

CITY OF WARNER ROBINS, GEORGIA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019



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ANNUAL FINANCIAL REPORT
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Warner Robins, Georgia (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Redevelopment Agency of the City of Warner Robins, Georgia which represent 14 percent, 15 percent, and 1 percent, respectively, of the assets, fund balance, and revenues of the non-major governmental funds. We did not audit the financial statements of the Downtown Development Authority of the City of Warner Robins and the Development Authority of the City of Warner Robins, which represent 100 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Redevelopment Agency of the City of Warner Robins, Georgia, the Downtown Development Authority of the City of Warner Robins and the Development Authority of the City of Warner Robins, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of Pension Contributions, and the Schedule of Changes in the City's Total OPEB Liability and Related Ratios on pages 4 through 13, and pages 69 through 73, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements, the Schedule of State Requirements, and the Schedule of Expenditures of Federal Awards, as

required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements, the Schedule of State Requirements, as required by the Official Code of Georgia 48-8-121, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements, the Schedule of State Requirements, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Nichols, Cauley + Associates, LLC

Warner Robins, Georgia
May 28, 2020

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

The City of Warner Robins' basic financial statements are presented for the fiscal year ended June 30, 2019. The components of the financial statements include Management's Discussion and Analysis (MD&A), Basic Financial Statements, and Other Required Supplementary Information (RSI). The MD&A, a component of RSI, introduces the basic financial statements and provides an analytical overview of the City's financial activities. All numbers represented in this MD&A are in thousand dollars, unless otherwise noted.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

The governmental fund financial statements can be found on pages 16 through 19 and the proprietary fund financial statements can be found on pages 20 through 24 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 25 through 68 of this report.

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Other Information

Combining and individual statements present more detailed views of non-major funds used in the governmental funds beginning on page 74. Also included are statements for internal service funds beginning on page 89.

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

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

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Government-Wide Financial Analysis

Table 2 below presents the City's condensed statement of net position (in thousands) as of June 30, 2019, and 2018, derived from the government-wide Statement of Net Position on page 14.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets and Deferred Outflows:						
Current assets	\$ 77,446	\$ 46,501	\$ 27,618	\$ 33,144	\$ 105,064	\$ 79,645
Other assets	--	--	4,158	5,499	4,158	5,499
Capital assets	159,920	146,971	108,317	108,675	268,237	255,646
Total assets	<u>237,366</u>	<u>193,472</u>	<u>140,093</u>	<u>147,318</u>	<u>377,459</u>	<u>340,790</u>
Deferred outflows	5,638	4,219	965	648	6,603	4,867
Total assets and deferred outflows	<u>243,004</u>	<u>197,691</u>	<u>141,058</u>	<u>147,966</u>	<u>384,062</u>	<u>345,657</u>
Liabilities and Deferred Inflows:						
Current liabilities	8,961	5,288	5,848	6,082	14,809	11,370
Long-term liabilities	74,283	36,927	37,062	39,772	111,345	76,699
Total liabilities	<u>83,244</u>	<u>42,215</u>	<u>42,910</u>	<u>45,854</u>	<u>126,154</u>	<u>88,069</u>
Deferred inflows	7,145	9,942	1,195	1,573	8,340	11,515
Total liabilities and deferred inflows	<u>90,389</u>	<u>52,157</u>	<u>44,105</u>	<u>47,427</u>	<u>134,494</u>	<u>99,584</u>
Net Position:						
Net investment in						
Capital assets	159,920	146,948	79,907	78,191	239,827	225,139
Restricted	50,280	18,964	1,528	1,572	51,808	20,536
Unrestricted	<u>(57,585)</u>	<u>(20,378)</u>	<u>15,518</u>	<u>20,776</u>	<u>(42,067)</u>	<u>398</u>
Total net position	<u>\$ 152,615</u>	<u>\$ 145,534</u>	<u>\$ 96,953</u>	<u>\$ 100,539</u>	<u>\$ 249,568</u>	<u>\$ 246,073</u>

By far the largest portion (approximately \$239.8 million) of the City of Warner Robins' net position reflect its investment in capital assets (e.g., land, building, infrastructure, machinery, and equipment, etc.), less accumulated depreciation and related debt. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Unrestricted net position totals approximately \$9.2 million deficit as of June 30, 2019. Restricted net position (approximately \$19.0 million) represents resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used.

Governmental Activities reflect a negative unrestricted net position balance of approximately \$24.7 million as of June 30, 2019.

Business-type activities reflect a positive unrestricted net position balance of approximately \$15.5 million as of June 30, 2019.

