

CITY OF WARNER ROBINS, GEORGIA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2016



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ANNUAL FINANCIAL REPORT
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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Warner Robins Georgia
Warner Robins, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Warner Robins, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Warner Robins, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City of Warner Robins, Georgia's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Warner Robins, Georgia, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of Contributions, and the Schedules of Funding Progress on pages 4 through 13, and pages 77 through 81, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Warner Robins, Georgia's basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements, and the Schedule of State Requirements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements, and the Schedule of State Requirements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements, and the Schedule of State Requirements are fairly stated in all material respects in relation to the basic financial statements as a whole.

In the conduct of our audit, we verified and tested expenditures of each project constructed or under construction, which were identified in the resolution or ordinance calling for imposition of the special sales and use tax authorized by OCGA, Section 48-8-110. The accompanying schedule of state requirements on pages 100 and 101 lists each identified Special Purpose Local Option Sales Tax Project and contains the information required by OCGA, Section 48-8-121. In our opinion, this schedule presents fairly the original estimated cost of each project, expenditures incurred and the estimated percentage of completion of each project through June 30, 2016, the end of the fiscal year covered by this audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2016 on our consideration of the City of Warner Robins, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Warner Robins, Georgia's internal control over financial reporting and compliance.

Nichols, Cauley + Associates, LLC

Warner Robins, Georgia
December 30, 2016

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

The City of Warner Robins' basic financial statements are presented for the fiscal year ended June 30, 2016. The components of the financial statements include Management's Discussion and Analysis (MD&A), Basic Financial Statements, and Other Required Supplementary Information (RSI). The MD&A, a component of RSI, introduces the basic financial statements and provides an analytical overview of the City's financial activities. All numbers represented in this MD&A are in thousand dollars, unless otherwise noted.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Warner Robins' basic financial statements. The City's basic financial statements are composed of the government-wide financial statements, the fund financial statements, and the notes to the financial statements. This report also contains other supplementary information following these financial statements, which may be of interest to the reader.

Government-wide Financial Statements

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector business, and provides both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the City's net position changed during the fiscal year is presented in the Statement of Activities.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental and proprietary funds.

The governmental fund financial statements can be found on pages 16 through 18 and the proprietary fund financial statements can be found on pages 20 through 25 of this report.

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. Note 1 to the financial statements provides detailed information on the elements of the financial statements.

The notes to the financial statements can be found on pages 26 through 76 of this report.

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Other Information

Combining and individual statements present more detailed views of non-major funds used in the governmental funds beginning on page 82. Also included are statements for internal service funds beginning on page 95.

Table 1 below summarizes the major features of the basic financial statements.

Table 1: Major Features of the Basic Financial Statements			
		Fund Financial Statements	
	Government-Wide Financial Statements	Governmental Funds	Proprietary Funds
Scope	Entire City Government and any component units	Activities of the City that are not proprietary	Activities of the City that are operated similar to private business
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses, and Changes in Net Position • Statements of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is paid or received	<ul style="list-style-type: none"> • Revenues for which cash is received during or soon after the end of the year • Expenditures when goods or services have been received and payment is due during the year or soon thereafter 	All revenues and expenses during the year, regardless of when cash is received or paid

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

Government-Wide Financial Analysis

Table 2 below presents the City's condensed statement of net position as of June 30, 2016, and 2015, derived from the government-wide Statement of Net Position on page 14.

City of Warner Robins
Table 2: Condensed Statements of Net Position
As of June 30
(in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets and Deferred Outflows:						
Current assets	\$ 42,247	\$ 41,292	\$ 29,924	\$ 29,408	\$ 72,171	\$ 70,700
Other assets	(44)	(73)	9,223	9,696	9,179	9,623
Capital assets	142,541	139,878	109,934	108,859	252,475	248,737
Total assets	184,744	181,097	149,081	147,963	333,825	329,060
Deferred outflows	6,409	2,242	1,011	365	7,420	2,607
Total assets and deferred outflows	191,153	183,339	150,092	148,328	341,245	331,667
Liabilities and Deferred Inflows:						
Current liabilities	4,383	3,521	4,466	4,348	8,849	7,869
Long-term liabilities	25,261	18,977	43,230	43,576	68,491	62,553
Total liabilities	29,644	22,498	47,696	47,924	77,340	70,422
Deferred inflows	3,979	5,318	660	867	4,639	6,185
Total liabilities and deferred inflows	33,623	27,816	48,356	48,791	81,979	76,607
Net Position:						
Net investment in Capital assets	141,845	137,860	75,369	72,694	217,214	210,554
Restricted	15,516	15,312	2,827	3,045	18,343	18,357
Unrestricted	169	2,351	23,540	23,798	23,709	26,149
Total net position	\$ 157,530	\$ 155,523	\$ 101,736	\$ 99,537	\$ 259,266	\$ 255,060

By far the largest portion (approximately \$217.2 million) of the City of Warner Robins' net position reflect its investment in capital assets (e.g., land, building, infrastructure, machinery, and equipment, etc.), less accumulated depreciation. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Unrestricted net position is the next largest component, totaling approximately \$23.7 million as of June 30, 2016. Restricted net position (approximately \$18.3 million) represents resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used.

Governmental Activities reflect a positive unrestricted net position balance of approximately \$169 thousand as of June 30, 2016.

Business-type activities reflect a positive unrestricted net position balance of approximately \$23.5 million as of June 30, 2016.

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

Table 3 presents the City's condensed statement of activities for the fiscal year ended June 30, 2016 and 2015, as derived from the government-wide Statement of Activities on page 15. Over time, increases or decreases in net position measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities increased by approximately \$2 million and the net position of the business-type activities increased by approximately \$2.2 million.

City of Warner Robins
Table 3: Condensed Statements of Activities
For the Fiscal Year Ended June 30
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 5,033	\$ 6,403	\$ 45,884	\$ 51,116	\$ 50,917	\$ 57,519
Operating grants and contributions	133	135	--	--	133	135
Capital grants and contributions	9,120	11,112	1,336	1,855	10,456	12,967
General revenues:						
Property and other taxes	26,582	24,483	--	--	26,582	24,483
Sale of land	3	69	5	45	8	114
Other	4,011	4,693	140	107	4,151	4,800
Total revenues	<u>44,882</u>	<u>46,895</u>	<u>47,365</u>	<u>53,123</u>	<u>92,247</u>	<u>100,018</u>
Expense:						
General government	7,397	5,969	--	--	7,397	5,969
Public safety	23,205	23,334	--	--	23,205	23,334
Recreation	2,184	2,341	--	--	2,184	2,341
Public works (Streets)	9,577	9,086	--	--	9,577	9,086
City development	2,534	2,480	--	--	2,534	2,480
Downtown Development	72	--	--	--	72	--
Other	21	51	--	--	21	51
Natural gas system	--	--	16,599	21,295	16,599	21,295
Water and sewer system	--	--	15,122	13,520	15,122	13,520
Other enterprise funds	--	--	11,330	11,063	11,330	11,063
Total expenses	<u>44,990</u>	<u>43,261</u>	<u>43,051</u>	<u>45,878</u>	<u>88,041</u>	<u>89,139</u>
Increase (decrease) in net position before transfers	(108)	3,634	4,314	7,245	4,206	10,879
Transfers	2,115	3,375	(2,115)	(3,375)	--	--
Increase (decrease) in net position	2,007	7,009	2,199	3,870	4,206	10,879
Net position - beginning	155,523	148,514	99,537	95,667	255,060	244,181
Net position - ending	<u>\$ 157,530</u>	<u>\$ 155,523</u>	<u>\$ 101,736</u>	<u>\$ 99,537</u>	<u>\$ 259,266</u>	<u>\$ 255,060</u>

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Program Expenses and Revenues for Governmental Activities

Table 4 presents the net costs of governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. General revenues, mainly taxes, supported the net costs of governmental activities. Program revenues as a percentage of program expenses decreased for governmental activities from fiscal year 2015 to fiscal year 2016.

**City of Warner Robins, Georgia
Table 4: Net Costs of Governmental Functions
for the Fiscal Year Ended June 30
(in thousands)**

Function/Program	Program Expenses	Less Program Revenues	Net Program Costs (Revenue)		Program Revenues as a Percentage of Program Expenses	
	2016	2016	2016	2015	2016	2015
General government	\$ 7,397	\$ 268	\$ 7,129	\$ 4,600	3.63%	22.93%
Public safety	23,205	4,426	18,779	18,588	19.07%	20.34%
Recreation	2,184	377	1,807	1,919	17.27%	18.03%
Public works	9,577	6,379	3,198	915	66.60%	89.94%
City development	2,534	2,836	(302)	(462)	111.90%	118.63%
Other	93	-	93	51	0.00%	0.00%
Total	\$ 44,990	\$ 14,286	\$ 30,704	\$ 25,611	31.75%	40.80%

Program Expenses and Revenues for Business-type Activities

Table 5 presents the net income and costs of business-type activities. Program revenues generated were more than sufficient to cover program expenses. Overall, program expenses as a percentage of program revenues increased for business-type activities from fiscal year 2015 to fiscal year 2016.

**City of Warner Robins, Georgia
Table 5: Net Revenues of Business-Type Activities
for the Fiscal Year Ended June 30
(in thousands)**

Function/Program	Program Revenues	Less Program Expenses	Net Program Revenue (Costs)		Program Expenses as a Percentage of Program Revenues	
	2016	2016	2016	2015	2016	2015
Natural gas system	\$ 18,499	\$ 16,598	\$ 1,901	\$ 2,699	89.72%	88.75%
Water and sewer system	16,917	15,122	1,795	3,885	89.39%	77.68%
Storm water drainage	3,231	2,385	846	914	73.81%	70.49%
Other programs	8,572	8,945	(373)	(405)	104.35%	104.78%
Total	\$ 47,219	\$ 43,050	\$ 4,169	\$ 7,093	91.17%	86.61%

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Overall Analysis

Financial highlights for the City as a whole during the fiscal year ended June 30, 2016, include the following:

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows (net position) at the close of the fiscal year by \$158 million for the governmental activities and by \$102 million for the business-type activities.

The City's total net position increased during the year by \$4.2 million. Net position of governmental activities increased by \$2.0 million, while the net position of business-type activities increased by \$2.2 million. The increase in the net position of the City governmental activities is the result of increased SPLOST collections, transfers from the City's enterprise funds and a slight increase in other tax revenues. The City's business-type funds reported overall positive net revenues for the year due to positive operating result. The City's Natural Gas Fund experienced a 24.7% decrease in gross sales revenue from fiscal year 2015, driven by lower market costs of supply and a warm winter. Charges for natural gas services are dependent on supply costs with additions for a base fee and a distribution fee. The lower cost of supply resulted in lower gross profits to cover relatively fixed operating expenses. The City's Water and Sewer Fund operating revenues were 0.6% more than operating revenues of Fiscal Year 2015 due to an increase of water usage and connection charges. The City's governmental activities expenses increased 4.0% due to the surging cost of providing health benefits in fiscal year 2016.

Fund Analysis

Funds that experienced significant changes during the fiscal year ended June 30, 2016, are as follows:

Governmental Funds:

As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$37.8 million.

General Fund

The total of the General Fund's fund balances as of June 30, 2016 was \$19.7 million. The General Fund's fund balances are segregated by the extent to which the governing body is bound to honor constraints on the specific purpose for which amounts in the General Fund can be used. Of the total General Fund's fund balances, \$129 thousand is non-spendable, \$1.4 million are committed, and \$18.2 million is unassigned. Although the City's General Fund had operating expenditures greater than its operating revenues, the increase in the unassigned General Fund's fund balance for FY 2016 is the result of transfers from the City's Enterprise Funds of \$4.7 million. FY 2016 General Fund revenues increased by \$65 thousand compared to FY 2015's revenues. The General Fund's expenditures increased by 4.2% (\$1.5 million) compared to FY 2015 expenditures. The main reason for the increased expenditures is the City's increasing cost of providing group health benefits in fiscal year 2016.

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

Capital Project Fund/SPLOST

The fund balance for the 2012 SPLOST, classified as a major fund in FY 2016, as of June 30, 2016 totaled \$8.8 million. The fund balance for the 2001 SPLOST totaled \$407 thousand, a decrease of \$44 thousand from June 30, 2015. The fund balance for the 2006 SPLOST totaled \$1.0 million, a decrease of \$1.8 million from June 30, 2015. The change in fund balance was the result of the use of prior SPLOST receipts in the completion of various projects. Sales tax receipts for the City's 2001 SPLOST ended December 2006 and for the City's 2006 SPLOST ended in October 2012. Expenditures for the 2001 and 2006 projects will continue into Fiscal Year 2017.

Proprietary Funds:

The City's Proprietary Funds reported a net position of \$101.7 million, a 2.2% increase from the prior year. The City's internal service funds reported net position of \$215 thousand, a decrease of 46.7% from the prior year. This large decrease is due to the cost of providing group health benefits increasing \$1.8 million or 20.5%.

Natural Gas Fund

The Net Position of the Natural Gas Fund decreased by \$268 thousand. Natural gas sales decreased by \$5.5 million. The Natural Gas Fund however, decreased operating expenses by \$4.7 million as a result. The decrease in sales revenue is attributed to lower charges for services, derived from lower supply costs and also to an abnormally warm winter.

Water and Sewer Fund

The Net Position of the Water and Sewer Fund (approximately \$63.1 million) increased by \$2.0 million. The change in the balance of net position was the result of capital contributions of \$689 thousand and positive operating results (\$2.1 million).

Storm Water Drainage Fund (SWD)

The SWD Fund reported its net position of \$18.0 million at year end. This increase was due to positive operating results (\$200 thousand) for the fiscal year and contributions from real estate developers in the amount of \$646 thousand.

Sanitation Fund

The Sanitation Fund reported a negative change in net position of \$38 thousand, decreasing the net position balance to \$781 thousand at year end. The Fund's operating revenues increased by \$164 thousand over FY 2015. Operating expenses decreased by \$8 thousand.

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Group Health Fund

Net Position of the City's Group Health Internal Service Fund reported a negative net position balance of \$813 thousand at year end. Payments for health care services increased significantly (\$1.8 million) for the fiscal year. Contributions to the Fund were not sufficient to cover costs of operating the fund for the year resulting in a deficit balance.

Budgetary Highlights

Over the course of the fiscal year, the Mayor and Council of the City of Warner Robins amended the budget several times. These budget amendments were supplemental appropriations for capital expenditures and for increases in appropriations to prevent budget overruns. No variances between the original and final budget, or between final and actual budget are expected to significantly affect future services or liquidity. For additional information on the budget variances, refer to the budgetary comparison schedule for the General Fund in the RSI section on page 77.

Differences between the original appropriated budget and the final amended budget in the General Fund amounted to \$3.6 million. This difference is attributable to allocations from unrestricted fund balance for prior year's encumbrances of \$1.5 million and the incorporation of supplemental appropriations for unanticipated revenues of \$2.2 million into this year's expenditure accounts.

Capital Asset and Debt Administration

Capital Assets

The City of Warner Robins' investment in capital assets for its governmental and business type activities as of June 30, 2016, amounts to \$252.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, and a network of streets and drainage systems.

Major capital asset events during the current fiscal year included the following:

The City's Governmental funds expended \$1.7 million in the current fiscal year for police vehicles, fire trucks, service vehicles, and machinery and equipment; \$1.0 million for building improvements and \$2.4 million for infrastructure improvements such as street, street lights and drainage improvements. Land additions included property donated to the City.

The City finalized plans for a major expansion of its Sandy Run Creek Wastewater Treatment Plant in FY 2012. The original projected cost of this project was \$28.9 million. The plant treatment capacity will increase to 12 million GPD from 9 million GPD, and will comply with all current water quality standards. As of the end of FY 2016, \$32.1 million has been spent on the project; a total of \$2.4 million was spent in FY 2016. This Project was completed during Fiscal Year 2016.

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

Various road improvement projects, sidewalk projects, building project and sewer line improvements are continuing related to the 2001, 2006 and 2012 SPLOST Funds. Amounts expended from the 2001 SPLOST fund for road construction/reconstruction totaled \$46 thousand. Amounts expended from the 2006 SPLOST fund for street projects totaled \$992 thousand, and for sewer line improvements totaled \$855 thousand. Amounts expended from the 2012 SPLOST for general capital obligations totaled \$777 thousand for vehicles, heavy equipment and building improvements; \$1.6 million was spent on public safety facilities and equipment; \$162 thousand on road, street and sidewalk improvements; \$924 thousand on water and sewer system improvements; \$15 thousand on recreation facilities; and, \$1.5 million was spent on city development projects.

Information on the City of Warner Robins' capital assets can be found in note III-E on pages 49 and 50 of this report.

Long-term Obligations

As of June 30, 2016, the City reported a total long-term obligations balance of \$71.5 million. The total long-term obligations had an overall increase of \$5.1 million from Fiscal Year 2015. The current portion of these long term obligations is comprised of Claims Payable (\$128 thousand), Compensated Absences (\$224 thousand), Capital Leases (\$710 thousand) and Bonds, Notes and Accrued Interest (\$1.9 million). The non-current portion is comprised of Compensated Absences (\$1.4 million), Capital Leases (\$4.4 million), Other Post-Employment Benefits (\$10.5 million), pension liability (\$17.4 million) and Bonds, Notes and Accrued Interest (\$34.7 million). In recognition of employee other post-employment benefits, as required by the implementation of the Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," an addition was made to the City's long-term debt of \$1.1 million. The City also implemented GASB 68 and 71 which requires the City to record its portion of the net pension liability. The total net pension liability for the City at June 30, 2016 was \$17.4 million.

The Constitution of the State of Georgia limits direct general obligation indebtedness of the City to an amount equivalent to ten percent of the assessed value of all taxable property within the City. The net assessed value of all taxable property in the City for the year 2015 was \$1.6 billion. The legal limit of general obligation debt for the City is \$160 million. As of June 30, 2016, the City has not issued general obligation debt bonds, nor does the City have any plans to do so.

Refer to Note III-G on page 52 of this report for additional information on the City's long-term obligations.

Economic Factors and Next Year's Budgets

The unemployment rate for the Warner Robins Metropolitan Statistical Area at the fiscal year-end was 5.8%, an improvement over last fiscal year's unemployment rate of 6.3%. The State's rate was 5.1% at the fiscal year-end.

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

The City's 2015 net taxable digest (Fiscal Year 2016 income) experienced a decrease of less than 1% over the net taxable digest of 2014 (Fiscal Year 2015 income). The governing body enacted the millage rate for FY 2016 of 9.99 mills in order to maintain the current level of services. The City sold 743 building permits in calendar year 2015 and 367 from July 2015 to December 2015 indicating the residential and commercial construction markets are stable.

