

CITY OF WARNER ROBINS, GEORGIA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2010



NICHOLS, CAULEY & ASSOCIATES, LLC
Certified Public Accountants
Certified Financial Planners™
Certified Internal Auditors
Certified Government Auditing Professionals
Certified Valuation Analysts
Financial and Business Development Advisors

**CITY OF WARNER ROBINS, GEORGIA
ANNUAL FINANCIAL REPORT**

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A Professional Services Firm of:
Certified Public Accountants
Certified Internal Auditors
Certified Government Auditing Professionals
Certified Financial Planners™
Certified Valuation Analysts

REPLY TO:
400 Corder Road
Warner Robins, Georgia 31088
478-929-3888
FAX 478-923-7896

Atlanta • Clarkesville • Dublin • Lake Oconee • Warner Robins
www.nicholscauley.com

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Warner Robins, Georgia, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Warner Robins, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Warner Robins, Georgia, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2010, on our consideration of the City of Warner Robins' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 11 and page 55 and the schedule of funding progress on pages 56 and 57 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.

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 accompanying Schedule of Expenditures of Federal Awards (as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*), combining and individual nonmajor fund financial statements, and other supplementary sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards on page 85, combining and individual nonmajor fund financial statements on pages 58 through 80 and schedule of state requirements on pages 81 through 82 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other supplementary section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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 Special Purpose Local Option Sales Tax on page 81 lists each identified 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, 2010, the end of the fiscal year covered by this audit.

Richards, Cauley + Associates, LLC

Warner Robins, Georgia

December 29, 2010

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2010

The City of Warner Robins' basic financial statements are presented for the fiscal year ended June 30, 2010. 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 Assets. Information on how the City's net assets changed during the fiscal year is presented in the Statement of Activities.

The government-wide financial statements can be found on pages 12 and 13 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 basic governmental fund financial statements can be found on pages 14 and 16 and the basic proprietary fund financial statements can be found on pages 18-19 and 21 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 24 through 54 of this report.

Other Information

Combining and individual statements present more detailed views of non-major funds used in the governmental and enterprise funds beginning on page 58. Also included are statements for internal service funds beginning on page 74.

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2010**

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 Assets • 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 Assets • Statement of revenues, expenses, and changes in net assets • 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

Government-Wide Financial Analysis

Table 2 below presents the City's condensed statement of net assets as of June 30, 2010, and 2009, derived from the government-wide Statement of Net Assets.

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2010**

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current assets	\$ 27,181	\$ 25,057	\$ 28,791	\$ 25,571	\$ 55,972	\$ 50,628
Other Assets	--	--	5,873	6,234	5,873	6,234
Capital Assets	<u>117,391</u>	<u>118,588</u>	<u>64,999</u>	<u>62,774</u>	<u>182,390</u>	<u>181,362</u>
Total assets	<u>\$144,572</u>	<u>\$143,645</u>	<u>\$ 99,663</u>	<u>\$ 94,579</u>	<u>\$ 244,235</u>	<u>\$238,224</u>
Long-term liabilities	\$ 3,472	\$ 2,267	\$ 19,537	\$ 21,323	\$ 23,009	\$ 23,590
Other liabilities	<u>2,684</u>	<u>3,177</u>	<u>6,828</u>	<u>6,795</u>	<u>9,512</u>	<u>9,972</u>
Total liabilities	<u>\$ 6,156</u>	<u>\$ 5,444</u>	<u>\$ 26,365</u>	<u>\$ 28,118</u>	<u>\$ 32,521</u>	<u>\$ 33,562</u>
Net assets:						
Invested in capital assets, net of related debt	\$117,372	\$118,498	\$ 43,783	\$ 39,103	\$ 161,155	\$157,601
Restricted	--	--	364	1,377	364	1,377
Unrestricted	<u>21,044</u>	<u>19,703</u>	<u>29,151</u>	<u>25,981</u>	<u>50,195</u>	<u>45,684</u>
Total net assets	<u>\$138,416</u>	<u>\$138,201</u>	<u>\$ 73,298</u>	<u>\$ 66,461</u>	<u>\$ 211,714</u>	<u>\$204,662</u>

By far the largest portion (\$161 million) of the City of Warner Robins' net assets reflect its investment in capital assets (e.g., land, building, machinery, and equipment, etc.), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net assets are the next largest component, totaling \$50.2 million as of June 30, 2010. Restricted net assets (\$.4 million) represent 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 assets balance of \$21 million.

Business-type activities reflect a positive unrestricted net asset balance of \$29 million.

Table 3 presents the City's condensed statement of activities for the fiscal year ended June 30, 2010 and 2009, as derived from the government-wide Statement of Activities on page 13. Over time, increases or decreases in net assets measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net assets of the governmental activities increased by \$ 215 and the net assets of the business-type activities increased by \$ 6.8 million.

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2010

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	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 9,674	\$ 9,606	\$ 53,814	\$ 58,909	\$ 63,488	\$ 68,515
Operating grants & Contributions	131	311	--	--	131	311
Capital grants & Contributions	2,769	1,331	1,953	694	4,722	2,025
General revenues:						
Property & other taxes	20,751	22,929	--	--	20,751	22,929
Grants & contribution not restricted to specific programs	--	--	--	--	--	--
Sale of Land	--	--	--	--	--	--
Contribution of capital assets	1,809	4,076	--	--	1,809	4,076
Other	300	406	170	846	470	1,252
Total revenues	35,434	38,659	55,937	60,449	91,371	99,108
Expense:						
General government	6,113	6,767	--	--	6,113	6,767
Public safety	21,134	20,367	--	--	21,134	20,367
Public works (Streets)	7,342	7,187	--	--	7,342	7,187
Recreation	1,938	2,254	--	--	1,938	2,254
City development	1,894	2,205	--	--	1,894	2,205
Downtown Development	588	1,030	--	--	588	1,030
Capital Outlay-SPLOST	308	163	--	--	308	163
Other	2	5	--	--	2	5
Water & Sewer	--	--	11,295	11,444	11,295	11,444
Natural gas	--	--	25,129	32,390	25,129	32,390
Sanitation	--	--	6,861	6,898	6,861	6,898
Other enterprise funds	--	--	1,715	2,054	1,715	2,054
Total expenses	39,319	39,978	45,000	52,786	84,319	92,764
Increase (decrease) in net assets before transfers	(3,885)	(1,319)	10,937	7,663	7,052	6,344
Transfers	4,100	4,740	(4,100)	(4,740)	--	--
Increase (decrease) in net assets	215	3,421	6,837	2,923	7,052	6,344
Net Assets - Beginning	138,201	134,780	66,461	63,538	204,662	198,318
Net Assets - Ending	\$ 138,416	\$ 138,201	\$ 73,298	\$ 66,461	\$ 211,714	\$ 204,662

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2010**

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 2009 to fiscal year 2010.

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

Function/ Programs	Program Expenses 2010	Less Program Revenues 2010	Net Program Costs		Program Revenues as a Percentage of Program Expenses	
			2010	2009	2010	2009
General government	\$6,113	\$4,029	\$2,084	\$2,913	65.9%	57.0%
Public safety	21,134	2,556	18,578	17,531	12.1%	13.9%
Recreation	1,938	371	1,567	1,791	19.1%	20.5%
Public works	7,342	165	7,177	6,293	2.2%	12.4%
City development	1,894	2,912	(1,018)	(747)	153.7%	133.9%
Other	898	2,541	(1,643)	(1,584)	283.0%	232.0%
Total	\$39,319	\$12,574	\$26,745	\$26,197	32.0%	34.0%

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 decreased for business-type activities from fiscal year 2009 to fiscal year 2010.

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

Programs	Program Revenues 2010	Less Program Expenses 2010	Net Program Income/(Costs)		Program Expenses as a Percentage of Program Revenues	
			2010	2009	2010	2009
Natural gas system	\$28,884	\$25,129	\$3,755	\$2,672	87.0%	92.4%
Water & Sewer system	15,427	11,295	4,132	3,454	73.2%	76.8%
Sanitation system	7,348	6,861	487	589	93.4%	92.1%
Other programs	2,155	1,715	440	102	79.6%	95.3%
Total	\$53,814	\$45,000	\$8,814	\$6,817	83.6%	88.6%

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2010**

Overall Analysis

Financial highlights for the City as a whole during the fiscal year ended June 30, 2010, include the following:

- The assets of the City exceeded its liabilities (net assets) at the close of the fiscal year by \$138.4 million for the governmental activities and by \$73.3 million for the business-type activities.
- The City's total net assets increased during the year by \$7 million. Net assets of governmental activities increased by \$215, while net assets of business-type activities increased by \$6.8 million.

Fund Analysis

Funds that experienced significant changes during the fiscal year ended June 30, 2010, 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 \$23.6 million, with \$8 million reported as unreserved general fund balance, \$2.3 million reported as reserved for encumbrances, \$4.4 million reported as unreserved special revenue fund balance and \$8.9 million reported as unreserved capital projects fund balance.

General Fund

Fund Balance as of June 30, 2010 totaled \$10.3 million, an increase of \$922 from June 30, 2009. The change in fund balance is the result of management actions which decreased expenditures by \$1.9 million from Fiscal Year 2009. Costs containment measures affecting employee wages and employee benefits accounted for majority of the decrease in expenditures. However, general fund revenues decreased by \$580 for the fiscal year as a direct result of slowing economic activity.

Capital Project Fund

The combined Fund Balances for the 2001 SPLOST, 2006 SPLOST and Parks and Recreation as of June 30, 2010 totaled \$8.9 million, an increase of \$1.7 million from June 30, 2009. The change in fund balance was the result of sales tax collections for the 2006 SPLOST exceeding project expenditures and a increase of project expenditures over the 2001 SPLOST receipts. Sales tax receipts for the City's 2001 SPLOST ended December 2006 and expenditures for projects of the 2001 SPLOST will continue into Fiscal Year 2011.

Proprietary Funds:

The City's Proprietary Funds reported net assets of \$73 million, a 10 % increase from the prior year. The City's internal service fund reported net assets of \$668, a decrease of 3 % from the prior year.

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2010**

Water and Sewer Fund

The Net Assets of the Water and Sewer Fund increased by \$4.4 million providing a total net asset balance of \$51.8 million at year end. The change in the balance of net assets was the result of positive operating revenues and a decrease in transfers out to other funds.

Natural Gas Fund

The Net Assets of the Natural Gas Fund increased by \$927 providing a total net asset balance of \$17 million at year end. The Fund generated positive operating income from its regular operations.

Sanitation Fund

The Sanitation Fund produced a positive change in net assets of \$140 thousand providing a total net asset balance of \$1.6 million at year end.

Group Health Fund

Net Assets of the City's Group Health Internal Service Fund reported a negative net asset balance of (\$185) at year end. Claim payments for health care services were greater than contributions to the Fund for the year resulting in a deficient 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 Other RSI section on page 55.

Differences between the original appropriated budget and the final amended budget in the General Fund amounted to \$2.59 million. This difference is attributable to allocations from unreserved fund balance for prior year's encumbrances of \$1.47 million, to supplemental appropriation from unreserved fund balance for operating and capital expenditures of \$1,035 and to supplemental appropriations for unanticipated revenues of \$85 were incorporated 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, 2010, amounts to \$182,391 (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:

- Infrastructure assets consisting of streets, drainage systems, and water and sewer systems dedicated to the City for maintenance amounted to \$3.8 million. Dedicated assets for the

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2010**

water and sewer distribution system amounted to \$1.95 million. Assets dedicated to the Governmental activities amounted to \$1.81 million.

- The City's General fund expended \$404 in the current fiscal year for vehicles and machinery and equipment. The City's new Animal Control shelter was capitalized in this fiscal year from construction in progress accounts at a final cost of \$908; and various building improvements were made in Fiscal Year 2010 at a cost of \$183.
- Various road improvement projects, sidewalk projects and sewer line improvements are continuing related to the 2001 and 2006 SPLOST Funds. Amounts expended from the 2001 SPLOST fund for street resurfacing totaled \$307 and for sidewalk improvement totaled \$260. Amounts expended from the 2006 SPLOST fund for sidewalk improvement totaled \$151 and for sewer line improvements totaled \$115.

Information on the City of Warner Robins' capital assets can be found in note III-E beginning on page 40 of this report.

Long-term Debt As of June 30, 2010, the City reported a total debt balance of \$25.4 million. The total debt decreased by \$1.06 million from Fiscal Year 2009. The current portion of this debt is comprised of Claims Payable (\$105), Compensated Absences (\$210), Capital Leases (\$222) and Bonds and Notes (\$1,850). The non-current portion is comprised of Compensated Absences (\$1,292), Capital Leases (\$5,615), Other Post Employment Benefits (\$2,766) and Bonds and Notes (\$9,022). The City's decrease in total debt was due to the reduction of principal balances of bonds and notes payable. However, recognition of employee 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" increased by \$1,382.

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 2010 was \$1.51 billion. The legal limit of general obligation debt for the City is \$151 million. As of June 30, 2010, the City has not issued general obligation debt bonds, nor does the City have any plans to do so.

Refer to Note III-F beginning on page 42 of this report for additional information on the City's long-term debt.

Economic Factors and Next Year's Budgets

- The unemployment rate for the City at the fiscal year-end was 7.6 %, versus 7.4% last fiscal year. The State's rate was 10.3% at the fiscal year-end. The increase in the City's unemployment rate is attributable to the decline in residential and commercial construction in the City and to a general decline in local economic activity within the City.

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2010

- Although, the City's 2010 net taxable property digest increased by 2% over the net taxable property digest of 2009 the number of residential and commercial building permits issued has declined over the last two fiscal years.
- The financial/mortgage crisis and the increased unemployment is expected to cause an increase in foreclosed properties and bankruptcies.
- Decreased rates of return for United States Treasury investments have affected the City's budgeted revenues.
- The population of the City has increased approximately 27% since the 2000 census. Per the U. S. Census Bureau, 2000 census for the City show a population of 48,804; estimated population at July 1, 2009 is 62,026.

City officials considered these factors in making judgments and estimates in developing the general fund budget for fiscal year 2011. The City approved a budget appropriation for Fiscal Year 2011 in the amount of \$34.7 million, an increase of 2 percent over the 2010 budget of \$33.9 million. Tax revenues will provide 55% of this appropriation. The majority of the remaining 45% of appropriations will be financed by selective sales and use taxes (15%) and other financing revenues (15%). 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 rose 2% over fiscal year 2010 original budgeted appropriations. This modest increase in appropriations is attributable to increases in the cost of providing employee benefits. Management directives limited increased appropriation for operating and maintenance and capital expenditures. The City did not add new programs to the 2011 budget.