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Table 3 presents the City's condensed statement of activities (in thousands) for the fiscal years ended June 30, 2019 and 2018, as derived from the government-wide Statement of Activities on page 15. Over time, increases or decreases in net position measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities increased by approximately \$7.1 million and the net position of the business-type activities decreased by approximately \$3.6 million.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 5,288	\$ 6,222	\$ 50,238	\$ 50,995	\$ 55,526	\$ 57,217
Operating grants and contributions	1,663	1,994	--	--	1,663	1,994
Capital grants and contributions	8,305	8,454	1,973	1,261	10,278	9,715
General revenues:						
Property and other taxes	29,106	27,909	--	--	29,106	27,909
Sale of assets	51	(37)	2	6	53	(31)
Other	6,443	5,454	552	436	6,995	5,890
Total revenues	<u>50,856</u>	<u>49,996</u>	<u>52,765</u>	<u>52,698</u>	<u>103,621</u>	<u>102,694</u>
Expense:						
General government	4,658	6,833	--	--	4,658	6,833
Judicial	621	912	--	--	621	912
Public safety	25,817	22,853	--	--	25,817	22,853
Recreation	4,623	3,367	--	--	4,623	3,367
Public works (Streets)	10,434	10,307	--	--	10,434	10,307
City development	4,718	6,177	--	--	4,718	6,177
Downtown Development	137	468	--	--	137	468
Other	1,328	2	--	--	1,328	2
Natural gas system	--	--	19,765	20,680	19,765	20,680
Water and sewer system	--	--	16,467	16,282	16,467	16,282
Storm water drainage	--	--	3,417	3,125	3,417	3,125
Sanitation	--	--	8,141	8,199	8,141	8,199
Total expenses	<u>52,336</u>	<u>50,919</u>	<u>47,790</u>	<u>48,286</u>	<u>100,126</u>	<u>99,205</u>
Increase (decrease) in net position before transfers	(1,480)	(923)	4,975	4,412	3,495	3,489
Transfers	8,561	2,849	(8,561)	(2,849)	--	--
Increase (decrease) in net position	<u>7,081</u>	<u>1,926</u>	<u>(3,586)</u>	<u>1,563</u>	<u>3,495</u>	<u>3,489</u>
Net position - beginning	145,534	143,608	100,539	98,976	246,073	242,584
Net position - ending	<u>\$ 152,615</u>	<u>\$ 145,534</u>	<u>\$ 96,953</u>	<u>\$ 100,539</u>	<u>\$ 249,568</u>	<u>\$ 246,073</u>

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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 slightly for governmental activities from fiscal year 2018 to fiscal year 2019.

Function/Program	Program Expenses	Less Program Revenues	Net Program Costs (Revenue)		Program Revenues as a Percentage of Program Expenses	
			2019	2018	2019	2018
General government	\$ 4,658	\$ 10,560	\$ (5,902)	\$ 5,127	226.71%	7.05%
Judicial	621	1,030	(409)	--	165.84%	0.00%
Public safety	25,817	829	24,988	19,244	3.21%	17.14%
Recreation	4,622	640	3,982	2,944	13.85%	15.74%
Public works	10,434	1,454	8,980	6,007	13.94%	50.90%
City development	4,718	710	4,008	(961)	15.06%	144.48%
Other	1,464	32	1,432	87	2.18%	0.00%
Total	\$ 52,334	\$ 15,256	\$ 37,078	\$ 32,448	29.15%	30.54%

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 slightly for business-type activities from fiscal year 2018 to fiscal year 2019.

Function/Program	Program Revenues	Less Program Expenses	Net Program Revenue (Costs)		Program Expenses as a Percentage of Program Revenues	
			2019	2018	2019	2018
Natural gas system	\$ 23,191	\$ 19,765	\$ 3,426	\$ 1,677	85.23%	92.42%
Water and sewer system	17,863	16,467	1,396	1,892	92.19%	89.55%
Storm water drainage	3,608	3,417	191	532	94.71%	83.88%
Sanitation	7,549	8,141	(592)	125	107.84%	98.52%
Total	\$ 52,212	\$ 47,791	\$ 4,422	\$ 4,226	91.53%	91.87%

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Overall Analysis

Financial highlights for the City as a whole during the fiscal year ended June 30, 2019, include the following:

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows (net position) at the close of the fiscal year by \$152.6 million for the governmental activities and by \$97.0 million for the business-type activities.