Low rates of return for United States Treasury investments continue to have an effect on the City's budgeted investment revenues.

The population of the City has increased approximately 7.2% since the 2010 census. Per the U. S. Census Bureau, 2010 census for the City show a population of 66,588; the Bureau's estimated population at July 1, 2015 is 73,490. In the year 2001, the City and Houston County were designated as a metropolitan statistical area.

Cash collections from the 2012 SPLOST are 13.09% less than original projections as of June 30, 2016.

City officials considered these factors in making judgments and estimates in developing the general fund budget for fiscal year 2017. The City approved a budget appropriation for Fiscal Year 2017 in the amount of \$39.8 million, an increase of 4.5 percent from the 2016 original budget of \$38.1 million. Tax revenues will provide 57% of this appropriation. The majority of the remaining 43% of appropriations will be financed by selective sales and use taxes (17%) and other financing revenues (12%). The City will use these revenues to finance programs currently offered and to finance increased program costs due to the City's growth.

Budgeted expenditures increased by 9.5% over fiscal year 2016 original budgeted appropriations. This increase in appropriations is attributable to budgeted cost of living pay adjustments and a modest increase in health care costs related to the Patient Protection and Affordable Care Act (PPACA). The City did not add new programs to the 2017 budget.

The City's business-type activities are experiencing inflationary pressures on its operational expenses. Gross revenues of the Water and Sewer Fund, Sanitation Fund and Stormwater Drainage Fund are expected to remain comparable to results of FY 2016. The City's Natural Gas Fund is expected to end the year with a modest decrease in net revenues due to a projected warm winter.

Requests for Information

This report is designed to provide a general overview of the City of Warner Robins' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer's Office, City of Warner Robins, 202 North Davis Drive, PMB 718, Warner Robins, Georgia 31093.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Downtown Development Authority
<u>ASSETS:</u>				
Current assets:				
Cash and cash equivalents	\$ 37,662,654	\$ 24,661,379	\$ 62,324,033	\$ 25,035
Investments	--	172	172	--
Accounts receivable, net	1,180,845	4,939,828	6,120,673	--
Due from other governments	1,898,996	36,402	1,935,398	--
Inventories, at cost	56,825	274,823	331,648	--
Real estate-held for investment/resale	1,297,480	--	1,297,480	--
Prepaid items	150,429	11,492	161,921	--
Restricted assets -				
Cash and cash equivalents	--	2,827,599	2,827,599	--
Total current assets	<u>42,247,229</u>	<u>32,751,695</u>	<u>74,998,924</u>	<u>25,035</u>
Non-current assets:				
Receivables	--	6,351,162	6,351,162	--
Internal balances	(44,178)	44,178	--	--
Land and other non-depreciable assets	32,234,426	6,872,957	39,107,383	--
Capital assets, net of accumulated depreciation	<u>110,306,908</u>	<u>103,061,600</u>	<u>213,368,508</u>	<u>--</u>
Total non-current assets	<u>142,497,156</u>	<u>116,329,897</u>	<u>258,827,053</u>	<u>--</u>
Total assets	<u>184,744,385</u>	<u>149,081,592</u>	<u>333,825,977</u>	<u>25,035</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>				
Pension	<u>6,408,956</u>	<u>1,010,872</u>	<u>7,419,828</u>	<u>--</u>
Total assets and deferred outflows of resources	<u>191,153,341</u>	<u>150,092,464</u>	<u>341,245,805</u>	<u>25,035</u>

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit
				Downtown Development Authority
<u>LIABILITIES:</u>				
Current liabilities:				
Accounts payable	2,553,624	2,115,454	4,669,078	--
Accrued payroll/related liabilities	680,690	135,058	815,748	--
Claims payable	127,627	--	127,627	--
Compensated absences	190,942	32,850	223,792	--
Unearned revenue	368,698	--	368,698	22,267
Security deposits	16,835	--	16,835	--
Capital lease obligations	444,478	265,301	709,779	--
Accrued interest payable	--	539,817	539,817	--
Bonds, notes and loans payable	--	1,377,929	1,377,929	--
Total current liabilities	<u>4,382,894</u>	<u>4,466,409</u>	<u>8,849,303</u>	<u>22,267</u>
Non-current liabilities:				
Compensated absences	1,170,685	183,479	1,354,164	--
Capital lease obligations	251,564	4,184,941	4,436,505	--
Accrued interest payable	--	5,991,649	5,991,649	--
OPEB liability	8,737,033	1,793,495	10,530,528	--
Net pension liability	15,101,979	2,338,810	17,440,789	--
Bonds, notes and loans payable	--	28,737,239	28,737,239	--
Total non-current liabilities	<u>25,261,261</u>	<u>43,229,613</u>	<u>68,490,874</u>	<u>--</u>
Total liabilities	<u>29,644,155</u>	<u>47,696,022</u>	<u>77,340,177</u>	<u>22,267</u>
<u>DEFERRED INFLOWS OF RESOURCES-</u>				
Pension	3,979,351	659,849	4,639,200	--
Total deferred inflows of resources	<u>3,979,351</u>	<u>659,849</u>	<u>4,639,200</u>	<u>--</u>
<u>NET POSITION:</u>				
Net investment in capital assets	141,845,292	75,369,147	217,214,439	--
Restricted for economic development	1,444,940	--	1,444,940	--
Restricted for capital projects	14,070,424	2,827,599	16,898,023	--
Unrestricted	169,179	23,539,847	23,709,026	2,768
Total net position	<u>\$ 157,529,835</u>	<u>\$ 101,736,593</u>	<u>\$ 259,266,428</u>	<u>\$ 2,768</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 7,397,005	\$ 221,372	\$ 46,000	\$ --
Public safety	23,204,457	1,568,952	--	2,857,199
Recreation	2,184,471	377,238	--	--
Public works	9,577,338	29,793	86,505	6,262,336
City development	2,533,943	2,835,744	--	--
Downtown development	71,456	--	--	--
Interest on long-term debt	20,550	--	--	--
Total governmental activities	44,989,220	5,033,099	132,505	9,119,535
Business-type activities:				
Natural Gas System	16,598,926	18,499,497	--	--
Water and Sewer System	15,121,794	16,227,952	--	689,486
Storm Water Drainage	2,384,627	2,584,734	--	646,084
Sanitation	8,370,925	8,330,677	--	--
International City Golf Course	574,227	241,280	--	--
Total business-type activities	43,050,499	45,884,140	--	1,335,570
Total primary government	\$ 88,039,719	\$ 50,917,239	\$ 132,505	\$ 10,455,105
Component Unit-				
Downtown Development Authority	\$ --	\$ --	\$ --	\$ --

General revenues:

Property taxes

Other taxes

Franchise fees

Interest income

Sale of assets

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Agency
\$ (7,129,633)	\$ --	\$ (7,129,633)	\$ --
(18,778,306)	--	(18,778,306)	--
(1,807,233)	--	(1,807,233)	--
(3,198,704)	--	(3,198,704)	--
301,801	--	301,801	--
(71,456)	--	(71,456)	--
(20,550)	--	(20,550)	--
<u>(30,704,081)</u>	<u>--</u>	<u>(30,704,081)</u>	<u>--</u>
--	1,900,571	1,900,571	--
--	1,795,644	1,795,644	--
--	846,191	846,191	--
--	(40,248)	(40,248)	--
--	(332,947)	(332,947)	--
<u>--</u>	<u>4,169,211</u>	<u>4,169,211</u>	<u>--</u>
<u>(30,704,081)</u>	<u>4,169,211</u>	<u>(26,534,870)</u>	<u>--</u>
			<u>\$ --</u>
15,784,501	--	15,784,501	--
10,797,564	--	10,797,564	--
3,838,396	--	3,838,396	--
60,638	59,228	119,866	--
2,838	5,000	7,838	--
112,304	81,112	193,416	--
<u>30,596,241</u>	<u>145,340</u>	<u>30,741,581</u>	<u>--</u>
2,114,694	(2,114,694)	--	--
<u>32,710,935</u>	<u>(1,969,354)</u>	<u>30,741,581</u>	<u>--</u>
<u>2,006,854</u>	<u>2,199,857</u>	<u>4,206,711</u>	<u>--</u>
<u>155,522,981</u>	<u>99,536,736</u>	<u>255,059,717</u>	<u>2,768</u>
<u>\$ 157,529,835</u>	<u>\$ 101,736,593</u>	<u>\$ 259,266,428</u>	<u>\$ 2,768</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	SPLOST			
	General	2012		Total
		Fund	Capital Projects	
	Fund	Fund	Funds	Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 20,207,916	\$ 8,148,976	\$ 7,660,265	\$ 36,017,157
Accounts receivable -				
net of uncollectable accounts	558,591	--	622,254	1,180,845
Due from other governments	757,848	1,033,535	107,613	1,898,996
Due from other funds	5,521	--	--	5,521
Prepaid expenditures	72,210	--	--	72,210
Inventory of gas, oil, and supplies	56,825	--	--	56,825
Real estate-held for investment/resale	--	--	1,297,480	1,297,480
Total assets	<u>\$ 21,658,911</u>	<u>\$ 9,182,511</u>	<u>\$ 9,687,612</u>	<u>\$ 40,529,034</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable and accrued costs	533,334	326,909	\$ 158,799	\$ 1,019,042
Accrued payroll/related expenditures	676,315	--	4,375	680,690
Unearned revenue	188,051	--	180,647	368,698
Due to other funds	25,375	--	49,699	75,074
Escrow funds	--	--	16,835	16,835
Total liabilities	<u>1,423,075</u>	<u>326,909</u>	<u>410,355</u>	<u>2,160,339</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	528,076	--	--	528,076
Unavailable revenue-fines	39,351	--	--	39,351
Total deferred inflows	<u>567,427</u>	<u>--</u>	<u>--</u>	<u>567,427</u>
FUND BALANCES				
Nonspendable, inventories	56,825	--	--	56,825
Nonspendable, prepaid items	72,210	--	--	72,210
Restricted, capital projects	--	8,855,602	5,214,822	14,070,424
Restricted, economic development	--	--	1,444,940	1,444,940
Committed, general government	320,916	--	--	320,916
Committed, public safety	194,792	--	--	194,792
Committed, public works	114,207	--	--	114,207
Committed, recreation	528,386	--	--	528,386
Committed, economic development	202,680	--	--	202,680
Committed, special programs	--	--	2,617,495	2,617,495
Unassigned, general fund	18,178,393	--	--	18,178,393
Total fund balances	<u>19,668,409</u>	<u>8,855,602</u>	<u>9,277,257</u>	<u>37,801,268</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,658,911</u>	<u>\$ 9,182,511</u>	<u>\$ 9,687,612</u>	<u>\$ 40,529,034</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Fund balance - total governmental funds (page 16)	\$ 37,801,268
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	142,541,334
Certain long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	567,427
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are unavailable in the funds. The deferred outflows are related to pension assumption changes and contributions.	6,408,956
Certain liabilities, such as compensated absences, and claims payable are not due and payable in the current period and, therefore, are not reported in the funds.	(1,489,254)
OPEB and pension liabilities and expenses are not reported in the governmental funds.	(23,839,012)
Long-term liabilities, including capital leases, bonds, notes and loans payable, are not due and payable in the current period and therefore are not reported in the funds.	(696,042)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred inflows are related to the differences between actual and projected earnings on the pension plan.	(3,979,351)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities of the statement of net position.	<u>214,509</u>
Net position of governmental activities (page 14)	<u><u>\$157,529,835</u></u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNEMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	SPLOST			
	General	2012		Total
		Capital Projects	Non-Major	
Fund	Fund	Funds	Funds	
REVENUES:				
General property taxes	\$ 15,821,124	\$ --	\$ --	\$ 15,821,124
Other taxes	12,576,838	--	2,059,122	14,635,960
Licenses and permits	324,839	--	--	324,839
Fines and forfeitures	1,028,812	--	123,765	1,152,577
Intergovernmental	701,403	6,321,143	1,358,965	8,381,511
Other revenue	3,244,718	13,290	215,666	3,473,674
Total revenues	<u>33,697,734</u>	<u>6,334,433</u>	<u>3,757,518</u>	<u>43,789,685</u>
EXPENDITURES:				
Current:				
General government	7,340,834	--	--	7,340,834
Public safety	21,271,127	--	525,657	21,796,784
Recreation	1,953,129	--	174,730	2,127,859
Public works	5,418,290	--	--	5,418,290
City development	1,254,816	--	1,204,010	2,458,826
Downtown development	--	--	71,456	71,456
Intergovernmental -				
Payments to other governmental agencies	753,120	--	--	753,120
Debt service	--	381,172	889,204	1,270,376
Capital outlay -				
Special purpose	--	4,096,816	1,037,354	5,134,170
Total expenditures	<u>37,991,316</u>	<u>4,477,988</u>	<u>3,902,411</u>	<u>46,371,715</u>
EXCESS OF REVENUES				
OVER/(UNDER) EXPENDITURES	<u>(4,293,582)</u>	<u>1,856,445</u>	<u>(144,893)</u>	<u>(2,582,030)</u>
OTHER FINANCING SOURCES (USES):				
Sale of assets	2,838	--	--	2,838
Transfer in	4,731,041	--	1,197,895	5,928,936
Transfer out	(78,914)	(930,552)	(2,804,776)	(3,814,242)
Total other financing sources (uses), net	<u>4,654,965</u>	<u>(930,552)</u>	<u>(1,606,881)</u>	<u>2,117,532</u>
NET CHANGE IN FUND BALANCES	361,383	925,893	(1,751,774)	(464,498)
FUND BALANCES, beginning	<u>19,307,026</u>	<u>7,929,709</u>	<u>11,029,031</u>	<u>38,265,766</u>
FUND BALANCES, ending	<u>\$ 19,668,409</u>	<u>\$ 8,855,602</u>	<u>\$ 9,277,257</u>	<u>\$ 37,801,268</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNEMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net change in fund balances - total governmental funds (page 18) \$ (464,498)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and net retirements in the current period. 1,317,282

Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 1,346,598

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (69,041)

Repayment of long-term debt is reported as an expenditure in governmental funds, but as a reduction of long-term liabilities in the statement of activities. 1,320,851

Contributions to the pension plan during the current year that were not included in pension expense due to a difference in measurement date and City's fiscal year end. (47,204)

The net revenues (expenses) of the internal service funds (funds used to charge the costs of certain activities to individual funds) are reported with governmental activities. Workers' Compensation \$37,468 and Group Health Insurance (\$226,168). (188,700)

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 the governmental funds. These include the net change in the claims and adjustments \$28,169 and the OPEB liability of \$1,144,654. (1,172,823)

In the statement of activities, certain operating expenses - compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). During this year, accrued leave increased. (35,611)

Change in net position of governmental activities (page 15) \$ 2,006,854

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 11,703,808	\$ 10,876,003	\$ 1,859,875
Investments	--	172	--
Accounts receivable, net	1,833,664	1,730,624	319,087
Due from other governments	--	36,402	--
Due from other funds	--	87,503	--
Inventories, at cost	--	274,823	--
Prepaid items	11,492	--	--
Restricted-			
Cash and cash equivalents	1,799,143	1,028,456	--
Total current assets	<u>15,348,107</u>	<u>14,033,983</u>	<u>2,178,962</u>
NON CURRENT ASSETS:			
Receivable	6,351,162	--	--
Due from other funds	44,178	--	--
Land and other non depreciable assets	763,842	3,813,901	711,256
Capital assets, net of accumulated depreciation	8,909,376	78,191,740	15,771,839
Total non current assets	<u>16,068,558</u>	<u>82,005,641</u>	<u>16,483,095</u>
Total assets	<u>31,416,665</u>	<u>96,039,624</u>	<u>18,662,057</u>
DEFERRED OUTFLOWS OF RESOURCES-			
Pension	299,178	515,100	160,954
Total assets and deferred outflows of resources	<u>31,715,843</u>	<u>96,554,724</u>	<u>18,823,011</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Major	Nonmajor		
Sanitation System	International City Golf Course	Total	Internal Service Funds
\$ 425,756	\$ --	\$ 24,865,442	\$ 1,645,497
--	--	172	--
1,056,453	--	4,939,828	--
--	--	36,402	--
--	--	87,503	25,375
--	--	274,823	--
--	--	11,492	78,219
--	--	2,827,599	--
<u>1,482,209</u>	<u>--</u>	<u>33,043,261</u>	<u>1,749,091</u>
--	--	6,351,162	--
--	--	44,178	--
--	1,583,958	6,872,957	--
<u>3,889</u>	<u>184,756</u>	<u>103,061,600</u>	<u>--</u>
<u>3,889</u>	<u>1,768,714</u>	<u>116,329,897</u>	<u>--</u>
<u>1,486,098</u>	<u>1,768,714</u>	<u>149,373,158</u>	<u>1,749,091</u>
--	35,640	1,010,872	--
<u>1,486,098</u>	<u>1,804,354</u>	<u>150,384,030</u>	<u>1,749,091</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
<u>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</u>			
CURRENT LIABILITIES:			
Cash overdraft	--	--	--
Accounts payable	1,243,558	188,012	5,980
Accrued payroll/related liabilities	--	105,557	16,824
Due to other funds	44,527	--	7,913
Compensated absences	--	28,851	2,789
Capital lease payable	230,000	--	--
Accrued interest	53,575	486,242	--
Bonds, notes, and loans payable	15,683	1,362,246	--
Total current liabilities	<u>1,587,343</u>	<u>2,170,908</u>	<u>33,506</u>
NON CURRENT LIABILITIES:			
Compensated absences	--	163,489	11,892
Capital lease obligations	4,184,941	--	--
Accrued interest	5,991,649	--	--
OPEB liability	419,308	961,356	293,140
Net pension liability	701,121	1,180,741	357,536
Bonds, notes and loans payable	134,560	28,602,679	--
Total non current liabilities	<u>11,431,579</u>	<u>30,908,265</u>	<u>662,568</u>
Total liabilities	<u>13,018,922</u>	<u>33,079,173</u>	<u>696,074</u>
DEFERRED INFLOWS OF RESOURCES-			
Pension	188,970	344,382	116,135
NET POSITION:			
Net investment in capital assets	5,108,034	52,040,716	16,483,095
Restricted for capital projects	1,799,143	1,028,456	--
Unrestricted	11,600,774	10,061,997	1,527,707
Total net position	<u>\$ 18,507,951</u>	<u>\$ 63,131,169</u>	<u>\$ 18,010,802</u>

