	\$ 6,516,138	\$ 23,538,075	\$ 11,891,626	\$ 6,296,369	\$ 18,187,995
Expenses:						
General Government	\$ 2,515,500	\$ -	\$ 2,515,500	1,324,671	\$ -	\$ 1,724,671
Public Safety	6,074,794	-	6,074,794	5,419,107	-	5,419,107
Public Works	1,519,847	-	1,519,847	1,314,007	-	1,314,007
Community Services	2,194,134	-	2,194,134	1,753,041	-	1,753,041
Other	238,209	-	238,209	141,025	-	141,025
Water and Sewer	-	7,054,860	7,054,860	-	5,167,100	5,167,100
Stormwater Utility	-	2,667	2,667	-	-	-
Total Expenses	\$ 12,542,484	\$ 7,057,527	\$ 19,600,011	\$ 10,351,851	\$ 5,167,100	\$ 15,518,951

	Governmental Activities	Business-type Activities	2006 Total	Governmental Activities	Business-type Activities	2005 Total
Increase in Net Assets	\$ 4,479,453	\$ (541,389)	\$ 3,938,064	\$ 1,539,775	\$ 1,129,269	\$ 2,669,044
Net Assets, July 1	\$ 15,735,518	\$ 17,359,055	\$ 33,094,573	\$ 14,195,743	\$ 16,229,786	\$ 30,425,529
Net Assets, June 30	\$ 20,214,971	\$ 16,817,666	\$ 37,032,637	\$ 15,735,518	\$ 17,359,055	\$ 33,094,573

Governmental activities: Governmental activities increased the City's net assets by \$4,479,453.

Business-type activities: Business-type activities decreased the City of Woodstock's net assets by \$541,389.

Financial Analysis of the City's Funds

As noted earlier, the City of Woodstock uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Woodstock's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Woodstock's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Woodstock. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$5,557,218, while total fund balance reached \$5,903,593. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 47.80% of total General Fund expenditures while total fund balance represents 50.78% of that same amount.

At June 30, 2006, the governmental funds of City of Woodstock reported a combined fund balance of \$8,672,978, a 12.5% increase over last year. The individual funds that comprise the \$8,672,978 are as follows:

	Fund Balance at 6/30/2006	Increase (Decrease) from 6/30/2005
General Fund	\$ 5,903,593	\$ (261,560)
SPLOST I Capital Projects Fund	195,304	(32,386)
SPLOST II Capital Projects Fund	2,231,293	1,249,656
SPLOST III Capital Projects Fund	33,212	33,212
Hotel-Motel Fund	-	(27,863)
Debt Service Fund	309,570	2,589
	\$ 8,672,978	\$ 963,654

The decrease in the General Fund fund balance can be mainly attributed to transfers to other governmental funds. The significant increase in the SPLOST II fund balance can be attributed to under budget expenditures.

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories; 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants;

and 3) increases in appropriations that become necessary to maintain services.

Tax revenues were higher than the budgeted amounts primarily because sales taxes were stronger than anticipated. Expenditures were held in check with solid fiscal management and the City was able to comply with most of its budgetary requirements.

Proprietary Funds. The City of Woodstock's proprietary funds provides the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Water and Sewer Fund at the end of the fiscal year amounted to \$1,259,662. The total decrease in the proprietary fund net assets for the year is \$541,389 from June 30, 2005. The reason for the decrease in the proprietary fund net assets results from the City's undertaking of debt to fund the construction of capital assets.

Capital Asset and Debt Administration

Capital assets. The City of Woodstock's investment in land and capital assets for its governmental and business-type activities as of June 30, 2006, totals \$2,314,133 for land and \$47,921,224 for capital assets (net of accumulated depreciation). These assets include buildings and improvements, utility systems, vehicles and equipment, and infrastructure.

Additional information on the City's capital assets can be found in note 5 pages 47 - 49 of the Notes to the Financial Statements. The following table reflects the cost of the capital assets of the City including depreciation on these capital assets.

City of Woodstock, Georgia
Capital Assets - Primary Government
June 30, 2006 and 2005

	Governmental Activities	Business-type Activities	2006 Total	Governmental Activities	Business-type Activities	2005 Total
Land	\$ 1,904,461	\$ 409,672	\$ 2,314,133	\$ 1,496,338	\$ 130,500	\$ 1,626,838
Buildings and Improvements	7,705,085	318,640	8,023,725	4,744,573	318,640	5,063,213
System	-	41,313,998	41,313,998	-	39,957,349	39,957,349
Machinery and Equipment	1,020,009	654,145	1,674,154	913,514	566,300	1,479,814
Vehicles	2,695,076	623,909	3,318,985	2,395,126	629,911	3,025,037
Office Furniture and Equipment	562,609	79,725	642,334	527,152	60,442	587,594
Parks and Streets	9,396,905	-	9,396,905	8,706,778	-	8,706,778
Sub-Total	\$ 23,284,145	\$ 43,400,089	\$ 66,684,234	\$ 18,783,481	\$ 41,663,142	\$ 60,446,623
Accumulated Depreciation	(8,502,385)	(7,946,492)	(16,448,877)	(7,461,685)	(6,368,146)	(13,829,831)
Total	\$ 14,781,760	\$ 35,453,597	\$ 50,235,357	\$ 11,321,796	\$ 35,294,996	\$ 46,616,792

Long-term Debt. As of June 30, 2006, the City of Woodstock has debt outstanding in the amount of \$21,384,868. This total represents debt related to governmental activities of \$3,140,463 which represents obligations for Certificates of Participation, accrued vacation liability, capital lease obligation, GEFA loan and the City's accrued pension obligation. The balance of the debt outstanding in the amount of \$18,244,405 represents debt related to business-type activities. The City entered into Water and Sewerage Revenue Bond agreements during fiscal years ended June 30, 1998 and June 30, 2003 and the amounts owed on those Bonds are \$1,109,547 and \$13,470,000, respectively. The current portion of those Bonds are \$82,673 and \$525,000,

respectively.

Georgia general statutes limit the amount of general obligation debt that a unit of government can issue to 10 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for City of Woodstock is \$79,573,792.

Additional information regarding the City of Woodstock's long-term debt can be found in note 5 on pages 49 - 53 of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the City.

- ⇒ Continued growth in the tax base projected due to proximity to the City of Atlanta and continued development of the area.
- ⇒ Opening of new businesses proceeds at a positive rate, which creates new service jobs in the area and expands the taxable base.
- ⇒ The City has 27 new positions proposed in various departments where expansion occurs.
- ⇒ The City intends to offer concerts and other special events to the citizens of Woodstock and others in the surrounding area to continue to foster a caring community.

Budget Highlights for the Fiscal Year Ending June 30, 2007

Governmental Activities: Taxes, benefitting from the economic growth, are expected to lead the increase in budgeted tax revenue by 6 % to \$7,651,550. The estimated total revenues for the General Fund for the fiscal year ending June 30, 2006 are \$10,378,057 or an increase of 2% from the originally budgeted General Fund revenues for the fiscal year ending June 30, 2006.

Budgeted expenditures in the General Fund are expected to rise 18% to \$12,141,404. The largest increases are in Public Safety which includes the hiring of six new Police officers and nine new firemen in order for the city to keep up with its growing population.

Business - type Activities: The budgeted revenues of the business-type activities in the City are estimated to decrease by \$11,567,163 to \$8,232,500 or a decrease of 58.4% from the prior year. This decrease is due from a reduction of other financing sources by \$9,705,690. Water & Sewer Tap Fees are expected to increase an estimated 8% over the FY 2006 budgeted amount to \$3,863,000

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, City of Woodstock, 103 Arnold Mill Road, Woodstock, GA 30188.

CITY OF WOODSTOCK, GEORGIA

STATEMENT OF NET ASSETS

June 30, 2006

	Primary Government			Component Unit
	Governmental	Business-type		Downtown Development
	Activities	Activities	Total	Authority
ASSETS				
Cash	\$ 8,161,596	\$ 882,740	\$ 9,044,336	\$ 30,058
Receivables				
Services	-	967,276	967,276	-
Taxes (Net)	119,664	-	119,664	-
Other Taxes	173,457	-	173,457	-
Fines (Net)	51,479	-	51,479	-
Other Receivables	-	100,049	100,049	77,508
Internal Balances	653,595	(653,595)	-	-
Prepaid Items	346,375	94,550	440,925	-
Restricted Assets				
Temporarily Restricted				
Cash-Debt Service	-	779,395	779,395	-
Cash-Sinking Fund	-	831,564	831,564	-
Customer Deposits	-	479,966	479,966	-
Other Assets				
Capital Assets (Net of Accumulated Depreciation)				
Land	1,904,461	409,672	2,314,133	-
Other Capital Assets	12,877,299	35,043,925	47,921,224	-
Unamortized Bond Costs	-	264,666	264,666	-
Total Assets	\$ 24,287,926	\$ 39,200,208	\$ 63,488,134	\$ 107,566
LIABILITIES				
Accounts Payable	\$ 578,649	\$ 334,755	\$ 913,404	\$ 132
Accrued Interest Payable	99,304	317,660	416,964	-
Other Current Payables	56,552	74,606	131,158	-
Bail Bonds Held	197,987	-	197,987	-
Customer Deposits	-	479,966	479,966	-
Line of Credit	-	2,931,150	2,931,150	-
Noncurrent Liabilities				
Due Within One Year	508,329	740,718	1,249,047	-
Due in More Than One Year	2,632,134	17,503,687	20,135,821	-
Total Liabilities	4,072,955	22,382,542	26,455,497	132
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	13,507,615	13,947,045	27,454,660	-
Restricted for				
Debt Service	-	1,610,959	1,610,959	-
Unrestricted	6,707,356	1,259,662	7,967,018	107,434
Total Net Assets	\$ 20,214,971	\$ 16,817,666	\$ 37,032,637	\$ 107,434

CITY OF WOODSTOCK, GEORGIA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2006

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total	Component Unit Downtown Develop- ment Authority
Functions/Programs								
Primary Government								
Governmental activities:								
General Government	\$ 2,515,500	\$ 1,673,925	\$ -	\$ -	\$ (841,575)	\$ -	\$ (841,575)	
Public Safety	6,074,794	1,521,103	23,953	-	(4,529,738)	-	(4,529,738)	
Public Works	1,519,847	-	69,034	-	(1,450,813)	-	(1,450,813)	
Community Services	2,194,134	-	7,000	-	(2,187,134)	-	(2,187,134)	
Interest on Long-Term Debt	234,499	-	-	-	(234,499)	-	(234,499)	
Other Debt Related Expenses	3,710	-	-	-	(3,710)	-	(3,710)	
Total governmental activities	<u>12,542,484</u>	<u>3,195,028</u>	<u>99,987</u>	<u>-</u>	<u>(9,247,469)</u>	<u>-</u>	<u>(9,247,469)</u>	
Business-type activities:								
Water and Sewer Utilities	7,054,860	6,356,143	-	-	-	(698,717)	(698,717)	
Storm Water Utility	2,667	-	-	-	-	(2,667)	(2,667)	
Total Business-type Activities	<u>7,057,527</u>	<u>6,356,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(701,384)</u>	<u>(701,384)</u>	
Total primary government	<u>\$ 19,600,011</u>	<u>\$ 9,551,171</u>	<u>\$ 99,987</u>	<u>\$ -</u>	<u>(9,247,469)</u>	<u>(701,384)</u>	<u>(9,948,853)</u>	
Component Unit								
Downtown Development Authority	<u>\$ 15,956</u>	<u>\$ -</u>	<u>\$ 92,905</u>	<u>\$ -</u>				<u>\$ 76,949</u>
General Revenues:								
Property Tax					5,030,477	-	5,030,477	-
Excise Taxes					2,824,908	-	2,824,908	-
Sales Tax					5,235,696	-	5,235,696	-
Hotel/Motel Tax					84,568	-	84,568	-
Other Local Revenue					309,034	-	309,034	-
Interest Income					242,239	159,995	402,234	562
Total General Revenues					<u>13,726,922</u>	<u>159,995</u>	<u>13,886,917</u>	<u>562</u>
Change in Net Assets					4,479,453	(541,389)	3,938,064	77,511
Net Assets Beginning					15,735,518	17,359,055	33,094,573	29,923
Net Assets Ending					<u>\$ 20,214,971</u>	<u>\$ 16,817,666</u>	<u>\$ 37,032,637</u>	<u>\$ 107,434</u>

CITY OF WOODSTOCK, GEORGIA

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2006

	General	SPLOST II Capital Projects	SPLOST III Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash on Hand and In Banks	\$ 4,468,596	\$ 2,316,563	\$ 863,454	\$ 512,983	\$ 8,161,596
Receivables					
Property Taxes (Net)	119,664	-	-	-	119,664
Other Taxes	173,457	-	-	-	173,457
Fines (Net)	51,479	-	-	-	51,479
Due from Other Funds	1,464,296	-	-	77,508	1,541,804
Prepaid Items	346,375	-	-	-	346,375
Total Assets	\$ 6,623,867	\$ 2,316,563	\$ 863,454	590,491	\$ 10,394,375
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 388,227	\$ 18,138	\$ 94,776	\$ 77,508	\$ 578,649
Due to Other Funds	77,508	67,127	735,466	8,108	888,209
Other Current Payables	56,552	-	-	-	56,552
Bail Bonds and Confiscations Held	197,987	-	-	-	197,987
Total Liabilities	720,274	85,265	830,242	85,616	1,721,397
Fund Balance					
Reserved for:					
Prepaid Items	346,375	-	-	-	346,375
Debt Service	-	-	-	309,571	309,571
Unreserved Reported In:					
General Fund	5,557,218	-	-	-	5,557,218
Capital Projects	-	2,231,298	33,212	195,304	2,459,814
Total Fund Balance	5,903,593	2,231,298	33,212	504,875	8,672,978
Total Liabilities and Fund Balance	\$ 6,623,867	\$ 2,316,563	\$ 863,454	\$ 590,491	

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

Capital assets are not financial resources and, therefore, are not reported in the funds.