The City's business-type activities are experiencing inflationary pressures on its operational expenses. Gross revenues are expected to remain at the same level as fiscal year 2010 as there were no enacted rate increases for FY2011; net revenues will decrease due to increase costs of providing services and increased costs due to federal government mandated programs.

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 City Clerk's Office, City of Warner Robins, P. O. Box 1488, Warner Robins, Georgia 31099.

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BASIC FINANCIAL STATEMENTS

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS:</u>			
Current assets:			
Cash and cash equivalents	\$ 23,142,639	\$ 20,170,102	\$ 43,312,741
Investments	--	1,703	1,703
Accounts receivable, net	1,799,748	4,235,347	6,035,095
Internal balances	(581,446)	581,446	--
Due from other governments	1,069,582	6,628	1,076,210
Inventories, at cost	1,501,885	261,074	1,762,959
Prepaid items	248,359	82,760	331,119
Restricted assets -			
Cash and cash equivalents	--	3,451,612	3,451,612
 Total current assets	 <u>27,180,767</u>	 <u>28,790,672</u>	 <u>55,971,439</u>
Non-current assets:			
Restricted assets -			
Cash and cash equivalents	--	874,323	874,323
Receivables	--	4,876,785	4,876,785
Deferred charges	--	121,676	121,676
Land and other non-depreciable assets	16,054,789	7,238,799	23,293,588
Capital assets, net of depreciation	101,336,290	57,760,700	159,096,990
 Total non-current assets	 <u>117,391,079</u>	 <u>70,872,283</u>	 <u>188,263,362</u>
 Total assets	 <u><u>\$ 144,571,846</u></u>	 <u><u>\$ 99,662,955</u></u>	 <u><u>\$ 244,234,801</u></u>

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>LIABILITIES:</u>			
Current liabilities:			
Accounts payable	\$ 1,059,617	\$ 2,514,658	\$ 3,574,275
Accrued payroll/related liabilities	884,009	159,666	1,043,675
Claims payable	104,894	--	104,894
Compensated absences	178,617	31,388	210,005
Deferred credits	415,724	--	415,724
Security deposits	21,931	1,856,204	1,878,135
Capital lease obligations	19,276	202,743	222,019
Accrued interest payable	--	214,064	214,064
Bonds, notes and loans payable	--	1,849,780	1,849,780
Total current liabilities	<u>2,684,068</u>	<u>6,828,503</u>	<u>9,512,571</u>
Non-current liabilities:			
Compensated absences	1,163,621	128,692	1,292,313
Capital lease obligations	--	5,615,484	5,615,484
Accrued interest payable	--	4,313,055	4,313,055
OPEB liability	2,308,203	458,178	2,766,381
Bonds, notes and loans payable	--	9,021,513	9,021,513
Total non-current liabilities	<u>3,471,824</u>	<u>19,536,922</u>	<u>23,008,746</u>
Total liabilities	<u>6,155,892</u>	<u>26,365,425</u>	<u>32,521,317</u>
<u>NET ASSETS:</u>			
Invested in capital assets, net related debt	117,371,803	43,782,860	161,154,663
Restricted for debt service	--	364,000	364,000
Unrestricted	21,044,151	29,150,670	50,194,821
Total net assets	<u>\$ 138,415,954</u>	<u>\$ 73,297,530</u>	<u>\$ 211,713,484</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
General government	\$ 6,113,472	\$ 4,029,011	\$ --
Public safety	21,134,051	2,273,883	53,877
Recreation	1,938,183	370,892	--
Public works	7,341,966	87,588	77,024
City development	1,893,680	2,911,921	--
Downtown development	587,720	--	--
Capital outlay - SPLOST	307,727	--	--
Interest on long-term debt	2,322	--	--
Total governmental activities	<u>39,319,121</u>	<u>9,673,295</u>	<u>130,901</u>
Business-type activities:			
Natural Gas System	25,129,252	28,884,332	--
Water and Sewer System	11,294,713	15,426,652	--
Sanitation System	6,861,195	7,347,900	--
International City Golf Course	416,504	313,583	--
Storm Water Drainage	1,297,999	1,841,571	--
Total business-type activities	<u>44,999,663</u>	<u>53,814,038</u>	<u>--</u>
Total primary government	<u>\$ 84,318,784</u>	<u>\$ 63,487,333</u>	<u>\$ 130,901</u>

General revenues:

Property taxes

Other taxes

Franchise fees

Interest income

Sale of assets

Contributions of capital assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

Program Revenues Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
\$ --	\$ (2,084,461)	\$ --	\$ (2,084,461)
228,142	(18,578,149)	--	(18,578,149)
--	(1,567,291)	--	(1,567,291)
--	(7,177,354)	--	(7,177,354)
--	1,018,241	--	1,018,241
--	(587,720)	--	(587,720)
2,541,274	2,233,547	--	2,233,547
--	(2,322)	--	(2,322)
<u>2,769,416</u>	<u>(26,745,509)</u>	<u>--</u>	<u>(26,745,509)</u>
--	--	3,755,080	3,755,080
1,151,122	--	5,283,061	5,283,061
--	--	486,705	486,705
--	--	(102,921)	(102,921)
801,691	--	1,345,263	1,345,263
1,952,813	--	10,767,188	10,767,188
<u>\$ 4,722,229</u>	<u>(26,745,509)</u>	<u>10,767,188</u>	<u>(15,978,321)</u>
	14,869,056	--	14,869,056
	2,213,998	--	2,213,998
	3,668,395	--	3,668,395
	62,388	68,009	130,397
	2,641	38,926	41,567
	1,809,325	--	1,809,325
	234,560	62,182	296,742
	4,100,000	(4,100,000)	--
	<u>26,960,363</u>	<u>(3,930,883)</u>	<u>23,029,480</u>
	214,854	6,836,305	7,051,159
	138,201,100	66,461,225	204,662,325
	<u>\$ 138,415,954</u>	<u>\$ 73,297,530</u>	<u>\$ 211,713,484</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 11,289,139	\$ 9,914,894	\$ 21,204,033
Accounts receivable - net of uncollectable accounts	463,093	1,336,655	1,799,748
Due from other governments	407,347	662,235	1,069,582
Due from other funds	582,556	347,471	930,027
Prepaid expenses	191,377	--	191,377
Inventory of gas, oil, and supplies	66,733	--	66,733
Real estate-held for investment/resale	--	1,435,152	1,435,152
Total assets	<u>\$ 13,000,245</u>	<u>\$ 13,696,407</u>	<u>\$ 26,696,652</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued costs	\$ 350,239	\$ 94,154	\$ 444,393
Accrued payroll/related expenses	867,432	16,577	884,009
Deferred revenue	925,026	--	925,026
Due to other funds	549,474	249,461	798,935
Escrow funds	--	21,931	21,931
Total liabilities	<u>2,692,171</u>	<u>382,123</u>	<u>3,074,294</u>
FUND BALANCES			
Reserved for encumbrances	2,263,004	--	2,263,004
Unreserved, general fund	8,045,070	--	8,045,070
Unreserved, special revenue fund	--	4,419,763	4,419,763
Unreserved, capital projects fund	--	8,894,521	8,894,521
Total fund balances	<u>10,308,074</u>	<u>13,314,284</u>	<u>23,622,358</u>
Total liabilities and fund balances	<u>\$ 13,000,245</u>	<u>\$ 13,696,407</u>	<u>\$ 26,696,652</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Fund balance - total governmental funds (page 14) \$ 23,622,358

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

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. 117,391,079

Certain long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 509,302

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. (1,447,132)

OPEB liabilities and expenses are not reported in the governmental funds (2,308,203)

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. (19,276)

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 assets. 667,826

Net assets of governmental activities (page 12) \$ 138,415,954

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:			
General property taxes	\$ 14,905,862	\$ --	\$14,905,862
Other taxes	4,719,811	1,609,682	6,329,493
Licenses and permits	1,530,412	--	1,530,412
Fines and forfeitures	1,724,833	58,778	1,783,611
Intergovernmental	333,543	3,071,984	3,405,527
Other revenue	6,025,476	178,840	6,204,316
Total revenues	<u>29,239,937</u>	<u>4,919,284</u>	<u>34,159,221</u>
EXPENDITURES:			
Current:			
General government	5,802,639	--	5,802,639
Public safety	18,861,091	19,437	18,880,528
Recreation	1,707,056	102,008	1,809,064
Public works	4,658,134	--	4,658,134
City development	678,442	1,633,079	2,311,521
Downtown development	--	587,720	587,720
Intergovernmental -			
Payments to other governmental agencies	739,727	--	739,727
Capital Outlay -			
Special purpose	--	835,533	835,533
Total expenditures	<u>32,447,089</u>	<u>3,177,777</u>	<u>35,624,866</u>
EXCESS OF REVENUES (UNDER)/OVER EXPENDITURES	<u>(3,207,152)</u>	<u>1,741,507</u>	<u>(1,465,645)</u>
OTHER FINANCING SOURCES (USES):			
Transfer in	4,402,518	497,954	4,900,472
Transfer out	<u>(273,051)</u>	<u>(527,421)</u>	<u>(800,472)</u>
Total other financing sources (uses), net	<u>4,129,467</u>	<u>(29,467)</u>	<u>4,100,000</u>
NET CHANGE IN FUND BALANCES	922,315	1,712,040	2,634,355
FUND BALANCES, Beginning	<u>9,385,759</u>	<u>11,602,244</u>	<u>20,988,003</u>
FUND BALANCES, Ending	<u>\$ 10,308,074</u>	<u>\$13,314,284</u>	<u>\$23,622,358</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds (page 16) \$ 2,634,355

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 depreciation exceeded capital outlays in the current period. (3,006,669)

Contributions of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 1,809,325

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (65,229)

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. 70,602

The net revenues of the internal service funds (funds used to charge the costs of certain activities to individual funds) are reported with governmental activities. (22,242)

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 claims and adjustments of \$24,631 and OPEB liability of (\$1,160,132) (1,135,501)

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. (69,787)

Change in net assets of governmental activities (page 13) \$ 214,854

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Business-type Activities - Enterprise Funds	
	Natural Gas System	Water and Sewer System
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 12,225,644	\$ 5,913,177
Investments	--	1,703
Accounts receivable, net	1,943,193	1,409,838
Due from other governments	--	6,628
Due from other funds	152,678	432,609
Inventories, at cost	--	261,074
Prepaid items	14,496	64,010
Restricted:		
Cash and cash equivalents	333,486	1,261,922
Customer deposits	--	1,856,204
Total current assets	14,669,497	11,207,165
NON CURRENT ASSETS:		
Restricted -		
Cash and cash equivalents	--	874,323
Receivable	4,876,785	--
Unamortized bond expense, net	--	109,212
Due from other funds	100,000	--
Land and other non depreciable assets	334,477	5,262,816
Capital assets, net of accumulated depreciation	8,802,094	47,919,476
Total non current assets	14,113,356	54,165,827
Total assets	\$ 28,782,853	\$ 65,372,992

Business-type Activities - Enterprise Funds			Governmental Activities
Sanitation System	Other Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 1,392,616	\$ 638,665	\$ 20,170,102	\$ 1,938,606
--	--	1,703	--
697,387	184,929	4,235,347	--
--	--	6,628	--
--	96,807	682,094	216,939
--	--	261,074	--
--	4,254	82,760	56,982
--	--	1,595,408	--
--	--	1,856,204	--
<u>2,090,003</u>	<u>924,655</u>	<u>28,891,320</u>	<u>2,212,527</u>
--	--	874,323	--
--	--	4,876,785	--
--	12,464	121,676	--
--	--	100,000	--
--	1,641,506	7,238,799	--
12,395	1,026,735	57,760,700	--
12,395	2,680,705	70,972,283	--
<u>\$ 2,102,398</u>	<u>\$ 3,605,360</u>	<u>\$ 99,863,603</u>	<u>\$ 2,212,527</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Business-type Activities - Enterprise Funds	
	Natural Gas System	Water and Sewer System
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
(Payable from current assets)		
Accounts payable	\$ 1,583,040	\$ 384,095
Accrued payroll/related liabilities	--	128,247
Accrued interest	113,699	25,669
Due to other funds	--	--
Compensated absences	--	20,893
Capital lease payable	165,000	13,812
Bonds, notes, and loans payable	--	559,780
(Payable from restricted assets)		
Accrued Interest	--	71,331
Bonds	--	1,175,000
Customer deposits - gas and water	--	1,856,204
Total current liabilities	<u>1,861,739</u>	<u>4,235,031</u>
NON CURRENT LIABILITIES:		
Capital lease obligations	5,499,941	101,093
Accrued interest	4,313,055	--
Bonds, notes and loans payable	--	8,904,513
Due to other funds - advance payable	--	--
OPEB liability	134,761	221,367
Compensated absences	--	128,692
Total non current liabilities	<u>9,947,757</u>	<u>9,355,665</u>
Total liabilities	<u>11,809,496</u>	<u>13,590,696</u>
NET ASSETS:		
Invested in capital assets, net of related debt	(955,124)	42,331,094
Restricted for debt service	--	364,000
Unrestricted	17,928,481	9,087,202
Total net assets	<u>16,973,357</u>	<u>51,782,296</u>
Total liabilities and net assets	<u>\$ 28,782,853</u>	<u>\$ 65,372,992</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Sanitation System	Other Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 545,618	\$ 1,905	\$ 2,514,658	\$ 615,224
--	31,419	159,666	--
--	3,365	142,733	--
--	100,648	100,648	929,477
--	10,495	31,388	--
--	23,931	202,743	--
--	115,000	674,780	--
--	--	71,331	--
--	--	1,175,000	--
--	--	1,856,204	--
<u>545,618</u>	<u>286,763</u>	<u>6,929,151</u>	<u>1,544,701</u>
--	14,450	5,615,484	--
--	--	4,313,055	--
--	117,000	9,021,513	--
--	100,000	100,000	--
--	102,050	458,178	--
--	--	128,692	--
<u>--</u>	<u>333,500</u>	<u>19,636,922</u>	<u>--</u>
<u>545,618</u>	<u>620,263</u>	<u>26,566,073</u>	<u>1,544,701</u>
12,395	2,394,495	43,782,860	--
--	--	364,000	--
<u>1,544,385</u>	<u>590,602</u>	<u>29,150,670</u>	<u>667,826</u>
<u>1,556,780</u>	<u>2,985,097</u>	<u>73,297,530</u>	<u>667,826</u>
<u>\$ 2,102,398</u>	<u>\$ 3,605,360</u>	<u>\$ 99,863,603</u>	<u>\$ 2,212,527</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
RECONCILIATION OF THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total assets reported for business-type activities in the Statement of Net Assets are different because:

Total assets for Statement of Net Assets - Proprietary Funds (page 18)	\$ 99,863,603
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.	(100,000)
Elimination of interfund receivables relating to cash overdrafts reflected as due from other funds	<u>(100,648)</u>
Total assets for Statement of Net Assets - Business-type Activities (page 12)	<u><u>\$ 99,662,955</u></u>

Total liabilities reported for business-type activities in the Statement of Net Assets are different because:

Total liabilities for Statement of Net Assets - Proprietary Funds (page 19)	\$ 26,566,073
Elimination of interfund payables relating to amounts received by one fund for payments received on their behalf and not reimbursed as of year end.	(100,000)
Elimination of interfund payables relating to cash overdrafts reflected as due to other funds	<u>(100,648)</u>
Total liabilities for Statement of Net Assets - Business-type Activities (page 12)	<u><u>\$ 26,365,425</u></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds	
	Natural Gas System	Water and Sewer System
OPERATING REVENUES:		
Charges for services	\$ 26,869,097	\$ 13,358,258
Connection charges	--	822,445
Penalties and cut-on fees	--	249,476
Miscellaneous	95,732	996,473
Refund-Southern Natural Gas	1,179,830	--
Distribution line income	739,673	--
Total operating revenues	<u>28,884,332</u>	<u>15,426,652</u>
OPERATING EXPENSES:		
Purchases/cost of sales	20,826,643	--
Personnel services	2,199,231	3,259,397
Operating expenses	188,255	3,775,415
Repairs and maintenance	142,140	226,755
Supplies	141,979	1,703,715
Distribution line expense	1,063,498	--
Bad debt expense	130,505	119,826
Depreciation	413,357	1,699,341
Insurance	23,644	112,428
Total operating expenses	<u>25,129,252</u>	<u>10,896,877</u>
Operating income (loss)	<u>3,755,080</u>	<u>4,529,775</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest earned	42,781	21,731
Interest expense and fees	--	(343,464)
Amortization of bond expense	--	(54,372)
Rental income	--	62,182
Gain on sale of capital assets	28,759	10,157
Total non-operating revenues (expenses), net	<u>71,540</u>	<u>(303,766)</u>
Income (loss) before capital contributions and transfers	<u>3,826,620</u>	<u>4,226,009</u>
CAPITAL CONTRIBUTIONS		
Capital contribution - developers	--	1,151,122
Income (loss) before transfers	<u>3,826,620</u>	<u>5,377,131</u>
TRANSFERS IN (OUT)		
Transfers in	--	--
Transfers out	(2,900,000)	(1,000,000)
Total transfers	<u>(2,900,000)</u>	<u>(1,000,000)</u>
CHANGE IN NET ASSETS	926,620	4,377,131
NET ASSETS, Beginning	<u>16,046,737</u>	<u>47,405,165</u>
NET ASSETS, Ending	<u>\$ 16,973,357</u>	<u>\$ 51,782,296</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Sanitation System	Other Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 7,194,271	\$ 2,103,273	\$ 49,524,899	\$ 7,285,262
--	--	822,445	--
129,522	26,274	405,272	--
24,107	25,607	1,141,919	--
--	--	1,179,830	--
--	--	739,673	--
<u>7,347,900</u>	<u>2,155,154</u>	<u>53,814,038</u>	<u>7,285,262</u>
--	--	20,826,643	--
362,000	1,026,268	6,846,896	--
6,418,731	460,210	10,842,611	7,314,659
760	82,198	451,853	--
--	70,041	1,915,735	--
--	--	1,063,498	--
78,286	15,200	343,817	--
1,418	41,669	2,155,785	--
--	--	136,072	--
<u>6,861,195</u>	<u>1,695,586</u>	<u>44,582,910</u>	<u>7,314,659</u>
<u>486,705</u>	<u>459,568</u>	<u>9,231,128</u>	<u>(29,397)</u>
3,497	--	68,009	7,155
--	(10,608)	(354,072)	--
--	(8,309)	(62,681)	--
--	--	62,182	--
--	10	38,926	--
<u>3,497</u>	<u>(18,907)</u>	<u>(247,636)</u>	<u>7,155</u>
<u>490,202</u>	<u>440,661</u>	<u>8,983,492</u>	<u>(22,242)</u>
--	801,691	1,952,813	--
<u>490,202</u>	<u>1,242,352</u>	<u>10,936,305</u>	<u>(22,242)</u>
--	150,000	150,000	--
<u>(350,000)</u>	--	<u>(4,250,000)</u>	--
<u>(350,000)</u>	<u>150,000</u>	<u>(4,100,000)</u>	--
140,202	1,392,352	6,836,305	(22,242)
<u>1,416,578</u>	<u>1,592,745</u>	<u>66,461,225</u>	<u>690,068</u>
<u>\$ 1,556,780</u>	<u>\$ 2,985,097</u>	<u>\$ 73,297,530</u>	<u>\$ 667,826</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds	
	Natural Gas System	Water and Sewer System
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 28,409,036	\$ 15,238,702
Cash paid to suppliers for goods and services and claims paid	(22,116,302)	(5,395,721)
Cash received from other funds for goods and services	--	--
Cash paid to employees for services	(2,136,970)	(3,135,553)
Net cash provided (used) by operating activities	<u>4,155,764</u>	<u>6,707,428</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in (out)	(2,900,000)	(1,000,000)
Due from (to) other funds, net	(24,553)	840,542
Net cash provided (used) by noncapital financing activities	<u>(2,924,553)</u>	<u>(159,458)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal payments:		
Bonds, notes, and loans payable	--	(2,241,591)
Capital leases	(305,000)	(13,161)
Acquisition and construction of capital assets	(647,488)	(2,857,212)
Capital contributions - developers	--	1,151,122
Interest and fees paid on revenue bonds payable and notes payable	(69,562)	(371,071)
Proceeds from sale of capital assets	28,759	10,157
Net cash (used) for capital and related financing activities	<u>(993,291)</u>	<u>(4,321,756)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from investment	--	205
Interest income on investments	42,781	21,731
Rental income	--	62,182
Net cash provided by investing activities	<u>42,781</u>	<u>84,118</u>
NET INCREASE (DECREASE) IN CASH	280,701	2,310,332
CASH, Beginning	12,278,429	7,595,294
CASH, Ending	<u>\$ 12,559,130</u>	<u>\$ 9,905,626</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Sanitation System	Other Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 7,364,772	\$ 2,129,441	\$ 53,141,951	\$ 511,567
(6,829,797)	(421,367)	(34,763,187)	(7,733,016)
--	--	--	6,778,969
--	(1,266,032)	(6,538,555)	--
<u>534,975</u>	<u>442,042</u>	<u>11,840,209</u>	<u>(442,480)</u>
(350,000)	150,000	(4,100,000)	--
(5,084)	--	810,905	(598,928)
<u>(355,084)</u>	<u>150,000</u>	<u>(3,289,095)</u>	<u>(598,928)</u>
--	(113,000)	(2,354,591)	--
--	(23,064)	(341,225)	--
--	(876,740)	(4,381,440)	--
--	801,691	1,952,813	--
--	(12,303)	(452,936)	--
--	--	38,916	--
<u>--</u>	<u>(223,416)</u>	<u>(5,538,463)</u>	<u>--</u>
--	--	205	--
3,497	--	68,009	7,155
--	--	62,182	--
<u>3,497</u>	<u>--</u>	<u>130,396</u>	<u>7,155</u>
183,388	368,626	3,143,047	(1,034,253)
<u>1,209,228</u>	<u>270,039</u>	<u>21,352,990</u>	<u>2,972,859</u>
<u>\$ 1,392,616</u>	<u>\$ 638,665</u>	<u>\$ 24,496,037</u>	<u>\$ 1,938,606</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds	
	Natural Gas System	Water and Sewer System
RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET:		
Cash, beginning:		
Current	\$ 11,786,268	\$ 2,995,838
Restricted	492,161	4,599,456
Total	<u>12,278,429</u>	<u>7,595,294</u>
Net increase (decrease):		
Current	439,376	2,917,339
Restricted	(158,675)	(607,007)
Total	<u>280,701</u>	<u>2,310,332</u>
Cash, ending:		
Current	12,225,644	5,913,177
Restricted	333,486	3,992,449
Total	<u>\$ 12,559,130</u>	<u>\$ 9,905,626</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	<u>\$ 3,755,080</u>	<u>\$ 4,529,775</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	413,357	1,699,341
Gain on sale of capital assets	--	--
Decrease (increase) in assets:		
Accounts receivable	(344,791)	(91,935)
Due from other governments	--	23,811
Inventory	--	(10,487)
Prepaid expenses	3,064	243,076
Increase (decrease) in liabilities:		
Accounts payable / accrued expenses	266,793	152,314
Customer deposits	--	37,689
Due to other funds	--	--
OPEB liability	62,261	115,590
Compensated absences payable	--	8,254
Total adjustments	<u>400,684</u>	<u>2,177,653</u>
Net cash provided (used) by operating activities	<u>\$ 4,155,764</u>	<u>\$ 6,707,428</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Sanitation System	Other Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 1,209,228	\$ 270,039	\$ 16,261,373	\$ 2,972,859
--	--	5,091,617	--
<u>1,209,228</u>	<u>270,039</u>	<u>21,352,990</u>	<u>2,972,859</u>
183,388	368,626	3,908,729	(1,034,253)
--	--	(765,682)	--
<u>183,388</u>	<u>368,626</u>	<u>3,143,047</u>	<u>(1,034,253)</u>
1,392,616	638,665	20,170,102	1,938,606
--	--	4,325,935	--
<u>\$ 1,392,616</u>	<u>\$ 638,665</u>	<u>\$ 24,496,037</u>	<u>\$ 1,938,606</u>
<u>\$ 486,705</u>	<u>\$ 459,568</u>	<u>\$ 9,231,128</u>	<u>\$ (29,397)</u>
1,418	41,669	2,155,785	--
--	(10)	(10)	--
16,872	(10,503)	(430,357)	--
--	(71,297)	(47,486)	--
--	--	(10,487)	--
--	(2,160)	243,980	1,620
29,980	(15,511)	433,576	(414,703)
--	--	37,689	--
--	(4,582)	(4,582)	--
--	43,963	221,814	--
--	905	9,159	--
<u>48,270</u>	<u>(17,526)</u>	<u>2,609,081</u>	<u>(413,083)</u>
<u>\$ 534,975</u>	<u>\$ 442,042</u>	<u>\$ 11,840,209</u>	<u>\$ (442,480)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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. Blended Component Units

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

Although legally separate, 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 above blended component unit does not prepare separate financial statements.

The Warner Robins Redevelopment Agency (WRRRA)

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

The above blended component unit does not prepare separate financial statements.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

2. 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 Transmission Line (JONGTL)

The JONGTL operates a natural gas transmission line for the benefit of its member cities. The City owns a 40% interest and appoints one member to its board. Additional information is located at Note IV.F.

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, 2010, the City paid \$48,787 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.

3. 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.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (consisting of the statement of net assets 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. 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.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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.

The City complies with GASB No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. GASB No. 20 requires the City to apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989 to business type activities, unless those pronouncements conflict with or contradict GASB pronouncements, or Financial Accounting Standards Board's Accounting Standard Codification. As permitted by GASB No. 20, the City has elected not to comply with the FASB Accounting Standard Codification issued after November 30, 1989.

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 fund:

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 City reports the following major proprietary funds:

Water and Sewer Fund: The Water and Sewer 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.

Natural Gas Fund: The Natural Gas 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.

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

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 reservations 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.

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 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.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 Treasury and Fiscal Services. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). The fair value of the 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. 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 Treasury and Fiscal Services. 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 NAV. Minimum investment is \$1,000,000, and GEAP operates in a manner consistent with Georgia Fund 1.

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 bills property owners on September 25, and taxes are due on December 20. The tax levy for 2010 was set on September 8, 2009. 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 deferred 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.

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.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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. The meter deposit fund includes deposits from both the water and gas customers. 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.

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).

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

6. **Deferred Revenue** - Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred 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 deferred revenue is removed from the combined balance sheet and revenue is recognized.
7. **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.

8. **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 assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

9. **Fund Equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources.
10. **Net Assets** - The government-wide and business-type fund financial statements utilize a net asset presentation. Net assets are categorized as investment in capital assets (net of related debt), restricted and unrestricted.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

- Investment in Capital Assets (net of related debt) - is intended to reflect the portion of net assets which are associated with non-liquid capital assets less outstanding capital asset related debt.
- Restricted Net Assets - 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 Assets - 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 assets are available, the City's policy is to apply restricted net assets first.

11. ***Bond Issuance Costs*** - In Governmental Fund types, issuance costs are recognized in the current period. Issuance costs for the Enterprise Funds are capitalized and are being amortized on a straight-line basis over the life of the related bond. The difference between the reacquisition price of Enterprise Fund bonds and the net carrying amount of debt refunded is deferred and amortized over the life of the new bond issue or the old debt, whichever is shorter.
12. ***Unbilled Service Receivables*** - Unbilled service receivables have been accrued at year-end. This accounting is consistent with prior years.
13. ***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.
14. ***Allowance for Uncollectible Accounts*** - Allowances for uncollectible accounts are maintained for all types of receivables which have historically experience uncollectible accounts.
15. ***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 collectibility. 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.
16. ***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, 2010

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 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.

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	\$ 33,878,490
Prior year encumbrances carry forward	1,473,932
Legally adopted budget amendments	<u>1,119,260</u>
Final revised budget	<u><u>\$ 36,471,682</u></u>

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

In the General Fund there were no actual expenditures in excess of the budget appropriations. In the Special Revenue Funds, Community Development expenditures were in excess of the budget appropriations.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

D. DEFICIT FUND EQUITY

There were no deficit fund balances/equity/net assets in any individual funds at the end of the current year.

III. DETAIL NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

A summary of the City's deposits and investments at June 30, 2010 follows:

<u>Account Balances</u>	
Petty cash	\$ 4,558
Demand deposits	8,137,592
Investments	39,498,229
	<u>\$ 47,640,379</u>

<u>Ownership of Funds</u>	
<u>Primary Government:</u>	
Governmental funds -	
Cash and cash equivalents	\$ 21,204,033
Proprietary funds:	
Cash and cash equivalents	20,170,102
Restricted cash and cash equivalents	2,469,731
Restricted customer deposits	1,856,204
Investments	1,703
Internal service funds -	
Cash and cash equivalents	1,938,606
Total primary government	<u>\$ 47,640,379</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

As of June 30, 2010, the City had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Georgia Fund 1 (investment pool)	less than 60 day average	\$ 36,371,867
GEAP (investment pool)	less than 60 day average	3,124,659
U.S. Government Securities	January 20, 2018	1,703
		<u>\$ 39,498,229</u>

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, 2010, 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.