Business-type Activities -			Governmental
Enterprise Funds			Activities
Major	Nonmajor		
Sanitation	International City		Internal Service
System	Golf Course	Total	Funds
--	204,063	204,063	--
670,171	7,733	2,115,454	1,534,582
--	12,677	135,058	--
35,063	--	87,503	--
--	1,210	32,850	--
--	35,301	265,301	--
--	--	539,817	--
--	--	1,377,929	--
<u>705,234</u>	<u>260,984</u>	<u>4,757,975</u>	<u>1,534,582</u>
--	8,098	183,479	--
--	--	4,184,941	--
--	--	5,991,649	--
--	119,691	1,793,495	--
--	99,412	2,338,810	--
--	--	28,737,239	--
--	227,201	43,229,613	--
<u>705,234</u>	<u>488,185</u>	<u>47,987,588</u>	<u>1,534,582</u>
--	10,362	659,849	--
3,889	1,733,413	75,369,147	--
--	--	2,827,599	--
<u>776,975</u>	<u>(427,606)</u>	<u>23,539,847</u>	<u>214,509</u>
<u>\$ 780,864</u>	<u>\$ 1,305,807</u>	<u>\$ 101,736,593</u>	<u>\$ 214,509</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
RECONCILIATION TO THE STATEMENT OF NET POSITION – PROPRIETARY FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total assets reported for business-type activities in the statement of net position is different because:

Total assets for statement of net position - Proprietary Funds (page 20)	\$ 149,373,158
Elimination of interfund receivables relating to amounts paid by one fund on behalf of another fund for which reimbursement has not been made by year end.	(87,503)
Elimination of interfund receivables relating to cash overdrafts reflected as due from other funds.	<u>(204,063)</u>
Total assets for statement of net position - business-type activities (page 14)	<u>\$ 149,081,592</u>

Total liabilities reported for business-type activities in the statement of net position are different because:

Total liabilities for statement of net position - Proprietary Funds (page 21)	\$ 47,987,588
Elimination of interfund payables relating to amounts received by one fund for payments received on their behalf and not reimbursed as of year end.	(87,503)
Elimination of interfund payables relating to cash overdrafts reflected as due to other funds.	<u>(204,063)</u>
Total liabilities for statement of net position - business-type activities (page 14)	<u>\$ 47,696,022</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
OPERATING REVENUES:			
Charges for services	\$ 16,578,548	\$ 14,337,163	\$ 2,523,363
Connection charges	--	558,375	--
Penalties and cut-on fees	163,776	348,156	55,858
Miscellaneous	137,102	984,258	5,513
Refund-Southern Natural Gas	880,398	--	--
Distribution line income	739,673	--	--
Total operating revenues	<u>18,499,497</u>	<u>16,227,952</u>	<u>2,584,734</u>
OPERATING EXPENSES:			
Purchases/cost of sales	12,713,502	--	--
Personnel services	1,939,127	4,588,943	1,197,173
Operating expenses	226,135	4,421,395	370,689
Repairs and maintenance	157,416	286,936	41,687
Supplies	156,104	1,265,424	131,108
Distribution line expense	902,173	--	--
Bad debt expense	109,017	325,381	42,678
Depreciation	374,809	3,135,556	600,401
Insurance	20,643	116,369	891
Total operating expenses	<u>16,598,926</u>	<u>14,140,004</u>	<u>2,384,627</u>
Operating income (loss)	<u>1,900,571</u>	<u>2,087,948</u>	<u>200,107</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest earned	31,264	25,270	--
Interest expense and fees	--	(981,790)	--
Rental income	--	81,112	--
Gain on sale of capital assets	--	5,000	--
Total non-operating revenues (expenses), net	<u>31,264</u>	<u>(870,408)</u>	<u>--</u>
Income (loss) before capital contributions and transfers	<u>1,931,835</u>	<u>1,217,540</u>	<u>200,107</u>
CONTRIBUTIONS AND TRANSFERS:			
Capital contribution - developers	--	689,486	646,084
Transfers in	--	1,778,441	--
Transfers out	(2,200,000)	(1,700,000)	--
Total contributions and transfers	<u>(2,200,000)</u>	<u>767,927</u>	<u>646,084</u>
CHANGE IN NET POSITION	<u>(268,165)</u>	<u>1,985,467</u>	<u>846,191</u>
NET POSITION, beginning	<u>18,776,116</u>	<u>61,145,702</u>	<u>17,164,611</u>
NET POSITION, ending	<u>\$ 18,507,951</u>	<u>\$ 63,131,169</u>	<u>\$ 18,010,802</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Major	Nonmajor		
Sanitation System	International City Golf Course	Total	Internal Service Funds
\$ 8,122,066	\$ 240,708	\$ 41,801,848	\$ 11,312,420
--	--	558,375	--
208,611	--	776,401	--
--	572	1,127,445	--
--	--	880,398	--
--	--	739,673	--
<u>8,330,677</u>	<u>241,280</u>	<u>45,884,140</u>	<u>11,312,420</u>
--	--	12,713,502	--
--	364,646	8,089,889	--
8,180,934	20,365	13,219,518	11,506,496
1,349	18,861	506,249	--
--	86,634	1,639,270	--
--	--	902,173	--
187,224	54	664,354	--
1,418	82,076	4,194,260	--
--	--	137,903	--
<u>8,370,925</u>	<u>572,636</u>	<u>42,067,118</u>	<u>11,506,496</u>
<u>(40,248)</u>	<u>(331,356)</u>	<u>3,817,022</u>	<u>(194,076)</u>
2,694	--	59,228	5,376
--	(1,591)	(983,381)	--
--	--	81,112	--
--	--	5,000	--
<u>2,694</u>	<u>(1,591)</u>	<u>(838,041)</u>	<u>5,376</u>
<u>(37,554)</u>	<u>(332,947)</u>	<u>2,978,981</u>	<u>(188,700)</u>
--	--	1,335,570	--
--	6,865	1,785,306	--
--	--	(3,900,000)	--
--	6,865	(779,124)	--
<u>(37,554)</u>	<u>(326,082)</u>	<u>2,199,857</u>	<u>(188,700)</u>
818,418	1,631,889	99,536,736	403,209
<u>\$ 780,864</u>	<u>\$ 1,305,807</u>	<u>\$ 101,736,593</u>	<u>\$ 214,509</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas	Water and	Storm Water
	System	Sewer System	Drainage
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 18,688,642	\$ 16,055,988	\$ 2,475,366
Cash paid to suppliers for goods and services and claims paid	(13,786,081)	(6,108,456)	(582,364)
Cash received from other funds for goods and services	--	--	--
Cash received from miscellaneous services	--	--	--
Cash received for claims reimbursement	--	--	--
Cash paid to employees for services	(1,896,129)	(4,480,510)	(1,191,603)
Net cash provided (used) by operating activities	<u>3,006,432</u>	<u>5,467,022</u>	<u>701,399</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in (out)	(2,200,000)	78,441	--
Cash overdraft	--	--	--
Due from (to) other funds, net	--	--	--
Net cash provided (used) by noncapital financing activities	<u>(2,200,000)</u>	<u>78,441</u>	<u>--</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payments:			
Bonds, notes, and loans payable	(15,677)	(1,325,528)	--
Capital leases	(225,000)	--	--
Acquisition and construction of capital assets	(426,949)	(3,763,120)	(1,072,451)
Capital contributions - developers	--	689,486	646,084
Interest and fees paid on revenue bonds payable and notes payable	--	(997,906)	--
Proceeds from sale of capital assets	--	5,000	--
Net cash used for capital and related financing activities	<u>(667,626)</u>	<u>(5,392,068)</u>	<u>(426,367)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from investment	--	171	--
Interest income on investments	31,264	25,270	--
Rental income	--	81,112	--
Net cash provided by investing activities	<u>31,264</u>	<u>106,553</u>	<u>--</u>
NET INCREASE (DECREASE) IN CASH	170,070	259,948	275,032
CASH, beginning	<u>13,332,881</u>	<u>11,644,511</u>	<u>1,584,843</u>
CASH, ending	<u>\$ 13,502,951</u>	<u>\$ 11,904,459</u>	<u>\$ 1,859,875</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Major	Nonmajor		
Sanitation System	International City Golf Course	Total	Internal Service Funds
\$ 7,956,280	\$ 240,736	\$ 45,417,012	\$ 627,044
--	(116,285)	(20,593,186)	(10,474,008)
--	--	--	10,685,376
--	572	572	--
--	--	--	105,030
(8,189,746)	(320,972)	(16,078,960)	--
(233,466)	(195,949)	8,745,438	943,442
--	6,865	(2,114,694)	--
--	204,063	204,063	--
--	--	--	(538,820)
--	210,928	(1,910,631)	(538,820)
--	--	(1,341,205)	--
--	(34,275)	(259,275)	--
--	(6,865)	(5,269,385)	--
--	--	1,335,570	--
--	(1,592)	(999,498)	--
--	--	5,000	--
--	(42,732)	(6,528,793)	--
--	--	171	--
2,694	--	59,228	5,376
--	--	81,112	--
2,694	--	140,511	5,376
(230,772)	(27,753)	446,525	409,998
656,528	27,753	27,246,516	1,235,499
\$ 425,756	\$ --	\$ 27,693,041	\$ 1,645,497

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET:			
Cash, beginning:			
Current	11,869,572	10,062,892	\$ 1,584,843
Restricted	1,463,309	1,581,619	--
Total	<u>13,332,881</u>	<u>11,644,511</u>	<u>1,584,843</u>
Net increase (decrease):			
Current	(165,764)	813,111	275,032
Restricted	335,834	(553,163)	--
Total	<u>170,070</u>	<u>259,948</u>	<u>275,032</u>
Cash, ending:			
Current	11,703,808	10,876,003	1,859,875
Restricted	1,799,143	1,028,456	--
Total	<u>\$ 13,502,951</u>	<u>\$ 11,904,459</u>	<u>\$ 1,859,875</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ 1,900,571</u>	<u>\$ 2,087,948</u>	<u>\$ 200,107</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	374,809	3,135,556	600,401
Decrease (increase) in assets and deferred outflows:			
Accounts receivable	76,806	(133,989)	(66,690)
Due from other governments	--	15,269	--
Due from other funds	176,829	272,137	--
Inventory	--	(48,094)	--
Prepaid items	(289)	--	--
Deferred outflows	(193,379)	(325,734)	(98,595)
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable	112,665	52,072	(38,844)
Accrued expenses	277,516	--	--
Due to other funds	44,527	--	7,913
OPEB liability	48,296	132,002	30,121
Compensated absences payable	--	10,051	6,568
Pension liability	250,246	374,496	92,119
Deferred inflows	(62,165)	(104,692)	(31,701)
Total adjustments	<u>1,105,861</u>	<u>3,379,074</u>	<u>501,292</u>
Net cash provided (used) by operating activities	<u>\$ 3,006,432</u>	<u>\$ 5,467,022</u>	<u>\$ 701,399</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Major	Nonmajor		
Sanitation	International City		Internal Service
System	Golf Course	Total	Funds
\$ 656,528	\$ 27,753	\$ 24,201,588	\$ 1,235,499
--	--	3,044,928	--
<u>656,528</u>	<u>27,753</u>	<u>27,246,516</u>	<u>1,235,499</u>
(230,772)	(27,753)	663,854	409,998
--	--	(217,329)	--
<u>(230,772)</u>	<u>(27,753)</u>	<u>446,525</u>	<u>409,998</u>
425,756	--	24,865,442	1,645,497
--	--	2,827,599	--
<u>\$ 425,756</u>	<u>\$ --</u>	<u>\$ 27,693,041</u>	<u>\$ 1,645,497</u>
<u>\$ (40,248)</u>	<u>\$ (331,356)</u>	<u>\$ 3,817,022</u>	<u>\$ (194,076)</u>
1,418	82,076	4,194,260	--
(187,173)	82	(310,964)	--
--	--	15,269	--
--	5,779	454,745	--
--	--	(48,094)	--
--	--	(289)	3,443
--	(27,776)	(645,484)	--
(42,526)	9,267	92,634	1,134,075
--	--	277,516	--
35,063	--	87,503	--
--	14,699	225,118	--
--	(4,892)	11,727	--
--	64,986	781,847	--
--	(8,814)	(207,372)	--
<u>(193,218)</u>	<u>135,407</u>	<u>4,928,416</u>	<u>1,137,518</u>
<u>\$ (233,466)</u>	<u>\$ (195,949)</u>	<u>\$ 8,745,438</u>	<u>\$ 943,442</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The City of Warner Robins (City) adopted a Home Rule Charter on March 5, 1943. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety, streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles in the United States of America (GAAP) as applicable to governments, including all relevant Government Accounting Standards Board (GASB) pronouncements. Business type funds apply Financial Accounting Standards Board (FASB) pronouncements, unless those pronouncements conflict with or contradict GASB pronouncements in which case GASB is applied. Other significant accounting principles and practices are discussed in the relevant sections of these Notes.

B. REPORTING ENTITY

The City is a municipal corporation governed by an elected mayor and a six-member council. As required by generally accepted accounting principles, these financial statements present the government entities for which the City is considered to be financially accountable. The basic criterion for including a component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete; as discussed in GASB Statement No. 14, *The Financial Reporting Entity*.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. Because of the closeness of their relationship with the primary government (the City), some component units are blended as though they are part of the primary government; however GASB suggests that most component units should be discretely presented. The City is allowed to use one or more columns to present the discretely presented component units which are governmental or proprietary in nature because of the differences of measurement focus and basis of accounting.

1. Discretely Presented Component Units

The Downtown Development Authority of the City of Warner Robins (DDA)

The Downtown Development Authority of The City of Warner Robins, Georgia's purpose is to promote trade, commerce, industry, and employment within the City. The DDA is a legally separate entity for which the City is financially accountable and is reported as a discretely presented component unit. The Mayor and Council of the City of Warner Robins appoint its Board of Directors. The DDA does not issue separate financial statements.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. REPORTING ENTITY (CONTINUED)

2. Blended Component Units

The Warner Robins Building Authority (WRBA)-International City Golf Course

Although legally a separate entity, the WRBA is appropriately blended as a proprietary fund type/Enterprise Fund. The City transfers funds for operation of the golf course as needed.

The Warner Robins Redevelopment Agency (WRRRA)

Although legally a separate entity, the WRRRA is appropriately blended as a special revenue fund type. The Mayor and Council of the City of Warner Robins appoint its Board of Directors.

The Warner Robins Public Facilities Authority (WRPFA)

Although legally a separate entity, the WRPFA is appropriately blended as a part of the Water & Sewer System proprietary fund type/Enterprise Fund. The Mayor and Council of the City of Warner Robins serve as its governing board.

The above blended component units do not prepare separately issued financial statements. However, combining information for the WRPFA with the Water and Sewer Fund is shown as notes to the financial statements. See Note IV G. for additional information.

3. Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or an ongoing financial responsibility. The City participates in the following joint ventures:

Jointly Owned Natural Gas (JONG)

The JONG operates a natural gas transmission line for the benefit of its member cities. The City owns a 40.16% interest and appoints one member to its board. Additional information is located at Note IV F.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. REPORTING ENTITY (CONTINUED)

Middle Georgia Regional Commission (MGRC)

The City is a member of the Middle Georgia Regional Commission. The MGRC does various planning and consulting work for its members. During its year ended June 30, 2016, the City paid \$137,184 in such dues. Membership in a Regional Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Regional Commissions of Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission.

Financial statements for each of the individual joint ventures may be obtained at the administrative offices of each of the activities.

4. Related Organization

Warner Robins Housing Authority (WRHA)

The Warner Robins Housing Authority is a related organization which has not been included in the reporting entity. Although the City appoints the Governing Board, it does not exercise the other prerequisites for inclusion as a component unit. The WRHA operates under various Federal housing programs to provide low income housing units. The City has no accountability or obligation for the WRHA beyond making these appointments.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (consisting of the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City (the primary government) and its component units. In all material respects, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the City is reported separately from certain legally separate component units for which the City is financially accountable.

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 or segment. The City has elected not to allocate indirect cost amounts to the programs, functions and segments.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported 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. The City has no fiduciary funds.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including accrued interest on general long-term debt, is recognized when due, and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the requirements for accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION
(CONTINUED)**

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services; operating expenses 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 nonoperating revenues and expenses.

The City reports the following major governmental funds:

The *General Fund* is the City'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 *Special Purpose Local Option Sales Tax (SPLOST) 2012 Capital Projects Fund* accounts for 1% sales tax proceeds required to be used for capital outlay for enhancement and rehabilitation purposes as authorized by local referendum.

The City reports the following major proprietary funds:

Natural Gas System Fund: The Natural Gas System Fund accounts for the operation of the City's natural gas system for residents and businesses in the City and contiguous area in Houston County.

Water and Sewer System Fund: The Water and Sewer System Fund accounts for the operations of the City's potable water and wastewater services to residents and businesses in the City and contiguous area in Houston County and Peach County.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION
(CONTINUED)**

Storm Water Drainage Fund: The Storm Water Drainage Fund accounts for the operation of the City's storm water drainage system for residents and businesses in the City and contiguous area in Houston County.

Sanitation System Fund: The Sanitation System Fund accounts for the operation of the City's sanitation services to residents and businesses in the City.

The City also reports the following fund type:

Internal Service Funds: Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City or to other government units on a cost reimbursement basis.

E. BUDGETS

The City follows certain accounting principles for general fund budgetary reporting purposes that differ from GAAP, the most significant of which are encumbrances being treated as expenditures and appropriations of prior year fund balances being treated as revenue for budgetary purposes, and interfund and interdepartmental transfers under accounting principles generally accepted in the United States of America being treated as revenues and/or expenditures for budgetary reporting purposes. In addition, the City's budgetary reporting for insurance claims, compensated absences, and investment income is done in accordance with the cash basis method of accounting, as opposed to the modified accrual method required by accounting principles generally accepted in the United States of America. Also, capital leases are not budgeted.

Budgets for the general fund, special revenues and enterprise funds are formally adopted each year through the passage of an appropriation resolve. Unencumbered appropriations lapse at fiscal year end. Project length financial plans are legally adopted for all capital projects funds.

Encumbrances represent commitments related to underperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in governmental funds. Encumbrances outstanding at year-end are reported as commitments of fund balances and do not constitute expenditures or liabilities because goods and services have not been received in the current year. However, for budgetary purposes, encumbrances are treated as expenditures.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY

1. ***Cash and Cash Equivalents*** - The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are carried at cost, which approximates market value.