The City's total net position increased during the year by \$3.5 million. Net position of governmental activities increased by \$7.1 million, while the net position of business-type activities decreased by \$3.6 million. The increase in the net position of the City governmental activities is the result of increased collections of property taxes, excise taxes and business taxes as well an increase in transfers from the City's Enterprise Funds. \$4 million was transferred from the City's Water & Sewer Enterprise Fund into a Capital Projects Fund.

Operating Revenues in the City's Enterprise Funds were maintained at essentially the same levels as 2018 with a decrease of \$64 thousand in the Natural Gas Fund operating revenues, a slight increase of \$13 thousand in Water & Sewer Fund operating revenues and an increase of \$42 thousand in the Storm Water Drainage Fund operating revenues.

The City's Water and Sewer Fund and Natural Gas Fund experienced positive operating results. The City's Stormwater Drainage Fund experienced a \$650 thousand operating loss as a result of higher personnel costs. The City's Sanitation fund experienced a \$600 thousand operating loss due primarily to increases in contractual operating expenses.

Fund Analysis

Funds that experienced significant changes during the fiscal year ended June 30, 2019, 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 \$71.9 million.

General Fund

The total of the General Fund's fund balances as of June 30, 2019 was approximately \$19.0 million. The General Fund's fund balances are segregated by the extent to which the governing body is bound to honor constraints on the specific purpose for which amounts in the General Fund can be used. Of the total General Fund's fund balances, \$336 thousand is non-spendable, \$2.2 million is committed, and \$16.5 million is unassigned. The 17.3% increase in the General Funds unassigned fund balance in FY2019 is due to a decrease in operating expenditures as well as a decrease in future commitments. FY 2019 General Fund Revenues increased \$828 thousand compared to 2018's revenues. The General Fund's expenditures decreased by 2.3% (1.05 million) compared to FY2018 expenditures. Lower personnel costs in the General Administration and Public Works departments as well as lower operating expenses in the City Development department are largely responsible for this decrease.

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Capital Project Fund/SPLOST

The fund balance for the 2012 SPLOST, classified as a major fund as of June 30, 2019, totaled \$9.1 Million. Expenditures of 2001 SPLOST funds were completed and the fund Balance for the 2001 SPLOST fund was zero at June 30, 2019. The fund balance for the 2006 SPLOST totaled \$51 thousand, a decrease of \$13 thousand from June 30, 2018. The fund balance of the 2012 SPLOST decreased \$4.6 million to a balance of \$9 million. These decreases are due to the use of prior SPLOST receipts in the completion of various projects. Sales Tax Receipts for the City's 2006 SPLOST ended in September 2012. Sales Tax receipts for the City's 2012 SPLOST ended in September 2018. Sales tax receipts for the 2018 SPLOST began in October 2018 and the fund balance for the 2018 SPLOST fund, classified as a major fund, was 17.2 million on June 30, 2019. Expenditures for the 2006, 2012 and 2018 SPLOST projects will continue into fiscal year 2020.

Proprietary Funds:

The City's Proprietary Funds reported a total net position of \$97 million, a 3.6% decrease from the prior year. An increase in transfers out of the Water & Sewer Fund and Natural Gas Fund and a decrease in revenues in the City's Sanitation fund are responsible for the decrease.

Natural Gas Fund

The Net Position of the Natural Gas Fund increased 1.2 million. Natural Gas Sales decreased by \$121 thousand. The operating expenses of the Natural Gas fund decreased by \$914 thousand. The decrease in operating expenses is attributed primarily to a decrease in personnel costs with lower OPEB costs being assigned to the Natural Gas Fund. The modest decrease in Natural Gas Sales from FY 2018 is attributed to a decrease in volumes sold after a warm winter.

Water and Sewer Fund

The Net Position of the Water and Sewer Fund (approximately 58.1 million) decreased by \$4.4 million. The decrease is attributed to an increase in Transfers out, including a \$4 million transfer out to a Capital Projects Fund for construction of system infrastructure.

Storm Water Drainage Fund (SWD)

The SWD Fund reported a net position of \$18.4 million at June 30, 2019. Higher personnel costs due to an increase in the amount of OPEB costs being assigned to the fund resulted in negative operating results (\$654 thousand) for the fiscal year. Operating losses were offset by contributions from real estate developers in the amount of \$844 thousand. Overall net position in the fund increased \$191 thousand or 1.0% over the prior year.

Sanitation Fund

The Sanitation Fund reported a negative change in net position of \$574 thousand, with a net position balance of \$454 thousand at year end. Operating revenues decreased 9% over the prior year, while operating expenses decreased by less than 1%. The decrease in operating revenues is attributable to the City opting to discontinue its roll-off operations.