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, 2010 was \$1,703.

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, 2010, real estate held for investment and/or resale in the Community Development Fund was \$161,290.

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, 2010, real estate held for investment and/or resale in the Redevelopment Agency Fund was \$1,273,862.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

B. RECEIVABLES

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

Major Governmental Fund:	
General Fund	
Property taxes (net)	\$ 436,464
Business licenses (net)	2,317
Other	24,312
Total Major Governmental Fund	<u>463,093</u>
Non-Major Governmental Fund -	
Accounts receivable (net)	1,336,655
Total Governmental Fund	<u>\$ 1,799,748</u>
Major Proprietary Funds -	
Accounts receivable (net)- Gas, Water and Sanitation Funds	\$ 4,050,418
Non-Major Proprietary Funds -	
Accounts receivable (net)	184,929
Total Business Type	<u>\$ 4,235,347</u>

The following is a brief description of the receivable amounts:

Major Governmental Fund-General Fund:

Unpaid property taxes for all years totaled \$450,085 at June 30, 2010, of which \$13,621 are estimated uncollectible.

Unpaid business licenses for the year ended June 30, 2010 totaled \$12,685 of which \$10,368 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, 2010 was \$203,406.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount
General:	Group Health	\$ 333,095
	Community Development	249,461
Total General		<u>582,556</u>
Natural Gas:	Workers Comp	52,030
	Golf	100,648
Total Natural Gas		<u>152,678</u>
Water and Sewer:	Group Health	69,431
	Workers Comp	363,178
Total Water and Sewer		<u>432,609</u>
Non-major Governmental Funds:		
	General Fund	332,535
	Group Health	14,936
Total Non-major Governmental Funds		<u>347,471</u>
Non-major Proprietary Funds:		
	Workers Comp	88,478
	Group Health	8,329
Total Non-major Proprietary Funds		<u>96,807</u>
Non-major Internal Service Funds:		
	General Fund	216,939
Total Non-major Internal Service Funds		<u>216,939</u>
Total		<u>\$ 1,829,060</u>

These amounts are considered short-term loans between funds to provide operating funds and are expected to be repaid within one year.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Interfund transfers were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General:	Tourism Allocation Board (TAB)	\$ 402,518
	Natural Gas	2,650,000
	Water and Sewer	1,000,000
	Sanitation	<u>350,000</u>
Total General		<u>4,402,518</u>
Non-major Governmental Funds:	General Fund	123,051
	Motor Vehicle Rental Tax	124,903
	Natural Gas	<u>250,000</u>
Total Non-major Governmental Funds		<u>497,954</u>
Non-major Proprietary Funds -	General Fund	<u>150,000</u>
Total Non-major Proprietary Funds		<u>150,000</u>
Total		<u>\$ 5,050,472</u>

The above listed transfers represent the total transfers to/from other funds at June 30, 2010 and were used for the purpose of supplementing the various fund sources. Interfund transfer are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type group.

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

	<u>Receivable</u>	<u>Payable</u>
Natural Gas System	\$ 100,000	\$ --
International City Golf Course	--	<u>100,000</u>
Total	<u>\$ 100,000</u>	<u>\$ 100,000</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

D. DUE TO/FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2010, have been included in revenues of the General Fund and Water and Sewer System for the current year.

Major Governmental Fund - General Fund:

Federal Government:

FEMA	\$ 64,304
Department of Justice	6,336

State of Georgia -

Department of Transportation	44,775
GEMA	33,961

Houston County -

Motor vehicle, mobile home and intangible taxes	191,694
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City of Centerville, Georgia

902

Jointly Owned Transmission Lines

reimbursable expenses	60,247
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Warner Robins Housing Authority

5,128

Total Major Governmental Fund

<u>407,347</u>

Non-Major Governmental Fund:

Federal Government

18,923

Houston County -

Hwy 247 landscape	3,100
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Special Local Option Sales Tax

<u>640,212</u>

Total Non-Major Governmental Fund

<u>662,235</u>

Total Governmental Funds

<u>\$ 1,069,582</u>

Business-Type -

Water and Sewer System -

City of Centerville - Wastewater Treatment Fees	\$ 6,628
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Total Business-Type Fund

<u>\$ 6,628</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

E. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 13,606,360	\$ 357,636	\$ --	\$ 13,963,996
Construction in progress	2,135,846	516,512	(561,565)	2,090,793
Total capital assets not being depreciated	<u>15,742,206</u>	<u>874,148</u>	<u>(561,565)</u>	<u>16,054,789</u>
Capital assets being depreciated:				
Buildings and improvements	7,232,557	1,091,365	--	8,323,922
Machinery and equipment	16,134,006	404,373	(356,364)	16,182,015
Infrastructure	140,397,514	1,389,543	--	141,787,057
Total capital assets being depreciated	<u>163,764,077</u>	<u>2,885,281</u>	<u>(356,364)</u>	<u>166,292,994</u>
Less accumulated depreciation				
Buildings and improvements	4,280,994	227,334	--	4,508,328
Machinery and equipment	11,644,460	975,327	(353,760)	12,266,027
Infrastructure	44,992,407	3,189,942	--	48,182,349
Total accumulated depreciation	<u>60,917,861</u>	<u>4,392,603</u>	<u>(353,760)</u>	<u>64,956,704</u>
Total capital assets being depreciated, net	<u>102,846,216</u>	<u>(1,507,322)</u>	<u>(2,604)</u>	<u>101,336,290</u>
Governmental activities capital assets, net	<u>\$ 118,588,422</u>	<u>\$ (633,174)</u>	<u>\$ (564,169)</u>	<u>\$ 117,391,079</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,557,364	\$ 21,294	\$ --	\$ 1,578,658
Construction in progress	5,189,048	471,093	--	5,660,141
Total capital assets not being depreciated	<u>6,746,412</u>	<u>492,387</u>	<u>--</u>	<u>7,238,799</u>
Capital assets being depreciated:				
Buildings and improvements	644,459	--	--	644,459
Machinery and equipment	8,350,549	110,557	(205,710)	8,255,396
Distribution systems	91,074,052	3,780,617	--	94,854,669
Total capital assets being depreciated	<u>100,069,060</u>	<u>3,891,174</u>	<u>(205,710)</u>	<u>103,754,524</u>
Less accumulated depreciation				
Buildings and improvements	432,315	19,561	--	451,876
Machinery and equipment	6,815,644	354,426	(203,610)	6,966,460
Distribution systems	36,793,690	1,781,798	--	38,575,488
Total accumulated depreciation	<u>44,041,649</u>	<u>2,155,785</u>	<u>(203,610)</u>	<u>45,993,824</u>
Total capital assets being depreciated, net	<u>56,027,411</u>	<u>1,735,389</u>	<u>(2,100)</u>	<u>57,760,700</u>
Business-Type activities capital assets, net	<u>\$ 62,773,823</u>	<u>\$ 2,227,776</u>	<u>\$ (2,100)</u>	<u>\$ 64,999,499</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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

Governmental Activities:	
General Government	\$ 195,081
Public Safety	787,995
Recreation	102,728
Public Works	3,296,452
City Development	10,347
Total depreciation expense - Governmental Activities	<u>\$ 4,392,603</u>
Business-type Activities:	
Natural Gas System	\$ 413,357
Water and Sewer System	1,699,341
Sanitation System	1,418
International City Golf Course	37,278
Stormwater Drainage	4,391
Total depreciation expense - Business-type Activities	<u>\$ 2,155,785</u>

Construction Commitments

Project	Spent-to-Date	Remaining Commitment
Governmental Activities:		
Sports Complex	\$ 600,040	\$ 3,399,960
MLK Jr Boulevard	85,405	314,595
Lake Joy Fire Station Road	46,307	27,300
Sidewalks	1,142,429	357,571
Hazel Drive Drainage	6,657	183,343
Law Enforcement Center	162,155	7,337,845
Kimberly Road Bridge	63,254	197,946
Total Governmental Activities	<u>\$ 2,106,247</u>	<u>\$ 11,818,560</u>
Business-Type Activities:		
Water Meter Project	\$ 4,984,999	\$ --
Gas Meter Project	334,478	2,165,522
Total Business-Type Activities	<u>\$ 5,319,477</u>	<u>\$ 2,165,522</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

F. LONG TERM OBLIGATIONS:

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital leases	\$ 89,877	\$ --	\$ 70,601	\$ 19,276	\$ 19,276
Compensated absences	1,272,451	902,582	832,795	1,342,238	178,617
Claims and judgments	129,525	104,894	129,525	104,894	104,894
Total governmental activities	<u>\$ 1,491,853</u>	<u>\$ 1,007,476</u>	<u>\$ 1,032,921</u>	<u>\$ 1,466,408</u>	<u>\$ 302,787</u>
Business-Type Activities:					
Revenue bonds	\$ 5,654,630	\$ --	\$ 1,782,630	\$ 3,872,000	\$ 1,290,000
Notes payable	7,571,254	--	571,961	6,999,293	559,780
Capital leases	6,159,452	--	341,225	5,818,227	202,743
Compensated absences	158,936	140,699	139,555	160,080	31,388
Total business-type activities	<u>\$ 19,544,272</u>	<u>\$ 140,699</u>	<u>\$ 2,835,371</u>	<u>\$ 16,849,600</u>	<u>\$ 2,083,911</u>
Total long-term liabilities	<u>\$ 21,036,125</u>	<u>\$ 1,148,175</u>	<u>\$ 3,868,292</u>	<u>\$ 18,316,008</u>	<u>\$ 2,386,698</u>

Claims and judgments are classified as short term debt. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

REVENUE BONDS:

The following is a summary of bond transactions of the City for the year ended June 30, 2010:

Water and Sewer

\$10,870,000 - Series 2002 Water and Sewer Refunding Revenue Bonds due in annual installments of \$1,120,000 to \$1,250,000 through July, 2013; interest at 3.75% to 4.00%.

Proceeds were used to pay off Series 1992 Water and Sewer Refunding Revenue Bonds. \$ 3,640,000

Municipal Golf Course

\$924,000 - Series 2003 Municipal Golf Course Revenue bonds due in annual installments of \$113,000 to \$117,000 through December 15, 2011; interest at 2.95%. Proceeds were used to pay off Series 1991 Municipal Golf Course Revenue Bonds. 232,000

Total revenue bonds \$ 3,872,000

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

The total annual debt service requirements for all revenue bonds outstanding at June 30, 2010, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,290,000	\$ 125,883	\$ 1,415,883
2012	1,332,000	76,083	1,408,083
2013	1,250,000	25,000	1,275,000
	<u>\$ 3,872,000</u>	<u>\$ 226,966</u>	<u>\$ 4,098,966</u>

NOTES PAYABLE:

Water and Sewer

\$4,777,071 – 2007 Georgia Environmental Facilities Authority (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. \$ 4,659,513

\$4,104,261 - State of Georgia '95 Revolving Loan due in quarterly installments of \$63,993. Interest accrues at 2% on unpaid balance. Interest capitalized into the note - \$296,496. Proceeds used for construction of sanitary sewer system. 1,040,435

\$1,693,235 - State of Georgia '96 Revolving Loan due in quarterly installments of \$30,849. Interest accrues at 4% on unpaid balance. Interest capitalized into the note - \$56,099. Proceeds used for 8.5 miles of sewer main and pumping stations. 841,234

\$915,000 - 1992 Georgia Environmental Facilities Authority (GEFA) due in quarterly installments of \$18,606; interest at 5.3%. Matures February 1, 2018. Proceeds were used to construct Sanitary Service System. 458,111

Total notes payable \$ 6,999,293

The total annual debt service requirements for all notes payable outstanding at June 30, 2010, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 559,780	\$ 211,931	\$ 771,711
2012	576,300	195,411	771,711
2013	594,008	177,703	771,711
2014	611,685	160,026	771,711
2015	437,230	142,502	579,732
2016-2020	1,634,963	510,890	2,145,853
2021-2025	1,294,975	294,636	1,589,611
2026-2030	1,290,352	87,344	1,377,696
	<u>\$ 6,999,293</u>	<u>\$ 1,780,443</u>	<u>\$ 8,779,736</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

The City was in compliance with all the significant limitations and restrictions contained in the bond indentures. The annual requirements to amortize all debt outstanding at June 30, 2010, including interest payments, are provided in the Supplementary Information of the report.

OUTSTANDING DEBT REFUNDED

\$17,500,000 - 1986 Water and Sewer serial bonds due in annual installments of \$1,160,000 to \$1,465,000 through July 1, 2012; interest at 7.75%; with a balance of \$4,085,000 outstanding at June 30, 2010. The proceeds were designated for expansion and improvements to the water and sewer system. The City entered into an agreement with Wachovia Bank during 1992 to irrevocably place in trust investments which will provide for interest and principal on the 1986 Series Bonds payable as they come due. This agreement effectively results in the retirement of these bonds (in substance defeasance); and therefore, these bonds are no longer shown on the statement of net assets of the City as a liability. The City in effect reduced its aggregate debt service payment by \$778,891 for 21 years and obtained an economic gain (the difference between the present value of the old and new debt service payment) of \$457,034.

G. CAPITAL LEASE AGREEMENTS

The City entered into various lease-purchase agreements for the purchase of golf carts for the City Golf Course, Komatsu dozer for the Water and Sewer System, and construction of a natural gas pipe line for the Natural Gas System. The capital lease of the General Fund was for a fire truck.

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

GMA - Fire Truck - current portion	\$ 19,276
Total	<u>\$ 19,276</u>

The leases with Georgia Municipal Association contain a non-appropriation fund clause whereby, in the event no funds or insufficient funds are appropriated by the City, the lease shall terminate without penalty.