OCGA Section 36-83-4 provides authorization to the City to invest in obligations of the State of Georgia, the United States government, instruments insured or guaranteed by the United States government, a United States government agency, corporate entities of the United States government, prime bankers' acceptances, local government pools, repurchase agreements and other political subdivisions of the state of Georgia.

OCGA Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by guarantee of insurance or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance. OCGA 45-8-11(b) provides an officer holding public funds may, in his discretion, waive the requirement for security in the case of operating funds placed in the demand deposit checking accounts. The City has no custodial credit risk policy that would require additional collateral requirements.

The City invests in "Georgia Fund 1", created by OCGA 36-83-8. Georgia Fund 1 is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. Georgia Fund 1 is not registered with the SEC as an investment company. The regulatory oversight for the pool is the Office of State Treasurer. 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 City's position in Georgia Fund 1 is the same as the value of the pool shares. Net asset value is calculated weekly to ensure stability. Georgia Fund 1 distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Investment policies for Georgia Fund 1 are established by the State Depository Board and investments may include certificates of deposit; prime banker's acceptances; repurchase agreements; insured or guaranteed obligations of the United States government and its agencies; obligations of any states; and obligations of political subdivisions of the State of Georgia. State law allows the City to invest in these same instruments.

The City also invests in the Georgia Extended Asset Pool (GEAP) which was established as a second investment option for municipalities with longer-term investment needs. GEAP invests its assets in U.S. treasury bills, U.S. treasury notes, securities issued by federal agencies and instrumentalities, banker's acceptances, and repurchase agreements with highly rated counterparties. The maximum final maturity of any security purchased by the GEAP is limited to five years. The regulatory oversight for GEAP is the Office of State Treasurer. The primary objective of GEAP is the prudent management of public funds on behalf of state and local governments. GEAP was designed for those investors seeking an income higher than money market rates and willing to accept price fluctuations. GEAP's credit quality is excellent and carries Standard and Poor's highest credit rating of AA Af. The fund is marked-to-market daily to maintain an accurate net asset value. Minimum investment is \$1,000,000, and GEAP operates in a manner consistent with Georgia Fund 1.

The fair value of all other investments was calculated using quoted market prices because these prices have been determined to be the most reliable and verifiable and are the most understood by investors, creditors and other users of financial information.

The City's use of daily sweeps of zero balance accounts allows the City portfolio to be fully invested at all times.

In accordance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds*, each fund's equity in the City's investment pool is considered to be a cash equivalent since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

2. **Receivables** - Property taxes are levied on property as of January 1st of each year. The City billed property owners on October 22, and taxes were due on December 22. The tax levy was set on September 21, 2015. Property taxes are delinquent after January 1st and are subject to penalties and interest. Measurable but unavailable taxes as of the end of year are accounted for as unearned revenue, and while delinquent taxes are considered fully collectible, an allowance has been made for uncollectible taxes resulting from errors and omissions. The City considers property tax revenues available if they are collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities in the current period.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Utility service accounts receivable reported in the enterprise funds is reported net of an allowance for uncollectible amounts. The uncollectible amounts are based on collection experience and a review of the status of existing receivables.

All balances reported as "due to/due from other funds" represents amounts paid by one fund on behalf of another fund for which reimbursement has not been made by year end.

Municipal Court Fines are recognized as revenue when the case has been settled by the judge. Penalties, certain fees and other miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received.

3. ***Inventories and Prepaid Items*** - Inventory of expendable supplies is valued at cost (first-in, first-out). The inventory is comprised of parts and material as well as consumable supplies for all departments of the City. They are charged to each department on a consumed basis. Certain payments which reflect costs applicable to future accounting periods are recorded as prepaid items.
4. ***Restricted Assets*** - These assets included the debt service, debt service reserves, renewal and extension, construction, and customer deposit funds. The debt service and debt service reserve funds were maintained in compliance with their respective bond resolutions. Expenditures from the construction funds require written approval of the City's consulting engineers. Details of the transactions are presented on the various pages as indicated in the table of contents of this report. Interest earned on the investments is included in each of their respective funds.
5. ***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 City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two 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 costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No portion of interest expense was capitalized during the current year.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the assets' estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-50
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-10

Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets (i.e., roads, bridges, tunnels).

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

6. **Unearned Revenue** - Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.
7. **Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The City has one item that qualifies for reporting as a deferred outflow this year relating to its retirement benefits.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Contributions made to the pension plan after the plan's measurement date but before the City's fiscal year end are deferred into the subsequent year and represent one component of deferred outflows related to pensions. Two additional components related to pensions are the difference between expected and actual experience and the net difference between projected and actual earnings on pension plan investments. See Note IV. E for additional information on deferred outflows related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenues) until that time. The City only has two separate deferred inflows. One is made up of two components this year relating to its retirement benefits. This deferred inflow is the summation of investment differences and assumption changes within the plan. See Note IV. E for additional information on deferred inflows related to pensions.

The other deferred inflow, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- 8. *Compensated Absences*** - The vacation policy of the City provides for the accumulation of up to 240 hours (360 hours for certain public safety officers) of earned vacation leave which may be carried forward from one year to the next. Such leave is fully vested when earned. For the governmental funds, the liability is not recorded since vacation leave is not expected to be materially liquidated with expendable available financial resources. For the government-wide and enterprise fund, the liability is recorded in each fund's financial statements.

The City's sick leave policy provides for the accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the City has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made. Accumulated leave of governmental funds that is expected to be liquidated with expendable available financial resources is reported as expenditures in the fund financial statements. All accumulated leave, including that which is not expected to be liquidated with expendable available financial resources, is reported in the government-wide financial statements. Accumulated leave of Enterprise Funds is recorded as an expense and liability of the respective fund as the benefits accrue to employees. Liabilities for compensated absences are recorded as other liabilities and accrued expenses in the Enterprise Funds. In accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

- 9. *Long Term Obligations*** - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

- 11. *Fund Equity, Fund Balance and Net Position*** – Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. As of June 30, 2016, the classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified inventories and prepaid items as being nonspendable because they are assets that are not in a spendable form.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified forfeitures as being restricted because their use is restricted by State Statute for police investigative expenditures.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

12. *Net Position* - The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net Investment in Capital Assets** - is intended to reflect the portion of net position which is associated with non-liquid capital assets less outstanding capital asset related debt.
- **Restricted Net Position** - represent funds for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.
- **Unrestricted Net Position** - represent unrestricted liquid assets. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted authority to revisit or alter these managerial decisions.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

13. *Bond Issuance Costs* - In both governmental and business fund types, issuance costs are recognized in the current period as an outflow of resources.

14. *Unbilled Service Receivables* - Unbilled service receivables have been accrued at year-end. This accounting is consistent with prior years.

15. *Interfund Transactions* - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions are reported as transfers.

16. *Allowance for Uncollectible Accounts* - Allowances for uncollectible accounts are maintained for all types of receivables which have historically experience uncollectible accounts.

17. *Allowance for Uncollectible Loans* - Allowances for uncollectible loans are established when City management determines its ability to collect the outstanding loan balance has been impaired. Loans are reviewed on an annual basis to evaluate collectability. Primary considerations in this are management's evaluation of the fair value of the collateral, if any (net of any outstanding superior debt), the current level of delinquency for real estate-based loans, and business and economic conditions.

18. *Use of Estimates* - Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City has adopted the following procedures in establishing the budgetary data reflected in the financial statements.

- (1.) In accordance with the City Charter, six weeks prior to the start of the City's year, the Mayor submits to the City Council a proposed operating budget for the upcoming year. The operating budget includes proposed expenditures and means of financing them for the upcoming year.
- (2.) Public hearings are conducted at City Hall to obtain taxpayer comment.
- (3.) Prior to the first day of the new year, the budget is legally enacted through passage of an ordinance for the General Fund, each Special Revenue Fund and for all Enterprise Funds except for the Building Authority of Warner Robins and the Development Authority of Warner Robins.
- (4.) Budgetary control is legally maintained at the expenditures level for each department and formal budgetary integration is employed as a management control device during the year.
- (5.) Budgets are prepared using the modified accrual basis of accounting with encumbrances included as budgetary basis expenditures.
- (6.) The City Clerk or Chief Financial Officer is authorized to transfer budgeted amounts between departments, programs or functions, or increase expenditures resulting from revenues exceeding amounts estimated upon the approval of Mayor and Council.
- (7.) The Capital Projects Fund utilizes project length budgets.
- (8.) Unencumbered appropriations lapse at the end of each year.
- (9.) The City Council may authorize supplemental appropriations during the year. During the year several supplemental appropriations were necessary.
- (10.) There were no material violations of finance-related legal or contractual provisions in connection with the basic financial statements and to other governmental funds for which annual budgets are required.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

B. BUDGET/APPROPRIATED-GOVERNMENTAL FUND TYPES RECONCILIATION

The following schedule reconciles the original budget including prior year encumbrances to the final budget including appropriations for the General Fund.

	<u>General Fund</u>
Original adopted budget	\$ 38,063,523
Prior year encumbrances carry forward	1,545,115
Legally adopted budget amendments	<u>2,150,685</u>
Final revised budget	<u>\$ 41,759,323</u>

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

In the City's General Fund there were no actual expenditures in excess of its budgeted appropriations during fiscal year 2016.

D. DEFICIT FUND EQUITY

At June 30, 2016, the Group Health Insurance Fund, an internal service fund, has a deficit fund balance of \$812,673.

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

III. DETAIL NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

A summary of the City's deposits and investments at June 30, 2016 follows:

Account Balances	
Petty cash	\$ 5,211
Demand deposits	12,835,860
Investments, including cash equivalents of \$52,335,596	52,335,768
	\$ 65,176,839
Ownership of Funds	
<u>Primary Government:</u>	
Governmental funds:	
Cash and cash equivalents	\$ 36,017,157
Proprietary funds:	
Cash and cash equivalents, net of cash overdraft of \$204,063	24,661,379
Restricted cash and cash equivalents	2,827,599
Investments	172
Internal service funds:	
Cash and cash equivalents	1,645,497
Total primary government	65,151,804
<u>Discretely Presented Component Unit</u>	
Downtown Development Authority	25,035
Total component unit	25,035
Total Government	\$ 65,176,839

As of June 30, 2016, the City had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1 (investment pool)	less than 60 day average	\$ 49,141,539
GEAP (investment pool)	less than 60 day average	3,194,057
U.S. Government Securities	January 20, 2018	172
		\$ 52,335,768

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

III. DETAIL NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS (CONTINUED)

The City's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the City's custodial banks in the City's name.

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

Credit Risk is the risk an issuer or counterparty to an investment will not fulfill its obligations. The City has no investment policy that would further limit its investment choices from those authorized and listed in Note I F 1. As of June 30, 2016, the City's investments in Georgia Fund I and GEAP were rated AAA by Standard and Poor's.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer. The Georgia Fund I and GEAP investment pools are excluded from concentration of credit risk.

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for a asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that they City has the ability to access.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the asset which are typically based on the City's own assumptions, as there is little, if any, related market activity.

The City has the following recurring financial measurements as of June 30, 2016:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mortgage backed securities	\$ --	\$ 172	\$ --	\$ 172
Total	<u>\$ --</u>	<u>\$ 172</u>	<u>\$ --</u>	<u>\$ 172</u>

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

III. DETAIL NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS (CONTINUED)

WATER AND SEWER FUND

First Securities is holding a \$100,000, 8% GNMA II Mortgage. The interest and a portion of the principal is paid to the City monthly. Interest is recorded on the City's accounts. The City's investment at June 30, 2016 was \$172.

REAL ESTATE (HELD FOR INVESTMENT AND/OR RESALE):

The Community Development Fund holds property which it has acquired in the execution of its program requirements. Part of this property consists of residential dwellings which are being rented at low rates to qualified applicants with the balance of the property in open land held for resale. These properties are valued at cost. As of June 30, 2016, real estate held for investment and/or resale in the Community Development Fund was \$83,650.

The Redevelopment Agency Fund holds property which it purchased from the federal government. This property consists of land in close proximity to City Hall which has been subdivided into lots and is being held for resale. These properties are valued at cost. As of June 30, 2016, real estate held for investment and/or resale in the Redevelopment Agency Fund was \$1,213,830.

B. RECEIVABLES

The following is a summary of the receivables for each fund:

Major Governmental Fund -	
General Fund:	
Property taxes (net)	\$ 392,988
Business licenses (net)	49,440
Other	<u>116,163</u>
Total Major Governmental Fund	<u>558,591</u>
Non-Major Governmental Fund -	
Accounts receivable (net)	<u>622,254</u>
Total Governmental Fund	<u>\$ 1,180,845</u>
Major Proprietary Funds -	
Accounts receivable (net)- Gas, Water, Storm Water and Sanitation Funds	<u>4,939,828</u>
Total Business type Funds	<u>\$ 4,939,828</u>

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

III. DETAIL NOTES ON ALL FUNDS

B. RECEIVABLES

The following is a brief description of the receivable amounts:

Major Governmental Fund-General Fund:

Unpaid property taxes for all years totaled \$441,409 at June 30, 2016, of which \$48,421 are estimated uncollectible.

Unpaid business licenses for the year ended June 30, 2016 totaled \$67,156 of which \$17,716 are estimated uncollectible.

The remaining General Fund accounts receivables were due from charges to certain organizations for costs associated with the use of City property. All of these receivable amounts were recorded as revenue or were used to offset the associated expense during the year.

Non-Major Governmental Fund-Special Revenue Fund:

Direct loans were made from the revolving rehabilitation account. These loans are made to qualified residents under provisions of the grants. The City had various notes receivable due from sales of lots or houses on an installment basis.

Major and Non-Major Proprietary Funds:

Accounts receivable represented amounts owed to the Utility Department by its gas, water and sanitation customers for user charges. After accounts become three months past due, they are written off and turned over to the Credit Bureau for collection. Subsequent collections by the Credit Bureau, less their fee, are recorded as recovery of bad debts on the income statement. The estimated uncollectible amount of these accounts at June 30, 2016 was \$394,031.

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables whereby the funds were used to purchase land for development and are not expected be repaid within one year and are classified as non-current are as follows:

	<u>Receivable</u>	<u>Payable</u>
Natural Gas System	\$ 44,178	\$ --
Redevelopment Agency	--	44,178
Total	<u>\$ 44,178</u>	<u>\$ 44,178</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

III. DETAIL NOTES ON ALL FUNDS

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund receivables and payables were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General-	Tourist Allocation Board	\$ 5,521
Total General		<u>5,521</u>
Water and Sewer-	Sanitation	35,063
	Natural Gas	44,527
	Stormwater Drainage	7,913
Total Water and Sewer		<u>87,503</u>
Internal Service Funds-		
Group Health	General Fund	<u>25,375</u>
Total Interl Service Funds		<u>25,375</u>
Total		<u>\$ 118,399</u>

Interfund receivables and payables result from timing issues between funds from payroll and providing operating funds. These amounts are considered short-term loans between funds and are expected to be repaid within one year.

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

III. DETAIL NOTES ON ALL FUNDS

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers were as follows:

Transfers To	Transfers From	Amount
Major Governmental Funds:		
General	Tourism Allocation Board	\$ 587,588
	Natural Gas	2,200,000
	Water and Sewer	1,700,000
	Redevelopment Agency	243,453
Total Major Governmental Funds		4,731,041
Non-major Governmental Funds:		
Redevelopment Agency	Motor Vehicle Rental Tax	178,840
Bureau of Civic Affairs	Tourism Allocation Board	470,070
Parks & Recreation	Tourism Allocation Board	117,518
Bureau of Civic Affairs	General Fund	78,914
Visitor's Center	Tourism Allocation Board	352,553
Total Non-major Governmental Funds		1,197,895
Major Proprietary Fund:		
Water and Sewer:	SPLOST 2012	923,687
	SPLOST 2006	854,754
Total Major Proprietary Funds		1,778,441
Non-major Proprietary Funds:		
International City Golf Course	SPLOST 2012	6,865
Total		\$ 7,714,242

The above listed transfers represent the total transfers to/from other funds at June 30, 2016 and were used for the purpose of supplementing the various fund sources as well as complete budgeted capital projects. Interfund transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type group.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

III. DETAIL NOTES ON ALL FUNDS

D. DUE TO/FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2016, have been included in revenues of the various funds as follows:

Major Governmental Fund - General Fund	
Federal Government-	
Department of Justice	\$ 5,498
State of Georgia -	
Department of Transportation	34,805
Houston County -	
Motor vehicle, mobile home and intangible taxes	635,740
Jointly Owned Transmission Lines-	
Reimbursable expenses	<u>81,805</u>
Total General Fund	<u>757,848</u>
 Major Governmental Fund - SPLOST 2012	
Houston County -	
Special Local Option Sales Tax	<u>1,033,535</u>
Total Major Governmental Funds	<u>1,791,383</u>
 Non-Major Governmental Fund	
Federal Government	<u>107,613</u>
Total Non-Major Governmental Fund	<u>107,613</u>
 Total Governmental Funds	<u>\$ 1,898,996</u>
 Business-Type Funds -	
Water and Sewer System -	
City of Centerville - Wastewater Treatment Fees	<u>\$ 36,402</u>
Total Business-Type Funds	<u>\$ 36,402</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

III. DETAIL NOTES ON ALL FUNDS

E. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 17,555,977	\$ 1,276,236	\$ --	\$ 18,832,213
Construction in progress	11,756,207	2,609,125	(963,119)	13,402,213
Total nondepreciable assets	<u>29,312,184</u>	<u>3,885,361</u>	<u>(963,119)</u>	<u>32,234,426</u>
Depreciable assets:				
Buildings and improvements	18,817,023	1,006,207	--	19,823,230
Machinery and equipment	21,190,569	1,719,508	(114,409)	22,795,668
Infrastructure	157,193,243	2,393,824	--	159,587,067
Total depreciable assets	<u>197,200,835</u>	<u>5,119,539</u>	<u>(114,409)</u>	<u>202,205,965</u>
Less accumulated depreciation				
Buildings and improvements	6,231,066	558,602	--	6,789,668
Machinery and equipment	15,778,477	1,295,574	(114,409)	16,959,642
Infrastructure	64,626,022	3,523,725	--	68,149,747
Total accumulated depreciation	<u>86,635,565</u>	<u>5,377,901</u>	<u>(114,409)</u>	<u>91,899,057</u>
Total depreciable assets, net	<u>110,565,270</u>	<u>(258,362)</u>	<u>--</u>	<u>110,306,908</u>
Governmental activities capital assets, net	<u>\$ 139,877,454</u>	<u>\$ 3,626,999</u>	<u>\$ (963,119)</u>	<u>\$ 142,541,334</u>