**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Internal Service Funds

The City's Group Health Internal Service Fund reported a negative net position of \$975 thousand at June 30, 2019, decreasing by \$28 thousand from the prior year. Contributions to the fund were not sufficient to cover the deficit at the beginning of the year plus the current year's costs. The Worker's Compensation Insurance Internal Service Fund increased by \$51 thousand and reported a positive fund balance of 1.1 million. This resulted in a combined net position for the City's internal service funds of \$175 thousand.

Budgetary Highlights

Over the course of the fiscal year, the Mayor and Council of the City of Warner Robins amended the budget several times. These budget amendments were supplemental appropriations for capital expenditures and for increases in appropriations to prevent budget overruns. No variances between the original and final budget, or between final and actual budget are expected to significantly affect future services or liquidity. For additional information on the budget variances, refer to the budgetary comparison schedule for the General Fund in the RSI section on page 69.

Differences between the original appropriated budget and the final amended budget in the General Fund amounted to \$3.2 million. This difference is attributable to allocations from unrestricted fund balance for prior year's encumbrances of \$3.0 million and the incorporation of supplemental appropriations for unanticipated revenues of \$200 thousand 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, 2019, amounts to \$268.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, and a network of streets and drainage systems.

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

The City's Governmental funds expended 1.5 million in the current fiscal year for land; \$14.6 million on capital projects, including construction in progress; \$3.4 million for buildings and building improvements; \$1.5 million for machinery and equipment and \$2 million for infrastructure improvements such as street, street lights and drainage improvements. Land additions included property donated to the City.

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Various roadway and walkway projects, building projects, recreation facility improvement projects, and water and sewer distribution projects are continuing related to the 2006, 2012, and 2018 Special Purpose Local Options Sales Tax (SPLOST) Funds. Amounts expended from the 2006 SPLOST Fund for street projects totaled \$14 thousand. Amounts expended from the 2012 SPLOST for general capital obligations totaled \$276 thousand for building and technology improvements; \$196 thousand spent on public safety facilities; and \$2 million spent for road and walkway improvements. Amounts spent from the 2018 SPLOST included \$1.9 million for general capital technological improvements and \$1.3 million on recreation facilities.

Information on the City of Warner Robins' capital assets can be found in note III-E on pages 47 and 48 of this report.

Long-term Obligations

As of June 30, 2019, the City reported a total long-term obligations balance of \$72.1 million. The total long-term obligations, excluding Net Pension and OPEB liability had an overall increase of \$37 million. The current portion of the long-term obligations is comprised of Claims Payable (\$145 thousand), Compensated Absences, (\$1.4 million), Capital Leases (\$592 thousand), and Bonds, Notes, and Accrued Interest (\$4.9 million). The noncurrent portion is comprised of Compensated Absences (\$492 thousand), Capital Leases (\$2 million), Contracts Payable (2.2 million) and Bonds, Notes, and Accrued Interest (\$60.4 million).

The Constitution of the State of Georgia limits direct general obligation indebtedness of the 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 2018 was \$1.7 billion. The legal limit of general obligation debt for the City is \$170 million.

As of June 30, 2019, the City had not issued any direct general obligation bonds. However, In September 2018 the Warner Robins Public Facilities Authority, a component unit of the City issued general obligation bonds in the amount of \$38.6 million. The primary purpose of these bonds are to renovate and expand the City's recreational facilities. In June of 2018 the Joint Development Authority of Peach County and the City of Warner Robins issued Series 2018 Industrial Redevelopment Revenue Bonds in the amount of \$7.3 million. In June 2018, the City entered into an agreement with the aforementioned Joint Development Authority to pay thirty percent (2.2 million) of the principal of, interest on, and other amounts with respect to, the Series 2018 Bond as the same shall become due. The primary purpose of this debt is the development of an Industrial Park.

Refer to Note III-G on page 50 of this report for additional information on the City's long-term obligations.

Economic Factors and Next Year's Budgets

The unemployment rate for the Warner Robins Metropolitan Statistical Area at fiscal year-end was 3.8%, an improvement over the 2018 fiscal year's ending rate of 4.4%

The City's 2018 net taxable digest (Fiscal Year 2019 income) increased 4% over the net taxable digest of 2017 (Fiscal Year 2018 income). The governing body enacted a millage rate for FY 2018 of 9.980 mils

CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

for parcels located in Houston County and a millage rate of 8.845 mils, allowing for a LOST rollback of 1.135 mils, for parcels located in Peach County, in order to maintain the current level of services.

While the City's investment revenues enjoyed a modest increase during fiscal year 2019, low rates of return for United States Treasury investments continue to have a negative effect on the City's budgeted investment revenues.