14,781,760 ✓

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

(3,239,767) ✓

Net Assets of Governmental Activities

\$ 20,214,971 ✓

CITY OF WOODSTOCK, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

Year Ended June 30, 2006

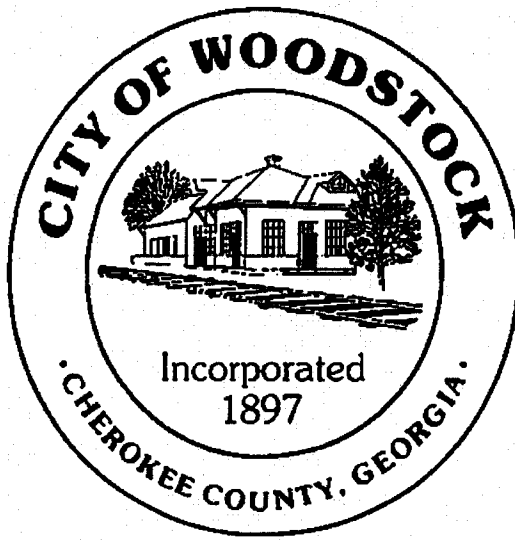
	General	SPLOST II Capital Projects	SPLOST III Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property Tax	\$ 5,030,477	\$ -	\$ -	\$ -	\$ 5,030,477
Excise Taxes	2,824,908	-	-	-	2,824,908
Sales Tax	-	1,670,696	3,565,000	-	5,235,696
Hotel/Motel Tax	-	-	-	84,568	84,568
Licenses/Permits/Fees	1,372,853	-	-	-	1,372,853
Charges for Services	301,072	-	-	-	301,072
Fines and Forfeitures	1,521,103	-	-	-	1,521,103
Intergovernmental Revenue	30,953	-	-	-	30,953
Grants	-	69,034	-	-	69,034
Interest on Investments	174,741	48,084	1,978	17,436	242,239
Other Local Revenue	309,034	-	-	-	309,034
Total Revenues	<u>11,565,141</u>	<u>1,787,814</u>	<u>3,566,978</u>	<u>102,004</u>	<u>17,021,937</u>
Expenditures:					
Current:					
General Government	2,367,147	-	-	-	2,367,147
Public Safety	5,768,425	-	-	-	5,768,425
Public Works	944,027	-	-	-	944,027
Community Services	1,971,531	-	-	112,431	2,083,962
Total Current Expenditures	<u>11,051,130</u>	<u>-</u>	<u>-</u>	<u>112,431</u>	<u>11,163,561</u>
Debt Service					
Principal	140,342	-	-	122,195	262,537
Interest	6,262	-	-	121,555	127,817
Agent Fees	-	-	-	3,710	3,710
Total Debt Service	<u>146,604</u>	<u>-</u>	<u>-</u>	<u>247,460</u>	<u>394,064</u>
Capital Outlay:					
General Government	28,805	-	-	-	28,805
Public Safety	273,965	-	3,326,581	-	3,600,546
Public Works	51,669	481,605	165,575	-	698,849
Community Services	74,301	56,553	41,610	-	172,464
Total Capital Outlay	<u>428,740</u>	<u>538,158</u>	<u>3,533,766</u>	<u>-</u>	<u>4,500,664</u>
Total Expenditures	<u>11,626,474</u>	<u>538,158</u>	<u>3,533,766</u>	<u>359,891</u>	<u>16,058,289</u>
Other Financing Sources (Uses)					
Transfers	(200,227)	-	-	200,227	-
Total Other Financing Sources (Uses)	<u>(200,227)</u>	<u>-</u>	<u>-</u>	<u>200,227</u>	<u>-</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(261,560)</u>	<u>1,249,656</u>	<u>33,212</u>	<u>(57,660)</u>	<u>963,648</u>
Fund Balance - Beginning of Year	<u>6,165,153</u>	<u>981,642</u>	<u>-</u>	<u>562,535</u>	<u>7,709,330</u>
Fund Balance - End of Year	<u>\$ 5,903,593</u>	<u>\$ 2,231,298</u>	<u>\$ 33,212</u>	<u>\$ 504,875</u>	<u>\$ 8,672,978</u>

CITY OF WOODSTOCK, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2006

Net change in fund balances - total government funds:	\$	963,648
Amounts reported for governmental activities in the statements of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		3,380,302 X
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect, however, on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		262,537 ✓
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(127,034) ✓
Change in Net Assets of Government Activities	\$	<u>4,479,453</u> ✓



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CITY OF WOODSTOCK, GEORGIA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2006

	Budget			Variance- Positive (Negative)
	Original	Revised	Actual	
Revenues:				
Property Tax	\$ 4,985,000	\$ 4,985,000	\$ 5,030,477	\$ 45,477
Excise Taxes	2,666,550	2,666,550	2,824,908	158,358
Licenses and Permits	1,530,500	1,530,500	1,372,853	(157,647)
Charges for Services	300,100	300,100	301,072	972
Fines and Forfeitures	726,000	726,000	1,521,103	795,103
Intergovernmental Revenues	32,807	32,807	30,953	(1,854)
Interest on Investments	70,000	70,000	174,741	104,741
Other Local Revenue	67,100	67,100	309,034	241,934
Total Revenues	<u>10,378,057</u>	<u>10,378,057</u>	<u>11,565,141</u>	<u>1,187,084</u>
Expenditures:				
Mayor and council	139,966	187,966	176,990	10,976
Administration	277,657	277,657	280,984	(3,327)
City Clerk	232,437	226,880	202,336	24,544
Business Office	340,452	319,367	289,943	29,424
Municipal Court	439,247	439,247	635,093	(195,846)
General Services	808,687	90,000	14,795	75,205
Technology	206,696	206,696	180,156	26,540
Human Resources/Risk Management	660,103	660,103	586,851	73,252
Police	3,157,551	3,157,551	3,048,803	108,748
Fire	2,864,531	2,864,531	2,866,225	(1,694)
Streets	539,438	539,438	504,159	35,279
Building and Grounds	415,500	415,500	439,868	(24,368)
Planning Management	598,924	598,924	537,305	61,619
Engineering	238,821	238,821	229,097	9,724
Building Inspections	580,450	603,535	601,421	2,114
Parks	275,430	275,430	278,917	(3,487)
Recreation	365,513	371,070	324,791	46,279
Capital Outlay	463,630	461,630	428,740	32,890
Total Expenditures	<u>12,605,033</u>	<u>11,934,346</u>	<u>11,626,474</u>	<u>307,872</u>
Excess (Deficiency) of Revenues over Expenditures Before Other Financing Sources (Uses)	(2,226,976)	(1,556,289)	(61,333)	1,494,956
Other Financing Sources (Uses)				
Transfers	(670,687)	(668,687)	(200,227)	468,460
Total Other Financing Sources	<u>(670,687)</u>	<u>(668,687)</u>	<u>(200,227)</u>	<u>468,460</u>
Excess (Deficiency) of Revenues over Expenditures After Other Financing Sources (Uses)	(2,897,663)	(2,224,976)	(261,560)	1,963,416
Fund Balance at Beginning of Year	<u>6,165,153</u>	<u>6,165,153</u>	<u>6,165,153</u>	-
Fund Balance at End of Year	<u>\$ 3,267,490</u>	<u>\$ 3,940,177</u>	<u>\$ 5,903,593</u>	<u>\$ 1,963,416</u>

CITY OF WOODSTOCK, GEORGIA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2006

	Water and Sewer Fund	Stormwater Utility Fund (Non-Major)	Total Proprietary Funds
ASSETS			
Current Assets			
Cash	\$ 882,740	\$ -	\$ 882,740
Restricted Cash			
Revenue Bonds	607,673	-	607,673
Accounts Receivable	967,276	-	967,276
Due from Contractor	100,049	-	100,049
Prepaid Expenses	94,550	-	94,550
Total Current Assets	<u>2,652,288</u>	<u>-</u>	<u>2,652,288</u>
Noncurrent Assets			
Restricted Cash			
Cash-Debt Service Reserve	171,722	-	171,722
Cash-Sinking Fund	831,564	-	831,564
Customer Deposits	479,966	-	479,966
Unamortized Bond Costs	264,666	-	264,666
Capital Assets (Net of Accumulated Depreciation)			
Land	409,672	-	409,672
Other Capital Assets	35,033,255	10,670	35,043,925
Total Noncurrent Assets	<u>37,190,845</u>	<u>10,670</u>	<u>37,201,515</u>
Total Assets	<u>\$ 39,843,133</u>	<u>\$ 10,670</u>	<u>\$ 39,853,803</u>

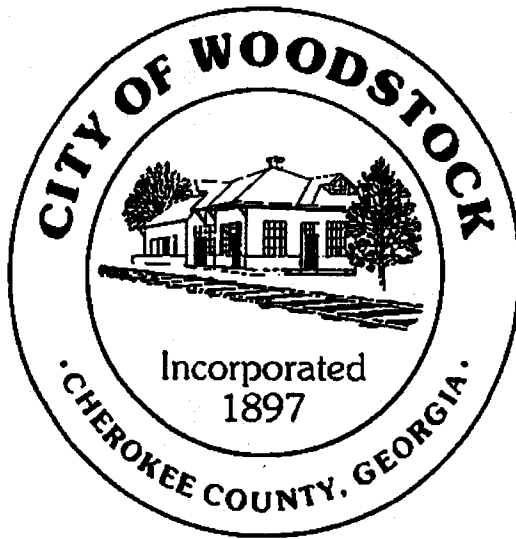
CITY OF WOODSTOCK, GEORGIA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2006

	Water and Sewer Fund	Stormwater Utility Fund (Non-Major)	Total Proprietary Funds
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 321,418	\$ 13,337	\$ 334,755
Accrued Expenses	74,606	-	74,606
Due to Other Funds	653,595	-	653,595
Customer Deposits	479,966	-	479,966
Line of Credit	2,931,150	-	2,931,150
Capital Lease Payable	133,045	-	133,045
Current Liabilities Payable From Restricted Assets:			
Revenue Bonds Payable	607,673	-	607,673
Accrued Interest	317,660	-	317,660
Total Current Liabilities	<u>5,519,113</u>	<u>13,337</u>	<u>5,532,450</u>
Noncurrent Liabilities			
Capital Lease Payable	3,531,813	-	3,531,813
Revenue Bonds Payable	13,971,874	-	13,971,874
Total Noncurrent Liabilities	<u>17,503,687</u>	<u>-</u>	<u>17,503,687</u>
Total Liabilities	<u>23,022,800</u>	<u>13,337</u>	<u>23,036,137</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	13,949,712	(2,667)	13,947,045
Restricted for Debt Service	1,610,959	-	1,610,959
Unrestricted	1,259,662	-	1,259,662
Total Net Assets	<u>\$ 16,820,333</u>	<u>\$ (2,667)</u>	<u>\$ 16,817,666</u>



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CITY OF WOODSTOCK, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUND

For the Fiscal Year Ended June 30, 2006

	Water and Sewer Fund	Stormwater Utility Fund (Non-Major)	Total Proprietary Funds
Operating Revenues			
Metered Water Sales and Sewer Fees	\$ 4,383,306	\$ -	\$ 4,383,306
Miscellaneous	<u>166,212</u>	<u>-</u>	<u>166,212</u>
Total Operating Revenue	<u>4,549,518</u>	<u>-</u>	<u>4,549,518</u>
Operating Expenses			
Personnel	860,750	-	860,750
Water Purchased	995,920	-	995,920
Administrative Costs	200,000	-	200,000
Materials & Supplies	607,689	-	607,689
Contractual Services	1,743,915	-	1,743,915
Maintenance	82,615	-	82,615
Depreciation	<u>1,575,679</u>	<u>2,667</u>	<u>1,578,346</u>
Total Operating Expenses	6,066,568	2,667	6,069,235
Operating Income (Loss)	<u>(1,517,050)</u>	<u>(2,667)</u>	<u>(1,519,717)</u>
Other Income (Expenses)			
Water and Sewer Tap Fees	1,806,625	-	1,806,625
Interest Income	159,995	-	159,995
Interest Expense	(976,109)	-	(976,109)
Agent Fees	(1,797)	-	(1,797)
Bond Amortization	<u>(10,386)</u>	<u>-</u>	<u>(10,386)</u>
Total Other Income (Expenses)	<u>978,328</u>	<u>-</u>	<u>978,328</u>
Change in Net Assets	(538,722)	(2,667)	(541,389) ✓
Net Assets, July 1	<u>17,359,055</u> ✓	<u>-</u>	<u>17,359,055</u> ✓
Net Assets, June 30	<u>\$ 16,820,333</u> ✓	<u>\$ (2,667)</u> ✓	<u>\$ 16,817,666</u>

CITY OF WOODSTOCK, GEORGIA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2006

	Water and Sewer Fund	Stormwater Utility Fund (Non-Major)	Total Proprietary Funds
Increase (Decrease) in Cash:			
Cash Provided by (Used in) Operating Activities:			
Receipts from Customers	\$ 4,342,619	\$ -	\$ 4,342,619
Receipts from Customer Deposits (net)	47,663	-	47,663
Payments to Suppliers	(3,723,887)	-	(3,723,887)
Payments to Employees	(822,270)	-	(822,270)
Net Cash Provided by (Used in) Operating Activities	(155,875)	-	(155,875)
Cash Flows from Non-Capital and Related Financing Activities:			
New Borrowings from Line of Credit	769,142	-	769,142
Principal Paid on Line of Credit	(2,600,000)	-	(2,600,000)
Non-exchange Transactions - Tap Fees	1,806,625	-	1,806,625
Increase in Due to Other Funds	668,726	-	668,726
Net Cash Flows from Non-Capital and Related Financing Activities:	644,493	-	644,493
Cash Flows from Capital and Related Financing Activities:			
Additions to Capital Assets	(5,456,390)	(13,667)	(5,470,057)
Proceeds from Capital Financing	3,746,208	13,667	3,759,875
Principal Paid on Long-term Debt	(680,625)	-	(680,625)
Interest Paid on Long-term Debt	(680,527)	-	(680,527)
Bond Issue Costs and Agent Fees	(1,797)	-	(1,797)
Net Cash Flows from Capital and Related Financing Activities	(3,073,131)	-	(3,073,131)
Cash Flows From Investing Activities:			
Interest on Investments and Interest Bearing Accounts	159,995	-	159,995
Net Cash From Investing Activities	159,995	-	159,995
Net Increase (Decrease) in Cash	(2,424,518)	-	(2,424,518)
Cash at Beginning of Year	5,398,183	-	5,398,183
Cash at End of Year	2,973,665	-	2,973,665
Classified As:			
Current Assets	882,740	-	882,740
Restricted Assets	\$ 2,090,925	\$ -	\$ 2,090,925

CITY OF WOODSTOCK, GEORGIA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2006

	Water and Sewer Fund	Stormwater Utility Fund (Non-Major)	Total Proprietary Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ (1,517,050)	\$ (2,667)	\$ (1,519,717)
Adjustments Not Affecting Cash:			
Depreciation	1,575,679	2,667	1,578,346
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(206,899)	-	(206,899)
(Increase) Decrease in Prepaid Expenses	(38,797)	-	(38,797)
Increase (Decrease) in Accounts Payable	(54,951)	-	(54,951)
Increase (Decrease) in Accrued Liabilities	38,480	-	38,480
Increase (Decrease) in Utility Deposits	47,663	-	47,663
Total Adjustments	1,361,175	2,667	1,363,842
Net Cash Provided by (Used in) Operating Activities	\$ (155,875)	\$ -	\$ (155,875)

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

(1) Scope of Reporting Entity

The City of Woodstock was established in 1897. The City operates under the Mayor and Council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, culture and recreation, public improvements, and general administrative services. In addition, the City operates public utilities (water and sewer and stormwater) for the incorporated and immediate surrounding areas. In addition, the Woodstock Downtown Development Authority is a component unit of the City of Woodstock. The purpose of the Authority is to promote the City of Woodstock.