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

III. DETAIL NOTES ON ALL FUNDS

E. CAPITAL ASSETS (CONTINUED)

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Nondepreciable assets:				
Land	\$ 2,308,114	\$ 6,300	\$ --	\$ 2,314,414
Construction in progress	31,616,525	963,615	(28,021,597)	4,558,543
Total nondepreciable assets	<u>33,924,639</u>	<u>969,915</u>	<u>(28,021,597)</u>	<u>6,872,957</u>
Depreciable assets:				
Buildings and improvements	706,044	--	--	706,044
Machinery and equipment	9,712,544	239,044	(50,574)	9,901,014
Distribution systems	125,330,574	32,082,022	--	157,412,596
Total depreciable assets	<u>135,749,162</u>	<u>32,321,066</u>	<u>(50,574)</u>	<u>168,019,654</u>
Less accumulated depreciation				
Buildings and improvements	548,342	17,434	--	565,776
Machinery and equipment	8,273,989	410,508	(50,574)	8,633,923
Distribution systems	51,992,037	3,766,318	--	55,758,355
Total accumulated depreciation	<u>60,814,368</u>	<u>4,194,260</u>	<u>(50,574)</u>	<u>64,958,054</u>
Total depreciable assets, net	<u>74,934,794</u>	<u>28,126,806</u>	<u>--</u>	<u>103,061,600</u>
Business-type activities capital assets, net	<u>\$ 108,859,433</u>	<u>\$ 29,096,721</u>	<u>\$(28,021,597)</u>	<u>\$ 109,934,557</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 476,093
Public safety	1,128,065
Recreation	102,482
Public works	3,651,018
City development	20,243
Total depreciation expense-governmental activities	<u>\$ 5,377,901</u>
Business-type Activities:	
Natural Gas System	\$ 374,809
Water and Sewer System	3,135,556
Storm Water Drainage	600,401
Sanitation System	1,418
International City Golf Course	82,076
Total depreciation expense-business-type activities	<u>\$ 4,194,260</u>

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

III. DETAIL NOTES ON ALL FUNDS

F. CONSTRUCTION COMMITMENTS

Construction Commitments. The government has active construction projects outstanding as of June 30, 2016. The projects include street construction and construction of additional water plant facilities. At year end the government's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
<i>Governmental Activities:</i>		
Sports Complex	\$ 624,523	\$ 3,375,477
MLK Jr Boulevard	740,897	(340,897)
Watson/Davis	204,399	133,495
Corder Road	6,344,678	2,525,323
Moody Road	1,430,577	9,018,537
Wall Street	1,229,630	(829,630)
Walker Pond heritage Park/Vet/Vietnam Park	90,859	701,141
Total governmental activities	\$ 10,665,563	\$ 14,583,446
<i>Business-Type Activities:</i>		
Sandy Run Creek WPCP	\$ 29,769,364	\$ (1,263,629)
New Sewer Service Lines	1,875,376	124,624
New Water Service Lines	1,803,974	196,026
Gas Meter Project	643,864	1,856,136
Wastewater Plant #1	82,399	1,237,601
Total business-type activities	\$ 34,174,977	\$ 2,150,758

The Corder Road and Moody Road projects noted above are administered by Houston County Board of Commissioners.

Encumbrances. As discussed in Note II A., Budgetary information, Budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored are as follows:

General Fund	\$ 1,360,981
Capital Projects Fund	4,398,301
Nonmajor Governmental Funds	95,274
Total	\$ 5,854,556

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

III. DETAIL NOTES ON ALL FUNDS

G. LONG TERM OBLIGATIONS:

The following is a summary of changes in non-current liabilities including current portions reported in the Statement of Net Position.

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Revenue bonds	\$ 882,896	\$ --	\$ (882,896)	\$ --	\$ --
Capital leases	1,133,997	--	(437,955)	696,042	444,478
Compensated absences	1,326,016	951,114	(915,503)	1,361,627	190,942
Claims and judgments	99,458	127,627	(99,458)	127,627	127,627
OPEB liability	7,592,379	2,094,146	(949,492)	8,737,033	--
Net pension liability	9,548,337	8,706,435	(3,152,793)	15,101,979	--
Total governmental activities	<u>\$ 20,583,083</u>	<u>\$ 11,879,322</u>	<u>\$ (6,438,097)</u>	<u>\$ 26,024,308</u>	<u>\$ 763,047</u>
Business-Type Activities:					
Revenue bonds	\$ 27,756,473	\$ --	\$ (1,131,592)	\$ 26,624,881	\$ 1,161,598
Notes payable	3,699,900	--	(209,613)	3,490,287	216,331
Capital leases	4,709,518	--	(259,276)	4,450,242	265,301
Compensated absences	204,602	170,053	(158,326)	216,329	32,850
Accrued interest	6,270,067	819,583	(558,184)	6,531,466	539,817
OPEB liability	1,568,377	411,854	(186,736)	1,793,495	--
Net pension liability	1,556,963	1,270,113	(488,266)	2,338,810	--
Total business-type activities	<u>\$ 45,765,900</u>	<u>\$ 2,671,603</u>	<u>\$ (2,991,993)</u>	<u>\$ 45,445,510</u>	<u>\$ 2,215,897</u>
Total long-term liabilities	<u>\$ 66,348,983</u>	<u>\$ 14,550,925</u>	<u>\$ (9,430,090)</u>	<u>\$ 71,469,818</u>	<u>\$ 2,978,944</u>

Claims and judgments are classified as short term debt. For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund. Accrued interest payable in the business-type activities is related to the MGAG capital lease, further explained in the capital leases section of this note. OPEB liability is further explained in Note IV D. The pension liability is explained further in Note IV E.

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

III. DETAIL NOTES ON ALL FUNDS

G. LONG TERM OBLIGATIONS (CONTINUED):

REVENUE BONDS:

Water and Sewer

\$28,220,000-Series 2012 Warner Robins Public Facilities Authority Revenue Bonds (Water And Sewer Projects) due in annual installments of \$579,815 to \$2,010,012 thru July 2032; Interest at .550% to 3.250%. Bonds are pledged by the full faith and credit of the City. Proceeds will be used to finance the acquiring, constructing, equipping, and installing of upgrades to the Sandy Run Creek Wastewater Treatment Plant. Proceeds were also used to repay interest and principal of notes payable to Georgia Environmental Facilities Authority (GEFA).

\$ 25,260,000

The total annual debt service requirements for the water and sewer revenue bonds outstanding at June 30, 2016, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,070,000	\$ 932,562	\$ 2,002,562
2018	1,105,000	899,938	2,004,938
2019	1,135,000	861,337	1,996,337
2020	1,180,000	809,813	1,989,813
2021	1,240,000	749,312	1,989,312
2022-2026	7,145,000	2,813,550	9,958,550
2027-2031	8,550,000	1,413,394	9,963,394
2032-2033	3,835,000	135,363	3,970,363
	<u>\$ 25,260,000</u>	<u>\$ 8,615,269</u>	<u>\$ 33,875,269</u>

Also included in revenue bonds payable presented in the statement of net position are bond premium of \$1,214,638 related to the \$28,220,000 – Series 2012 Revenue Bond to be amortized over the life of the bond, and \$150,243 premium recognized in conjunction with the series 2011 revenue bonds issued by MGAG for distribution lines, to be amortized over the life of the lease. (See Capital Leases below.)

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

III. DETAIL NOTES ON ALL FUNDS

G. LONG TERM OBLIGATIONS (CONTINUED):

NOTES PAYABLE:

Water and Sewer

\$4,777,071 – 2007 GEFA due in monthly installments of \$26,494; interest at 3%. Matures October 1, 2029. Interest capitalized into note - \$188,004. Proceeds used for installation of new water meters to replace all manual read water meters.

\$3,490,287

The total annual debt service requirements for the Water and Sewer Fund outstanding at June 30, 2016, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 216,331	\$ 101,592	\$ 317,923
2018	222,742	95,180	317,922
2019	229,517	88,405	317,922
2020	236,368	81,554	317,922
2021	243,811	74,111	317,922
2022 - 2026	1,334,239	255,372	1,589,611
2027 - 2030	1,007,279	52,497	1,059,776
	<u>\$ 3,490,287</u>	<u>\$ 748,711</u>	<u>\$ 4,238,998</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

III. **DETAIL NOTES ON ALL FUNDS**

G. **LONG TERM OBLIGATIONS (CONTINUED):**

CAPITAL LEASES:

The City's business-type funds entered into various lease-purchase agreements for the purchase of golf carts for the City Golf Course and construction of a natural gas pipe line for the Natural Gas System.

The Government type funds entered into various lease-purchases agreements for the purchase of a copier, various equipment and vehicles, and a fire truck.

The following is a summary of Capital Lease Agreements for Governmental Activities:

Current portion -	
BB&T Fire Truck	\$ 68,235
BB&T Equipment	376,243
	<hr/>
	444,478
	<hr/>
Long-term portion -	
BB&T Fire Truck	93,281
BB&T Equipment	158,283
	<hr/>
	251,564
	<hr/>
Total capital lease	\$ 696,042
	<hr/>

The following is a summary of Capital Lease Agreements for the Business-Type Activities:

Current Portion:	
BB&T - Yamaha golf carts	\$ 35,301
MGAG - Distribution line (payable from restricted assets)	230,000
	<hr/>
	265,301
	<hr/>
Long-term portion:	
MGAG - Distribution line (payable from restricted assets)	4,184,941
	<hr/>
	4,184,941
	<hr/>
	\$ 4,450,242
	<hr/>

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

III. DETAIL NOTES ON ALL FUNDS

G. LONG TERM OBLIGATIONS (CONTINUED):

CAPITAL LEASES:

The assets acquired by the Business-Type Activities are recorded in capital assets in the Enterprise Funds, and the related liabilities, which represent the present value of the lease payments, are recorded in the notes payable section.

Future minimum lease payments under the leases, along with the present value of the minimum lease payments as of June 30, 2016, are as follows:

Year Ending June 30th	General Government	Business-Type
2017	\$ 452,198	\$ 2,159,268
2018	229,847	2,118,800
2019	23,675	2,121,900
2020	--	2,114,700
2021	--	1,867,500
2022-2026	--	2,356,250
Total minimum lease payment	705,720	12,738,418
Less amount representing interest	9,678	8,288,176
Present value of lease payment	\$ 696,042	\$ 4,450,242

Following is an analysis of capital assets leased under capital leases at June 30, 2016:

	General Government	Business-Type
Capital assets	\$ 2,502,814	\$ 5,161,320
Less: Accumulated depreciation	(1,137,401)	(2,469,686)
Carrying value	\$ 1,365,413	\$ 2,691,634

Total depreciation expense for the year ended June 30, 2016 was \$592,179.

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

III. DETAIL NOTES ON ALL FUNDS

H. UNEARNED REVENUE

Unearned revenue at June 30, 2016 were comprised of the following balances:

Governmental Funds:	
Fines collected in advance of verdict	\$ 149,782
Performance bonds	22,145
Houston County - Transportation Planning	15,927
City of Character Program	197
Total major governmental funds	<u>\$ 188,051</u>
Nonmajor Governmental Funds:	
Confiscations in advance of verdict	\$ 175,647
Other	5,000
Total nonmajor governmental funds	<u>\$ 180,647</u>

Fines collected in advance of verdict are deposits of bond fees and fines into a special account under the supervision of the Clerk of the Court. These funds are held in this account until the cases are settled by the judge, at which time the monies due to the City are remitted to the General Fund. Certain Donated Funds are unearned until expenditures for purposes stipulated by the donor are made. Currently these include donations for Houston County Transportation Planning, Recreational Activities, and the Animal Shelter.

I. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources at June 30, 2016, consisted of unavailable revenue, which is presented in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes \$528,076 and fines \$39,351 for a total of \$567,427. Please refer to Note IV E for more detail on the deferred inflows/outflows of resources related to the City pension plan reported on the government-wide statements.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has self-insurance funds for workman's compensation and health care accounted for in its expendable trust funds. The City has joined the Georgia Interlocal Risk Management Agency (GIRMA). This membership allows the City to share liability, crime, motor vehicle, and property damage risks.

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 established 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 Warner Robins 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 select a person to serve as a Member representative.
- To allow GIRMA and its agent's reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.
- To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund or Funds established by GIRMA.
- To assist and cooperate in the defense and settlement of claims against the City.
- To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purposes of GIRMA.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION

A. RISK MANAGEMENT (CONTINUED)

- To furnish to GIRMA such budget, operating and underwriting information as may be requested.
- 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 Warner Robins retains the first \$10,000 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 \$10,000 deductible.

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 property loss, injuries or death on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding or compensation therefore, 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 judgment, and all expenses incurred for investigation, negotiation or defense.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR's). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency of payouts and other economic and social factors. The liability for claims and judgments is not expected to be liquidated with expendable available financial resources.

The City uses its self insurance health and workers compensation funds to account for and finance its self insured risk of loss. It maintains excess insurance coverage for health coverage for claims exceeding \$150,000. It maintains excess insurance coverage for workers compensation for claims that exceed \$500,000 for most employees and \$750,000 for policemen, firemen, and street and road workers. The City uses a third party administrator which performs all claims management and loss prevention activities. They project the ultimate claim payment obligation for each year's claim experience and project the new year's probable loss fund cost.

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

IV. OTHER INFORMATION

A. RISK MANAGEMENT (CONTINUED)

Changes in the balances of claims liability during the last and current fiscal years are as follows:

	<u>Group Health Insurance</u>	<u>Workers Compensation Insurance</u>	<u>Property and Casualty Insurance</u>	<u>Total</u>
Unpaid claims as of June 30, 2015	\$ 378,792	\$ 5,935	\$ 99,458	\$ 484,185
Incurred claims	10,698,343	510,397	127,627	11,336,367
Payments	(9,562,317)	(496,568)	(99,458)	(10,158,343)
Unpaid claims as of June 30, 2016	<u>\$ 1,514,818</u>	<u>\$ 19,764</u>	<u>\$ 127,627</u>	<u>\$ 1,662,209</u>

The City participates with the State of Georgia Department of Labor (DOL) for unemployment claims under the reimbursable method in accordance with OCGA Section 34-8-159. The benefits are determined by DOL based on claimant's wages. The City must reimburse the DOL for the actual benefits paid to the employee.

B. LEGAL AND CONTRACTUAL MATTERS AND CONTINGENT LIABILITIES

LITIGATION:

During the course of normal operations of the City, various claims and lawsuits arise. A brief summary of these items follows:

The City's insurance companies and self-insurance pool are providing the defense for several lawsuits and legal counsel has advised that the likelihood of an unfavorable outcome on any of them is remote at the present time. The total claims for damages, should they prove successful against the City, are within the appropriate coverage carried at June 30, 2016.

There are other cases pending against the City, unasserted claims and assessments, and numerous "small claims". In the opinion of the City's management, the monetary effect of these matters is not considered material at this time.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION

C. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

The Small Business Job Protection Act of 1996 made certain changes to Section 457 plans increasing the protection for participant's investments. Under this Act, Section 457 plan assets will be held in a trust, custodial account, or annuity contract to protect participant assets from creditors.

D. OTHER POST EMPLOYMENT BENEFITS

The City of Warner Robins provides post employment health care benefit as a participating member in the Georgia Municipal Employees Benefit System (GMEBS), a defined benefit health care plan, which is an other post employment benefit (OPEB) plan, and is a service of Georgia Municipal Association (GMA). GMEBS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipalities in Georgia.

Plan Description and Funding Policy – The City Council authorizes participation in the OPEB and sets the contribution rates, benefits, funding policy and maintains the authority to change the policy. Coverage under the Plan includes medical, prescription drug, dental benefits and life insurance for retirees. Dependent coverage benefits are payable to a spouse only while the retiree is alive and less than 65, except for dependent life which is provided for life. Eligibility requirement for retired employee are retired on or after 60 (or 55 if public safety officer with at least 25 years of service) or disabled and entitled to social security disability payments.

The Plan's assets may be used only for payment of benefits to members of the Plan, in accordance with terms of the Plan. The funding policy for the Plan is for the City to contribute an amount equal to the benefit and administrative costs paid on behalf of retirees and their dependents (i.e. pay as you go basis). The Plan is noncontributory, with no contributions being required by the Plan members.

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

IV. OTHER INFORMATION

D. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

A copy of the plan's financial report may be obtained from: City Clerk's Office, City of Warner Robins, 202 N. Davis Dr., PMB 718, Warner Robins, GA 31093.

Three Year Trend Information –

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage Contributed</u>	<u>OPEB Obligation</u>
2014	\$ 2,141,000	37.1%	\$ 8,074,507
2015	2,141,000	49.3%	9,160,756
2016	2,506,000	45.3%	10,530,528

Plan Funded Status –

The City's funding status based upon the most recent actuarial valuation follows:

Schedule of Funding Progress

<u>Measurement Date</u>	<u>(1) Actuarial Value of Assets</u>	<u>(2) Actuarial Accrued Liability (AAL)</u>	<u>(3) Funded Ratio (1)/(2)</u>	<u>(4) Unfunded AAL/(UAAL) (2)-(1)</u>	<u>(5) Annual Covered Payroll</u>	<u>(6) UAAL as a Percentage of Covered Payroll</u>
7/1/2015	\$ -	\$ 22,779,000	0.0%	\$ 22,779,000	\$ 21,237,792	107.3%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

IV. **OTHER INFORMATION**

D. **OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

Annual OPEB Cost and Net OPEB Obligation – The following table includes the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the City’s net OPEB obligation:

Normal cost	\$ 1,194,000
Interest	366,000
Amortization of unfunded actuarial accrued liability(UAAL)	1,409,000
Adjustment for timing	<u>(463,000)</u>
Annual required contribution (ARC)	2,506,000
Contribution made	<u>1,136,228</u>
Increase in net OPEB obligation	1,369,772
Net OPEB obligation, beginning of year	<u>9,160,756</u>
Net OPEB obligation, end of year	<u>\$ 10,530,528</u>

The percentage of OPEB cost contributed for the year ended June 30, 2016 was 45.3%.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

IV. OTHER INFORMATION

D. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

The City's actuarial valuation information is as follows:

Valuation date	July 1, 2015
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed, 30 years
Remaining amortization period	23 years as of June 30, 2016
Asset valuation method	Market value
Actuarial assumption:	
Investment rate of return	4.00% pay as you go
Inflation rate	3.50%
Medical and drug cost trend rate	8.00% graded to 4.50% at an annual reduction in rate of .5%
Dental cost trend rate	5.00%
Vision cost trend rate	5.00%
Plan membership:	
Actives (fully eligible)	77
Actives (not fully eligible)	466
Retirees*	177
Total	<u>720</u>
Total unfunded actuarial accrued liability	\$ 22,779,000

* 61 retirees are covered in the medical plan. The remaining 116 have life insurance only.