Cash collections from the 2012 SPLOST final total collections were 14.15% less than original projections as of June 30, 2019, while cash collections from the new 2018 SPLOST were 9.98% above original projections as of June 30, 2019.

City officials considered these factors in making judgments and estimates in developing the general fund budget for fiscal year 2020. The City approved a budget appropriation for Fiscal Year 2020 in the amount of \$47 million, an increase of 6.8 percent from the 2019 original budget of \$44 million. Tax revenues will provide 50% of this appropriation. The majority of the remaining 50% of appropriations will be financed by selective sales and use taxes (16%), other financing revenues (11%) and a fund balance allocation (12%). The City will use these revenues to finance programs currently offered, to finance increased program costs and to finance capital improvements deemed necessary due to the City's growth.

General fund budgeted expenditures for FY 2020, including prior year encumbrances, increased by 8 percent over fiscal year 2019. The increase in appropriations is attributable to budgeted increases in employee salaries and an increase in capital expenditure funding.

Gross Revenues of the Water & Sewer Fund in FY 2020 are expected to remain comparable to results of FY 2019. Budgeted Revenues for the Sanitation Fund and Natural Gas Fund decreased in FY 2020 after lower than expected volumes of gas sold in FY 2019 and an alteration in services provided in the City's Sanitation Fund. Stormwater Drainage Fund revenues are expected to increase slightly due to changes in some of the billing and collection procedures.

Requests for Information

This report is designed to provide a general overview of the City of Warner Robins' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer's Office, City of Warner Robins, 700 Watson Blvd, Warner Robins, Georgia 31093.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Development Authority
<u>ASSETS:</u>					
Current assets:					
Cash and cash equivalents	\$ 71,771,519	\$ 21,098,048	\$ 92,869,567	\$ 37,527	\$ 123,281
Accounts receivable, net	1,137,142	4,604,756	5,741,898	--	--
Internal balances	10	(10)	--	--	--
Due from other governments	2,778,318	40,071	2,818,389	--	--
Inventories, at cost	61,032	272,080	333,112	--	--
Real estate-held for investment/resale	1,237,437	--	1,237,437	--	--
Prepaid items	460,599	75,198	535,797	3,656	3,656
Restricted assets -					
Cash and cash equivalents	--	1,528,140	1,528,140	--	--
Total current assets	<u>77,446,057</u>	<u>27,618,283</u>	<u>105,064,340</u>	<u>41,183</u>	<u>126,937</u>
Non-current assets:					
Receivables	--	2,268,272	2,268,272	--	--
Investment in Jointly-Owned Natural Gas Transmission Line	--	1,889,872	1,889,872	--	--
Land and other non-depreciable assets	33,597,462	7,088,661	40,686,123	--	--
Capital assets, net of accumulated depreciation	<u>126,322,724</u>	<u>101,228,141</u>	<u>227,550,865</u>	<u>--</u>	<u>--</u>
Total non-current assets	<u>159,920,186</u>	<u>112,474,946</u>	<u>272,395,132</u>	<u>--</u>	<u>--</u>
Total assets	<u>237,366,243</u>	<u>140,093,229</u>	<u>377,459,472</u>	<u>41,183</u>	<u>126,937</u>
<u>DEFERRED OUTFLOWS OF RESOURCES-</u>					
Related to pension	4,861,546	791,414	5,652,960	--	--
Related to OPEB	<u>776,591</u>	<u>173,367</u>	<u>949,958</u>	<u>--</u>	<u>--</u>
Total deferred outflows of resources	<u>5,638,137</u>	<u>964,781</u>	<u>6,602,918</u>	<u>--</u>	<u>--</u>