(2) Summary of Significant Accounting Policies

The accounting policies of The City of Woodstock conform to generally accepted accounting principles as applicable to governments.

The following is a summary of the most significant policies:

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City applies all applicable FASB pronouncements issued on or after November 30, 1989 in accounting and reporting for its proprietary operations, unless they conflict with GASB guidance.

A. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements per the City's policy. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expense 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.

All governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. 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 judgements, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the State at year end on behalf of the City also are recognized as revenue. Fines, permits and fees revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Capital Projects Funds** Special Purpose Local Option Sales Tax (S.P.L.O.S.T.) is used to account for S.P.L.O.S.T. that were approved by a voter referendum. This is an extra one percent sales tax to be used to account for the acquisition and construction of major capital facilities other than those financed by proprietary or trust funds for areas located in Cherokee County.

The government reports the following non-major governmental funds:

The **Hotel-Motel Fund** is used to account for the accumulation of Hotel-Motel tax revenues collected by the government and payment for expenses related to tourism and the promotion of the City.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of general long term debt principal and interest.

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

The **SPLOST I Fund** (Sales Tax Road Fund) is used to account for interest received on monies in the bank from the previous one percent sales tax in effect prior to the most recent voter referendum sales tax.

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed, or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The government reports the following proprietary funds:

The **Water and Sewer Fund** accounts for the activities of the City's water and sewer services. Amounts reported as program revenues include 1) Charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions.

The **Stormwater Utility Fund** accounts for the activities of the City's rainwater runoff. This is a new fund established during fiscal year end June 30, 2006 and revenues are derived from a user charge.

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

C. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The investments of the City consist of bank certificates of deposit and are stated at cost which is equal to fair value. Accrued interest receivable on these investments is shown separately.

2. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectibles.

The tax digest for the calendar year is compiled by Cherokee County and is presented to the City by the first of August. The digest is reviewed by the City and tax bills are mailed by November 1st of each year and due on or before December 31st. The City may place liens for any and all debts after the due date.

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

3. Inventories and Prepaid Items

Inventories are determined by actual physical count and stated at the lower of average cost or market. However, the City does not maintain inventories that are material in any of the various funds.

Prepaid items are amortized over their useful lives, generally one year. The current balance represents insurance costs paid for the year ended June 30, 2006. Reported prepaid items in the General Fund are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

It is the City's policy to first apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of 5 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings	30
Building Improvements	15
Vehicles	5-10
Office Equipment	5-7
Computer Equipment	5
Furniture	10
Water Distribution System	50
Parks and Park Improvements	15 - 30
Streets and Street Improvements	50

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

5. Compensated Absences

The City provides vacation and sick leave benefits to all eligible employees and permits an accumulation of a maximum of twenty (20) days of vacation. The City, however, does not recognize unused sick pay as a liability, because it does not meet the criteria for accrual. The cost of vacation and sick pay benefits exercised during the current year have been included in the expenditures/expenses of the statements. Provision has been made for accumulated (accrued) vacation-pay benefits and it is included in the Government-wide Statement of Net Assets. The amount of compensated absences due within one year as of June 30, 2006 is \$380,205. Typically, the General Fund has been used to liquidate the liability for compensated absences. ✓

6. Long-term Obligations

In the Government-wide financial statements and proprietary fund types in the fund financial statements long-term obligations are reported as liabilities in the applicable governmental or business-type activities. Bond premiums and discount, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. As of June 30, 2006 the City had outstanding bonds in the amounts of \$14,579,547, which is comprised of \$13,470,000 for the Series 2003 Bonds, and \$1,109,547 for the Series 1998 Bonds. Additionally, the City owes \$1,645,000 for the Certificates of Participation, \$3,664,858 for a capital lease, and \$278,979 for a G.E.F.A. loan.

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

8. Comparative Data/Reclassifications

Comparative total data for the prior years have been presented only for individual funds in the financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

9. Interfund Activity

As a general rule the effect of interfund activity, has been eliminated from the government-wide financial statements. Direct expenses are not eliminated from the various functional categories.

10. Discretely Presented Component Unit

The Woodstock Downtown Development Authority is a separate legal entity which seeks to assist in the development of the Downtown area of the City of Woodstock. While the Authority is a separate legal entity, the

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

City is able to impose its will on the Authority, and the Authority is dependent on the City for the vast percentage of its resources.

(3) Reconciliation of Government-wide and Fund Financial Statements.

Explanation of certain differences between governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities are necessary.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this (\$3,380,302) difference are as follows:

Capital outlay	\$4,500,664
Depreciation expense	(1,120,362) X
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities.	\$3,380,302

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds while the repayment of long-term debt consumes the current financial resources of governmental funds, and therefore are not reported in the funds." The details of this difference are as follows:

General	\$140,342
Debt Service	105,000
Capital Projects	17,195
Total Principal Payments	262,537
Issuance of Long-Term Debt	-
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities.	\$262,537

The final element of that reconciliation states that "Some expenses reported in the Statement of Activities do not require the use of current period financial resources, and therefore are not reported as expenditures in governmental funds." The detail of this \$127,034 difference is as follows:

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

Compensated Absences	\$127,034
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities.	\$127,034

(4) Stewardship, Compliance, and Accountability

A. Budgetary Information

The City of Woodstock is legally required to adopt annual budgets for all funds. Budgets are presented by the City Administrator prior to June 1 for the fiscal year commencing the following July 1. Budgets for the General and Capital Projects Funds are prepared using the modified accrual basis of accounting, while the budget for the Enterprise Fund is prepared on the accrual basis. Public hearings are conducted to obtain taxpayer comments. The budgets are then legally enacted through passage of an ordinance by the City Council. The City Administrator is authorized to transfer between line items up to \$5,000 within the fund's budget without Council approval. The approval of City Council is necessary for budget revisions over \$5,000 that alter the total expenditures of any fund or line item within a fund. The legal level of control does not allow expenditures to legally exceed budgeted appropriations at the department level. Formal budgetary integration is employed as a management control device during the year for the General Fund. Formal budgetary integration is not employed for debt service monies because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgeted amounts are as originally adopted, or as amended by the City Council. All appropriations lapse at the end of the fiscal year on June 30.

General Fund expenditures exceeded appropriations at the departmental level for Administration (\$3,327), Municipal Court (\$195,846), Fire (\$1,694), Building and grounds (\$24,368) and Parks (\$3,487). These excess expenditures were offset by additional revenue collections within the General Fund.

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City of Woodstock because it is, at present, not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

(5) Detailed Notes on All Funds

A. Cash, Cash Equivalents, and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash" and "Investments" under each fund's caption. Except for bond related transactions, the City conducts all its banking and investment transactions with its depository banks. The City's cash and cash equivalents are considered to be cash on hand, demand deposits and other short-term investments with original maturities of three months or less from the date of acquisition. For the

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

purpose of the proprietary fund statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The following tabulation depicts the components of the City's cash and cash equivalents at June 30, 2006 and 2005:

Bank Balances	2006 Total	2005 Total
Cash and Cash Equivalents	\$ 11,135,261	\$ 12,762,021

Deposits. The City's deposits at year end were carrying an amount of \$11,135,261 and a bank balance of \$12,199,201. Of the bank balance, \$442,290 was covered by federal depository insurance and \$11,756,911 was covered by collateral held in the pledging bank's trust department in the City's name. There were no deposits uninsured or uncollateralized at June 30, 2006.

State statutes require all deposits to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities authorized by the state. State statutes allow investments in obligations of the U.S. Government and its agencies, bonds and certificates of indebtedness of the state of Georgia and its agencies, and certificates of deposits of banks and savings and loan associations which have their deposits insured.

In accordance with the City's Cash and Investment Policies, safety of principal is the foremost objective of the investment program. As a result, credit risk and investment risk are aggressively mitigated. To the extent possible, the City shall attempt to match investments with anticipated cash flow requirements.

As a means of limiting exposure to credit risk, the risk of loss due to failure of the security issuer or backer, the City limits investments to obligations of the U. S. Government or obligations explicitly guaranteed by the U. S. Government and those deposit-type items which can be collateralized at 110% of the face value. Additionally, investments must have a credit rating issued by a nationally recognized statistical rating organization which is in the top category, ie "A3" or better from Moody's and "A-" or better from Standard & Poor's. All investments met these requirements. Custodial risk, that is the risk associated with unsecured deposits, uninsured securities, or securities not registered in the City's name is managed in accordance with the City's policy through a safekeeping agreement with an external party. All investments as of June 30, 2006 were held in the City's name by the contracted custodial agent, with the exception of the certificates of deposits which were held by the City in the City's name.

Through the structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing operations, the City reduces exposure to interest rate risk. Interest rate risk, the risk that the market value of securities in the portfolio will fall due to changes in general interest rates is also managed through the City's objective to hold investments until maturity, meaning the yield received is greater than funds that are not invested due to an anticipated improvement of economic conditions.

The City's investment policy limits investments from any one issuer to no more than 5% of the total investment portfolio, excluding investments explicitly guaranteed by the U. S. Government. Thus, the City's concentration

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

of investments into any single issuer is managed by expanding the exposure of the investment portfolio to multiple users.

Investments. The City invests in the Georgia Local Governmental Investment Pool (Georgia Fund 1) which for statement purposes is considered a cash equivalent that is not categorized for risk purposes. For the Fiscal Year Ended June 30, 2006, the total amount invested with the Georgia Local Government Investment Pool was \$4,870,396.

"Georgia Fund 1", created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. However, Georgia Fund I 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 but is overseen by the Office of Treasury and Fiscal Services. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). The fair value of the position in the pool is the same as the value of the pool shares. 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.

B. Receivables

Most revenues of the governmental funds are considered "measurable" only when in the hands of the collecting agency and are recorded as revenue when received except for the following items for which receivables have been recorded:

1. Property taxes collected within 60 days after the end of the fiscal year.
2. Local option sales taxes received from the State of Georgia in July.
3. Other miscellaneous receivables recorded for grants and certain other revenue which were received in July.

Property Taxes

The City's real and personal property taxes are levied each August 15 based upon the values as of January 1, the levy date, and are payable by December 20 each year, the lien date. Assessed values are set at 40% of fair market value as established by the Cherokee County Tax Assessors Office and validated by the State of Georgia Property Tax Division. The current rate levied by the City is \$6.115 per \$1,000.00 of assessed value. The City prepares its own property tax bills based upon the Cherokee County Tax Digest and is responsible for collecting its own property taxes.

The following delinquent taxes were outstanding at June 30, 2006:

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

	2006	2005
Total Taxes Receivable	\$ 517,775	\$ 344,318
Less Allowance for Doubtful Accounts	224,654	219,674
Net Taxes Receivable	\$ 293,121	\$ 124,644

Automobile and mobile home taxes are assessed on values established by the State of Georgia Property Tax Division as of owners date of birth, and are payable by that date, each year, based on the preceding year's rate (\$6.115 per \$1,000.00). The City utilizes the Cherokee County Tax Collector for issuing the automobile and mobile home tax bills and the collection of the taxes.

Sales Taxes

In addition to the collection of automobile and mobile home taxes, Cherokee County also collects the 1% Special Purpose Local Option Sales Tax for Roads, Road Improvements, and Public Safety from the State of Georgia due to the City of Woodstock under an agreement between Cherokee County and all the municipalities of the County.