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

Textron - maintenance equipment and golf carts	\$ 23,931
Kansas State Bank - Komatsu dozer	13,812
MGAG - distribution line (payable from restricted assets)	165,000
	<u>202,743</u>
Long-term portion:	
Textron - maintenance equipment and golf carts	14,450
Kansas State Bank - Komatsu dozer	101,193
MGAG - distribution line	5,499,841
	<u>5,615,484</u>
Total capital leases	<u>\$ 5,818,227</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

The assets acquired by the Business-Type Activities are recorded in capital assets in the Enterprise Fund, and the related liabilities, which represent the present value of the lease payment, 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, 2010, are as follows:

Year Ending June 30th	General Government	Business-Type
2011	\$ 19,413	\$ 432,249
2012	--	417,059
2013	--	402,248
2014	--	456,935
2015	--	385,563
2016-2020	--	7,024,169
2021-2025	--	3,930,525
2026	--	1,752,063
Total Minimum Lease Payment	19,413	14,800,811
Less Amount Representing Interest	137	8,982,584
Present Value of Lease Payment	<u>\$ 19,276</u>	<u>\$ 5,818,227</u>

Following is an analysis of capital assets leased under capital leases at June 30, 2010:

	General Government	Business-Type
Capital assets	\$ 306,249	\$ 8,065,161
Less: Accumulated depreciation	174,999	2,312,503
Carrying value	<u>\$ 131,250</u>	<u>\$ 5,752,658</u>

H. DEFERRED CREDITS

Deferred revenue was comprised of the following balances:

General Fund:	
Fines Collected in Advance of Verdict	\$ 325,775
Performance Bonds	22,145
Police Special Projects	41,053
Animal Shelter	11,184
Houston County - Transportation Planning	15,300
Tennis Court and Recreation	70
City of Character Program	197
Total Deferred Revenue	<u>\$ 415,724</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 are remitted to the General Fund. Certain Donated Funds are deferred 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. CAPITALIZATION OF INTEREST

Interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized into the cost of the assets. During the current year no interest was capitalized.

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.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

- 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.
- 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 judgement, 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 and worker's compensation for specific stop loss coverage for claims exceeding \$100,000 and \$225,000 respectively. 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. Changes in the balances of claims liability during the last and current fiscal years are as follows:

	Group Health Insurance	Workers Compensation Insurance	Property and Casualty Insurance	Total
Unpaid Claims as of June 30, 2008	\$ 738,503	\$ 110,354	\$ 124,523	\$ 973,380
Incurred Claims	6,926,555	640,433	129,258	7,696,246
Payments	<u>(6,758,185)</u>	<u>(627,733)</u>	<u>(124,256)</u>	<u>(7,510,174)</u>
Unpaid Claims as of June 30, 2009	906,873	123,054	129,525	1,159,452
Incurred Claims	5,061,823	673,382	104,894	5,840,099
Payments	<u>(5,477,428)</u>	<u>(672,480)</u>	<u>(129,525)</u>	<u>(6,279,433)</u>
Unpaid Claims as of June 30, 2010	<u>\$ 491,268</u>	<u>\$ 123,956</u>	<u>\$ 104,894</u>	<u>\$ 720,118</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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, 2010.

The City is defendant in a lawsuit for breach of contract, which arose in the course of government operations. The financial statements do not include accrual or provision for loss contingencies that may result from these proceedings. While the outcome cannot be predicted, the City believes any settlement or judgement not covered by insurance would not have a material adverse effect on the financial condition of the City.

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.

OTHER CONTINGENCIES:

The City participates in a number of federally assisted grant programs, principal of which is the Community Development Block Grant. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for, or including, the year ended June 30, 2010, have not yet been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

COMMITMENTS:

The City had no other significant commitments at June 30, 2010.

C. SUBSEQUENT EVENTS

The City assessed events that have occurred subsequent to June 30, 2010 through December 29, 2010 for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the City's statements which were issued on December 29, 2010.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

D. 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.

E. 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 to contribute an amount equal to the benefit and administrative costs paid on behalf of retirees and their dependents (ie pay as you go basis).

A copy of the plan's financial report may be obtained from: City Clerk's Office, City of Warner Robins, P.O. Box 1488, Warner Robins, GA 31099.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Plan Funded Status –

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

Schedule of Funding Progress						
Measurement Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
6/30/2009	\$ -	\$ 15,001,000	0.0%	\$ 15,001,000	\$ 18,948,275	79.2%

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.

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	\$ 839,000
Amortization of Unfunded actuarial accrued liability(UAAL)	896,000
Adjustment for timing	<u>87,000</u>
Annual required contribution (ARC)	\$ 1,822,000
Contribution made	<u>440,055</u>
Increase in net OPEB obligation	\$ 1,381,945
Net OPEB obligation, beginning of year	<u>1,384,436</u>
Net OPEB obligation, end of year	<u>\$ 2,766,381</u>

There is no interest component in the 2009 actuarial valuation.

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.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

The City's actuarial valuation information is as follows:

Valuation date	June 30, 2009
Actuarial cost method	Project Unit Credit
Amortization method	Level dollar,closed,30 years
Remaining amortization period	29 years as of July 1 2009
Asset valuation method	Market value
Actuarial assumption:	
Investment rate of return	4.50% pay as you go
Inflation rate	3.00%
Medical and drug cost trend rate	11.00% graded to 5.00% over 9 years
Dental cost trend rate	5.00%
Vision cost trend rate	5.00%
Plan membership	
Current retirees, beneficiaries, and dependents	51
Current active participants	503
Terminated participants	0
Total	<u>554</u>
Total unfunded Actuarial accrued liability	\$ 15,001,000

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).

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.

The City has 9 participants currently eligible to receive benefits with a related cost to the City of \$202,130.

F. JOINT VENTURES

JOINTLY OWNED NATURAL GAS TRANSMISSION LINE (JONGTL)

The Natural Gas System is a 45% participant in the Jointly Owned Natural Gas Transmission Line (A Joint Venture). The Natural Gas System's participation percentage was decreased to 40% effective November 1, 2008, with the admission of the City of Byron to the Joint Venture. The City appoints one member to its Board. The City's capital account as of September 30, 2009 was \$1,390,578. If the Jointly Owned Natural Gas Transmission Line were to be terminated, the available assets would be distributed pro rata based on

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

contribution. The Joint Venture issues separate financial statements which are available from the Joint Venture office. Information taken from the audited statements of the Transmission Line for the fiscal year ended September 30, 2009.

Total assets	\$ 3,851,340
Less: Current liabilities	(221,242)
Long-term liabilities	<u>(367,730)</u>
Retained earnings	<u>\$ 3,262,368</u>
Total revenues	\$ 1,275,500
Operating expenses	(1,410,683)
Non-operating revenue	<u>392,147</u>
Net income	<u>\$ 256,964</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.2. the City in conjunction with 21 other cities and eleven counties in the Middle Georgia area participate in the Middle Georgia Regional Commission.

G. 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) are eligible to participate in GMEBS after one (1) year of service. Benefits fully vest after ten (10) years of service. Employees who retire at or after age sixty-five (65) with five (5) years of credited service or after age fifty-five (55) with ten (10) years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 to 1.75 percent of their average monthly earnings as defined in the plan for each year of credit service. 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.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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

<u>Group</u>	<u>January 1, 2010</u>
Retirees and beneficiaries currently receiving benefits	197
Vested terminated employees	60
Active employees:	
Vested	262
Nonvested	207
	<hr/>
Total membership in the plan	<u>726</u>

Funding Policy

The City is required to contribute based on actuarial funding policy. The annual recommended contribution is the sum of 1) the normal cost (including administrative expenses), 2) the level dollar amortization of the unfunded actuarial accrued liability (initial unfunded actuarial accrued liability over 30 years from 1982 and changes in the unfunded actuarial liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year during which such changes arise, and 3) interest on these amounts from the valuation date to the date contributions are paid. Plan provisions and contribution requirements are established by state statute and may be amended by the State. The contribution requirement for the year current year was \$3,412,900, which was 20.59% of the covered payroll. Employees are not required to contribute to the fund.

ANNUAL PENSION COST

For 2010, the City's annual pension cost of \$3,412,900, for GMEBS was equal to the City's required and actual contributions. The required contribution was determined as part of the March 1, 2009 actuarial valuation using the entry age normal actuarial cost method. The significant actuarial assumptions used to compute the actuarial accrued liability and the annual recommended contribution of the plan meet the Actuarial Standard of Practice No. 4, *Measuring Pension Obligations*, establishing generally accepted actuarial principles and practices.

The significant actuarial assumptions used in the current valuation are:

- rate of return on investment	8.00% per year
- projected salary increases	5.50% per year
- cost of living adjustments	5.00% per year

The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1982 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

To minimize the effect of random variations in financial market values on the recommended contribution, the GMEBS Board of Trustees adopted an asset valuation method for use in the calculation. The method for determining the actuarial value of assets is part of the GMEBS actuarial funding policy. It produces an adjusted actuarial value of assets. The smoothing technique gradually incorporates investment performance

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

that exceeds or falls short of the expected return of 8%. The market value of assets is based on current values as of two months preceding the valuation date and is assumed to be current through that date.

THREE YEAR TREND INFORMATION

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2008	2,692,272	100%
2009	2,946,471	100%
2010	3,412,900	100%

PEACE OFFICERS ANNUITY AND BENEFIT FUND

All full-time sworn police officers employed by the City are eligible to participate in the Peace Officers Annuity and Benefit Fund of Georgia under OCGA 47-17-60 which provides those employees and their beneficiary's indemnification for disability or loss of life. A portion of each fine and forfeited bond collected by the city is paid into the fund based on a scale contained in the statute. This plan is administered by the State and is not included in the City's financial statement.

CITY OF WARNER ROBINS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget
REVENUES:		
General property taxes	\$ 18,773,490	\$ 18,773,490
Other taxes	5,141,200	5,141,200
Licenses and permits	213,800	213,800
Intergovernmental	292,000	307,674
Charges for services	3,001,500	3,001,500
Fines and forfeitures	1,670,000	1,670,000
Investment revenue	225,000	225,067
Other revenues	55,000	123,925
Total revenues	<u>29,371,990</u>	<u>29,456,656</u>
EXPENDITURES:		
General Government		
Legislative	163,627	163,689
Executive	403,674	415,050
General Administration	4,951,232	5,016,713
Judicial	639,452	639,452
Public Safety		
Police department	12,230,326	12,250,957
Fire department	7,336,895	7,395,986
Public works	5,294,561	6,017,261
Recreation	1,738,626	3,343,932
City development	915,097	955,591
Contingency	--	--
Total expenditures	<u>33,673,490</u>	<u>36,198,631</u>
Excess of revenues over (under) expenditures	<u>(4,301,500)</u>	<u>(6,741,975)</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	4,396,500	4,396,500
Transfers out	(205,000)	(273,051)
Sale of assets	110,000	110,000
Total other financing sources (uses)	<u>4,301,500</u>	<u>4,233,449</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	--	(2,508,526)
Fund balance beginning	<u>--</u>	<u>2,508,526</u>
Fund balance ending	<u>\$ --</u>	<u>\$ --</u>

Variance Final Budget With Actual Budgetary Basis Positive (Negative)	Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis
\$ (282,632)	\$ 18,490,858	\$ --	\$ 18,490,858
6,320	5,147,520	--	5,147,520
19,571	233,371	--	233,371
25,869	333,543	--	333,543
(26,711)	2,974,789	--	2,974,789
54,833	1,724,833	--	1,724,833
(169,834)	55,233	--	55,233
135,559	259,484	--	259,484
<u>(237,025)</u>	<u>29,219,631</u>	<u>--</u>	<u>29,219,631</u>
797	162,892	(2,368)	160,524
9,301	405,749	(870)	404,879
623,534	4,393,179	(102,913)	4,290,266
27,957	611,495	(550)	610,945
309,950	11,941,007	(441,508)	11,499,499
135,737	7,260,249	(3,875)	7,256,374
214,497	5,802,764	(100,823)	5,701,941
133,692	3,210,240	(1,503,184)	1,707,056
63,957	891,634	(76,029)	815,605
--	--	--	--
<u>1,519,422</u>	<u>34,679,209</u>	<u>(2,232,120)</u>	<u>32,447,089</u>
<u>1,282,397</u>	<u>(5,459,578)</u>	<u>(2,232,120)</u>	<u>(3,227,458)</u>
6,018	4,402,518	--	4,402,518
--	(273,051)	--	(273,051)
<u>(89,694)</u>	<u>20,306</u>	<u>--</u>	<u>20,306</u>
<u>(83,676)</u>	<u>4,149,773</u>	<u>--</u>	<u>4,149,773</u>
1,198,721	(1,309,805)	<u>\$ (2,232,120)</u>	922,315
<u>9,385,759</u>	<u>11,894,285</u>		<u>9,385,759</u>
<u>\$ 10,584,480</u>	<u>\$ 10,584,480</u>		<u>\$ 10,308,074</u>

CITY OF WARNER ROBINS, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
 FOR THE YEAR ENDED JUNE 30, 2010

	Actuarial Valuation Date		
	1/1/2010	3/1/2009	3/1/2008
Actuarial Accrued Liability (AAL) Entry Age (b)	\$ 70,574,982	\$ 73,629,064	\$ 71,007,365
Actuarial Value of Assets Assets (a)	70,630,102	54,466,453	64,763,167
Unfunded AAL (funding excess) (UAAL) (b-a)	\$ (55,120)	\$ 19,162,611	\$ 6,244,198
Funded Ratio (a/b)	100.1%	74.0%	91.2%
Covered Payroll (c)	\$ 17,172,578	\$ 16,575,523	\$ 15,847,726
UAAL as a Percentage of Covered Payroll ((b-a)/c)	-0.3%	115.6%	39.4%

CITY OF WARNER ROBINS, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF EMPLOYER'S CONTRIBUTION
 OTHER POST EMPLOYMENT BENEFIT
 FOR THE YEAR ENDED JUNE 30, 2010

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	<u>6/30/2009</u>	<u>3/1/2008</u>
Actuarial Accrued Liability (AAL) Entry Age (b)	15,001,000	17,590,342
Actuarial Value of Assets Assets (a)	<u> --</u>	<u> --</u>
Unfunded AAL (funding excess) (UAAL) (b-a)	<u>15,001,000</u>	<u>17,590,342</u>
Funded Ratio (a/b)	<u> --</u>	<u> --</u>
Covered Payroll (c)	<u>18,948,275</u>	<u>16,138,268</u>
UAAL as a Percentage of Covered Payroll ((b-a)/c)	<u>79.2%</u>	<u>109.0%</u>

SCHEDULE OF EMPLOYER'S CONTRIBUTION

Fiscal Year Ended	<u>6/30/2010</u>	<u>6/30/2009</u>
Annual Required Contributions (pay as you go)	<u>1,822,000</u>	<u>1,923,983</u>
Actual Contributions	<u>455,724</u>	<u>539,548</u>
Percentage Contributed	<u>25.01%</u>	<u>28.04%</u>