The City provides post employment benefit options for health care, disability income, and life insurance to eligible retirees, terminated employees, and their dependents in accordance with City ordinances and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION

D. OTHER POST EMPLOYEMENT BENEFITS (CONTINUED)

The criteria to determine eligibility includes years of service, employee age, disability due to line of duty, and whether the employee is vested in a respective retirement plan. The City funds benefits on a pay-as-you-go basis except for health care benefits, which the City offers to former employees based on the requirements under Federal guidelines. Contributions to the plan by employees are established by the plan administrator.

At June 30, 2016, the City has 10 participants eligible to receive benefits with a related cost to the City of \$248,518.

E. PENSION PLAN

PLAN DESCRIPTION, CONTRIBUTION INFORMATION, AND FUNDING POLICIES:

The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as an investment and administrative agent for cities and municipalities in Georgia. The City has the right to establish and amend the benefit provisions of the plan. These amendments become effective once approved by the Board of Trustees of GMEBS. The plan is a defined benefit plan.

All full-time employees of the City (30 hours per week) were eligible to participate in GMEBS after one (1) year of service through December 31, 2015. Effective January 1, 2016, the plan was amended to provide for immediate participation for employees. Benefits fully vest after ten (10) years of service. Employees who retire at or after age sixty (60) with five (5) years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 percent of the average of their highest five consecutive yearly earnings for each year of credited service. Employees who retire after age 55 with ten (10) years of credited service are entitled to a reduced benefit calculated similarly, but with a reduction factor applied based on their age. The system also provides death and disability benefits. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Employees Benefit System, 201 Pryor Street-SW, Atlanta, Georgia 30303.

Current City membership in the GMEBS is comprised of the following:

Inactive employees or beneficiaries currently receiving benefits	278
Inactive employees entitled to but not yet receiving benefits	62
Active employees	537
	<hr/>
	877
	<hr/>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION

E. PENSION PLAN (CONTINUED)

CONTRIBUTIONS

The GMEBS board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS board of Trustees has adopted an actuarial funding policy that requires a different funding level than the state estimated minimum annual contribution in an effort to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. If the City contributes the recommended contribution under the GMEBS funding policy, the Plan will meet applicable state funding standards. (O.C.G.A 47-20-10)

NET PENSION LIABILITY

The City's net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of this date.

The total pension liability in the September 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	7.75 percent, net pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION

E. PENSION PLAN (CONTINUED)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	50%	5.95%
International equity	15%	6.45%
Fixed income	25%	1.55%
Real estate	10%	3.75%
Cash	--	--
Total	<u>100%</u>	

The discount rate used to measure the total pension liability was 7.75 percent.

	<u>Schedule of Changes in Net Pension Liability</u>		
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance September 30, 2014	<u>\$ 100,792,187</u>	<u>\$ 89,686,887</u>	<u>\$ 11,105,300</u>
Changes for the year:			
Service cost	1,360,714	--	1,360,714
Interest	7,631,089	--	7,631,089
Difference between expected and actual experience	885,280	--	885,280
Contributions - City	--	2,547,094	(2,547,094)
Net investment income	--	1,093,965	(1,093,965)
Benefit payments	(4,653,041)	(4,653,041)	-
Administrative expense	--	(98,976)	98,976
Other	489	--	489
Net changes	<u>5,224,531</u>	<u>(1,110,958)</u>	<u>6,335,489</u>
Balance September 30, 2015	<u>\$ 106,016,718</u>	<u>\$ 88,575,929</u>	<u>\$ 17,440,789</u>

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

IV. OTHER INFORMATION

E. PENSION PLAN (CONTINUED)

The following presents the net pension liability of the City, calculated using the discount rate of 7.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.75%) or 1 percentage point higher (8.75%) than the current rate:

	1% Decrease <u>6.75%</u>	Current Discount Rate <u>7.75%</u>	1% Increase <u>8.75%</u>
City's Net Pension Liability	\$ 31,087,171	\$ 17,440,789	\$ 6,083,339

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report. The report may be obtained by writing to Georgia Municipal Employees Benefit System, 201 Pryor Street-SW, Atlanta, Georgia 30303.

PENSION EXPENSE AND DEFERRED OUTFLOW OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended June 30, 2015, the City recognized pension expense of \$2,162,499. As of June 30, 2015 the City reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions made subsequent to measurement date	\$ 1,639,728	\$ --
Difference between expected and actual experience	1,163,036	--
Changes in assumptions	--	2,816,007
Net difference between projected and actual earnings on pension plan investments	<u>4,617,064</u>	<u>1,823,193</u>
Total	<u>\$ 7,419,828</u>	<u>\$ 4,639,200</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION

E. PENSION PLAN (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2017	\$ 1,576,254
2018	(63,474)
2019	(63,474)
2020	1,331,322

The required Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions immediately follow the notes to the financial statements.

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

The City's Firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The City makes no contribution to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in this plan. This plan is administered by the Georgia Firefighters' Pension Fund located at 2171 Eastview Parkway NE in Conyers, Georgia where separate financial statements may be obtained.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION

F. JOINT VENTURES

JOINTLY OWNED NATURAL GAS (JONG)

The Natural Gas System is a 40.16% participant in Jointly Owned Natural Gas (A Joint Venture). The City appoints one member to its Board. The City's capital account as of September 30, 2015 was \$1,693,869. If the Jointly Owned Natural Gas Transmission Line were to be terminated, the available assets would be distributed pro rata based on contribution. The Joint Venture issues separate financial statements which are available from the Joint Venture office. Information taken from the audited statements of the Joint Venture for the fiscal year ended September 30, 2015.

Total assets	\$ 5,008,886
Less: current liabilities	(630,583)
Long-term liabilities	<u>(359,570)</u>
Retained earnings	<u>\$ 4,018,733</u>
Total revenues	\$ 1,666,440
Operating expenses	(2,032,809)
Non-operating revenue	<u>543,928</u>
Net income	<u>\$ 177,559</u>

The Joint Venture member cities bill and collect from their respective customers the charges for natural gas usage each month. The operating and maintenance costs including capital improvements costs incurred by the Joint Venture are prorated to each member and are reimbursed to the Joint Venture on a monthly basis by the participating cities. Funds held by the Joint Venture are invested and the earnings are allocated to each members account. The Joint Venture purchases supplies and pays rent, postage, and other administrative costs to the City of Warner Robins. Employees of the Joint Venture are included in the retirement system and related employee benefits programs. Costs for this participation are also reimbursed to the City of Warner Robins.

MIDDLE GEORGIA REGIONAL COMMISSION

As more fully described in Note I B 3. the City in conjunction with 21 other cities and eleven counties in the Middle Georgia area participate in the Middle Georgia Regional Commission.

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

IV. OTHER INFORMATION

G. BUSINESS-TYPE ACTIVITIES COMBINING INFORMATION

Shown below is the financial information for combining the Warner Robins Public Facilities Authority (WRPFA) blended component unit, with the City's Water and Sewer Fund:

CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF NET POSITION
WATER AND SEWER FUND
JUNE 30, 2016

	<u>Water and Sewer Fund</u>	<u>Warner Robins Public Facility Authority</u>	<u>Total</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 11,438,374	\$ (562,371)	\$ 10,876,003
Investments	172	--	172
Accounts receivable, net	1,730,624	--	1,730,624
Due from other governments	36,402	--	36,402
Due from other funds	87,503	--	87,503
Inventories, at cost	274,823	--	274,823
Restricted-			
Cash and cash equivalents	1,028,456	--	1,028,456
Total current assets	<u>14,596,354</u>	<u>(562,371)</u>	<u>14,033,983</u>
NON CURRENT ASSETS:			
Land and other non depreciable assets	3,813,901	--	3,813,901
Capital assets, net of accumulated depreciation	78,191,740	--	78,191,740
Total non current assets	<u>82,005,641</u>	<u>--</u>	<u>82,005,641</u>
Total assets	<u>96,601,995</u>	<u>(562,371)</u>	<u>96,039,624</u>
DEFERRED OUTFLOWS OF RESOURCES-			
Pension	515,100	--	515,100
Total assets and deferred outflows of resources	<u>\$ 97,117,095</u>	<u>\$ (562,371)</u>	<u>\$ 96,554,724</u>

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

IV. OTHER INFORMATION

G. BUSINESS-TYPE ACTIVITIES COMBINING INFORMATION (CONTINUED)

CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF NET POSITION
WATER AND SEWER FUND
JUNE 30, 2016

	Water and Sewer Fund	Warner Robins Public Facility Authority	Total
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
<u>CURRENT LIABILITIES:</u>			
(Payable from current assets)			
Accounts payable	\$ 188,012	\$ --	\$ 188,012
Accrued payroll/related liabilities	105,557	--	105,557
Compensated absences	28,851	--	28,851
Accrued interest	486,242	--	486,242
Bonds, notes, and loans payable	1,362,246	--	1,362,246
Total current liabilities	<u>2,170,908</u>	<u>--</u>	<u>2,170,908</u>
<u>NON CURRENT LIABILITIES:</u>			
Compensated absences	163,489	--	163,489
OPEB liability	961,356	--	961,356
Net pension liability	1,180,741	--	1,180,741
Bonds, notes and loans payable	28,602,679	--	28,602,679
Total non current liabilities	<u>30,908,265</u>	<u>--</u>	<u>30,908,265</u>
Total liabilities	<u>33,079,173</u>	<u>--</u>	<u>33,079,173</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	344,382	--	344,382
<u>NET POSITION:</u>			
Net investment in capital assets	52,040,716	--	52,040,716
Restricted for capital projects	1,028,456	--	1,028,456
Unrestricted	10,624,368	(562,371)	10,061,997
Total net position	<u>63,693,540</u>	<u>(562,371)</u>	<u>63,131,169</u>
Total liabilities, deferred inflows, and net position	<u>\$ 97,117,095</u>	<u>\$ (562,371)</u>	<u>\$ 96,554,724</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION

G. BUSINESS-TYPE ACTIVITIES COMBINING INFORMATION (CONTINUED)

CITY OF WARNER ROBINS, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 WATER AND SEWER FUND
 JUNE 30, 2016

	Water and Sewer Fund	Warner Robins Public Facility Authority	Total
OPERATING REVENUES:			
Charges for services	\$ 14,337,163	\$ --	\$ 14,337,163
Connection charges	558,375	--	558,375
Penalties and cut-on fees	348,156	--	348,156
Miscellaneous	984,258	--	984,258
Total operating revenues	<u>16,227,952</u>	<u>--</u>	<u>16,227,952</u>
OPERATING EXPENSES:			
Personnel services	4,588,943	--	4,588,943
Operating expenses	4,421,395	--	4,421,395
Repairs and maintenance	286,936	--	286,936
Supplies	1,265,424	--	1,265,424
Bad debt expense	325,381	--	325,381
Depreciation	3,135,556	--	3,135,556
Insurance	116,369	--	116,369
Total operating expenses	<u>14,140,004</u>	<u>--</u>	<u>14,140,004</u>
Operating income	<u>2,087,948</u>	<u>--</u>	<u>2,087,948</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest earned	25,270	--	25,270
Interest expense and fees	(981,790)	--	(981,790)
Rental income	81,112	--	81,112
Gain on sale of capital assets	5,000	--	5,000
Total non-operating revenues (expenses), net	<u>(870,408)</u>	<u>--</u>	<u>(870,408)</u>
Income before capital contributions and transfers	<u>1,217,540</u>	<u>--</u>	<u>1,217,540</u>
CONTRIBUTIONS AND TRANSFERS			
Capital contribution - developers	689,486	--	689,486
Transfers in(out)	27,410,764	(27,332,323)	78,441
Total contributions and transfers	<u>28,100,250</u>	<u>(27,332,323)</u>	<u>767,927</u>
CHANGE IN NET POSITION	<u>29,317,790</u>	<u>(27,332,323)</u>	<u>1,985,467</u>
NET POSITION, beginning	<u>34,375,750</u>	<u>26,769,952</u>	<u>61,145,702</u>
NET POSITION, ending	<u>\$ 63,693,540</u>	<u>\$ (562,371)</u>	<u>\$ 63,131,169</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION

G. BUSINESS-TYPE ACTIVITIES COMBINING INFORMATION (CONTINUED)

CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
WATER AND SEWER FUND
JUNE 30, 2016

	Water and Sewer Fund	Warner Robins Public Facilities Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 16,055,988	\$ --	\$ 16,055,988
Cash paid to suppliers for goods and services and claims paid	(6,108,456)	--	(6,108,456)
Cash paid to employees for services	(4,480,510)	--	(4,480,510)
Net cash provided (used) by operating activities	<u>5,467,022</u>	<u>--</u>	<u>5,467,022</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in (out)	(474,722)	553,163	78,441
Net cash provided (used) by noncapital financing activities	<u>(474,722)</u>	<u>553,163</u>	<u>78,441</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payments:			
Bonds, notes, and loans payable	(1,325,528)	--	(1,325,528)
Acquisition and construction of capital assets	(3,201,794)	(561,326)	(3,763,120)
Capital contributions - developers	689,486	--	689,486
Interest and fees paid on revenue bonds payable and notes payable	(997,906)	--	(997,906)
Proceeds from sale of capital assets	5,000	--	5,000
Net cash used for capital and related financing activities	<u>(4,830,742)</u>	<u>(561,326)</u>	<u>(5,392,068)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from investment	171	--	171
Interest income on investments	25,270	--	25,270
Rental income	81,112	--	81,112
Net cash provided by investing activities	<u>106,553</u>	<u>--</u>	<u>106,553</u>
NET INCREASE (DECREASE) IN CASH	268,111	(8,163)	259,948
CASH, beginning	12,198,719	(554,208)	11,644,511
CASH, ending	<u>\$ 12,466,830</u>	<u>\$ (562,371)</u>	<u>\$ 11,904,459</u>

CITY OF WARNER ROBINS, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

IV. OTHER INFORMATION

G. BUSINESS-TYPE ACTIVITIES COMBINING INFORMATION (CONTINUED)

CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
WATER AND SEWER FUND
JUNE 30, 2016

	Water and Sewer Fund	Warner Robins Public Facility Authority	Total
RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET:			
Cash, beginning:			
Current	\$ 10,617,100	\$ (554,208)	\$ 10,062,892
Restricted	1,581,619	--	1,581,619
Total	<u>12,198,719</u>	<u>(554,208)</u>	<u>11,644,511</u>
Net increase (decrease):			
Current	821,274	(8,163)	813,111
Restricted	(553,163)	--	(553,163)
Total	<u>268,111</u>	<u>(8,163)</u>	<u>259,948</u>
Cash, ending:			
Current	11,438,374	(562,371)	10,876,003
Restricted	1,028,456	--	1,028,456
Total	<u>\$ 12,466,830</u>	<u>\$ (562,371)</u>	<u>\$ 11,904,459</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income	\$ 2,087,948	\$ --	\$ 2,087,948
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	3,135,556	--	3,135,556
Decrease (increase) in assets:			
Accounts receivable	(133,989)	--	(133,989)
Due from other governments	15,269	--	15,269
Due from other funds	272,137	--	272,137
Inventory	(48,094)	--	(48,094)
Deferred outflows	(325,734)	--	(325,734)
Increase (decrease) in liabilities:			
Accounts payable / accrued expenses	52,072	--	52,072
OPEB liability	132,002	--	132,002
Compensated absences payable	10,051	--	10,051
Pension liability	374,496	--	374,496
Deferred inflows	(104,692)	--	(104,692)
Total adjustments	<u>3,379,074</u>	<u>--</u>	<u>3,379,074</u>
Net cash provided by operating activities	<u>\$ 5,467,022</u>	<u>\$ --</u>	<u>\$ 5,467,022</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION

H. SUBSEQUENT EVENTS

The City assessed events that have occurred subsequent to June 30, 2016 through December 30, 2016 for potential recognition and disclosure in the financial statements. No events other than the events described below, have occurred that would require adjustment to or disclosure in the City's statements which were available to be issued on December 30, 2016.

Effective July 1, 2016, Mayor and Council of the City of Warner Robins, in accordance with the terms of an intergovernmental agreement with the Warner Robins Building Authority dated November 1, 1991, direct that ownership of the International City Golf Course be transferred from the Warner Robins Building Authority to the City.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WARNER ROBINS, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget
REVENUES:		
General property taxes	\$ 16,037,152	\$ 16,037,152
Other taxes	12,141,700	12,141,700
Licenses and permits	300,900	300,900
Fines and forfeitures	1,019,000	1,019,000
Intergovernmental	62,000	218,799
Charges for services	2,854,360	2,870,343
Investment revenue	25,000	25,000
Other revenues	122,000	365,453
Total revenues	<u>32,562,112</u>	<u>32,978,347</u>
EXPENDITURES:		
General government		
Legislative	182,828	193,213
Executive	628,848	639,198
Elections	235,550	235,550
General administration	6,537,032	7,046,566
Judicial	540,806	540,806
Police department	12,713,783	13,251,554
Fire department	8,521,203	9,197,840
Recreation	1,973,896	2,705,698
Public works	5,354,377	6,230,054
City development	1,375,200	1,640,177
Total expenditures	<u>38,063,523</u>	<u>41,680,656</u>
Excess of revenues over (under) expenditures	<u>(5,501,411)</u>	<u>(8,702,309)</u>
OTHER FINANCING SOURCES (USES):		
Capital leases	--	--
Sale of assets	5,000	5,000
Transfers in	4,400,000	4,400,000
Transfers out	--	(78,667)
Appropriated fund balance	1,096,411	1,096,411
Total other financing sources (uses)	<u>5,501,411</u>	<u>5,422,744</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	--	(3,279,565)
Fund balance beginning	<u>19,307,026</u>	<u>19,307,026</u>
Fund balance ending	<u>\$ 19,307,026</u>	<u>\$ 16,027,461</u>

Variance Final Budget With Actual Budgetary Basis Differences	Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis
\$ (216,028)	\$ 15,821,124	\$ --	\$ 15,821,124
435,138	12,576,838	--	12,576,838
23,939	324,839	--	324,839
9,812	1,028,812	--	1,028,812
482,604	701,403	--	701,403
133,220	3,003,563	--	3,003,563
30,262	55,262	--	55,262
(179,560)	185,893	--	185,893
<u>719,387</u>	<u>33,697,734</u>	<u>--</u>	<u>33,697,734</u>
3,646	189,567	(25)	189,542
75,947	563,251	(7,350)	555,901
14,014	221,536	(5,074)	216,462
644,747	6,401,819	(308,467)	6,093,352
31,634	509,172	--	509,172
834,760	12,416,794	(126,809)	12,289,985
133,497	9,064,343	(67,983)	8,996,360
224,183	2,481,515	(528,386)	1,953,129
183,250	6,046,804	(114,207)	5,932,597
182,681	1,457,496	(202,680)	1,254,816
<u>2,328,359</u>	<u>39,352,297</u>	<u>(1,360,981)</u>	<u>37,991,316</u>
<u>3,047,746</u>	<u>(5,654,563)</u>	<u>(1,360,981)</u>	<u>(4,293,582)</u>
--	--	--	--
(2,162)	2,838	--	2,838
331,041	4,731,041	--	4,731,041
(247)	(78,914)	--	(78,914)
<u>(1,096,411)</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>(767,779)</u>	<u>4,654,965</u>	<u>--</u>	<u>4,654,965</u>
2,279,967	(999,598)	1,360,981	361,383
<u>--</u>	<u>19,307,026</u>	<u>--</u>	<u>19,307,026</u>
<u>\$ 2,279,967</u>	<u>\$ 18,307,428</u>	<u>\$ 1,360,981</u>	<u>\$ 19,668,409</u>

CITY OF WARNER ROBINS, GEORGIA
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 BASIS OF PRESENTATION

The budget was prepared using the modified accrual basis of accounting with encumbrances included as budgetary basis expenditures.