Proprietary Receivables

The City provides water and sewer service to residents on a user charge basis. Billings are made monthly. Utility accounts receivable include all billed services rendered. As of June 30, 2006 the following receivable balances existed:

Water & Sewer Fund	Receivable
Accounts Receivable	\$ 967,276
Due from Contractors	100,049
Due from (to) Other Funds	(653,595)
Total Receivables	\$ 413,730

C. Capital Assets

Governmental Activities

Asset Class	Balance 7/01/05	Additions	Deletions	Balance 6/30/2006
Land (non depreciable)	\$ 1,496,338	\$ 408,123	\$ -	\$ 1,904,461
Buildings and Improvements	4,744,573	2,960,512	-	7,705,085
Vehicles	2,395,126	299,950	-	2,695,076
Office Furniture and Equipment	527,152	35,457	-	562,609
Machinery and Equipment	913,514	106,495	-	1,020,009

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

Asset Class	Balance 7/1/05	Additions	Deletions	Balance 6/30/2006
Parks and Park Improvements	1,752,725	98,163	-	1,850,888
Streets and Street Improvements	6,954,053	591,964	-	7,546,017
Total Capital Assets	\$18,783,481	\$ 4,500,664	\$ -	\$ 23,284,145
Less: Accumulated Depreciation	(7,461,685)	(1,040,700)	-	(8,502,385)
Net Capital Assets	\$11,321,796	\$ 3,459,964	\$ -	\$ 14,781,760

Depreciation expense by function in the Governmental Funds is as follows:

General Government	\$ 146,667
Public Safety	226,840
Public Works	562,891
Community Services	104,302
Total Current Year Depreciation	\$ 1,040,700

Depreciation expense and accumulated depreciation by asset class in the Governmental Funds is as follows:

Asset Class	2006 Depreciation	Accumulated Depreciation
Buildings and Improvements	\$ 163,469	\$ 795,003
Vehicles	183,841	1,724,705
Office Furniture and Equipment	66,527	603,918
Machinery and Equipment	68,273	1,089,634
Parks and Park Improvements	85,915	413,049
Streets and Street Improvements	472,675	387,607
Total Current Year Depreciation	\$ 1,040,700	\$ 4,626,309

Business-type Activities

Asset Class	Balance 7/1/2005	Additions	Deletions	Balance 6/30/2006
Land (non depreciable)	\$ 130,500	\$ 279,172	\$ -	\$ 409,672
Buildings	318,640	-	-	318,640
Distribution System	39,957,349	1,356,650	-	41,313,999
Machinery & Equipment	566,300	87,845	-	654,145

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

Asset Class	Balance 7/1/2005	Additions	Deletions	Balance 6/30/2006
Vehicles	629,911 /	-	6,002	623,909
Office Furniture	60,442 /	19,283	-	79,725
Total Capital Assets	\$ 41,663,142 /	\$ 1,742,950	\$ 6,002	\$ 43,400,090 ✓
Less: Accumulated Depreciation	(6,368,146)	(1,578,346)	-	(7,946,492)
Net Capital Assets	\$ 35,294,996 ✓	\$ 164,604	\$ 6,002	\$ 35,453,598 ✓

Depreciation expense by asset class in the Proprietary Funds is as follows:

Buildings	\$ 15,920
Distribution System	1,399,211
Machinery & Equipment	92,807
Vehicles	56,980
Office Furniture	13,428
Total Current Year Depreciation	\$ 1,578,346 ✓

D. Long-Term Liabilities

The following is a summary of bond transactions of the City for the year ended June 30, 2006:

	Water & Sewer Revenue 2003 Series	Water & Sewer Revenue 1998 Series	Total
Bonds Payable July 1, 2005	\$ 13,980,000 ✓	\$ 1,185,393 ✓	\$ 15,165,393 ✓
Bonds (Retired) Additions	(510,000)	(75,846)	(585,846)
Bonds Payable June 30, 2006	\$ 13,470,000	\$ 1,109,547	\$ 14,579,547

Revenue Bonds 1998

On May 20, 1998, the City issued \$1,634,349 of Water and Sewerage Revenue Bonds for the purpose of refunding \$670,000 of the 1991 Water and Sewer Revenue Bonds, paying the cost of issuance and refinancing the 1988 Georgia Environmental Facilities Authority Loan in the amount of \$815,236.

The Water and Sewerage Refunding Revenue Bond Series 1998 debt service requirements to maturity are as follows:

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

	1998 Revenue Bonds		
	Principal	Interest	Total
July 2007	82,673	53,945	136,618
July 2008	295,766	44,389	340,155
July 2009	311,089	29,065	340,154
July 2010	327,208	12,949	340,157
July 2011	92,811	2,344	95,155
Total	\$ 1,109,547	\$ 142,692	\$ 1,252,239

Revenue Bonds 2003

On June 26, 2003, the City issued \$14,475,000 of Water and Sewerage Refunding and Improvement Revenue Bonds for the purpose of 1) paying the costs of making renovations, additions, extensions and expansions to the City's water and sewerage system, 2) refunding \$1,350,000 of the 1991 Water and Sewer Revenue Bonds, 3) prepaying all of the outstanding Georgia Environmental Facilities Authority Loans related to the water and sewerage system, 4) pay the premium on a financial guaranty policy issued with respect to the Series 2003 Bonds, 5) fund a debt service reserve account for the Series 2003 Bonds, and 6) pay expenses necessary to accomplish the foregoing.

The Series 2003 Bonds will be secured by a first priority lien and pledge of gross revenues of the water and sewerage system. Under the terms of the bond ordinance, the Series 2003 Bonds will be equally and ratably secured on a parity basis with the series 1998 Bonds, which are presently outstanding in the aggregate amount of \$1,634,349.

The Series 2003 Bonds are also secured by a debt service reserve account maintained in the City of Woodstock Water and sewerage Sinking Fund created under the Bond Ordinance. The Reserve Account will be fully funded simultaneously with the issuance and delivery of the Series 2003 Bonds with proceeds of the Series 2003 Bonds, and, together with other funds on deposit therein, will provide coverage in an amount equal to the debt Service Reserve Requirement.

The Series 2003 Bond issue carries a variable interest rate ranging from 2.0% to 5.0%. Interest is payable semiannually on January 1 and July 1 of each year.

The Water and Sewerage Refunding and Improvement Revenue Bonds Series 2003 debt service requirements to maturity are as follows:

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

	2003 Revenue Bonds		
	Principal	Interest	Total
July 2006	\$525,000	\$530,423	\$1,055,423
July 2007	535,000	519,923	1,054,923
July 2008	340,000	509,223	849,223
July 2009	345,000	502,423	847,423
July 2010	355,000	495,091	850,091
July 2011	610,000	486,216	1,096,216
July 2012	720,000	469,746	1,189,746
July 2013	740,000	449,586	1,189,586
July 2014	760,000	427,386	1,187,386
July 2015	785,000	403,636	1,188,636
July 2016	810,000	377,731	1,187,731
July 2017	855,000	337,231	1,192,231
July 2018	895,000	294,481	1,189,481
July 2019	940,000	249,731	1,189,731
July 2020	985,000	202,731	1,187,731
July 2021	1,035,000	153,481	1,188,481
July 2022	1,090,000	101,731	1,191,731
July 2023	1,145,000	47,231	1,192,231
Total	\$ 13,470,000	\$ 6,558,001	\$ 20,028,001

Capital Lease

The City has entered into a capital lease agreement to lease equipment and line replacements for use in the Water and Sewer Fund Phase II wastewater treatment plant. The agreement was for \$3,923,637 at a rate of 4.55% for eleven years. The following documents the minimum future lease payments:

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

FYE	Capital Lease		
	Principal	Interest	Total
June 30, 2007	\$133,045	\$169,209	\$302,254
June 30, 2008	181,232	162,378	343,610
June 30, 2009	232,337	153,314	385,651
June 30, 2010	279,401	141,925	421,326
June 30, 2011	321,877	128,559	450,436
June 30, 2012 - 2017	2,516,966	375,026	1,903,277
Total	\$3,664,858	\$1,130,411	\$3,806,554

Changes in long-term liabilities:

Business-type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2003 Revenue Bonds	\$ 13,980,000	\$ -	\$ (510,000)	\$ 13,470,000	\$525,000
1998 Revenue Bonds	1,185,393	-	(75,846)	1,109,547	82,673
Capital Lease Payable	13,429	3,746,208	(94,779)	3,664,858	133,045
Totals	\$ 15,178,822	\$ 3,746,208	\$ (680,625)	\$ 18,244,405	\$ 740,718

Governmental-type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Certificates of Participation	1,750,000	-	(105,000)	1,645,000	\$110,000
Capital Lease - Pumper Trucks	140,342	-	(140,342)	-	-
Compensated Absences	260,549	127,034	(7,378)	380,205	380,205
Capital Projects Fund - SPLOST	296,174	-	(17,195)	278,979	18,124
Pension Obligation	848,543	-	(12,264)	836,279	-
Totals	\$ 3,295,608	\$ 127,034	\$ (282,179)	\$ 3,140,463	\$ 508,329

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

Certificates of Participation

On November 1, 1995, the City entered into a building lease-purchase agreement with the Georgia Municipal Association, Inc. to finance the payment of a \$1,000,000 loan used to purchase property and to finance the construction costs for a new Municipal Complex. Certificates of Participation in the amount of \$2,415,000 were issued in connection with the lease-purchase agreement. The Debt Service Fund is typically used to make the annual debt services principal and interest payments.

The following summarizes the Certificates of Participation payment schedule:

FYE June 30	Certificates of Participation		
	Principal	Interest	Total
2007	110,000	89,842	199,842
2008	115,000	83,935	198,935
2009	125,000	77,513	202,513
2010	130,000	70,562	200,562
2011	140,000	62,963	202,963
2012	145,000	54,769	199,769
2013	155,000	46,144	201,144
2014	165,000	36,944	201,944
2015	175,000	27,169	202,169
2016	385,000	11,069	396,069
Totals	\$ 1,645,000	\$ 560,910	\$ 2,205,910

E. Line of Credit

Short-term Borrowing	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Line of Credit	\$4,762,008	\$769,142	(\$2,600,000)	\$2,931,150	\$2,931,150

The City has established a line of credit at SunTrust Bank's with a ceiling of \$5,600,000 at SunTrust Bank's 30 day LIBOR rate plus 30 basis points for the purpose of constructing Phase II expansion of the City's wastewater treatment plant.

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

(6) Retirement Plans

GMEBS

The City provides pension benefits for all its full-time employees through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple employer public employee retirement system administered by the Georgia Municipal Association. The City of Woodstock Defined Benefit Plan provides retirement, disability and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with (GMEBS).

The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing or calling:

Georgia Municipal Association
Risk Management and Employee Benefit Services
201 Pryor Street, SW
Atlanta, Georgia 30303
(404) 688-0472 www.gmanet.com

Employees become eligible after the first full calendar year of employment and become vested in the plan after five years of service. Only the City of Woodstock, the employer, makes contributions to the plan. City contributions for, and interest forfeited by employees who leave employment before five years of service are used to reduce the City's current-period contribution requirement. The contributions are computed as a percentage of base pay before overtime, with the contribution percentage being determined by GMEBS. The City's contributions were based on an annual plan year payroll of \$4,696,650. The City made a contribution amounting to \$281,506 for the fiscal year ending June 30, 2006. The contributions for the fiscal years ending June 30, 2005 and 2004, were \$214,089 and \$201,230, respectively. Because of the differences of the plan year and the City's fiscal year, the amount contributed each fiscal year will differ from the total required contribution of the plan year. The City's retirement plan data was compiled as of January 1, 2006 and the asset values as of March 1, 2006.

The Board of Trustees of the Georgia Municipal Employee Benefit System has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the plan. The annual recommended contribution is the sum of 1) the normal cost, 2) the level dollar amortization of the unfunded actuarial accrued liability (initial unfunded actuarial accrued liability over 30 years from 1996 and changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year during which such changes arise), and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). Well-funded plans may have a full funding credit applied to reduce the recommended contributions. This credit insures that contributions are not required if a plan's assets exceed the present value of future benefits. The recommended contributions under this policy for 2006, 2005 and 2004 are as follows:

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

	2006	2005	2004
Normal Cost Plan Benefits	\$213,974	\$175,509	\$152,117
Administrative Expenses	7,204	6,810	6,493
Amortization of the Unfunded Actuarial Accrued Liability	93,635	91,600	84,887
Interest	12,304	10,684	9,480
Recommended contribution	327,117	284,603	252,977
Covered Payroll	4,696,650	3,661,351	3,622,850
Recommended Contribution as Percentage of Covered Payroll	7.0%	7.8%	7.0%
Annual Pension Cost	221,178	182,319	158,610
Percentage of Annual Cost Contributed	148%	156%	160%
Unfunded Actuarial Accrued Liability	\$836,279	\$848,543	\$800,923

The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia code 47-20-10). The estimated minimum annual contribution under these funding standards is \$319,913. The GMEBS Board of Trustees has adopted an actuarial funding policy which required a different funding level that the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable funding standards.

The following summarizes financial results for the City of Woodstock Retirement Plan based upon actuarial valuations as of March 1, 2006, 2005 and 2004.

	2006	2005	2004
Recommended Contribution Dollar Amount	\$327,117	\$284,603	\$225,977
Percent of Covered Payroll	7.0%	7.8%	7.0%
Market Value of Assets	1,547,836	1,170,662	876,715
Actuarial Value of Assets	1,561,133	1,194,644	914,866
Present Value of Accrued Plan Benefits	1,534,550	1,385,876	1,100,130
Funded Percentages	100.9%	84.5%	79.7%
Plan Termination Basis	1,643,986	1,414,669	1,215,806
Funded Percentage	48.49%	45.3%	41.9%

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

Significant Actuarial Assumptions

The significant actuarial assumptions used to compute the actuarial accrued liability and the annual recommended contribution of the plan meet the Actuarial Standard of Practice No. 4, Measuring Pension Obligations, establishing generally accepted actuarial principles and practices.

The significant actuarial assumptions used in the current valuation are:

- rate of return on investment	8.0% per year
- projected salary increases for	
- inflation	5.0% per year
- merit or seniority	0.5% per year
- post-retirement benefit increases	Not applicable

Funding Policy and Annual Contributions

The funding policy for the plan is to contribute an amount equal to the recommended contribution in each year. The recommended contribution meets the guidelines for calculating an annual required contribution set forth in Paragraphs 9-10 of Statement No. 27. These contributions are determined under the projected unit credit actuarial cost methods and the asset valuation method for developing the actuarial value of assets. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1996 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

Funded Status

The table below sets forth required supplementary information to be disclosed in the schedule of funding progress. The items presented are based on the March 1, actuarial valuation:

Fiscal Year	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	(Net Pension Obligation) Unfunded Actuarial Liability	Annual Covered Payroll	Ratio of Unfunded to Annual Covered Payroll
2002	\$507,480	\$1,112,140	45.6%	\$604,660	\$2,490,876	24.3%
2003	669,178	1,421,071	47.1%	751,893	3,025,108	24.9%
2004	914,866	1,715,789	53.3%	800,923	3,622,850	22.1%
2005	1,194,644	2,043,187	58.5%	848,543	3,661,351	23.2%
2006	1,561,133	2,397,412	65.1%	836,279	4,696,650	17.8%

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

Effect of Plan Changes on the Actuarial Accrued Liability

The effect on the actuarial accrued liability of any current-year changes in actuarial assumptions or benefit provisions is:

The plan provisions valued are the same as those used in the preceding valuation. The actuarial assumptions have been changed since the preceding year and the effect will be provided upon request. The actuarial cost methods are the same as those used to determine the contribution requirement for the preceding year.