	Primary Government			Component Units	
	Governmental	Business-type	Total	Downtown	
	Activities	Activities		Development Authority	Development Authority
<u>LIABILITIES:</u>					
Current liabilities:					
Accounts payable	3,563,111	2,919,899	6,483,010	3,125	--
Accrued payroll/related liabilities	805,008	159,045	964,053	--	--
Claims and judgements	145,121	--	145,121	--	--
Compensated absences	1,194,892	210,709	1,405,601	--	--
Unearned revenue	289,267	--	289,267	22,267	--
Security deposits	1,947	--	1,947	--	--
Capital lease obligations	--	592,168	592,168	--	--
Accrued interest payable	--	474,169	474,169	--	--
Bonds, notes and loans payable	<u>2,961,728</u>	<u>1,492,283</u>	<u>4,454,011</u>	<u>--</u>	<u>--</u>
Total current liabilities	<u>8,961,074</u>	<u>5,848,273</u>	<u>14,809,347</u>	<u>25,392</u>	<u>--</u>
Non-current liabilities:					
Compensated absences	447,692	44,170	491,862	--	--
Capital lease obligations	--	1,955,514	1,955,514	--	--
Accrued interest	--	2,620,611	2,620,611	--	--
Net pension liability	7,780,960	1,266,668	9,047,628	--	--
Total OPEB liability	30,483,797	6,805,251	37,289,048	--	--
Contract payable	2,190,000	--	2,190,000	--	--
Bonds, notes and loans payable	<u>33,380,496</u>	<u>24,369,518</u>	<u>57,750,014</u>	<u>--</u>	<u>--</u>
Total non-current liabilities	<u>74,282,945</u>	<u>37,061,732</u>	<u>111,344,677</u>	<u>--</u>	<u>--</u>
Total liabilities	<u>83,244,019</u>	<u>42,910,005</u>	<u>126,154,024</u>	<u>25,392</u>	<u>--</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>					
Related to pension	6,622,447	1,078,074	7,700,521	--	--
Related to OPEB	<u>522,742</u>	<u>116,698</u>	<u>639,440</u>	<u>--</u>	<u>--</u>
Total deferred inflows of resources	<u>7,145,189</u>	<u>1,194,772</u>	<u>8,339,961</u>	<u>--</u>	<u>--</u>
<u>NET POSITION:</u>					
Net investment in capital assets	159,920,186	79,907,319	239,827,505	--	--
Restricted for economic development	769,894	--	769,894	--	--
Restricted for capital projects	49,509,655	1,528,140	51,037,795	--	--
Unrestricted	<u>(57,584,563)</u>	<u>15,517,774</u>	<u>(42,066,789)</u>	<u>15,791</u>	<u>126,937</u>
Total net position	<u>\$ 152,615,172</u>	<u>\$ 96,953,233</u>	<u>\$ 249,568,405</u>	<u>\$ 15,791</u>	<u>\$ 126,937</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 4,657,666	\$ 2,767,855	\$ 915,971	\$ 6,876,472
Judicial	621,376	1,029,862	--	--
Public safety	25,816,859	768,081	60,708	--
Recreation	4,622,272	640,231	--	--
Public works	10,434,371	25,481	--	1,428,497
City development	4,717,898	24,281	686,204	--
Downtown development	137,123	31,900	--	--
Interest on long-term debt	1,326,509	--	--	--
Total governmental activities	<u>52,334,074</u>	<u>5,287,691</u>	<u>1,662,883</u>	<u>8,304,969</u>
Business-type activities:				
Natural Gas System	19,765,191	23,191,098	--	--
Water and Sewer System	16,467,187	16,734,078	--	1,128,906
Storm Water Drainage	3,416,895	2,763,343	--	844,295
Sanitation	8,141,162	7,549,432	--	--
Total business-type activities	<u>47,790,435</u>	<u>50,237,951</u>	<u>--</u>	<u>1,973,201</u>
Total primary government	<u>\$ 100,124,509</u>	<u>\$ 55,525,642</u>	<u>\$ 1,662,883</u>	<u>\$ 10,278,170</u>
Component Units:				
Downtown Development Authority	\$ 86,640	\$ --	\$ --	\$ --
Development Authority	95,218	125	160,066	--
	<u>\$ 181,858</u>	<u>\$ 125</u>	<u>\$ 160,066</u>	<u>\$ --</u>
General revenues:				
Property taxes				
Other taxes				
Franchise fees				
Interest income				
Gain on sale of capital assets				
Miscellaneous				
Total general revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Downtown Development Agency	Development Authority
\$ 5,902,632	\$ --	\$ 5,902,632		
408,486		408,486		
(24,988,070)	--	(24,988,070)		
(3,982,041)	--	(3,982,041)		
(8,980,393)	--	(8,980,393)		
(4,007,413)	--	(4,007,413)		
(105,223)	--	(105,223)		
(1,326,509)	--	(1,326,509)		
<u>(37,078,531)</u>	<u>--</u>	<u>(37,078,531)</u>		
--	3,425,907	3,425,907		
--	1,395,797	1,395,797		
--	190,743	190,743		
--	(591,730)	(591,730)		
<u>--</u>	<u>4,420,717</u>	<u>4,420,717</u>		
<u>(37,078,531)</u>	<u>4,420,717</u>	<u>(32,657,814)</u>		