CITY OF WARNER ROBINS, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010

	Special Revenue Funds				
		Hotel - Motel			
	Bureau of Civic Affairs	Tourism Allocation Board	Motor Vehicle Rental Tax	Community Development	Law Enforcement
<u>ASSETS</u>					
Cash and cash equivalents	\$ 685,402	\$ 38,484	\$ --	\$ 409,671	\$ --
Accounts receivable - net	--	--	14,025	1,308,605	--
Due from other governments	3,100	--	--	18,923	--
Due from other funds	6,909	--	--	--	268,249
Real estate held for resale	--	--	--	161,290	--
Total assets	<u>\$ 695,411</u>	<u>\$ 38,484</u>	<u>\$ 14,025</u>	<u>\$ 1,898,489</u>	<u>\$ 268,249</u>
 <u>LIABILITIES AND FUND BALANCES</u>					
CURRENT LIABILITIES					
Accounts payable and accrued costs	\$ 5,381	\$ 38,484	\$ 14,025	\$ --	\$ --
Accrued payroll/related expenses	16,577	--	--	--	--
Due to other funds	-	--	--	249,461	--
Escrow funds	--	--	--	21,931	--
Total liabilities	<u>21,958</u>	<u>38,484</u>	<u>14,025</u>	<u>271,392</u>	<u>--</u>
FUND BALANCES					
Fund balance - unreserved	673,453	--	--	1,627,097	268,249
Total liabilities and fund balances	<u>\$ 695,411</u>	<u>\$ 38,484</u>	<u>\$ 14,025</u>	<u>\$ 1,898,489</u>	<u>\$ 268,249</u>

Special Revenue Funds			Capital Projects Funds				Total Nonmajor Government Funds
Recreation	Redevelopment Agency	Subtotal	Splost 2006	Splost 2001	Parks and Recreation	Subtotal	
\$ --	\$ 527,028	\$ 1,660,585	\$ 6,040,872	\$ 2,206,463	\$ 6,974	\$ 8,254,309	\$ 9,914,894
--	14,025	1,336,655	--	--	--	--	1,336,655
--	--	22,023	640,212	--	--	640,212	662,235
64,286	8,027	347,471	--	--	--	--	347,471
--	1,273,862	1,435,152	--	--	--	--	1,435,152
<u>\$ 64,286</u>	<u>\$ 1,822,942</u>	<u>\$ 4,801,886</u>	<u>\$ 6,681,084</u>	<u>\$ 2,206,463</u>	<u>\$ 6,974</u>	<u>\$ 8,894,521</u>	<u>\$13,696,407</u>
\$ --	\$ 36,264	\$ 94,154	\$ --	\$ --	\$ --	\$ --	\$ 94,154
--	--	16,577	--	--	--	--	16,577
--	--	249,461	--	--	--	--	249,461
--	--	21,931	--	--	--	--	21,931
--	36,264	382,123	--	--	--	--	382,123
64,286	1,786,678	4,419,763	6,681,084	2,206,463	6,974	8,894,521	13,314,284
<u>\$ 64,286</u>	<u>\$ 1,822,942</u>	<u>\$ 4,801,886</u>	<u>\$ 6,681,084</u>	<u>\$ 2,206,463</u>	<u>\$ 6,974</u>	<u>\$ 8,894,521</u>	<u>\$13,696,407</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, 2010

	Special Revenue Funds				
		Hotel - Motel			
	Bureau of Civic Affairs	Tourism Allocation Board	Motor Vehicle Rental Tax	Community Development	Law Enforcement
REVENUES:					
Other taxes	\$ 447,100	\$ 1,030,705	\$ 124,903	\$ --	\$ --
Fines and forfeitures	--	--	--	--	58,778
Intergovernmental	6,200	--	--	524,510	--
Other revenue	1,511	--	--	47,495	77
Total revenues	<u>454,811</u>	<u>1,030,705</u>	<u>124,903</u>	<u>572,005</u>	<u>58,855</u>
EXPENDITURES:					
Current:					
Public safety	--	--	--	--	19,437
Recreation	--	--	--	--	--
Civic affairs	376,749	628,187	--	--	--
Economic development	--	--	--	628,143	--
Downtown development	--	--	--	--	--
Capital Outlay	--	--	--	--	--
Total expenditures	<u>376,749</u>	<u>628,187</u>	<u>--</u>	<u>628,143</u>	<u>19,437</u>
Excess of revenue over (under) expenditures	<u>78,062</u>	<u>402,518</u>	<u>124,903</u>	<u>(56,138)</u>	<u>39,418</u>
OTHER FINANCING SOURCES (USES):					
Transfer in	55,000	--	--	--	--
Transfer out	--	(402,518)	(124,903)	--	--
Total other financing sources (uses)	<u>55,000</u>	<u>(402,518)</u>	<u>(124,903)</u>	<u>--</u>	<u>--</u>
Excess of revenues and other sources over (under) expenditures and other uses	133,062	--	--	(56,138)	39,418
FUND BALANCES, Beginning	<u>540,391</u>	<u>--</u>	<u>--</u>	<u>1,683,235</u>	<u>228,831</u>
FUND BALANCES, Ending	<u>\$ 673,453</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,627,097</u>	<u>\$ 268,249</u>

Special Revenue Funds			Capital Projects Funds				Total Nonmajor Government Funds
Recreation	Redevelopment Agency	Subtotal	Splst 2006	Splst 2001	Park and Recreation	Subtotal	
\$ --	\$ --	\$ 1,602,708	\$ --	\$ --	\$ 6,974	\$ 6,974	\$ 1,609,682
--	--	58,778	--	--	--	--	58,778
--	--	530,710	2,541,274	--	--	2,541,274	3,071,984
88,490	22,944	160,517	11,885	6,438	--	18,323	178,840
<u>88,490</u>	<u>22,944</u>	<u>2,352,713</u>	<u>2,553,159</u>	<u>6,438</u>	<u>6,974</u>	<u>2,566,571</u>	<u>4,919,284</u>
--	--	19,437	--	--	--	--	19,437
102,008	--	102,008	--	--	--	--	102,008
--	--	1,004,936	--	--	--	--	1,004,936
--	--	628,143	--	--	--	--	628,143
--	587,720	587,720	--	--	--	--	587,720
--	--	--	267,966	567,567	--	835,533	835,533
<u>102,008</u>	<u>587,720</u>	<u>2,342,244</u>	<u>267,966</u>	<u>567,567</u>	<u>--</u>	<u>835,533</u>	<u>3,177,777</u>
<u>(13,518)</u>	<u>(564,776)</u>	<u>10,469</u>	<u>2,285,193</u>	<u>(561,129)</u>	<u>6,974</u>	<u>1,731,038</u>	<u>1,741,507</u>
--	442,954	497,954	--	--	--	--	497,954
--	--	(527,421)	--	--	--	--	(527,421)
--	442,954	(29,467)	--	--	--	--	(29,467)
(13,518)	(121,822)	(18,998)	2,285,193	(561,129)	6,974	1,731,038	1,712,040
<u>77,804</u>	<u>1,908,500</u>	<u>4,438,761</u>	<u>4,395,891</u>	<u>2,767,592</u>	<u>--</u>	<u>7,163,483</u>	<u>11,602,244</u>
<u>\$ 64,286</u>	<u>\$ 1,786,678</u>	<u>\$ 4,419,763</u>	<u>\$ 6,681,084</u>	<u>\$ 2,206,463</u>	<u>\$ 6,974</u>	<u>\$ 8,894,521</u>	<u>\$ 13,314,284</u>

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES -				
Taxes -				
Hotel/Motel tax	\$ 429,509	\$ 447,100	\$ 447,100	\$ --
Other revenues:				
Interest earned	5,000	1,600	1,511	(89)
Grant income - local assistance	--	--	6,200	6,200
Total revenues	<u>434,509</u>	<u>448,700</u>	<u>454,811</u>	<u>6,111</u>
EXPENDITURES -				
Current -				
Civic affairs	<u>466,558</u>	<u>503,700</u>	<u>376,749</u>	<u>126,951</u>
Total expenditures	<u>466,558</u>	<u>503,700</u>	<u>376,749</u>	<u>126,951</u>
Excess of revenues over (under) expenditures	(32,049)	(55,000)	78,062	133,062
OTHER FINANCING SOURCES -				
Transfer in	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>--</u>
Total other financing sources	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>--</u>
Excess of revenues and other sources over (under) expenditures	<u>22,951</u>	<u>--</u>	133,062	<u>\$ 133,062</u>
FUND BALANCE ALLOCATION	<u>(22,951)</u>	<u>--</u>		
FUND BALANCE, Beginning	<u>\$ --</u>	<u>\$ --</u>	<u>540,391</u>	
FUND BALANCE, Ending			<u>\$ 673,453</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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES -				
Taxes -				
Hotel/Motel tax	\$ 991,250	\$ 1,030,705	\$ 1,030,705	\$ --
Total revenues	<u>991,250</u>	<u>1,030,705</u>	<u>1,030,705</u>	<u>--</u>
EXPENDITURES -				
Current -				
Civic affairs	594,750	600,290	628,187	(27,897)
Total expenditures	<u>594,750</u>	<u>600,290</u>	<u>628,187</u>	<u>(27,897)</u>
Excess of revenues over expenditures	396,500	430,415	402,518	(27,897)
OTHER FINANCING USES -				
Transfer out	(396,500)	(430,415)	(402,518)	27,897
Total other financing uses	<u>(396,500)</u>	<u>(430,415)</u>	<u>(402,518)</u>	<u>27,897</u>
Excess of revenues over (under) expenditures and other uses	<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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES -				
Taxes -				
Motor vehicle rental tax	<u>\$ 107,000</u>	<u>\$ 124,903</u>	<u>\$ 124,903</u>	<u>\$ --</u>
Total revenues	<u>107,000</u>	<u>124,903</u>	<u>124,903</u>	<u>--</u>
 EXPENDITURES -				
Current -				
Downtown development	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over expenditures	107,000	124,903	124,903	--
 OTHER FINANCING USES -				
Transfer out	<u>(107,000)</u>	<u>(124,903)</u>	<u>(124,903)</u>	<u>--</u>
Total other financing uses	<u>(107,000)</u>	<u>(124,903)</u>	<u>(124,903)</u>	<u>--</u>
Excess of revenues over (under) expenditures and other uses	<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
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Intergovernmental -				
Grants - federal - CDBG	\$ 485,672	\$ 485,672	\$ 524,510	\$ 38,838
Other revenues -				
Program income	<u>32,500</u>	<u>32,500</u>	<u>47,495</u>	<u>14,995</u>
Total revenues	<u>518,172</u>	<u>518,172</u>	<u>572,005</u>	<u>53,833</u>
EXPENDITURES -				
Economic development:				
Administration	121,044	121,044	193,583	(72,539)
Disposition	5,787	5,787	5,685	102
Housing	143,094	143,094	145,023	(1,929)
Public services	92,822	92,822	149,431	(56,609)
Public facility	8,460	8,460	19,900	(11,440)
Code enforcement	46,742	46,742	46,920	(178)
Clearance	<u>100,223</u>	<u>100,223</u>	<u>67,601</u>	<u>32,622</u>
Total expenditures	<u>518,172</u>	<u>518,172</u>	<u>628,143</u>	<u>(109,971)</u>
Excess of revenues over (under) expenditures	<u>\$ --</u>	<u>\$ --</u>	(56,138)	<u>\$ (56,138)</u>
FUND BALANCE, Beginning			<u>1,683,235</u>	
FUND BALANCES, Ending			<u>\$ 1,627,097</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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES -				
Fines and forfeitures:				
Condemnation	\$ 49,000	\$ 49,900	\$ 58,778	\$ 8,878
Interest funds and miscellaneous	1,000	100	77	(23)
Total revenues	50,000	50,000	58,855	8,855
EXPENDITURES -				
Current -				
Public safety	50,000	50,000	19,437	30,563
Total expenditures	50,000	50,000	19,437	30,563
Excess of revenues over (under) expenditures	\$ --	\$ --	39,418	\$ 39,418
FUND BALANCES, Beginning			228,831	
FUND BALANCES, Ending			\$ 268,249	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES -				
Other -				
Recreation fee	\$ 85,000	\$ 85,000	\$ 88,490	\$ 3,490
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>88,490</u>	<u>3,490</u>
 EXPENDITURES -				
Current -				
Recreation	<u>85,000</u>	<u>85,000</u>	<u>102,008</u>	<u>(17,008)</u>
Total expenditures	<u>85,000</u>	<u>85,000</u>	<u>102,008</u>	<u>(17,008)</u>
 Excess of revenues over (under) expenditures	<u>\$ --</u>	<u>\$ --</u>	(13,518)	<u>\$ (13,518)</u>
 FUND BALANCES, Beginning			<u>77,804</u>	
 FUND BALANCES, Ending			<u>\$ 64,286</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Other revenue	\$ --	\$ 138,010	\$ 16,511	\$ (121,499)
Interest	<u>8,950</u>	<u>8,950</u>	<u>6,433</u>	<u>(2,517)</u>
Total revenues	<u>8,950</u>	<u>146,960</u>	<u>22,944</u>	<u>(124,016)</u>
 EXPENDITURES -				
Current -				
City development	<u>115,950</u>	<u>587,720</u>	<u>587,720</u>	<u>--</u>
Total expenditures	<u>115,950</u>	<u>587,720</u>	<u>587,720</u>	<u>--</u>
 Excess of revenues under expenditures	(107,000)	(440,760)	(564,776)	(124,016)
 OTHER FINANCING SOURCES -				
Transfer in	<u>107,000</u>	<u>440,760</u>	<u>442,954</u>	<u>2,194</u>
Total other financing sources	<u>107,000</u>	<u>440,760</u>	<u>442,954</u>	<u>2,194</u>
 Excess of revenues and other sources over (under) expenditures	<u>\$ --</u>	<u>\$ --</u>	(121,822)	<u>\$ (121,822)</u>
 FUND BALANCE, Beginning			<u>1,908,500</u>	
 FUND BALANCE, Ending			<u>\$ 1,786,678</u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPLOST 2006
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Prior Years	Current Year	Total to Date	Revised Projected Costs
REVENUES:				
Special purpose local option sales tax	\$ 6,928,335	\$ 2,541,274	\$ 9,469,609	\$ 15,515,000
Interest	75,071	11,885	86,956	150,000
Total revenues	<u>7,003,406</u>	<u>2,553,159</u>	<u>9,556,565</u>	<u>15,665,000</u>
EXPENDITURES:				
Public safety:				
Vehicles	848,342	--	848,342	600,000
Buildings and improvements	159,705	--	159,705	5,550,000
Total public safety	<u>1,008,047</u>	<u>--</u>	<u>1,008,047</u>	<u>6,150,000</u>
Public works:				
Road construction/reconstruction	1,437,106	1,600	1,438,706	5,000,000
Sidewalk construction	--	150,911	150,911	515,000
Service lines - water and sewer	162,362	115,455	277,817	4,000,000
Total public works	<u>1,599,468</u>	<u>267,966</u>	<u>1,867,434</u>	<u>9,515,000</u>
Total expenditures	<u>2,607,515</u>	<u>267,966</u>	<u>2,875,481</u>	<u>15,665,000</u>
Excess of revenues over expenditures	<u>\$ 4,395,891</u>	2,285,193	<u>\$ 6,681,084</u>	<u>\$ --</u>
FUND BALANCES, Beginning		<u>4,395,891</u>		
FUND BALANCES, Ending		<u>\$ 6,681,084</u>		