Actuarial Assumptions and Methods

Economic Assumptions

Interest Rate

On-going plan basis	8.0%
Plan termination basis	5.06%

Annual Rates of increases in:

Salaries	5.5%
Future Social Security Wage Bases	5.5%

Cost of living adjustments Not applicable

Demographic Assumptions

Mortality

On-going plan basis	1983 GAM Table
Plan Termination basis	1984 GAR Unisex Table

<u>Age</u>	<u>Rate</u>
20	.2580
30	.1560
40	.0945
50	.0585
60	-----

Disability 50% of 1975 SSA study

Retirement

<u>Age</u>	<u>Rate</u>
55	.25
56-61	.10
62	.30
63-64	.20
65	1.00

Form of Payment Life annuity

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

Administrative Expenses \$2,852 plus \$35 per active participant, \$80 per retired participant and \$31 per terminated vested participant. Pension statements, if requested, are \$5 per person. Contributory plans only: additional \$36 per active or terminated vested participant with an individual balance.

Actuarial Methods
Normal Cost and Actuarial
Accrued Liability Projected Unit Credit

Actuarial Value of Assets Roll forward prior year's actuarial value with contributions, disbursements, and expected return on investments, plus 10% of investment gains (losses) during 10 prior years.

Georgia Municipal Employees Benefit System Summary of Retirement Plan Features For March 1, 2006 Valuation

Employer	City of Woodstock
Social Security	Yes
Participant Contribution	Noncontributory
Effective Date	1-1-1997
Master Plan/ Adoption Agreement	1-1-2003
Eligibility Requirements	Employees: 1 year (40 hours) Officials: not covered
Normal Retirement Age	Employees: 65 + 5
Early Retirement	55 + 10
Benefit Formula	1.5% - Terminations prior to 12-01-99 2.0% - Terminations on or after 12-01-99
Officials' Benefits	-----
Vesting	5 years
Death Benefits	Automatic Option A
Disability Minimum	-----
Cost-of-Living	-----

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

Pension Statements	No
Other	Changes in plan features since last valuation:

<u>Number of Age Before Normal Retirement</u>	<u>Percentage of Normal Retirement Benefit</u>
55	.70
56	.73
57	.76
58	.79
59	.82
60	.85
61	.88
62	.91
63	.94
64	.97

DEFERRED COMPENSATION PLAN

In addition to Social Security and GMEBS, City employees may contribute to the Woodstock Deferred Compensation Program (457), which the City began on April 27, 1992. The Deferred Compensation Program is a defined contribution plan. It is administered by Nationwide Retirement Solutions.

Under the plan employees may defer a certain percentage of their salary to the plan. The City will contribute up to five percent of the employee's salary once the employee has contributed at least three percent. The combined contribution per employee cannot exceed twenty-five percent, also limited to \$15,000. The plan may be amended by the City. During the year ended June 30, 2006, the City contributed \$239,127 to the plan and the employees \$171,929.

All amounts in the employee's account are 100% vested. All administrative costs of the plan are deducted from the participant's account. Benefit payments are payable upon termination of employment, unforeseeable emergency, retirement or death. All assets of the plan (until paid to the participant) remain solely the property and rights of the employees.

The City has adopted GASB No.32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, which rescind GASB Statement No. 2. The City has only minor administrative involvement and does not perform any investing for the plan. Due to the fact the City's role in management of the plan assets is basically limited to transmitting amounts withheld from payroll to an outside party responsible for administering the plan, the City does not report the assets of the Deferred Compensation Plan in the City's financial statements.

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

(7) Compliance With Legal Provisions

STATE AND LOCAL LAWS

Budgets - The City complied with Title 36, Chapter 81, Sections 3-6 of the Official Code of Georgia Annotated (OCGA), which required adoption of a balanced budget.

Hotel/Motel Tax - The City complied with the expenditure requirements of the Official Code of Georgia Annotated (OCGA) 48-13-51, which requires Hotel/Motel revenues to be expended to promote tourism, conventions, and trade shows.

Hotel/Motel	2006	2005
Revenues	\$ 84,568 ✓	\$ 79,555
Expenditures	\$ 112,431 ✓	\$ 51,692

(8) Transfers To/From Other Funds

Transfers in for the year ended June 30, 2006 are summarized as follows:

	General Fund ✓
Debt Service Fund ✓	\$200,227 ✓

Transfers between the major funds and other non-major governmental funds were primarily related to debt-service on the long-term debt of the City.

(9) Inter-Fund Receivable and Payable Balances

Inter-fund Receivable and Payable balances at June 30, 2006 are as follows:

	General Fund	Water/Sewer	SPLOST II	SPLOST III	Non-major Governmental	Totals
General Fund, Due From (To)	\$ -	\$ 653,595 ✓	\$ 67,127 ✓	\$ 735,466 ✓	\$ (69,400)	\$ 1,386,788
Water/Sewer, Due From (To)	(653,595) ✓	-	-	-	-	(653,595)
SPLOST II, Due From (To)	(67,127) ✓	-	-	-	-	(67,127)
SPLOST III, Due From (To)	(735,466) ✓	-	-	-	-	(735,466)

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

	General Fund	Water/Sewer	SPLOST II	SPLOST III	Non-major Governmental	Totals
Non-major Governmental, Due From (To)	69,400	-	-	-	-	69,400
Totals	\$ (1,386,788)	\$ 653,595	\$ 67,127	\$ 735,466	\$ (69,400)	\$ -

The inter-fund balances exist due to certain expenditures being paid from one fund that represent an obligation of another fund or transactions inadvertently recorded in one fund that pertain to another fund. Inter-fund transfers are necessitated due to these transactions and to facilitate meeting budgetary requirements in certain funds.

(10) Reserves and Designations of Fund Balances and Retained Earnings

Reserves are used to indicate that a portion of the fund balance or retained earnings is not appropriate for expenditure or is legally segregated for a specific future use. The City uses the following reserves:

Governmental Funds: General Fund, Debt Service and Capital Project Fund

Reserve for Prepaid Items - expenditures paid for future periods.

Reserve for Advances - amounts due from other funds, greater than current period.

Reserve for Debt Service - restricted for payment of principal and interest

Reserve for Subsequent Years Expenditures - expenditures for future years.

Enterprise Funds: Water and Sewer Fund

Reserve for debt service - restricted for payment of bond principal and interest.

Reserve for renewal and extension - restricted for projects financed by revenues.

(11) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City is a member of the Georgia Interlocal Risk Management Agency, which allows the City to share liability, crime, motor vehicle and property damage risks. The City did not experience any significant reductions in insurance coverage from the prior year. The City has also not experienced any settlements which exceeded insurance coverage for the past three fiscal years.

Coverages are as follows:

COVERAGE DESCRIPTION - PROPERTY:

Buildings and Contents

\$27,275,460

Automobile Physical Damage

Per application on file with GIRMA

COVERAGE DESCRIPTION - CASUALTY:

Comprehensive General Liability and Law Enforcement Liability

\$1,000,000

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

Automobile Liability	\$1,000,000
Errors and Omissions (Public Officials) Liability	\$1,000,000
Employee Benefits Liability	\$1,000,000
Pollution Liability	\$1,000,000

COVERAGE DESCRIPTION - CRIME:

Blanket Bond	\$500,000
Depositors Forgery	\$500,000
Money and Securities - Loss Inside and Outside the Premises	\$500,000

DEDUCTIBLE:

All coverages are subject to a per occurrence deductible of	\$1,000
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COVERAGE EXCEPTIONS:

None

COVERAGES SUBJECT TO A RETROACTIVE DATE:

(Unless stated otherwise in the Coverage Exceptions)

Public Officials Liability	4/15/1991
Employee Benefits Liability	4/15/1991

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities - GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

The City of Woodstock must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

- To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.
- To assist and cooperate with GIRMA, or its authorized representatives, in defense and settlement of claims against the City.
- To use due diligence and concur in doing all things reasonable practicable to avoid or diminish any loss of or damage to the property herein covered.
- To allow GIRMA, or their duly authorized representatives, reasonable access to inspect the premises and to examine the books or records so far as they relate to coverage provided by GIRMA.

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

- To follow all loss reduction and prevention procedures established by GIRMA.
- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates.

The City of Woodstock retains the first \$1,000 of each risk of loss in the form of a deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to the \$1,000 deductible.

The City is not aware of any claims which the City is liable for (up to the \$1,000) which were outstanding and unpaid at June 30, 2006. No provisions have been made in the financial statements for the year ended June 30, 2006 for any estimate of potential unpaid claims.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City of Woodstock became a member of the Georgia Municipal Workers' Compensation Self Insurance Fund (GMWCSIF). The liability of the fund to the employees of any employer (City of Woodstock) is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability. GMWCSIF is to defend and process claims in accordance with the member government contract.

The responsibilities of the City are as follows:

- To pay all contributions, assessments or other sums due to GMWCSIF at such times and in such amounts as shall be established by GMWCSIF.
- To assist and cooperate with GMWCSIF, or its authorized representatives, in defense and settlement of workers compensation claims against the City.

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding or compensation therefor, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgement, and all expenses incurred for investigation, negotiation or defense.

The City of Woodstock also provides health insurance coverage for its employees through the Georgia Municipal Employees Benefit System (GMEBS).

(12) Regional Development Center Membership

The City of Woodstock, Georgia, in conjunction with cities and counties in the nine (9) county Atlanta Metropolitan area are members of the Atlanta Regional Commission (ARC). Membership in a regional

CITY OF WOODSTOCK, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006

development center (RDC) is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. The City paid no annual dues to the ARC for the year ended June 30, 2006 because currently all dues are paid on the City's behalf by Fulton County. An RDC Board membership includes the chief elected official of each county and a rotating chief elected official of each municipality from South Fulton. The county board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDCs as "public agencies and instrumentality's of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources, (O.C.G.A. 50-8-39.1). Separate financial statements may be obtained from:

Atlanta Regional Commission (ARC)
40 Courtland Street, NE
Atlanta, GA 30303

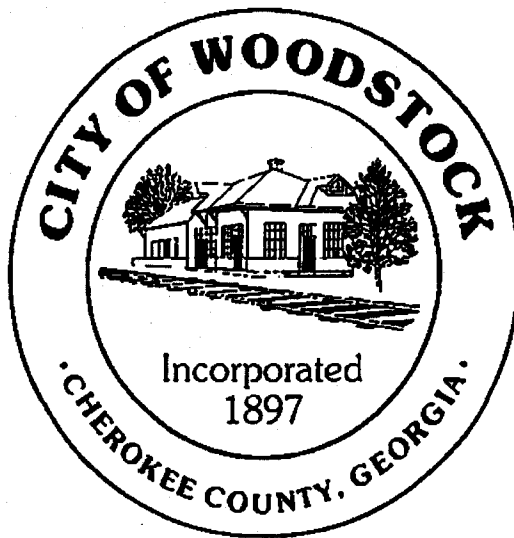
(13) Contingencies

A. Litigation

The City Attorney has advised that there are no pending or threatened litigation or potential claims against the City as of June 30, 2006.

B. Contingencies

The City has participated in a number of grant programs funded by certain Federal and State agencies. Several of these programs are subject to program compliance audits and reviews by the grantor, some of which have not been concluded. Accordingly, the City's compliance with applicable grant requirements may be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts to be immaterial based upon previous experience.



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CITY OF WOODSTOCK, GEORGIA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2006

	Hotel- Motel	Debt Service	SPLOST I Capital Projects	Total Non-Major Governmental Funds
ASSETS				
Cash on Hand and In Banks	\$ -	\$ 309,571	\$ 203,412	\$ 512,983
Due from Other Funds	<u>77,508</u>	<u>-</u>	<u>-</u>	<u>77,508</u>
Total Assets	<u>77,508</u>	<u>309,571</u>	<u>203,412</u>	<u>590,491</u> ✓
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts Payable	\$ 77,508	\$ -	\$ -	\$ 77,508
Due to Other Funds	<u>-</u>	<u>-</u>	<u>8,108</u>	<u>8,108</u>
Total Liabilities	<u>77,508</u>	<u>-</u>	<u>8,108</u>	<u>85,616</u> ✓
Fund Balance				
Reserved for				
Debt Service	-	309,571	-	309,571
Unreserved				
Capital Projects	-	-	195,304	195,304
Special Revue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>-</u>	<u>309,571</u>	<u>195,304</u>	<u>504,875</u> ✓
Total Liabilities and Fund Balance	<u>\$ 77,508</u>	<u>\$ 309,571</u>	<u>\$ 203,412</u>	<u>\$ 590,491</u> ✓

CITY OF WOODSTOCK, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2006

	Hotel- Motel	Debt Service	SPLOST I Capital Projects	Total Non-Major Governmental Funds
Revenues:				
Taxes:				
Hotel-Motel Tax	\$ 84,568	\$ -	\$ -	\$ 84,568
Interest on Investments	-	9,130	8,306	17,436
Total Revenues	<u>84,568</u>	<u>9,130</u>	<u>8,306</u>	<u>102,004</u> ✓
Expenditures:				
Current:				
Personnel	-	-	-	-
Special Events	-	-	-	-
Downtown Development	112,431	-	-	112,431
Total Current Expenditures	<u>112,431</u>	<u>-</u>	<u>-</u>	<u>112,431</u>
Debt Service:				
Principal	-	105,000	17,195	122,195
Interest	-	98,058	23,497	121,555
Agent Fees	-	3,710	-	3,710
Total Debt Service	<u>-</u>	<u>206,768</u>	<u>40,692</u>	<u>247,460</u>
Capital Outlay				
Equipment	-	-	-	-
Total Expenditures	<u>112,431</u>	<u>206,768</u>	<u>40,692</u>	<u>359,891</u> ✓
Other Financing Sources (Uses)				
Transfers	-	200,227	-	200,227
Excess (Deficit) of Revenues Over Expenditures	<u>(27,863)</u>	<u>2,589</u>	<u>(32,386)</u>	<u>(57,660)</u> ✓
Fund Balance - Beginning of Year	<u>27,863</u> ✓	<u>306,981</u> ✓	<u>227,691</u> ✓	<u>562,535</u> ✓
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 309,570</u>	<u>\$ 195,305</u>	<u>\$ 504,875</u> ✓