			\$ (86,640)	\$ --
			<u>--</u>	<u>64,973</u>
			<u>\$ (86,640)</u>	<u>\$ 64,973</u>
16,623,493	--	16,623,493	--	--
12,482,357	--	12,482,357	--	--
4,971,732	--	4,971,732	--	--
1,326,165	472,318	1,798,483	--	--
50,536	1,552	52,088	--	--
144,677	80,358	225,035	--	--
35,598,960	554,228	36,153,188	--	--
8,561,200	(8,561,200)	--	--	--
44,160,160	(8,006,972)	36,153,188	--	--
7,081,629	(3,586,255)	3,495,374	(86,640)	64,973
145,533,543	100,539,488	246,073,031	102,431	61,964
<u>\$ 152,615,172</u>	<u>\$ 96,953,233</u>	<u>\$ 249,568,405</u>	<u>\$ 15,791</u>	<u>\$ 126,937</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	SPLOST 2012	SPLOST 2018	WRPFA	Non-Major	Total	
General	Capital Projects	Capital Projects	Capital Projects	Governmental	Governmental	
Fund	Fund	Fund	Fund	Funds	Funds	
ASSETS						
Cash and cash equivalents	\$ 18,706,025	\$ 9,086,942	\$ 16,151,757	\$ 16,254,722	\$ 9,469,938	\$ 69,669,384
Accounts receivable -						
net of uncollectable accounts	536,394	--	28,739	33,066	434,468	1,032,667
Due from other funds	236,562	--	--	--	--	236,562
Due from other governments	1,257,966	--	1,164,719	--	355,633	2,778,318
Inventory of gas, oil, and supplies	61,281	--	--	--	--	61,281
Real estate-held for investment/resale	--	--	--	--	1,237,439	1,237,439
Prepaid items	275,141	--	--	--	95,466	370,607
	<u>\$ 21,073,369</u>	<u>\$ 9,086,942</u>	<u>\$ 17,345,215</u>	<u>\$ 16,287,788</u>	<u>\$ 11,592,944</u>	<u>\$ 75,386,258</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued costs	\$ 517,419	\$ 18,562	\$ 176,055	\$ 614,968	\$ 114,495	\$ 1,441,499
Accrued payroll/related expenditures	798,693	--	--	--	6,027	804,720
Unearned revenue	48,553	--	--	--	240,964	289,517
Due to other funds	--	--	--	--	236,552	236,552
Escrow funds	--	--	--	--	1,947	1,947
Total liabilities	<u>1,364,665</u>	<u>18,562</u>	<u>176,055</u>	<u>614,968</u>	<u>599,985</u>	<u>2,774,235</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	404,718	--	--	--	--	404,718
Unavailable revenue-fines	326,796	--	--	--	--	326,796
Total deferred inflows	<u>731,514</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>731,514</u>
FUND BALANCES						
Nonspendable, inventories	61,281	--	--	--	--	61,281
Nonspendable, prepaid items	275,141	--	--	--	95,466	370,607
Restricted, capital projects	--	9,068,380	17,169,160	15,672,820	7,599,295	49,509,655
Restricted, economic development	--	--	--	--	769,894	769,894
Restricted, special programs	--	--	--	--	2,528,304	2,528,304
Committed, general government	261,381	--	--	--	--	261,381
Committed, public safety	170,292	--	--	--	--	170,292
Committed, public works	916,918	--	--	--	--	916,918
Committed, recreation	422,526	--	--	--	--	422,526
Committed, economic development	387,265	--	--	--	--	387,265
Unassigned, general fund	16,482,386	--	--	--	--	16,482,386
Total fund balances	<u>18,977,190</u>	<u>9,068,380</u>	<u>17,169,160</u>	<u>15,672,820</u>	<u>10,992,959</u>	<u>71,880,509</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,073,369</u>	<u>\$ 9,086,942</u>	<u>\$ 17,345,215</u>	<u>\$ 16,287,788</u>	<u>\$ 11,592,944</u>	<u>\$ 75,386,258</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balance, governmental funds	\$	71,880,509
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Cost	268,288,892	
Less accumulated depreciation	<u>(108,368,706)</u>	159,920,186
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
Property taxes	404,718	
Intergovernmental	<u>326,796</u>	731,514
The net pension liability and the related deferred outflows and inflows of resources are not expected to be liquidated with current available financial resources and, therefore, are not reported in the governmental funds.		
Deferred outflows of resources - pension related items	4,861,546	
Net pension liability	(7,780,960)	
Deferred inflows of resources - pension related items	<u>(6,622,447)</u>	(9,541,861)
The total OPEB liability and the related deferred outflows and inflows of resources are not expected to be liquidated with current available financial resources and, therefore, are not reported in the governmental funds.		