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPLOST 2001
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Prior Years	Current Year	Total to Date	Revised Projected Costs
REVENUES:				
Special purpose local option sales tax	\$ 12,763,226	\$ --	\$ 12,763,226	\$ 12,763,226
Interest income	326,506	6,438	332,944	332,944
Total revenues	<u>13,089,732</u>	<u>6,438</u>	<u>13,096,170</u>	<u>13,096,170</u>
EXPENDITURES -				
Capital outlay:				
Road construction/reconstruction	1,112,452	--	1,112,452	2,995,060
Drainage construction	313,273	--	313,273	601,710
Sidewalk construction	731,676	259,840	991,516	1,000,000
Street resurfacing	8,164,739	307,727	8,472,466	8,499,400
Total expenditures	<u>10,322,140</u>	<u>567,567</u>	<u>10,889,707</u>	<u>13,096,170</u>
Excess of revenues over (under) expenditures	<u>\$ 2,767,592</u>	(561,129)	<u>\$ 2,206,463</u>	<u>\$ --</u>
FUND BALANCES, Beginning		<u>2,767,592</u>		
FUND BALANCES, Ending		<u>\$ 2,206,463</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES -				
Taxes -				
Hotel/Motel tax	\$ --	\$ 6,974	\$ 6,974	\$ --
Total revenues	<u> --</u>	<u> 6,974</u>	<u> 6,974</u>	<u> --</u>
 EXPENDITURES -				
Current -				
Parks & recreation	<u> --</u>	<u> 6,974</u>	<u> --</u>	<u> 6,974</u>
Total expenditures	<u> --</u>	<u> 6,974</u>	<u> --</u>	<u> 6,974</u>
 Excess of revenues over (under) expenditures	<u> --</u>	<u> --</u>	6,974	<u> 6,974</u>
 FUND BALANCES, Beginning			<u> --</u>	
 FUND BALANCES, Ending			<u> 6,974</u>	

CITY OF WARNER ROBINS, GEORGIA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR PROPRIETARY FUNDS
 JUNE 30, 2010

	Business-type Activities - Enterprise Funds		
	International City	Storm Water	Total
	Golf Course	Drainage	Nonmajor Proprietary
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ --	\$ 638,665	\$ 638,665
Accounts receivable, net	113	184,816	184,929
Due from other funds	9,037	87,770	96,807
Prepaid items	4,254	--	4,254
	<u>13,404</u>	<u>911,251</u>	<u>924,655</u>
NONCURRENT ASSETS:			
Unamortized bond expense, net	12,464	--	12,464
Land and other non depreciable assets	1,557,363	84,143	1,641,506
Capital assets, net of accumulated depreciation	220,013	806,722	1,026,735
	<u>1,789,840</u>	<u>890,865</u>	<u>2,680,705</u>
Total assets	<u>\$ 1,803,244</u>	<u>\$ 1,802,116</u>	<u>\$ 3,605,360</u>

	Business-type Activities -		
	Enterprise Funds		
	International City Golf Course	Storm Water Drainage	Total Nonmajor Proprietary
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES:			
Accounts payable	\$ 1,905	\$ --	\$ 1,905
Accrued payroll/related liabilities	12,414	19,005	31,419
Due to other funds	100,648	--	100,648
Compensated absences	9,924	571	10,495
Accrued interest	3,365	--	3,365
Capital lease payable	23,931	--	23,931
Bonds, notes, and loans payable	115,000	--	115,000
Total current liabilities	<u>267,187</u>	<u>19,576</u>	<u>286,763</u>
NON CURRENT LIABILITIES:			
Capital lease obligations	14,450	--	14,450
Bonds, notes and loans payable	117,000	--	117,000
OPEB Liability	30,245	71,805	102,050
Due to other funds - advance payable	100,000	--	100,000
Total non current liabilities	<u>261,695</u>	<u>71,805</u>	<u>333,500</u>
Total liabilities	<u>528,882</u>	<u>91,381</u>	<u>620,263</u>
NET ASSETS:			
Invested in capital assets, net of related debt	1,503,630	890,865	2,394,495
Unrestricted	(229,268)	819,870	590,602
Total net assets	<u>1,274,362</u>	<u>1,710,735</u>	<u>2,985,097</u>
Total liabilities and net assets	<u>\$ 1,803,244</u>	<u>\$ 1,802,116</u>	<u>\$ 3,605,360</u>

CITY OF WARNER ROBINS, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Business-type Activities -		
	Enterprise Funds		
	International City Golf Course	Storm Water Drainage	Total Nonmajor Proprietary
OPERATING REVENUES:			
Charges for services	\$ 294,298	\$ 1,808,975	\$ 2,103,273
Penalties and cut-on fees	--	26,274	26,274
Miscellaneous	19,285	6,322	25,607
Total operating revenues	<u>313,583</u>	<u>1,841,571</u>	<u>2,155,154</u>
OPERATING EXPENSES:			
Personnel services	266,207	760,061	1,026,268
Operating expenses	11,849	448,361	460,210
Repairs and maintenance	12,212	69,986	82,198
Supplies	70,041	--	70,041
Bad debt expense	--	15,200	15,200
Depreciation	37,278	4,391	41,669
Total operating expenses	<u>397,587</u>	<u>1,297,999</u>	<u>1,695,586</u>
OPERATING INCOME (LOSS)	<u>(84,004)</u>	<u>543,572</u>	<u>459,568</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest expense and fees	(10,608)	--	(10,608)
Amortization of bond expense	(8,309)	--	(8,309)
Gain on sale of capital assets	10	--	10
Total non-operating expenses, net	<u>(18,907)</u>	<u>--</u>	<u>(18,907)</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(102,911)	543,572	440,661
CAPITAL CONTRIBUTIONS			
Capital contribution-developers	--	801,691	801,691
INCOME (LOSS) BEFORE TRANSFERS	<u>(102,911)</u>	<u>1,345,263</u>	<u>1,242,352</u>
TRANSFERS IN	150,000	--	150,000
CHANGE IN NET ASSETS	47,089	1,345,263	1,392,352
NET ASSETS, Beginning	<u>1,227,273</u>	<u>365,472</u>	<u>1,592,745</u>
NET ASSETS, Ending	<u>\$ 1,274,362</u>	<u>\$ 1,710,735</u>	<u>\$ 2,985,097</u>

CITY OF WARNER ROBINS, GEORGIA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds		
	International City Golf Course	Storm Water Drainage	Total Nonmajor Proprietary
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 313,549	\$ 1,815,892	\$ 2,129,441
Cash paid to suppliers for goods and services	(65,653)	(355,714)	(421,367)
Cash paid to employees for services	(249,549)	(1,016,483)	(1,266,032)
Net cash provided (used) by operating activities	<u>(1,653)</u>	<u>443,695</u>	<u>442,042</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	<u>150,000</u>	<u>--</u>	<u>150,000</u>
Net cash provided by noncapital financing activities	<u>150,000</u>	<u>--</u>	<u>150,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payments:			
Bonds, notes, and loans payable	(113,000)	--	(113,000)
Capital leases	(23,064)	--	(23,064)
Acquisition and construction of capital assets	20	(876,760)	(876,740)
Capital contribution-developers		801,691	801,691
Interest and fees paid on bonds payable and notes payable	(12,303)	--	(12,303)
Net cash used for capital and related financing activities	<u>(148,347)</u>	<u>(75,069)</u>	<u>(223,416)</u>
NET INCREASE IN CASH	--	368,626	368,626
CASH, Beginning	<u>--</u>	<u>270,039</u>	<u>270,039</u>
CASH, Ending	<u>\$ --</u>	<u>\$ 638,665</u>	<u>\$ 638,665</u>

CITY OF WARNER ROBINS, GEORGIA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds		
	International City Golf Course	Storm Water Drainage	Total Nonmajor Proprietary
RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET:			
Cash, beginning			
Current	\$ --	\$ 270,039	\$ 270,039
Total	<u> --</u>	<u>270,039</u>	<u>270,039</u>
Net increase			
Current	<u> --</u>	<u>368,626</u>	<u>368,626</u>
Total	<u> --</u>	<u>368,626</u>	<u>368,626</u>
Cash, ending			
Current	<u> --</u>	<u>638,665</u>	<u>638,665</u>
Total	<u>\$ --</u>	<u>\$ 638,665</u>	<u>\$ 638,665</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ (84,004)</u>	<u>\$ 543,572</u>	<u>\$ 459,568</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	37,278	4,391	41,669
Gain on sale of capital assets	(10)	--	(10)
Decrease (increase) in assets:			
Accounts receivable	(24)	(10,479)	(10,503)
Due from other governments	16,473	(87,770)	(71,297)
Prepaid items	(2,160)		(2,160)
Increase (decrease) in liabilities:			
Accounts payable / accrued expenses	463	(15,974)	(15,511)
Due to other funds	14,641	(19,223)	(4,582)
OPEB Liability	14,785	29,178	43,963
Compensated absences payable	905	--	905
Total adjustments	<u>82,351</u>	<u>(99,877)</u>	<u>(17,526)</u>
Net cash provided (used) by operating activities	<u>\$ (1,653)</u>	<u>\$ 443,695</u>	<u>\$ 442,042</u>

CITY OF WARNER ROBINS, GEORGIA
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 JUNE 30, 2010

ASSETS

	Worker's Compensation	Group Health Insurance	Total
CURRENT ASSETS			
Cash	\$ 1,206,509	\$ 732,097	\$ 1,938,606
Prepaid items	56,982	--	56,982
Due from other funds	216,939	--	216,939
Total assets	\$ 1,480,430	\$ 732,097	\$ 2,212,527

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 123,956	\$ 491,268	\$ 615,224
Due to other funds	503,686	425,791	929,477
Total current liabilities	627,642	917,059	1,544,701

NET ASSETS

Unrestricted	852,788	(184,962)	667,826
Total liabilities and net assets	\$ 1,480,430	\$ 732,097	\$ 2,212,527

CITY OF WARNER ROBINS, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Worker's Compensation</u>	<u>Group Health Insurance</u>	<u>Total</u>
OPERATING REVENUES -			
Charges for services	\$ 1,063,511	\$ 6,221,751	\$ 7,285,262
Total operating revenues	<u>1,063,511</u>	<u>6,221,751</u>	<u>7,285,262</u>
OPERATING EXPENSES -			
Operating expenses	<u>1,041,664</u>	<u>6,272,995</u>	<u>7,314,659</u>
Total operating expenses	<u>1,041,664</u>	<u>6,272,995</u>	<u>7,314,659</u>
OPERATING INCOME (LOSS)	<u>21,847</u>	<u>(51,244)</u>	<u>(29,397)</u>
NON-OPERATING REVENUES -			
Interest income	<u>1,883</u>	<u>5,272</u>	<u>7,155</u>
Total non-operating revenues, net	<u>1,883</u>	<u>5,272</u>	<u>7,155</u>
CHANGE IN NET ASSETS	23,730	(45,972)	(22,242)
NET ASSETS, Beginning	<u>829,058</u>	<u>(138,990)</u>	<u>690,068</u>
NET ASSETS, Ending	<u>\$ 852,788</u>	<u>\$ (184,962)</u>	<u>\$ 667,826</u>

CITY OF WARNER ROBINS, GEORGIA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Worker's Compensation	Group Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 227,219	\$ 284,348	\$ 511,567
Cash received from other funds for goods and services	836,292	5,942,677	6,778,969
Cash paid to suppliers for goods and services	(1,044,416)	(6,688,600)	(7,733,016)
Net cash provided (used) by operating activities	<u>19,095</u>	<u>(461,575)</u>	<u>(442,480)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES -			
Due from other funds, net	<u>501,022</u>	<u>(1,099,950)</u>	<u>(598,928)</u>
Net cash provided (used) by noncapital financing activities	<u>501,022</u>	<u>(1,099,950)</u>	<u>(598,928)</u>
CASH FLOWS FROM INVESTING ACTIVITIES -			
Interest income on investments	<u>1,883</u>	<u>5,272</u>	<u>7,155</u>
Net cash provided by investing activities	<u>1,883</u>	<u>5,272</u>	<u>7,155</u>
NET INCREASE (DECREASE) IN CASH	522,000	(1,556,253)	(1,034,253)
CASH, Beginning	<u>684,509</u>	<u>2,288,350</u>	<u>2,972,859</u>
CASH, Ending	<u>\$ 1,206,509</u>	<u>\$ 732,097</u>	<u>\$ 1,938,606</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET</u>			
<u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>			
Operating income (loss)	<u>\$ 21,847</u>	<u>\$ (51,244)</u>	<u>\$ (29,397)</u>
Adjustments to reconcile operating income (loss) to net cash cash provided (used) by operating activities			
Changes in assets and liabilities:			
Decrease (increase) in prepaid items	(3,654)	5,274	1,620
(Decrease) increase in accounts payable	<u>902</u>	<u>(415,605)</u>	<u>(414,703)</u>
Total adjustments	<u>(2,752)</u>	<u>(410,331)</u>	<u>(413,083)</u>
Net cash provided (used) by operating activities	<u>\$ 19,095</u>	<u>\$ (461,575)</u>	<u>\$ (442,480)</u>

CITY OF WARNER ROBINS, GEORGIA
WATER AND SEWER SYSTEM
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - RESTRICTED ASSETS
REQUIRED BY REVENUE BOND ORDINANCE
FOR THE YEAR ENDED JUNE 30, 2010

WATER & SEWER BONDS SERIES 1998	<u>DEBT SERVICE RESERVE</u>
CASH BALANCE	
June 30, 2009	\$ 413,320
RECEIPTS	
Interest earned	<u> --</u>
Total receipts	<u> --</u>
DISBURSEMENTS	
Principal and interest	<u>413,320</u>
Total disbursements	<u>413,320</u>
CASH BALANCE	
June 30, 2010	<u><u> --</u></u>
REQUIRED BALANCE	<u><u> --</u></u>

The Bond Ordinance had no requirement for a restricted interest and sinking fund account. The City made the required principal and interest payments. The City used the Debt Service Reserve fund to pay off the balance of the 1998 Water & Sewer Bonds.