CITY OF WOODSTOCK, GEORGIA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

Year Ended June 30, 2006

	Budget	Actual	Variance- Positive (Negative)	2005 Actual
Revenues:				
Taxes:				
Property Tax	\$ 4,985,000	\$ 5,030,477	\$ 45,477	\$ 4,641,759
Excise Taxes	2,666,550	2,824,908	158,358	2,728,452
Licenses/Permits/Fees	1,530,500	1,372,853	(157,647)	1,593,420
Charges for Services	300,100	301,072	972	325,957
Fines and Forfeitures	726,000	1,521,103	795,103	1,150,555
Intergovernmental Revenue	32,807	30,953	(1,854)	75,933
Interest on Investments	70,000	174,741	104,741	108,037
Other Local Revenue	67,100	309,034	241,934	208,042
Total Revenue	<u>10,378,057</u>	<u>11,565,141</u>	<u>1,187,084</u>	<u>10,832,155</u>
Expenditures:				
General Government				
Personnel	1,106,270	1,058,822	47,448	675,443
Materials and Supplies	94,370	83,847	10,523	71,361
Contracted Services	874,041	731,248	142,793	266,770
Outside Entity Services	286,700	470,650	(183,950)	380,547
Repair and Maintenance	46,535	22,581	23,954	19,256
Capital Outlays	27,800	28,805	(1,005)	12,018
Total Expenditures General Government	<u>2,435,716</u>	<u>2,395,953</u>	<u>39,763</u>	<u>1,425,395</u>
Public Safety				
Personnel	5,093,937	4,980,771	113,166	4,120,014
Materials and Supplies	98,292	100,507	(2,215)	89,482
Contracted Services	468,068	444,463	23,605	438,287
Outside Entity Services	10,000	20,000	-	-
Repair and Maintenance	205,180	222,684	(17,504)	169,837
Debt Service	146,605	146,603	-	146,604
Capital Outlays	274,930	273,965	965	481,203
Total Expenditures Public Safety	<u>6,297,012</u>	<u>6,188,993</u>	<u>118,017</u>	<u>5,445,427</u>
Public Works				
Personnel	330,788	341,692	(10,904)	303,953
Materials and Supplies	107,600	75,407	32,193	92,610
Contractual Services	470,400	481,012	(10,612)	548,303
Repair and Maintenance	46,150	45,916	234	47,416
Capital Outlays	68,000	51,669	16,331	40,106
Total Expenditures Public Works	<u>\$ 1,022,938</u>	<u>\$ 995,696</u>	<u>\$ 27,242</u>	<u>\$ 1,032,388</u>

Continued on the next page.

CITY OF WOODSTOCK, GEORGIA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

Year Ended June 30, 2006

	Budget	Actual	Variance- Positive (Negative)	2005 Actual
Community Services				
Personnel	\$ 1,470,192	\$ 1,393,453	\$ 76,739	\$ 901,087
Materials and Supplies	86,680	70,471	16,209	42,703
Contractual Services	388,408	367,866	20,542	482,903
Repair and Maintenance	45,650	39,600	6,050	22,871
Capital Outlays	90,900	74,301	16,599	113,298
Special Events	96,850	100,141	(3,291)	-
Total Community Service	<u>2,178,680</u>	<u>2,045,832</u>	<u>132,848</u>	<u>1,562,862</u>
Total Expenditures	<u>11,934,346</u>	<u>11,626,474</u>	<u>307,872</u>	<u>9,466,072</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	-	11,259
Transfers	<u>(668,687)</u>	<u>(200,227)</u>	<u>468,460</u>	<u>(204,091)</u>
Total Other Financing Sources (Uses)	<u>(668,687)</u>	<u>(200,227)</u>	<u>468,460</u>	<u>(192,832)</u>
Excess (Deficit) of Revenues				
Over Expenditures	(2,224,976)	(261,560)	1,963,416	1,173,251
Fund Balance - Beginning of Year	<u>6,165,153</u>	<u>6,165,153</u>	<u>-</u>	<u>4,991,902</u>
Fund Balance - End of Year	<u>\$ 3,940,177</u>	<u>\$ 5,903,593</u>	<u>\$ 1,963,416</u>	<u>\$ 6,165,153</u>

CITY OF WOODSTOCK, GEORGIA

CAPITAL PROJECTS FUND I SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

Year Ended June 30, 2006
With Comparative Actual Amounts for Year Ended June 30, 2005

	2006		Variance- Positive (Negative)	2005 Actual
	Budget	Actual		
Revenues:				
Interest	\$ 5,000	\$ 8,306	\$ 3,306	\$ 16,884
Total Revenues	5,000	8,306	3,306	16,884
Expenditures:				
Street				
Street Construction	-	-	-	-
Signals	-	-	-	-
Total Street Expenditures	-	-	-	-
Debt Service				
Principal	17,195	21,521	(4,326)	16,313
Interest	15,360	19,171	(3,811)	16,241
Total Debt Service	32,555	40,692	(8,137)	32,554
Total Expenditures	32,555	40,692	(8,137)	32,554
Excess (Deficiency) of Revenues over Expenditures	(27,555)	(32,386)	(4,831)	(15,670)
Fund Balance at Beginning of Year	227,691	227,691	-	243,361
Fund Balance at End of Year	\$ 200,136	\$ 195,305	\$ (4,831)	\$ 227,691

CITY OF WOODSTOCK, GEORGIA

CAPITAL PROJECTS FUND II SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

Year Ended June 30, 2006
With Comparative Actual Amounts for Year Ended June 30, 2005

	2006		Variance- Positive (Negative)	2005 Actual
	Budget	Actual		
Revenues:				
SPLOST Taxes	\$ 1,000,000	\$ 1,670,696	\$ 670,696	\$ 1,155,104
Grants	684,000	69,034	(614,966)	-
Interest	8,000	48,084	40,084	15,128
Total Revenues	1,692,000	1,787,814	95,814	1,170,232
Expenditures:				
Police - Building Costs	450,000	-	450,000	-
Fire - Building Cost	-	-	-	100,000
Streets				
Sidewalks	340,000	3,250	336,750	101,079
Street Construction	865,000	371,212	493,788	332,587
Street Maintenance	250,000	107,143	142,857	-
Total Street Expenditures	1,455,000	481,605	973,395	433,666
Parks and Recreation				
Park Improvements	589,000	56,553	532,447	373,132
Total Parks and Recreation	589,000	56,553	532,447	204,894
Total Expenditures	2,494,000	538,158	1,505,842	738,560
Excess (Deficiency) of Revenues over Expenditures	(802,000)	1,249,656	1,601,656	431,672
Fund Balance at Beginning of Year	981,642	981,642	-	549,970
Fund Balance at End of Year	\$ 179,642	\$ 2,231,298	\$ 1,601,656	\$ 981,642

CITY OF WOODSTOCK, GEORGIA

CAPITAL PROJECTS FUND III SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

Year Ended June 30, 2006
With Comparative Actual Amounts for Year Ended June 30, 2005

	2006		Variance- Positive (Negative)	2005 Actual
	Budget	Actual		
Revenues:				
SPLOST Taxes	\$ -	\$ 3,565,000	\$ 3,565,000	\$ -
Interest	-	1,978	1,978	-
Total Revenues	-	3,566,978	3,566,978	-
Expenditures:				
Capital Expenditures				
Police - Building Costs	2,203,325	3,326,581	(1,123,256)	-
Police - Furniture	60,000	-	60,000	-
Total Capital Expenditures	2,263,325	3,326,581	(1,063,256)	-
Streets				
Vehicles and Equipment	175,000	55,215	119,785	-
Street Construction	350,000	110,360	239,640	-
Total Street Expenditures	525,000	165,575	359,425	-
Parks and Recreation				
Park Improvements	60,000	41,610	18,390	-
Total Parks and Recreation	60,000	41,610	18,390	-
Total Expenditures	2,848,325	3,533,766	(685,441)	-
Excess (Deficiency) of Revenues over Expenditures	(2,848,325)	33,212	2,881,537	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ (2,848,325)	\$ 33,212	\$ 2,881,537	\$ -

CITY OF WOODSTOCK, GEORGIA

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

Year Ended June 30, 2006
With Comparative Actual Amounts for Year Ended June 30, 2005

	2006		Variance- Positive (Negative)	2005 Actual
	Budget	Actual		
Revenues:				
Investment Earnings	\$ 16,784	\$ 9,130	\$ (7,654)	\$ 3,813
Total Revenues	16,784	9,130	(7,654)	3,813
Expenditures:				
Debt Service				
Principal	80,000	105,000	(25,000)	100,000
Interest	119,933	98,058	21,875	103,108
Agent and Other Fees	4,773	3,710	1,063	3,710
Total Expenditures	204,706	206,768	(2,062)	206,818
Excess (Deficiency) of Revenues over Expenditures Before Transfers	(187,922)	(197,638)	(9,716)	(203,005)
Other Financing Sources (Uses)				
Transfer	190,181	200,227	10,046	204,091
Excess (Deficiency) of Revenues over Expenditures After Transfers	2,259	2,589	330	1,086
Fund Balance at Beginning of Year	306,981	306,981	-	305,895
Fund Balance at End of Year	\$ 309,240	\$ 309,570	\$ 330	\$ 306,981

CITY OF WOODSTOCK, GEORGIA

HOTEL-MOTEL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

Year Ended June 30, 2006

	2006		Variance- Positive (Negative)	2005 Actual
	Budget	Actual		Actual
Revenues:				
Hotel-Motel Tax	\$ 65,000	\$ 84,568	\$ 19,568	\$ 79,555
Total Revenues	65,000	84,568	19,568	79,555
Expenditures:				
Street				
Personnel	-	-	-	39,215
Total Expenditures Street	-	-	-	39,215
Planning and Economical Development				
DDA Contributions	45,100	112,431	(67,331)	-
Total Expenditures Planning and Econ. Dev.	45,100	112,431	(67,331)	-
Recreation				
Special Events	-	-	-	12,477
Total Expenditures Recreation	-	-	-	12,477
Total Expenditures	45,100	112,431	(67,331)	51,692
Excess (Deficiency) of Revenues over Expenditures	19,900	(27,863)	(86,899)	27,863
Fund Balance at Beginning of Year	27,863	27,863	-	-
Fund Balance at End of Year	\$ 47,763	\$ -	\$ (86,899)	\$ 27,863

CITY OF WOODSTOCK, GEORGIA

**WATER AND SEWER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	
Operating Revenue				
Sales and Charges				
Water Sales	\$ 1,955,000	\$ 2,037,692	\$ 82,692	\$ 1,894,460
Sewer Charges	2,250,000	2,345,614	95,614	2,273,993
Miscellaneous	104,500	166,212	61,712	128,567
Total Operating Revenue	<u>4,309,500</u>	<u>4,549,518</u>	<u>240,018</u>	<u>4,297,020</u>
Other Revenues				
Water Tap Fees	350,000	208,655	(141,345)	265,450
Sewer Tap Fees	3,500,000	1,597,970	(1,902,030)	1,620,555
Fire Tap Fees	13,000	-	(13,000)	26,130
Interest Income	60,000	159,995	99,995	87,214
Total Other Revenue	<u>3,923,000</u>	<u>1,966,620</u>	<u>(1,956,380)</u>	<u>1,999,349</u>
Total Revenue	<u>8,232,500</u>	<u>6,516,138</u>	<u>(1,716,362)</u>	<u>6,296,369</u>
Human Resources/Risk Management				
Personnel				
Unemployment Insurance	50	27	23	15
Workers Compensation	20,000	15,149	4,851	16,120
Total Personnel	<u>20,050</u>	<u>15,176</u>	<u>4,874</u>	<u>16,135</u>
Materials & Supplies				
Safety Materials	300	-	300	-
Total Materials and Supplies	<u>300</u>	<u>-</u>	<u>300</u>	<u>-</u>
Contractual Services				
Insurance V/B/E	100,000	72,938	27,062	44,298
Total Contractual Services	<u>100,000</u>	<u>72,938</u>	<u>27,062</u>	<u>44,298</u>
Total Expense - Human Resources/Risk Management	<u>120,350</u>	<u>88,114</u>	<u>32,236</u>	<u>60,433</u>
Wastewater Treatment Plant				
Personnel				
Salaries and Wages	231,868	231,029	839	176,655
Overtime	27,279	27,975	(696)	45,767
Social Security Taxes	19,765	13,164	6,601	16,340
Insurance-Life	364	213	151	222
Insurance-Health	26,388	19,392	6,996	17,586
Insurance-Dental	3,360	2,857	503	2,408
General Pension GMA	17,365	17,679	(314)	9,450
PEBSO Pension	4,548	11,159	(6,611)	3,720
Total Personnel	<u>\$ 330,937</u>	<u>\$ 323,468</u>	<u>\$ 7,469</u>	<u>\$ 272,148</u>

CITY OF WOODSTOCK, GEORGIA

WATER AND SEWER FUND
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For Year Ended June 30, 2006