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total pension liability										
Service cost	\$ 1,360,714	\$ 1,312,396								
Interest	7,631,089	7,595,446								
Differences between expected and actual experience	885,280	758,020								
Changes of assumptions	--	(4,693,345)								
Changes of benefit terms	489	--								
Benefit payments, including refunds of employee contributions	(4,653,041)	(4,372,157)								
Net change in total pension liability	5,224,531	600,360								
Total pension liability-beginning	100,792,187	100,191,827								
Total pension liability-ending (a)	\$ 106,016,718	\$ 100,792,187								
Plan fiduciary net position										
Contributions-employer	\$ 2,547,094	\$ 2,639,536								
Contributions-employee	--	--								
Net investment income	1,093,965	9,335,936								
Benefit payments, including refunds of employee contributions	(4,653,041)	(4,372,157)								
Administrative expense	(98,976)	(75,992)								
Other	--	--								
Net change in plan fiduciary net position	(1,110,958)	7,527,323								
Plan fiduciary net position-beginning	89,686,887	82,159,564								
Plan fiduciary net position-ending (b)	\$ 88,575,929	\$ 89,686,887								
City's net pension liability-ending (a) - (b)	\$ 17,440,789	\$ 11,105,300								
Plan fiduciary net position as a percentage of the total pension liability	83.55%	88.98%								
Covered-employee payroll	\$ 20,434,256	\$ 19,589,572								
City's net pension liability as a percentage of covered-employee payroll	85.35%	56.69%								

(Historical information prior to implementation of GASB 67/68 is not required)

(Historical information prior to implementation of GASB 67/68 is not required)

(Historical information prior to implementation of GASB 67/68 is not required)

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarially determined contribution	\$ 2,186,304	\$ 2,667,357								
Contributions in relation to the actuarially determined contribution	<u>2,186,304</u>	<u>2,667,357</u>								
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>								
Covered-employee payroll	\$ 21,237,792	* \$ 20,973,869								
Contributions as a percentage of covered-employee payroll	10.29%	12.72%								

(Historical information prior to implementation of GASB 67/68 is not required)

* Based on City's fiscal year

Notes to Schedule

Valuation Date:

The Actuarially determined contribution rate was determined as of January 1, 2016, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2017.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 13 years
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Inflation	3.25%
Salary increases	3.25% plus service based merit increases
Investment rate of return	7.75% net pension plan investment expense, including inflation
Retirement age	65
Mortality	The mortality and economic actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

Other Information:

This schedule is presented to illustrate the requirement to show information for 10 years. However, a full 10-year trend is not available. The Actuarially determined contribution rate was determined as of January 1, 2016, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2017.

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF EMPLOYER'S
CONTRIBUTIONS - OTHER POST EMPLOYEMENT BENEFITS PLAN
FOR THE YEAR ENDED JUNE 30, 2016

SCHEDULE OF FUNDING PROGRESS

	<u>7/1/2015</u>	<u>7/1/2013</u>
Actuarial valuation date		
Actuarial accrued liability (AAL) entry age (b)	\$ 22,779,000	\$ 18,846,000
Actuarial value of assets Assets (a)	<u> --</u>	<u> --</u>
Unfunded AAL (funding excess) (UAAL) (b-a)	<u>\$ 22,779,000</u>	<u>\$ 18,846,000</u>
Funded ratio (a/b)	<u> --</u>	<u> --</u>
Covered payroll (c)	<u>\$ 21,237,792</u>	<u>\$ 20,235,798</u>
UAAL as a percentage of covered payroll ((b-a)/c)	<u> 107.3%</u>	<u> 93.1%</u>

SCHEDULE OF EMPLOYER'S CONTRIBUTION

	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Fiscal year ended			
Annual required contributions (pay as you go)	<u>\$ 2,506,000</u>	<u>\$ 2,141,000</u>	<u>\$ 2,141,000</u>
Actual contributions	<u>\$ 1,136,228</u>	<u>\$ 1,054,751</u>	<u>\$ 794,845</u>
Percentage contributed	<u> 45.3%</u>	<u> 49.3%</u>	<u> 37.1%</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF WARNER ROBINS, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds						
	Hotel - Motel		Motor Vehicle Rental Tax	Community Development	Law Enforcement	Recreation	Redevelopment Agency
	Bureau of Civic Affairs	Tourism Allocation Board					
<u>ASSETS</u>							
Cash and cash equivalents	\$ 887,492	\$ 35,149	\$ --	\$ 682,674	\$ 1,850,002	\$ 87,470	\$ 672,007
Accounts receivable - net of uncollectible accounts	--	17,208	--	587,838	--	--	17,208
Due from other governments	--	--	--	107,613	--	--	--
Real estate held for investment	--	--	--	83,650	--	--	1,213,830
Total assets	<u>\$ 887,492</u>	<u>\$ 52,357</u>	<u>\$ --</u>	<u>\$ 1,461,775</u>	<u>\$ 1,850,002</u>	<u>\$ 87,470</u>	<u>\$ 1,903,045</u>
<u>LIABILITIES AND FUND BALANCES</u>							
LIABILITIES							
Accounts payable and accrued costs	\$ 8,591	\$ 46,836	\$ --	\$ --	\$ 13,856	\$ --	\$ 7,850
Accrued payroll/related expenses	4,375	--	--	--	--	--	--
Unearned revenue	5,000	--	--	--	175,647	--	--
Due to other funds	--	5,521	--	--	--	--	44,178
Escrow funds	--	--	--	16,835	--	--	--
Total liabilities	<u>17,966</u>	<u>52,357</u>	<u>--</u>	<u>16,835</u>	<u>189,503</u>	<u>--</u>	<u>52,028</u>
FUND BALANCES							
Restricted - capital projects	--	--	--	--	--	--	1,851,017
Restricted - economic development	--	--	--	1,444,940	--	--	--
Committed, special programs	869,526	--	--	--	1,660,499	87,470	--
Total fund balance	<u>869,526</u>	<u>--</u>	<u>--</u>	<u>1,444,940</u>	<u>1,660,499</u>	<u>87,470</u>	<u>1,851,017</u>
Total liabilities and fund balances	<u>\$ 887,492</u>	<u>\$ 52,357</u>	<u>\$ --</u>	<u>\$ 1,461,775</u>	<u>\$ 1,850,002</u>	<u>\$ 87,470</u>	<u>\$ 1,903,045</u>

Special Revenue Funds	Capital Projects Funds					Total Nonmajor Government Funds
Subtotal	SPLOST 2001	SPLOST 2006	Parks and Recreation	Visitor Center	Subtotal	
\$ 4,214,794	\$ 406,571	\$ 1,106,596	\$ 157,317	\$ 1,774,987	\$ 3,445,471	\$ 7,660,265
622,254	--	--	--	--	--	622,254
107,613	--	--	--	--	--	107,613
1,297,480	--	--	--	--	--	1,297,480
<u>\$ 6,242,141</u>	<u>\$ 406,571</u>	<u>\$ 1,106,596</u>	<u>\$ 157,317</u>	<u>\$ 1,774,987</u>	<u>\$ 3,445,471</u>	<u>\$ 9,687,612</u>
\$ 77,133	\$ --	\$ 81,666	\$ --	\$ --	\$ 81,666	\$ 158,799
4,375	--	--	--	--	--	4,375
180,647	--	--	--	--	--	180,647
49,699	--	--	--	--	--	49,699
16,835	--	--	--	--	--	16,835
<u>328,689</u>	<u>--</u>	<u>81,666</u>	<u>--</u>	<u>--</u>	<u>81,666</u>	<u>410,355</u>
1,851,017	406,571	1,024,930	157,317	1,774,987	3,363,805	5,214,822
1,444,940	--	--	--	--	--	1,444,940
2,617,495	--	--	--	--	--	2,617,495
<u>5,913,452</u>	<u>406,571</u>	<u>1,024,930</u>	<u>157,317</u>	<u>1,774,987</u>	<u>3,363,805</u>	<u>9,277,257</u>
<u>\$ 6,242,141</u>	<u>\$ 406,571</u>	<u>\$ 1,106,596</u>	<u>\$ 157,317</u>	<u>\$ 1,774,987</u>	<u>\$ 3,445,471</u>	<u>\$ 9,687,612</u>

CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds						
	Hotel - Motel		Motor Vehicle Rental Tax	Community Development	Law Enforcement	Recreation	Redevelopment Agency
	Bureau of Civic Affairs	Tourism Allocation Board					
REVENUES:							
Other taxes	\$ --	\$ 1,880,282	\$ 178,840	\$ --	\$ --	\$ --	\$ --
Fines and forfeitures	--	--	--	--	123,765	--	--
Intergovernmental	100	--	--	475,969	--	--	882,896
Contributions	59,134	--	--	--	16,184	--	--
Other revenue	2,064	--	--	25,627	--	59,909	39,929
Total revenues	<u>61,298</u>	<u>1,880,282</u>	<u>178,840</u>	<u>501,596</u>	<u>139,949</u>	<u>59,909</u>	<u>922,825</u>
EXPENDITURES:							
Current:							
Public safety	--	--	--	--	525,657	--	--
Recreation	--	--	--	--	--	60,741	--
Civic affairs (city development)	409,825	352,553	--	--	--	--	--
Economic development (city development)	--	--	--	441,632	--	--	--
Downtown development	--	--	--	--	--	--	71,456
Debt service	--	--	--	--	--	--	889,204
Capital outlay	--	--	--	--	--	--	--
Total expenditures	<u>409,825</u>	<u>352,553</u>	<u>--</u>	<u>441,632</u>	<u>525,657</u>	<u>60,741</u>	<u>960,660</u>
Excess of revenue over (under) expenditures	<u>(348,527)</u>	<u>1,527,729</u>	<u>178,840</u>	<u>59,964</u>	<u>(385,708)</u>	<u>(832)</u>	<u>(37,835)</u>
OTHER FINANCING SOURCES (USES):							
Transfer in	548,984	--	--	--	--	--	178,840
Transfer out	--	(1,527,729)	(178,840)	--	--	--	(243,453)
Total other financing sources (uses)	<u>548,984</u>	<u>(1,527,729)</u>	<u>(178,840)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(64,613)</u>
Net change in fund balances	200,457	--	--	59,964	(385,708)	(832)	(102,448)
FUND BALANCES, beginning	669,069	--	--	1,384,976	2,046,207	88,302	1,953,465
FUND BALANCES, ending	<u>\$ 869,526</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,444,940</u>	<u>\$ 1,660,499</u>	<u>\$ 87,470</u>	<u>\$ 1,851,017</u>

Special Revenue Funds		Capital Projects Funds				Total Nonmajor Government Funds	
Subtotal	SPLOST 2001	SPLOST 2006	Parks and Recreation	Visitor Center	Subtotal		
\$ 2,059,122	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,059,122	
123,765	--	--	--	--	--	123,765	
1,358,965	--	--	--	--	--	1,358,965	
75,318	--	--	--	--	--	75,318	
127,529	1,701	8,550	121	2,447	12,819	140,348	
3,744,699	1,701	8,550	121	2,447	12,819	3,757,518	
525,657	--	--	--	--	--	525,657	
60,741	--	--	113,989	--	113,989	174,730	
762,378	--	--	--	--	--	762,378	
441,632	--	--	--	--	--	441,632	
71,456	--	--	--	--	--	71,456	
889,204	--	--	--	--	--	889,204	
--	45,520	991,834	--	--	1,037,354	1,037,354	
2,751,068	45,520	991,834	113,989	--	1,151,343	3,902,411	
993,631	(43,819)	(983,284)	(113,868)	2,447	(1,138,524)	(144,893)	
727,824	--	--	117,518	352,553	470,071	1,197,895	
(1,950,022)	--	(854,754)	--	--	(854,754)	(2,804,776)	
(1,222,198)	--	(854,754)	117,518	352,553	(384,683)	(1,606,881)	
(228,567)	(43,819)	(1,838,038)	3,650	355,000	(1,523,207)	(1,751,774)	
6,142,019	450,390	2,862,968	153,667	1,419,987	4,887,012	11,029,031	
\$ 5,913,452	\$ 406,571	\$ 1,024,930	\$ 157,317	\$ 1,774,987	\$ 3,363,805	\$ 9,277,257	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BUREAU OF CIVIC AFFAIRS
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES -				
Other revenue:				
Grant income - local assistance	\$ 3,100	\$ 100	\$ 100	\$ --
Contributions	--	59,134	59,134	--
Interest	1,200	2,064	2,064	--
Total revenues	<u>4,300</u>	<u>61,298</u>	<u>61,298</u>	<u>--</u>
EXPENDITURES -				
Current -				
Civic affairs	321,116	409,825	409,825	--
Total expenditures	<u>321,116</u>	<u>409,825</u>	<u>409,825</u>	<u>--</u>
Excess of revenues over (under) expenditures	<u>(316,816)</u>	<u>(348,527)</u>	<u>(348,527)</u>	<u>--</u>
OTHER FINANCING SOURCES -				
Transfer in	400,000	548,984	548,984	--
Total other financing sources	<u>400,000</u>	<u>548,984</u>	<u>548,984</u>	<u>--</u>
Excess of revenues and other sources over (under) expenditures	<u>\$ 83,184</u>	<u>\$ 200,457</u>	<u>200,457</u>	<u>\$ --</u>
FUND BALANCE ALLOCATION				
FUND BALANCE, beginning			<u>669,069</u>	
FUND BALANCE, ending			<u>\$ 869,526</u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOTEL – MOTEL TOURISM ALLOCATION BOARD FUND (TAB)
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES -				
Other taxes -				
Hotel/Motel tax	\$ 1,600,000	\$ 1,880,282	\$ 1,880,282	\$ --
Total revenues	<u>1,600,000</u>	<u>1,880,282</u>	<u>1,880,282</u>	<u>--</u>
EXPENDITURES -				
Current -				
Civic affairs	300,000	352,553	352,553	--
Total expenditures	<u>300,000</u>	<u>352,553</u>	<u>352,553</u>	<u>--</u>
Excess of revenues over expenditures	<u>1,300,000</u>	<u>1,527,729</u>	<u>1,527,729</u>	<u>--</u>
OTHER FINANCING USES -				
Transfer out	<u>(1,300,000)</u>	<u>(1,527,729)</u>	<u>(1,527,729)</u>	<u>--</u>
Total other financing uses	<u>(1,300,000)</u>	<u>(1,527,729)</u>	<u>(1,527,729)</u>	<u>--</u>
Excess of revenues over (under) expenditures and other uses	<u>\$ --</u>	<u>\$ --</u>	<u>--</u>	<u>\$ --</u>
FUND BALANCES, beginning			<u>--</u>	
FUND BALANCES, ending			<u>\$ --</u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MOTOR VEHICLE RENTAL TAX FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES -				
Other taxes -				
Motor vehicle rental tax	\$ 163,500	\$ 178,840	\$ 178,840	\$ --
Total revenues	163,500	178,840	178,840	--
EXPENDITURES -				
Current -				
Downtown development	--	--	--	--
Total expenditures	--	--	--	--
Excess of revenues over expenditures	163,500	178,840	178,840	--
OTHER FINANCING USES -				
Transfer out	(163,500)	(178,840)	(178,840)	--
Total other financing uses	(163,500)	(178,840)	(178,840)	--
Excess of revenues over (under) expenditures and other uses	\$ --	\$ --	--	\$ --
FUND BALANCES, beginning			--	
FUND BALANCES, ending			\$ --	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental -				
Grants - federal - CDBG	\$ 431,980	\$ 431,980	\$ 475,969	\$ 43,989
Other revenue -				
Program income	11,000	11,000	25,627	14,627
Total revenues	<u>442,980</u>	<u>442,980</u>	<u>501,596</u>	<u>58,616</u>
EXPENDITURES -				
Economic development:				
Administration	174,438	156,298	111,967	44,331
Housing	265,257	254,919	180,610	74,309
Public services	177,765	177,765	83,186	94,579
Code enforcement	30,916	30,916	25,539	5,377
Clearance	112,197	50,000	40,330	9,670
Total expenditures	<u>760,573</u>	<u>669,898</u>	<u>441,632</u>	<u>228,266</u>
Excess of revenues over (under) expenditures	<u>\$ (317,593)</u>	<u>\$ (226,918)</u>	59,964	<u>\$ 286,882</u>
FUND BALANCE ALLOCATION				
FUND BALANCE, beginning			<u>1,384,976</u>	
FUND BALANCES, ending			<u>\$ 1,444,940</u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAW ENFORCEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and forfeitures-				
Condemnation	\$ --	\$ 123,765	\$ 123,765	\$ --
Contributions	11,600	16,184	16,184	--
Total revenues	<u>11,600</u>	<u>139,949</u>	<u>139,949</u>	<u>--</u>
EXPENDITURES -				
Current -				
Public safety	<u>2,277,914</u>	<u>525,657</u>	<u>525,657</u>	--
Total expenditures	<u>2,277,914</u>	<u>525,657</u>	<u>525,657</u>	<u>--</u>
Excess of revenues over (under) expenditures	<u>\$ (2,266,314)</u>	<u>\$ (385,708)</u>	(385,708)	<u>\$ --</u>
FUND BALANCE ALLOCATION				
FUND BALANCES, beginning			<u>2,046,207</u>	
FUND BALANCES, ending			<u>\$ 1,660,499</u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RECREATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES -				
Other revenue -				
Recreation fee	\$ 67,800	\$ 59,909	\$ 59,909	\$ --
Total revenues	<u>67,800</u>	<u>59,909</u>	<u>59,909</u>	<u>--</u>
EXPENDITURES -				
Current -				
Recreation	64,200	62,665	60,741	1,924
Total expenditures	<u>64,200</u>	<u>62,665</u>	<u>60,741</u>	<u>1,924</u>
Excess of revenues over (under) expenditures	<u>\$ 3,600</u>	<u>\$ (2,756)</u>	(832)	<u>\$ 1,924</u>
FUND BALANCE ALLOCATION				
FUND BALANCES, beginning			<u>88,302</u>	
FUND BALANCES, ending			<u>\$ 87,470</u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES-				
Other revenue:				
Intergovernmental	\$ --	\$ 882,896	\$ 882,896	\$ --
Other	57,900	39,310	39,310	--
Interest	335	619	619	--
Total revenues	<u>58,235</u>	<u>922,825</u>	<u>922,825</u>	<u>--</u>
EXPENDITURES -				
Current-				
Downtown development	181,150	71,456	71,456	--
Debt service	30,000	889,204	889,204	--
Total expenditures	<u>211,150</u>	<u>960,660</u>	<u>960,660</u>	<u>--</u>
Excess of revenues over (under) expenditures	<u>(152,915)</u>	<u>(37,835)</u>	<u>(37,835)</u>	<u>--</u>
OTHER FINANCING SOURCES (USES) -				
Transfer in	163,500	178,840	178,840	--
Transfer out	--	(243,453)	(243,453)	--
Total other financing sources (uses)	<u>163,500</u>	<u>(64,613)</u>	<u>(64,613)</u>	<u>--</u>
Excess of revenues and other sources (uses) over (under) expenditures	<u>\$ 10,585</u>	<u>\$ (102,448)</u>	(102,448)	<u>\$ --</u>
FUND BALANCE ALLOCATION				
FUND BALANCE, beginning			<u>1,953,465</u>	
FUND BALANCE, ending			<u>\$ 1,851,017</u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPLOST 2001 CAPITAL PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Prior Years	Current Year	Total to Date	Revised Projected Costs
REVENUES -				
Other revenue:				
Special purpose local option sales tax	\$ 12,763,226	\$ --	\$ 12,763,226	\$ 12,763,226
Interest	342,576	1,701	344,277	340,111
Total revenues	13,105,802	1,701	13,107,503	13,103,337
 EXPENDITURES -				
Capital outlay:				
Road construction/reconstruction	1,994,250	45,520	2,039,770	2,392,157
Drainage construction	601,694	--	601,694	601,710
Sidewalk construction	999,998	--	999,998	1,000,000
Street resurfacing	9,109,470	--	9,109,470	9,109,470
Total expenditures	12,705,412	45,520	12,750,932	13,103,337
Excess of revenues over (under) expenditures	\$ 400,390	(43,819)	\$ 356,571	\$ --
FUND BALANCES, beginning		450,390		
FUND BALANCES, ending		\$ 406,571		