CITY OF WARNER ROBINS, GEORGIA
WATER AND SEWER SYSTEM
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - RESTRICTED ASSETS
REQUIRED BY REVENUE BOND ORDINANCE
FOR THE YEAR ENDED JUNE 30, 2010

WATER & SEWER BONDS SERIES 2002	INTEREST AND SINKING	DEBT SERVICE RESERVE	RENEWAL AND EXTENSION	TOTAL
CASH BALANCE June 30, 2009	\$ 1,268,298	\$ 593,596	\$ --	\$ 1,861,894
RECEIPTS				
Transfer from revenue fund	1,052,367	--	--	1,052,367
Transfer from debt service reserve	225,000	--	--	225,000
Interest earned	--	--	1,320	1,320
Transfer from 2002 renewal and extension	1,320	--	--	1,320
Total receipts	<u>1,278,687</u>	<u>--</u>	<u>1,320</u>	<u>1,280,007</u>
DISBURSEMENTS				
Principal and interest	1,285,063	--	--	1,285,063
Transfer to interest and sinking	--	225,000	1,320	226,320
Total disbursements	<u>1,285,063</u>	<u>225,000</u>	<u>1,320</u>	<u>1,511,383</u>
CASH BALANCE June 30, 2010	1,261,922	368,596	--	1,630,518
INVESTMENTS	<u>--</u>	<u>--</u>	<u>500,000</u>	<u>500,000</u>
TOTAL FUNDS ON HAND	<u>\$ 1,261,922</u>	<u>\$ 368,596</u>	<u>\$ 500,000</u>	<u>\$ 2,130,518</u>
REQUIRED BALANCE	<u>\$ 1,246,331</u>	<u>\$ 364,000</u>	<u>\$ 500,000</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, 2010

SERIES 2002

<u>YEAR OF MATURITY</u>	<u>BONDS OUTSTANDING</u>	<u>INTEREST RATE</u>	<u>ACCRUED INTEREST</u>
2010	\$ 1,175,000	3.75	\$ 22,031
2011	1,215,000	4.00	24,300
2012	<u>1,250,000</u>	4.00	<u>25,000</u>
	<u>\$ 3,640,000</u>		<u>\$ 71,331</u>

The above bonds bear interest as shown and are payable semiannually, January 1 and July 1 of each year. Accrued interest represents six months at June 30, 2010. The bonds mature July 1 of the year shown.

CITY OF WARNER ROBINS, GEORGIA
INTERNATIONAL CITY GOLF COURSE
SCHEDULE OF BONDS PAYABLE WITH INTEREST
MUNICIPAL GOLF COURSE REVENUE BONDS
FOR THE YEAR ENDED JUNE 30, 2010

SERIES 2003

YEAR OF MATURITY	BONDS OUTSTANDING	INTEREST RATE	ACCRUED INTEREST
2011	\$ 115,000	2.95	\$ 1,696
2012	117,000	2.95	1,726
	\$ 232,000		\$ 3,422

The above bonds bear interest as shown and are payable semiannually, January 1 and July 1 of each year. Accrued interest represents six months at June 30, 2010. The bonds mature January 1 of the year shown.

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
JUNE 30, 2010

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-000-0008-00(795)	\$ 34,634	\$ --	\$ --
WRATS	(1)	PL-000-0009-00(246)	27,525	72,299	44,774
DOT		PRC 10-S009-00(479)	19,701	--	--
DOT		PRC 10-S009-00(480)	6,329	--	--
Total Dept. of Transportation			88,189	72,299	44,774
Ga Dept. of Community Affairs					
Cherished Children Care, Inc		DCA 08-C-L-255	3,750	3,750	--
Total DCA			3,750	3,750	--
Ga Emergency Management Agency					
Flood Mitigation		PA-04-GA-1858	15,666	49,627	33,961
Total Ga Emergency Management Agency			15,666	49,627	33,961
Total state and pass through grant			<u>\$ 107,605</u>	<u>\$ 125,676</u>	<u>\$ 78,735</u>

(1) includes Federal pass through

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECTS</u>	<u>Original</u>		<u>EXPENDITURES</u>			<u>Estimated Percentage of Completion Total</u>
	<u>Estimated Cost</u>	<u>Revised Cost</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Total</u>
2006 Referendum - capital outlay:						
Road, street and sidewalk	\$ 5,515,000	\$ 5,515,000	\$ 1,437,106	\$ 152,511	\$ 1,589,617	28.82%
Public safety facilities	6,000,000	6,150,000	1,008,047	--	1,008,047	16.39%
Water and sewer system	4,000,000	4,000,000	162,362	115,455	277,817	6.95%
	<u>\$ 15,515,000</u>	<u>\$ 15,665,000</u>	<u>\$ 2,607,515</u>	<u>\$ 267,966</u>	<u>\$ 2,875,481</u>	

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECTS</u>	<u>Original</u>		<u>EXPENDITURES</u>			<u>Estimated Percentage of Completion Total</u>
	<u>Estimated Cost Cost</u>	<u>Revised Cost</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Total</u>
2001 Referendum - capital outlay:						
Road construction / reconstruction	\$ 1,950,000	\$ 2,995,060	\$ 1,112,452	\$ --	\$ 1,112,452	37.14%
Drainage construction	565,000	601,710	313,273	--	313,273	52.06%
Sidewalk construction	1,000,000	1,000,000	731,676	259,840	991,516	99.15%
Streets resurfacing	8,598,750	8,499,400	8,164,739	307,727	8,472,466	99.68%
	<u>\$ 12,113,750</u>	<u>\$ 13,096,170</u>	<u>\$ 10,322,140</u>	<u>\$ 567,567</u>	<u>\$ 10,889,707</u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
JUNE 30, 2010

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MOTOR VEHICLE RENTAL TAX FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES -				
Taxes -				
Motor vehicle rental tax	\$ 107,000	\$ 124,903	\$ 124,903	\$ --
Total revenues	<u>107,000</u>	<u>124,903</u>	<u>124,903</u>	<u>--</u>
EXPENDITURES -				
Current -	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over expenditures	107,000	124,903	124,903	--
OTHER FINANCING (USES) -				
Transfer out	<u>(107,000)</u>	<u>(124,903)</u>	<u>(124,903)</u>	<u>--</u>
Total other financing uses	<u>(107,000)</u>	<u>(124,903)</u>	<u>(124,903)</u>	<u>--</u>
Excess of revenues over (under) expenditures and other uses	<u>\$ --</u>	<u>\$ --</u>	--	<u>\$ --</u>
FUND BALANCES, Beginning			<u>--</u>	
FUND BALANCES, Ending			<u>\$ --</u>	

SCHEDULE OF HOTEL/MOTEL TAX REPORT

		<u>6%</u>
Amount of tax collected	\$ 919,119	100.00%
Amount expended to promote tourism (General Fund)	\$ 367,647	40.00%
Amount expended to support the Museum of Aviation	\$ 153,190	16.67%
Amount expended for city promotion (Bureau of Civic Affairs)	\$ 398,282	43.33%

On March 2010, the Mayor and City Council amended Chapter 10 of the City Code to increase the tax rate of the occupancy of a guest room in any hotel from 6% to 8%. This increase was effective June 1, 2010.

		<u>8%</u>
Amount of tax collected	\$ 111,586	100.00%
Amount expended to promote tourism (General Fund)	\$ 34,871	31.25%
Amount expended to support the Museum of Aviation	\$ 20,922	18.75%
Amount expended for city promotion (Bureau of Civic Affairs)	\$ 27,897	25.00%
Amount expended for a visitor center (Bureau of Civic Affairs)	\$ 20,922	18.75%
Amount expended for recreation capital project	\$ 6,974	6.25%



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FAX 478-923-7896

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
Warner Robins, Georgia

We have audited the financial statements of governmental activities, the business-type activities, 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, 2010, and have issued our report thereon dated December 29, 2010. 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. The purpose of this report is to describe the scope of testing internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Warner Robins, Georgia's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or, material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified the following deficiencies in internal control that we consider to be significant deficiencies, Item 96-01 and 10-01 on the accompany schedule of finding and questioned costs. 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.

The City of Warner Robins, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City of Warner Robins, Georgia's response and, accordingly, we express no opinion on it.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Warner Robins, Georgia's financial statements are free of 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 reported to management of the City of Warner Robins in a separate letter dated December 29, 2010.

This report is intended solely for the information and use of the Mayor, City Council, management, others within the Organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Nichols, Cauley + Associates, LLC

Warner Robins, Georgia

December 29, 2010

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Federal Program Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>		
Community Development Block Grant:		
Entitlement Grant	14.218	\$ 550,097
"ARRA" Entitlement Grant	14.253R	78,046
Total U.S. Dept. of Housing and Urban Development		<u>628,143</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>		
	16.580	
Police Bullet Proof Vests	212098	5,529
JAG Equipment	208-DJ-BX-0240	11,924
Total U.S. Department of Justice		<u>17,453</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>		
Federal Highway Administration		
Passed Through Georgia Department of Transportation	20.205	
WRATS	PL-0008-00-795	64,266
Total U.S. Department of Transportation		<u>64,266</u>
<u>U. S. DEPARTMENT OF HOMELAND SECURITY</u>		
Federal Emergency Management Agency	97.044	
Assistance to Firefighters Grant	EMW-2006-FF-03635	186,396
Passed Through Georgia Emergency Management		
Agency - Flood Mitigation	PA-04-GA 1858	43,790
Total U. S. Department of Homeland Security		<u>230,186</u>
<u>U.S. DEPARTMENT OF ENERGY</u>		
	81.128	
Energy Efficiency and Conservation Block Grant	DE-SC0002172	247,393
Total U.S. Department of Energy		<u>247,393</u>
Total Expenditures of Federal Awards		<u>\$ 1,187,441</u>

See Notes to Schedule of Expenditures of Federal Awards

CITY OF WARNER ROBINS, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Warner Robins, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the City of Warner Robins provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Community Development Block Grant – Entitlement Grant	14.218	<u>\$ 163,511</u>

CITY OF WARNER ROBINS, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

PRIOR FINANCIAL STATEMENT FINDINGS

- 96-01 Management concurred that Municipal Court records were not reconciled with cash on deposit. The City has taken corrective action to strengthen internal controls including the installation of a computer software program that enables Municipal Court personnel to better manage the flow of court cases; completion of training of Municipal Court personnel on the use of the new software; and counseling of Municipal Court personnel on the importance of reconciling all open cases to cash on deposit. Processing of open cases and cash bonds with cash deposits appears to be functioning properly. The processing of the backlog of old open cases are continuing. Management has formulated a course of action to clear the backlog of old open cases in the current fiscal year. This is a repeat finding reported on in prior years.

PRIOR FEDERAL AWARDS FINDINGS

None



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REPLY TO:
400 Corder Road
Warner Robins, Georgia 31088
478-929-3888
FAX 478-923-7896

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City of Warner Robins, Georgia with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The City of Warner Robins, Georgia's major federal programs are identified in the summary of auditor's results sections of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Warner Robins, Georgia's management. Our responsibility is to express an opinion on the City of Warner Robins, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Warner Robins, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Warner Robins, Georgia's compliance with those requirements.

In our opinion, the City of Warner Robins, Georgia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

To the Mayor and City Council
City of Warner Robins
Page 2

Internal Control Over Compliance

The management of the City of Warner Robins, Georgia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Warner Robins, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, in accordance with OMB Circular A-133 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Warner Robins, Georgia's internal control over compliance

A deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessary identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

City of Warner Robins, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit City of Warner Robins, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Mayor, City Council, management, others within the Organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Nichols, Cauley + Associates, LLC

Warner Robins, Georgia

December 29, 2010

CITY OF WARNER ROBINS, GEORGIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2010

SECTION I. SUMMARY OF AUDITOR'S RESULTS:

FINANCIAL STATEMENTS

Type of Auditor's Report issued:	Unqualified
Internal control over financial reporting: Material weakness identified?	No
Significant deficiency identified not considered to be a material weakness?	Section II
Noncompliance material to financial statement noted?	No

FEDERAL AWARDS

Internal Control over major programs: Material weakness identified?	No
Significant deficiency identified not considered to be material weakness?	None Reported
Type of Auditor's report issued on compliance for major program:	Unqualified
Any audit finding disclosed that is required to be reported in Accordance with OMB Circular A-133, Section .510(A)?	No
Identification of major programs: CFDA Number:	14.218
Name of Federal Program:	Community Development Block Grant
Dollar threshold used to distinguish between Type A and Type B programs?	\$300,000
Auditee qualified as low risk auditee?	Yes

SECTION II. FINANCIAL STATEMENT FINDINGS

96-1: Criteria	Internal Control Structure should provide reasonable assurance that cash on deposit be reconciled with Municipal Court records. This is a repeat finding reported on in prior years.
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CITY OF WARNER ROBINS, GEORGIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2010

Condition In our review of Municipal Court records, we determined that efforts were made by the court personnel to reconcile the cash on deposit in the Municipal Court bank account with the open cases; however, they remained unreconciled at June 30, 2010.

Context The Municipal Court could not provide a reconciliation of cash and open cases.

Effect Funds on deposit in the Municipal Court account may be in excess of the open cases. Any excess should be remitted to the City.

Cause Because of the high volume of cases and limited staff cases have not been reconciled.

Recommendation Policies and procedures should be implemented to correct this deficiency.

Views of Responsible
 Officials and Planned

Corrective Action *Management concurs with finding and is in the process of reconciling cash with the open cases .*

2010-01: Criteria IT System general controls such as proper back-up of shared files, formal disaster recovery plans, contingency and business continuity plans, and user access controls and rights policies need to be formalized, independently tested, and followed.

Condition Important financial data could be destroyed or lost causing disruption of the operations of the City, and improper assess rights could allow improprieties to occur and not be detected.

Context IT system backups of shared files are not consistently performed, a formal disaster recovery plan does not exist, contingency and business continuity plans need to be developed, and user access rights are not monitored on a routine basis.

Effect Critical data could be lost. Fraud or other improprieties are more likely to occur if access rights are incorrectly obtained or granted. Business operations could be significantly and negatively impacted.

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

Cause The City has experienced periods of rapid growth and operations have become more complex and the City has not fully responded to this change.

Recommendation Establish more controls over the back-up system, develop an access rights policy, a disaster recovery plan, a contingency and business continuity plan, and develop policies, procedures, and monitor controls over user rights and access.

Views of Responsible
Officials and Planned
Corrective Action

Management is concurs with finding and is in the process of updating its procedures and controls for backup, user access, disaster recovery and contingency and continuity.

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Reported