	Budget	Actual	Variance Positive (Negative)	2005 Actual
Materials & Supplies				
Office Supplies/Printing	\$ 2,000	\$ 2,264	\$ (264)	\$ 1,880
Cleaning Supplies	1,500	1,255	245	816
Chemicals	500,000	377,820	122,180	236,451
Minor Equipment	12,000	20,003	(8,003)	27,765
Construction Materials	1,000	748	252	156
Safety Devices	1,500	1,902	(402)	1,404
Total Materials & Supplies	518,000	403,992	114,008	268,472
Contractual Services				
Public Notification	500	-	500	63
Uniforms & Personal Equipment	3,600	3,831	(231)	2,475
Publications & Dues	1,500	224	1,276	449
Travel & Training	7,500	2,343	5,157	3,196
Postage	250	56	194	130
Lease Expense	3,500	5,365	(1,865)	4,018
Telephone	25,000	24,176	824	24,040
Utilities	112,000	219,167	(107,167)	138,656
Water Purchased	-	32,324	(32,324)	-
Professional Services	20,000	16,580	3,420	-
Contract Services	525,000	1,108,059	(583,059)	508,466
Employee Recognition	500	100	400	133
Vehicle Operations	6,700	7,791	(1,091)	5,567
Equipment Operations	5,000	4,244	756	3,196
Total Contractual Services	711,050	1,424,260	(713,210)	690,389
Maintenance				
Vehicle Maintenance	8,200	4,354	3,846	2,177
Sewer Pump	-	-	-	3,150
Total Maintenance	8,200	4,354	3,846	5,327
Debt Service				
Principal	3,200,876	2,726,846	474,030	570,274
Interest	777,870	798,922	(21,052)	236,624
Total Debt Service	3,978,746	3,525,768	452,978	806,898
Total Wastewater Treatment Plant	\$ 5,546,933	\$ 5,681,842	\$ (134,909)	\$ 2,043,234

CITY OF WOODSTOCK, GEORGIA

**WATER AND SEWER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2005 Actual</u>
Water Transmission & Distribution				
Materials & Supplies				
Construction Materials	\$ 70,000	\$ 69,876	\$ 124	\$ 43,697
Chemicals				567
Safety Materials	1,000	511	489	-
Touchread Meters	100,000	83,831	16,169	81,240
Total Materials & Supplies	<u>171,000</u>	<u>154,218</u>	<u>16,782</u>	<u>125,504</u>
Contractual Services				
Water Purchased	750,000	995,920	(245,920)	968,872
Contract Services	160,000	76,205	83,795	163,044
Total Contractual Services	<u>910,000</u>	<u>1,072,125</u>	<u>(162,125)</u>	<u>1,131,916</u>
Total Expenses - Water Transmission & Distribution	<u>1,081,000</u>	<u>1,226,343</u>	<u>(145,343)</u>	<u>1,257,420</u>
Sewer Mains & Collections				
Personnel				
Salaries and Wages	310,150	332,083	(21,933)	225,687
Overtime	20,000	33,086	(13,086)	62,347
Social Security Taxes	36,380	18,182	18,198	20,947
Insurance-Life	572	381	191	331
Insurance-Health	32,436	31,938	498	20,030
Insurance-Dental	4,524	4,225	299	2,388
General Pension-GMA	23,683	23,760	(77)	8,900
PEBSO Pension	12,069	17,427	(5,358)	4,002
Total Personnel	<u>439,814</u>	<u>461,082</u>	<u>(21,268)</u>	<u>344,632</u>
Materials & Supplies				
Office Supplies/Printing	500	634	(134)	367
Chemicals	5,000	3,182	1,818	3,155
Minor Equipment	15,000	15,819	(819)	9,879
Construction Materials	22,500	22,536	(36)	17,965
Safety Devices	2,500	1,932	568	3,482
Touchread Meters	-	2,352	(2,352)	-
Total Materials & Supplies	<u>\$ 45,500</u>	<u>\$ 46,455</u>	<u>\$ (955)</u>	<u>\$ 34,848</u>

CITY OF WOODSTOCK, GEORGIA

WATER AND SEWER FUND
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For Year Ended June 30, 2006

	Budget	Actual	Variance Positive (Negative)	2005 Actual
Contractual Services				
Public Notification	\$ 500	\$ -	\$ 500	\$ 238
Uniforms & Personal Equipment	6,250	6,076	174	5,288
Publications & Dues	750	150	600	191
Travel & Training	3,500	2,392	1,108	-
Lease	-	-	-	33,000
Telephone	8,000	8,276	(276)	8,188
Utilities	35,000	32,771	2,229	32,074
Insurance-Self	3,000	-	3,000	1,000
Professional Services	5,000	3,843	1,157	14,124
Contract Services	30,000	33,918	(3,918)	28,086
Employee Recognition	750	124	626	-
Vehicle Operations	20,000	30,775	(10,775)	18,545
Total Contractual Services	<u>112,750</u>	<u>118,325</u>	<u>(5,575)</u>	<u>140,734</u>
Maintenance				
Vehicle Maintenance	10,000	12,867	(2,867)	10,758
Small Equipment Maintenance	250	204	46	-
Sewer Pump Station Maintenance	100,000	64,180	35,820	97,322
Total Maintenance	<u>110,250</u>	<u>77,251</u>	<u>32,999</u>	<u>108,080</u>
Debt Service				
Principal	81,351	-	81,351	55,366
Interest	173,831	177,187	(3,356)	151,314
Total Debt Service	<u>255,182</u>	<u>177,187</u>	<u>77,995</u>	<u>206,680</u>
Total Expenses - Sewer Mains & Collections	<u>963,496</u>	<u>880,300</u>	<u>83,196</u>	<u>834,974</u>
Customer Accounting & Collections				
Personnel				
Salaries and Wages	54,776	51,338	3,438	27,941
Overtime	2,949	271	2,678	192
Social Security Taxes	4,451	2,718	1,733	2,147
Insurance-Life	104	60	44	45
Insurance-Health	5,448	-	5,448	2,588
Insurance-Dental	708	283	425	301
General Pension GMA	4,108	4,074	34	2,304
PEBSO Pension	2,890	2,280	610	1,419
Total Personnel	<u>75,434</u>	<u>61,024</u>	<u>14,410</u>	<u>36,937</u>
Materials & Supplies				
Office Supplies/Printing	2,000	2,473	(473)	2,130
Minor Equipment	500	551	(51)	69
Total Materials & Supplies	<u>\$ 2,500</u>	<u>\$ 3,024</u>	<u>\$ (524)</u>	<u>\$ 2,199</u>

CITY OF WOODSTOCK, GEORGIA

**WATER AND SEWER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2005 Actual</u>
Contractual Services				
Public Notification	\$ 250	\$ -	\$ 250	\$ 77
Uniforms and Personal Equipment	300	323	(23)	86
Travel & Training	1000	998	2	900
Postage	1,400	1,006	394	565
Telephone	1,000	645	355	645
Contracted Services	40,000	40,697	(697)	35,170
Bad Debt Expense	25,000	8,518	16,482	31,010
Employee Recognition	250	-	250	-
Cost Allocation	200,000	200,000	-	180,000
Total Contractual Services	<u>269,200</u>	<u>252,187</u>	<u>17,013</u>	<u>248,453</u>
Maintenance				
Software Maintenance	3,500	1,010	2,490	4,854
Total Maintenance	<u>3,500</u>	<u>1,010</u>	<u>2,490</u>	<u>4,854</u>
Debt Service				
Paying Agent Fees	2,000	1,797	203	1,581
Total Debt Service	<u>2,000</u>	<u>1,797</u>	<u>203</u>	<u>1,581</u>
Total Expense - Customer Accounting	<u>352,634</u>	<u>319,042</u>	<u>33,592</u>	<u>294,024</u>
Capital & Depreciation				
Capital Outlay				
Capital Assets	77,500	91,012	(13,512)	-
Vehicles and Equipment	76,000	22,641	53,359	260,254
Building Cost	420,000	279,172	140,828	180,378
Land Cost	150,000	-	150,000	-
Water Line Construction	-	349,275	(349,275)	46,423
Sewer Line Construction	50,000	40,275	9,725	60,527
Professional Studies	-	79	(79)	165,441
Plant Improvements	950,000	958,759	(8,759)	5,744,587
Water Tower	500,000	8,262	491,738	-
Total Capital Outlay	<u>2,223,500</u>	<u>1,749,475</u>	<u>474,025</u>	<u>6,457,610</u>
Depreciation and Amortization				
Depreciation	850,000	1,575,679	(725,679)	1,292,269
Amortization	13,500	10,386	3,114	10,386
Total Depreciation and Amortization	<u>863,500</u>	<u>1,586,065</u>	<u>(722,565)</u>	<u>1,302,655</u>
Total Expenses - Capital & Depreciation	<u>3,087,000</u>	<u>3,335,540</u>	<u>(248,540)</u>	<u>7,760,265</u>
Total Expenses	<u>\$ 11,151,413</u>	<u>\$ 11,531,181</u>	<u>\$ (379,768)</u>	<u>\$ 12,250,350</u>
Net Income (Loss)				
Budgetary Basis		\$ (5,015,043)		
Adjustment from Budgetary Basis to GAAP Basis				
Capital Outlay		1,749,475		
Principal Payments		2,726,846		
(Increase) Decrease in Net Assets		<u>(538,722)</u>		
Net Assets, July 1		<u>17,359,055</u>		
Net Assets, June 30		<u>\$ 16,820,333</u>		

CITY OF WOODSTOCK, GEORGIA

STORM WATER UTILITY FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

Year Ended June 30, 2006

	2006		Variance- Positive (Negative)	2005 Actual
	Budget	Actual		Actual
Revenues:				
Other Local Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Master Plan - Downtown	20,000	-	20,000	
Capital Outlay	20,000	13,337	6,663	-
Total Expenditures Street	40,000	13,337	26,663	-
Excess (Deficiency) of Revenues over Expenditures	(40,000)	(13,337)	(26,663)	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ (40,000)	\$ (13,337)	\$ (26,663)	\$ -

CITY OF WOODSTOCK, GEORGIA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY SOURCE JUNE 30, 2006

General Fixed Assets	
Land	\$ 1,904,461
Buildings	7,705,085
Vehicles	2,695,076
Machinery & Equipment	1,020,009
Office Furniture & Equipment	562,609
Parks & Park Improvements	1,850,888
Streets & Street Improvements	<u>7,546,017</u>
Total Governmental Funds Capital Assets	\$ <u>23,284,145</u>
Investments in General Fixed Assets	
Contributions	\$ 252,401
State Grants	245,700
Capital Projects Fund - Road	11,881,680
County - Sales Tax	17,551
Capital Projects Fund - Complex	5,123,248
Federal Grants	300,100
Federal - Drug	4,000
General Fund	<u>5,459,465</u>
Total Governmental Funds Capital Assets	\$ <u>23,284,145</u>

CITY OF WOODSTOCK, GEORGIA

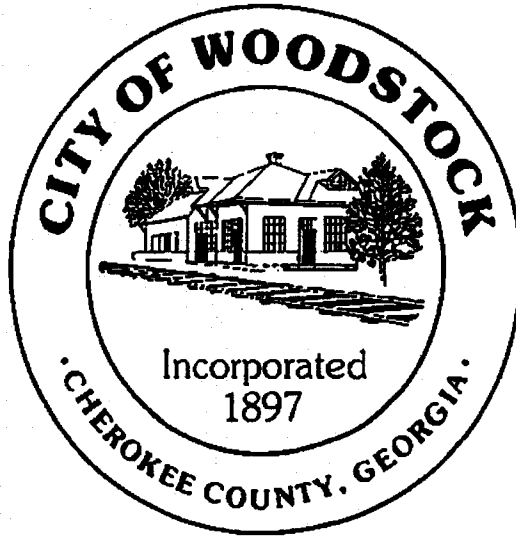
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2006

Function & Activity	Total	Land	Buildings	Machinery & Equipment	Vehicles	Office Furniture & Equipment	Parks	Streets
General								
Administrative	\$ 6,369,297	\$ 1,723,261	\$ 4,472,358	\$ 22,640	\$ -	\$ 151,038	\$ -	\$ -
Business Office	18,569	-	-	-	2,600	15,969	-	-
Municipal Court	42,963	-	-	1,757	-	41,206	-	-
Public Safety								
Police	1,603,766	-	2,446	349,549	1,066,229	185,542	-	-
Fire	3,906,900	-	2,459,726	157,001	1,109,378	136,700	-	44,095
Public Works								
Streets	8,270,575	-	146,845	386,248	235,560	-	-	7,501,922
Buildings & Grounds	369,543	118,700	243,630	7,213	-	-	-	-
Community Services								
Recreation								
General Parks	1,827,388	62,500	5,112	95,601	67,250	5,127	1,591,798	-
Depot	235,183	-	-	-	-	-	235,183	-
Senior Center	399,220	-	286,122	-	87,613	1,578	23,907	-
Inspection	227,238	-	88,846	-	126,446	11,946	-	-
Engineering	13,503	-	-	-	-	13,503	-	-
Total General Fixed Assets by Function	\$ 23,284,145	\$ 1,904,461	\$ 7,705,085	\$ 1,020,009	\$ 2,695,076	\$ 562,609	\$ 1,850,888	\$ 7,546,017

CITY OF WOODSTOCK, GEORGIA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Function and Activity	Balance July 1, 2005	Additions	Disposals	Balance June 30, 2006
General Government:				
Administrative	\$ 3,017,498	\$ 3,351,799	-	\$ 6,369,297
Business Office	14,981	3,588	-	18,569
Municipal Court	42,963	-	-	42,963
Total General Government	<u>3,075,442</u>	<u>3,355,387</u>	<u>-</u>	<u>6,430,829</u>
Public Safety:				
Police	1,355,474	248,292	-	1,603,766
Fire	3,881,227	25,673	-	3,906,900
Total Public Safety	<u>5,236,701</u>	<u>273,965</u>	<u>-</u>	<u>5,510,666</u>
Public Works				
Streets	7,613,242	657,333	-	8,270,575
Buildings & Grounds	328,028	41,515	-	369,543
Total Public Works	<u>7,941,270</u>	<u>698,848</u>	<u>-</u>	<u>8,640,118</u>
Community Services				
Recreation				
General Parks	1,704,182	123,206	-	1,827,388
Depot	235,183	-	-	235,183
Senior Center	399,220	-	-	399,220
Total Community Services	<u>2,338,585</u>	<u>123,206</u>	<u>-</u>	<u>2,461,791</u>
Inspection	177,980	49,258		227,238
Engineering	13,503	-	-	13,503
Total Governmental Funds				
Capital Assets	\$ <u>18,783,481</u>	\$ <u>4,500,664</u>	\$ <u>-</u>	\$ <u>23,284,145</u>



CITY OF WOODSTOCK, GEORGIA

STATISTICAL SECTION

Statistical tables differ from financial statements because they usually cover more than two fiscal years and may contain non-accounting data. These schedules reflect financial trends of the City with social and economic data.