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPLOST 2006 CAPITAL PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Prior Years	Current Year	Total to Date	Revised Projected Costs
REVENUES -				
Other revenue:				
Special purpose local option sales tax	\$ 15,208,866	\$ --	\$ 15,208,866	\$ 15,208,866
Interest	127,597	8,550	136,147	115,781
Total revenues	<u>15,336,463</u>	<u>8,550</u>	<u>15,345,013</u>	<u>15,324,647</u>
EXPENDITURES -				
Capital outlay:				
Public safety	6,115,857	--	6,115,857	6,150,000
Water and sewer system	2,912,966	--	2,912,966	4,000,000
Road, street and sidewalk	3,444,816	991,834	4,436,650	5,515,000
Total expenditures	<u>12,473,639</u>	<u>991,834</u>	<u>13,465,473</u>	<u>15,665,000</u>
Excess of revenues over (under) expenditures	<u>2,862,824</u>	<u>(983,284)</u>	<u>1,879,540</u>	<u>(340,353)</u>
OTHER FINANCING USES -				
Transfer out	--	(854,754)	(854,754)	--
Total other financing uses	<u>--</u>	<u>(854,754)</u>	<u>(854,754)</u>	<u>--</u>
Excess of revenues over (under) expenditures and other uses	<u>\$ 2,862,824</u>	<u>(1,838,038)</u>	<u>1,024,786</u>	<u>\$ (340,353)</u>
FUND BALANCES, beginning		<u>2,862,968</u>		
FUND BALANCES, ending		<u>\$ 1,024,930</u>		

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS AND RECREATION CAPITAL PROJECT
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES-				
Other revenue -				
Interest	\$ --	\$ 121	\$ 121	\$ --
Total revenues	<u> --</u>	<u> 121</u>	<u> 121</u>	<u> --</u>
EXPENDITURES -				
Current -				
Recreation:				
Buildings/improvements	68,000	98,537	98,537	--
Swimming pool equipment	5,000	--	--	--
Playgroud equipment	40,000	15,452	15,452	--
Total expenditures	<u>113,000</u>	<u>113,989</u>	<u>113,989</u>	<u> --</u>
Excess of revenues over (under) expenditures	(113,000)	(113,868)	(113,868)	--
OTHER FINANCING SOURCES -				
Transfer in	98,125	117,518	117,518	--
Total other financing sources	<u>98,125</u>	<u>117,518</u>	<u>117,518</u>	<u> --</u>
Excess of revenues and other sources over (under) expenditures	<u>\$ (14,875)</u>	<u>\$ 3,650</u>	3,650	<u>\$ --</u>
FUND BALANCE ALLOCATION				
FUND BALANCES, beginning			<u>153,667</u>	
FUND BALANCES, ending			<u>\$ 157,317</u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
VISITOR CENTER CAPITAL PROJECT
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES -				
Interest	\$ --	\$ 2,447	\$ 2,447	\$ --
Total revenues	--	2,447	2,447	--
EXPENDITURES -				
Capital outlay -				
Building/improvements	--	--	--	--
Total expenditures	--	--	--	--
Excess of revenues over (under) expenditures	--	2,447	2,447	--
OTHER FINANCING SOURCES -				
Transfer in	294,375	352,553	352,553	--
Total other financing sources	294,375	352,553	352,553	--
Excess of revenues and other sources over (under) expenditures	\$ 294,375	\$ 355,000	355,000	\$ --
FUND BALANCE ALLOCATION				
FUND BALANCES, beginning			1,419,987	
FUND BALANCES, ending			\$ 1,774,987	

CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2016

<u>ASSETS</u>	Worker's	Group	
	Compensation	Health	Total
CURRENT ASSETS	<u> </u>	<u> </u>	<u> </u>
Cash	\$ 968,727	\$ 676,770	\$ 1,645,497
Due from other funds	--	25,375	25,375
Prepaid items	78,219	--	78,219
Total assets	<u>\$ 1,046,946</u>	<u>\$ 702,145</u>	<u>\$ 1,749,091</u>
<u>LIABILITIES AND NET POSITION</u>			
CURRENT LIABILITIES			
Accounts payable	\$ 19,764	\$ 1,514,818	\$ 1,534,582
Total current liabilities	<u>19,764</u>	<u>1,514,818</u>	<u>1,534,582</u>
NET POSITION			
Unrestricted	<u>1,027,182</u>	<u>(812,673)</u>	<u>214,509</u>
Total liabilities and net position	<u>\$ 1,046,946</u>	<u>\$ 702,145</u>	<u>\$ 1,749,091</u>

**CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Worker's Compensation</u>	<u>Group Health Insurance</u>	<u>Total</u>
OPERATING REVENUES -			
Charges for services	<u>\$ 750,912</u>	<u>\$ 10,561,508</u>	<u>\$ 11,312,420</u>
Total operating revenues	<u>750,912</u>	<u>10,561,508</u>	<u>11,312,420</u>
OPERATING EXPENSES -			
Operating expenses	<u>716,103</u>	<u>10,790,393</u>	<u>11,506,496</u>
Total operating expenses	<u>716,103</u>	<u>10,790,393</u>	<u>11,506,496</u>
OPERATING INCOME (LOSS)	<u>34,809</u>	<u>(228,885)</u>	<u>(194,076)</u>
NON-OPERATING REVENUES -			
Interest earned	<u>2,659</u>	<u>2,717</u>	<u>5,376</u>
Total non-operating revenues, net	<u>2,659</u>	<u>2,717</u>	<u>5,376</u>
CHANGE IN NET POSITION	37,468	(226,168)	(188,700)
NET POSITION, beginning	<u>989,714</u>	<u>(586,505)</u>	<u>403,209</u>
NET POSITION, ending	<u>\$ 1,027,182</u>	<u>\$ (812,673)</u>	<u>\$ 214,509</u>

**CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	Worker's Compensation	Group Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 9,103	\$ 617,941	\$ 627,044
Cash paid to suppliers for goods and services	(698,831)	(9,775,177)	(10,474,008)
Cash received from other funds for goods and services	741,809	9,943,567	10,685,376
Cash received for claims reimbursements	--	105,030	105,030
Net cash provided by operating activities	<u>52,081</u>	<u>891,361</u>	<u>943,442</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES -			
Due from other funds, net	--	(538,820)	(538,820)
Net cash provided (used) by noncapital financing activities	<u>--</u>	<u>(538,820)</u>	<u>(538,820)</u>
CASH FLOWS FROM INVESTING ACTIVITIES -			
Interest income on investments	2,659	2,717	5,376
Net cash provided by investing activities	<u>2,659</u>	<u>2,717</u>	<u>5,376</u>
NET INCREASE (DECREASE) IN CASH	54,740	355,258	409,998
CASH, beginning	913,987	321,512	1,235,499
CASH, ending	<u>\$ 968,727</u>	<u>\$ 676,770</u>	<u>\$ 1,645,497</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>			
Operating income (loss)	\$ 34,809	\$ (228,885)	\$ (194,076)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Changes in assets and liabilities:			
Decrease (increase) in prepaid items	3,443	--	3,443
(Decrease) increase in accounts payable/ accrued expenses	13,829	1,120,246	1,134,075
Total adjustments	<u>17,272</u>	<u>1,120,246</u>	<u>1,137,518</u>
Net cash provided by operating activities	<u>\$ 52,081</u>	<u>\$ 891,361</u>	<u>\$ 943,442</u>

**CITY OF WARNER ROBINS, GEORGIA
WATER AND SEWER SYSTEM
SCHEDULE OF BONDS PAYABLE WITH INTEREST
WATER AND SEWER REVENUE BONDS
FOR THE YEAR ENDED JUNE 30, 2016**

SERIES 2012

<u>YEAR OF MATURITY</u>	<u>BONDS OUTSTANDING</u>	<u>INTEREST RATE</u>	<u>ACCRUED INTEREST</u>
2017	\$ 1,070,000	3.000%	\$ 990,012
2018	1,105,000	3.000	899,938
2019	1,135,000	4.000	861,337
2020	1,180,000	5.000	809,812
2021	1,240,000	5.000	749,312
2022	1,305,000	5.000	685,688
2023	1,370,000	5.000	618,813
2024	1,435,000	3.000	562,500
2025	1,480,000	4.000	503,437
2026	1,555,000	5.000	443,112
2027	1,600,000	4.000	395,788
2028	1,650,000	4.000	341,413
2029	1,710,000	4.000	283,250
2030	1,765,000	4.000	226,781
2031	1,825,000	4.000	166,163
2032	1,885,000	4.000	101,238
2033	1,950,000	4.000	34,125
	<u>\$ 25,260,000</u>		<u>\$ 8,672,719</u>

**CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
JUNE 30, 2016**

SCHEDULE OF STATE AWARDS EXPENDED

<u>State Program Name</u>		<u>Contract Number</u>	<u>Revenue Received</u>	<u>Expenditures</u>	<u>Amount Due From State</u>
Ga Dept. of Transportation					
WRATS	(1)	PL-000-0013-00(409)	\$ 41,178	\$ 75,983	\$ 34,805
LMIG	(1)	PI S014582	540,005	--	--
Total Dept. of Transportation			<u>581,183</u>	<u>75,983</u>	<u>34,805</u>
Total state and pass through grant			<u>\$ 581,183</u>	<u>\$ 75,983</u>	<u>\$ 34,805</u>

(1) includes Federal pass through

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
JUNE 30, 2016

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECTS</u>	Original		EXPENDITURES		
	<u>Estimated Cost</u>	<u>Revised Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2012 Referendum - capital outlay:					
Road, street and sidewalk	\$ 8,100,000	\$ 8,100,000	\$ --	\$ 162,001	\$ 162,001
Public safety	10,016,000	10,016,000	5,940,929	1,636,363	7,577,292
Water and sewer system	6,600,000	6,600,000	--	923,687 (A)	923,687
General government	9,420,000	9,420,000	1,616,087	777,162	2,393,249
City development	2,500,000	2,500,000	2,088,944	1,513,388	3,602,332
Recreation facilities	7,785,000	7,785,000	213,883	14,767 (B)	228,650
	<u>44,421,000</u>	<u>44,421,000</u>	<u>9,859,843</u>	<u>5,027,368</u>	<u>14,887,211</u>
Reconciling item to adjust for payments on capital lease related to 2012 project					
Principal payments on debt	--	1,905,863	984,696	381,172	1,365,868
	<u>\$ 44,421,000</u>	<u>\$ 46,326,863</u>	<u>\$ 10,844,539</u>	<u>\$ 5,408,540</u>	<u>\$ 16,253,079</u>

Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

SPLOST 2012 Fund

Total Expenditures	\$ 4,477,988
Transfers Out	923,687 (A)
Transfers Out	6,865 (B)
	<u>\$ 5,408,540</u>

- (A) Transfers out were recorded in the amount of \$923,687 to properly record capital assets in the Water and Sewer Fund. Projects were approved per the referendum above.
- (B) Transfers out were recorded in the amount of \$6,865 to properly record capital assets in the International City Golf Course Fund. Projects were approved per the referendum above.

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
JUNE 30, 2016

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECTS</u>	Original		EXPENDITURES		
	<u>Estimated Cost</u>	<u>Revised Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2006 Referendum - capital outlay:					
Public safety facilities	\$ 6,000,000	\$ 6,150,000	\$ 6,115,857	\$ -	\$ 6,115,857
Water and sewer system	4,000,000	4,000,000	2,912,966	854,754 (C)	3,767,720
Road, street and sidewalk	5,515,000	5,515,000	3,444,816	991,834	4,436,650
	<u>\$ 15,515,000</u>	<u>\$ 15,665,000</u>	<u>\$ 12,473,639</u>	<u>\$ 1,846,588</u>	<u>\$ 14,320,227</u>

Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

SPLOST 2006 Fund

Total Expenditures	\$ 991,834
Transfers Out	854,754 (C)
	<u>\$ 1,846,588</u>

(C) Transfers out were recorded in the amount of \$854,754 to properly record capital assets in the Water and Sewer Fund. Projects were approved per the referendum above.

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECTS</u>	Original		EXPENDITURES		
	<u>Estimated Cost</u>	<u>Revised Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2001 Referendum - capital outlay:					
Road construction / reconstruction	\$ 1,950,000	\$ 2,392,157	\$ 1,994,250	45,520	\$ 2,039,770
Drainage construction	565,000	601,710	601,694	--	601,694
Sidewalk construction	1,000,000	1,000,000	999,998	--	999,998
Streets resurfacing	8,598,750	9,109,470	9,109,470	--	9,109,470
	<u>\$ 12,113,750</u>	<u>\$ 13,103,337</u>	<u>\$ 12,705,412</u>	<u>\$ 45,520</u>	<u>\$ 12,750,932</u>

**CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
JUNE 30, 2016**

SCHEDULE OF MOTOR VEHICLE RENTAL TAX

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES -				
Other taxes -				
Motor vehicle rental tax	\$ 163,500	\$ 178,840	\$ 178,840	\$ --
Total revenues	<u>163,500</u>	<u>178,840</u>	<u>178,840</u>	<u>--</u>
EXPENDITURES -				
Current -	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over expenditures	<u>163,500</u>	<u>178,840</u>	<u>178,840</u>	<u>--</u>
OTHER FINANCING (USES) -				
Transfer out	<u>(163,500)</u>	<u>(178,840)</u>	<u>(178,840)</u>	<u>--</u>
Total other financing uses	<u>(163,500)</u>	<u>(178,840)</u>	<u>(178,840)</u>	<u>--</u>
Excess of revenues over (under) expenditures and other uses	<u>\$ --</u>	<u>\$ --</u>	<u>--</u>	<u>\$ --</u>
FUND BALANCES, beginning			<u>--</u>	
FUND BALANCES, ending			<u>\$ --</u>	

SCHEDULE OF HOTEL/MOTEL TAX REPORT

		<u>8%</u>
Amount of tax collected	\$ 1,880,282	100.00%
Amount expended to promote tourism (General Fund)	\$ 587,588	31.25%
Amount expended to support the Museum of Aviation	\$ 352,553	18.75%
Amount expended for city promotion (Bureau of Civic Affairs)	\$ 470,070	25.00%
Amount expended for a visitor center (Bureau of Civic Affairs)	\$ 352,553	18.75%
Amount expended for recreation capital project (Parks and Recreation)	\$ 117,518	6.25%

COMPLIANCE SECTION



NICHOLS, CAULEY & ASSOCIATES, LLC

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

To the Mayor and City Council
City of Warner Robins, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Warner Robins, Georgia as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Warner Robins, Georgia's basic financial statements, and have issued our report thereon dated December 30, 2016.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Compliance and Other Matters

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

We noted certain matters that we have reported to management of the City of Warner Robins, Georgia in a separate letter dated December 30, 2016.

Purpose of this Report

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

Richels, Cauley + Associates, LLC

Warner Robins, Georgia
December 30, 2016

**CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2016**

SUMMARY OF AUDIT RESULTS:

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Warner Robins, Georgia.
2. No instances of deficiencies in internal control were disclosed by the audit of the City of Warner Robins, Georgia's financial statements for the year ended June 30, 2016.
3. No instances of noncompliance material to the financial statements of the City of Warner Robins, Georgia were disclosed during the audit.

SUMMARY OF AUDIT RESULTS:

None noted.