CITY OF WOODSTOCK, GEORGIA

TABLE 1

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>(1) General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Community Services</u>	<u>Debt Service</u>	<u>TOTAL</u>
1997	\$ 1,487,889	\$ 2,277,453	\$ 359,148	\$ 978,645	\$ 192,297	\$ 5,295,432
1998	606,459	2,812,909	1,485,235	628,915	174,844	5,708,362
1999	543,959	2,825,134	1,017,334	540,330	220,691	5,147,448
2000	708,320	3,302,673	1,208,090	675,299	230,253	6,124,635
2001	1,065,684	4,683,556	1,608,426	961,847	470,297	8,789,810
2002	1,092,392	3,660,142	1,257,759	1,144,786	272,451	7,427,530
2003	994,445	3,965,531	720,688	1,073,483	272,222	7,026,369
2004	1,372,117	4,602,847	1,244,022	1,815,765	385,678	9,420,429
2005	1,425,395	5,398,823	1,466,054	1,819,448	385,976	10,495,696
2006	2,395,952	9,368,971	1,642,876	2,256,426	394,064	16,058,289

(1) Includes all Governmental Funds

CITY OF WOODSTOCK, GEORGIA

TABLE 2

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses & Permits	Inter-Governmental	Charges for Services	Fines and Forfeitures	Miscellaneous	TOTAL
1997	\$ 3,280,409	\$ 265,280	\$ 140,094	\$ 274,484	\$ 424,568	\$ 250,936	\$ 4,635,771
1998	3,396,831	342,570	164,427	285,646	458,021	302,741	4,950,236
1999	4,239,424	373,631	97,279	291,346	538,280	340,006	5,879,966
2000	5,512,323	509,002	68,687	254,585	845,980	303,449	7,494,026
2001	5,683,941	758,552	119,522	261,715	1,078,677	326,122	8,228,529
2002	6,256,450	1,011,536	23,059	202,289	810,216	187,777	8,491,327
2003	7,145,962	1,131,041	190,719	282,459	589,032	140,569	9,479,782
2004	7,686,624	1,471,963	49,046	222,136	504,858	554,393	10,489,020
2005	8,604,870	1,593,420	75,933	325,957	1,150,555	351,904	12,102,639
2006	13,175,649	1,372,853	30,953	301,072	1,521,103	620,307	17,021,937

(1) Includes all Governmental Funds

CITY OF WOODSTOCK, GEORGIA

TABLE 3

GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE (1)

Last Ten Fiscal Years

Fiscal Year	Property Tax	Franchise Tax	Alcoholic Beverage Tax	Insurance Premium Tax	Real Estate Transfer Tax	Intangible Tax	Sales Tax	Occupational Tax(2)	Other Tax(2)	Total
1997	\$ 1,703,644	\$ 418,383	\$ 353,310	\$ 153,846	\$ 19,591	\$ 29,936	\$ 402,600	\$ 138,105	\$ 51,775	\$ 3,271,190
1998	1,609,714	465,097	413,814	163,184	18,736	30,712	483,120	148,898	51,148	3,384,423
1999	2,291,945	504,090	472,452	171,169	25,903	70,833	483,066	172,820	47,146	4,239,424
2000	2,410,281	538,300	505,007	177,305	34,585	75,130	1,517,296	185,460	68,951	5,512,315
2001	2,764,712	563,571	565,950	188,322	31,321	91,102	1,149,899	217,363	111,701	5,683,941
2002	3,031,518	675,227	698,976	365,057	34,602	137,762	882,009	252,421	139,580	6,217,152
2003	3,696,661	615,460	859,083	400,551	41,979	223,339	877,534	287,741	143,614	7,145,962
2004	4,162,704	657,440	842,101	431,699	28,814	205,087	977,490	298,545	82,744	7,686,624
2005	4,641,759	714,456	853,242	467,844	108,021	191,500	1,155,104	323,264	149,680	8,604,870
2006	5,030,477	860,246	839,659	503,339	66,925	164,332	5,235,696	321,148	153,827	13,175,649

(1) Includes all Governmental Funds

(2) Included in Licenses and Permits prior to 1997

CITY OF WOODSTOCK, GEORGIA
PROPERTY TAXES LEVIES AND COLLECTIONS

TABLE 4

Last Ten Fiscal Years

<u>Fiscal Year</u>		<u>Levy</u>		<u>Collection of Current & Prior Years' Taxes</u>		<u>Taxes Receivable at End of Fiscal Year</u>	<u>Percent of Levy Collected</u>
1997	\$	1,546,526	\$	1,539,800	\$	94,668	99.57%
1998		1,575,005		1,493,611		119,522	94.83%
1999		2,133,203		2,067,637		147,706	96.93%
2000		2,149,433		2,199,693		139,787	102.34%
2001		2,571,096		2,501,077		181,354	97.28%
2002		2,842,766		2,832,052		203,718	99.62%
2003		3,426,343		4,057,505		75,601	118.42%
2004		3,713,522		3,677,521		111,602	99.03%
2005		4,456,189		4,443,147		124,644	99.71%
2006		4,340,425		4,345,405		119,664	100.11%

CITY OF WOODSTOCK, GEORGIA

TABLE 5

ASSESSED VALUE AND ESTIMATED TRUE VALUE OF ALL TAXABLE PROPERTY

Last Ten Fiscal Years

<u>REAL AND PERSONAL PROPERTY</u>			Ratio of Total Assessed to Total Estimated Actual Value
<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	
1997	\$ 167,800,060	\$ 419,500,146	40%
1998	180,652,524	451,631,428	40%
1999	247,189,109	617,972,846	40%
2000	284,615,958	711,539,895	40%
2001	386,962,545	967,406,363	40%
2002	440,286,706	1,100,716,765	40%
2003	552,288,047	1,380,720,118	40%
2004	579,024,055	1,447,560,138	40%
2005	690,026,194	1,725,065,485	40%
2006	812,187,916	2,030,469,790	40%

CITY OF WOODSTOCK, GEORGIA

TABLE 6

TOTAL PROPERTY TAX RATES

Last Ten Fiscal Years

Per \$1,000 Assessed Value

<u>Fiscal Year</u>	<u>City of Woodstock</u>	<u>Cherokee County(1)</u>	<u>Total Overlapping</u>
1997	9.250	26.24	35.49
1998	8.750	25.35	34.10
1999	8.650	28.75	37.40
2000	7.950	29.04	36.99
2001	7.294	28.22	35.51
2002	6.990	28.10	35.09
2003	6.990	29.20	36.19
2004	6.859	27.28	34.14
2005	6.458	26.76	33.22
2006	6.115	25.94	32.05

(1) Cherokee County Tax Assessors Office
Includes Cherokee County School District

CITY OF WOODSTOCK, GEORGIA

TABLE 7

PRINCIPAL TAXPAYERS

2005 Tax Digest

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxes Levied</u>	<u>Percentage of Total Taxes Levied</u>
Alta Woods Phase II LLC	Apartments	\$75,156	1.73%
Inland Southeast Woodstock LLC	Shopping Center	52,159	1.21%
Wal-Mart Real Estate BS Trust	Real Estate	50,610	1.17%
Inland Southeast Woodstock	Shopping Center	47,462	1.10%
Pulte Home Corporation	Home Builders	44,298	1.03%
Fowler Crossing Partners, LP	Real Estate	39,737	0.92%
Patel Partners, L.P.	Real Estate	35,107	0.81%
Heights at Towne Lake, LP	Real Estate	34,496	0.80%
Dayton Hudson Corporation	Shopping Center	32,155	0.74%
Ramco Woodstock LLC	Real Estate	28,019	0.65%
All Others		3,881,911	89.84%
Total		<u>\$4,321,110</u>	<u>100.00%</u>

CITY OF WOODSTOCK, GEORGIA
COMPUTATION OF LEGAL DEBT MARGIN

TABLE 8

June 30, 2006

Gross Assessed Value	\$ <u>812,187,916</u>
Debt Limit - 10 Percent of Assessed Value	81,218,792
Amount of Debt Applicable to Debt Limit: Total General Bonded Debt	<u>1,645,000</u>
Legal Debt Margin	\$ <u><u>79,573,792</u></u>

CITY OF WOODSTOCK, GEORGIA

TABLE 9

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS

June 30, 2006

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable To City</u>	<u>Amount Applicable To City</u>
Direct:			
City of Woodstock	\$ 1,645,000	100.00%	\$ 1,645,000
Overlapping:			
Cherokee County School System	142,210,000	10.47%	14,889,387
Cherokee County	<u>20,000,000</u>	<u>10.47%</u>	<u>2,094,000</u>
Total	\$ <u>163,855,000</u>	<u>11.37%</u>	\$ <u>18,628,387</u>

CITY OF WOODSTOCK, GEORGIA

TABLE 10

REVENUE BOND COVERAGE

Last Ten Fiscal Years

Fiscal Year	Gross Revenues(1)	Direct Operating Expenses	Net Revenue Available for Debt Service	Principal	Revenue Bond(2) Debt Service Requirements(4)		Coverage
					Interest	Total	
1997	\$ 1,694,352	\$ 903,103	\$ 791,249	\$ 95,000	\$ 194,424	\$ 289,424	2.73
1998(3)	2,079,282	990,979	1,088,303	100,000	188,692	288,692	3.77
1999	2,773,074	937,042	1,836,032	157,095	214,271	371,366	4.94
2000	3,259,374	1,233,502	2,025,872	172,097	204,663	376,760	5.38
2001	4,169,807	1,606,172	2,563,635	182,866	195,728	378,594	6.77
2002	5,026,810	1,188,588	3,838,222	189,328	184,559	373,887	10.27
2003(3)	5,162,230	1,474,081	3,688,149	201,750	172,630	374,380	9.85
2004	7,739,686	3,203,311	4,536,375	565,548	623,614	1,189,162	3.81
2005	6,296,396	3,862,864	2,433,532	585,846	598,570	1,184,416	2.05
2006	6,516,138	4,884,872	1,631,266	607,673	588,370	1,196,043	1.36

(1) Includes Interest Income and Tap Fees

(2) Only includes Revenue Bonds and not other Debt Service

(3) Revenue Bonds Issued

(4) Actual amounts presented may be different than actual requirements because of refunding of several of the revenue bond issues.

CITY OF WOODSTOCK GEORGIA

TABLE 11

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>School Enrollment(2)</u>	<u>Unemployment Rate</u>
1997	9,000 (4)	550	2.8%(3)
1998	9,700 (4)	572	2.1%(3)
1999	10,200(4)	550	2.7%(3)
2000	10,050(1)	560	2.5%(3)
2001	10,050(4)	577	2.1%(3)
2002	10,150(4)	610	3.4%(3)
2003	14,889(6)	640	4.0%(6)
2004	17,214(6)	675	4.0%(6)
2005	18,000(4)	751	4.2%(6)
2006	19,602(4)	849(4)	4.6%(5)

(1) Bureau of Census

(2) Cherokee County Board of Education

(3) Georgia Department of Labor

(4) Estimated

(5) Atlanta Regional Commission

(6) Developmental Authority of Cherokee County

CITY OF WOODSTOCK, GEORGIA

TABLE 12

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

Last Ten Fiscal Years

Fiscal Year	Construction: Number of Permits	Value (3)	Real Property Value (2)	Bank Deposits (1)
1997	1,469	\$ 72,483,174	\$ 419,500,146	\$ 489,126,000
1998	2,137	52,760,886	451,631,428	545,762,000
1999	2,400	82,360,250	617,972,846	590,409,000
2000	3,174	104,209,292	711,539,895	649,811,000
2001	2,779	112,827,693	967,406,363	682,547,000
2002	3,460	118,433,462	1,100,716,765	740,738,000
2003	5,344	134,129,789	1,380,720,118	N/A
2004	5,821	163,894,407	1,447,560,138	N/A
2005	6,723	151,740,595	1,725,065,485	N/A
2006	5,238	119,997,100	2,030,469,790	N/A

(1) State of Georgia Department of Banking and Finance

(2) Assessed Value

(3) As of June 30, City of Woodstock

N/A = Not Available

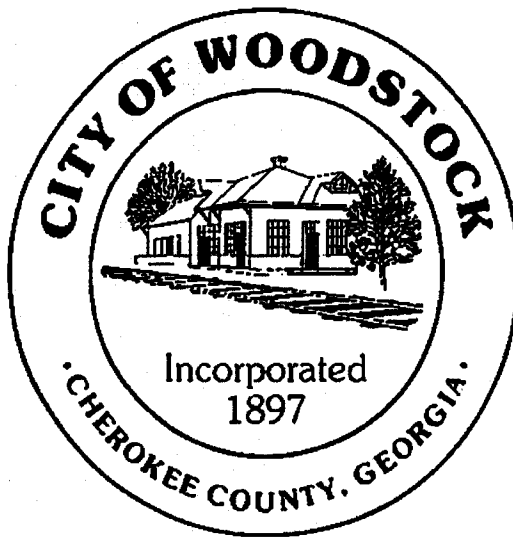
CITY OF WOODSTOCK, GEORGIA

TABLE 13

MISCELLANEOUS STATISTICS

June 30, 2006

Date Founded	1897
Form of Government	Mayor/Council/City Manager
Area	10.5 Square Miles
Population (Last Census)	10,050
Fire Protection	
Number of Stations	2
Number of Sworn Full-time Firefighters	30
Number of Sworn Part-time Firefighters	3
Police Protection	
Number of Precincts	1
Number of Sworn Police Officers	36
Education	
Elementary Schools	1
Water and Sewer Service	
Water Customers	5,088
Sewerage Customers	4,069
Building Permits	
Number of Permits Issued	5,238
Dollar Value	\$119,997,100
Recreation & Culture	
Number of Parks	3
Number of Libraries	1
Employees	164



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