Deferred outflows of resources - OPEB related items	776,591	
Total OPEB liability	(30,483,797)	
Deferred inflows of resources - OPEB related items	<u>(522,742)</u>	(30,229,948)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Claims and judgments	(145,121)	
Bonds payable	(32,745,000)	
Unamortized bond premium	(3,597,224)	
Contract payable	(2,190,000)	
Compensated absences	<u>(1,642,584)</u>	(40,319,929)
Internal service funds are used by management to charge the cost of certain activities such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position		
		174,701
Net Position of Governmental Activities in the Statement of Net Position		<u>\$ 152,615,172</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNEMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	SPLOST 2012	SPLOST 2018	WRPFA	Non-Major	Total
	General	Capital Projects	Capital Projects	Capital Projects	Governmental
	Fund	Fund	Fund	Fund	Funds
	Fund	Fund	Fund	Fund	Funds
REVENUES:					
General property taxes	\$ 16,705,174	\$ --	\$ --	\$ --	\$ 16,705,174
Other taxes	15,007,514	--	--	2,446,575	17,454,089
Licenses and permits	388,672	--	--	--	388,672
Fines and forfeitures	1,029,862	--	--	475,891	1,505,753
Intergovernmental	966,431	1,739,108	5,137,364	--	8,468,407
Other revenue	3,737,855	245,710	287,486	313,674	4,831,470
Total revenues	<u>37,835,508</u>	<u>1,984,818</u>	<u>5,424,850</u>	<u>313,674</u>	<u>49,353,565</u>
EXPENDITURES:					
Current:					
General government	7,676,725	--	--	143,149	7,819,874
Public safety	23,945,281	--	--	709,000	26,123,434
Recreation	3,075,217	--	--	2,726,055	5,848,298
Public works	5,188,041	--	--	--	5,188,041
City development	2,093,512	--	--	1,337,957	6,023,601
Downtown development	--	--	--	--	132,808
Intergovernmental -					
Payments to other governmental agencies	777,835	--	--	--	777,835
Debt service:					
Principal	--	--	2,235,000	--	2,235,000
Interest	653,916	--	409,229	--	1,326,509
Issuance costs	--	--	250,021	285,870	535,891
Capital outlay	--	6,599,027	3,208,487	--	10,321,941
Total expenditures	<u>43,410,527</u>	<u>6,599,027</u>	<u>6,102,737</u>	<u>5,202,031</u>	<u>66,333,232</u>
EXCESS OF REVENUES					
OVER/(UNDER) EXPENDITURES	<u>(5,575,019)</u>	<u>(4,614,209)</u>	<u>(677,887)</u>	<u>(4,888,357)</u>	<u>(16,979,667)</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from bonds	--	--	17,847,047	20,790,477	38,637,524
Sale of assets	50,784	--	--	--	50,784
Transfer in	5,505,034	--	--	--	4,994,441
Transfer out	(137,000)	--	--	(229,300)	(1,938,275)
Total other financing sources (uses), net	<u>5,418,818</u>	<u>--</u>	<u>17,847,047</u>	<u>20,561,177</u>	<u>47,249,508</u>
NET CHANGE IN FUND BALANCES	<u>(156,201)</u>	<u>(4,614,209)</u>	<u>17,169,160</u>	<u>15,672,820</u>	<u>30,269,841</u>
FUND BALANCES, beginning	<u>19,133,391</u>	<u>13,682,589</u>	<u>--</u>	<u>--</u>	<u>41,610,668</u>
FUND BALANCES, ending	<u>\$ 18,977,190</u>	<u>\$ 9,068,380</u>	<u>\$ 17,169,160</u>	<u>\$ 15,672,820</u>	<u>\$ 10,992,959</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNEMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds: \$ 30,269,841

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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Depreciation expense	\$ (6,045,383)	
Capital outlay	<u>17,563,805</u>	11,518,422

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.

Net book value of capital assets disposed	1,718	
Donations of capital assets	<u>1,428,498</u>	1,430,216

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds

Property taxes	(37,446)	
Fines	<u>55,813</u>	18,367

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of those differences in the treatment of long-term debt and related items.

Proceeds from bonds and premium	(38,637,524)	
Principal payments on capital leases	23,570	
Principal payments on bonds	2,235,000	
Amortization of premium	<u>60,300</u>	(36,318,654)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Change in compensated absences	(153,852)	
Change in claims	(9,098)	
Pension expense	1,501,696	
OPEB expense	<u>(1,198,806)</u>	139,940

Internal service funds are used by management to charge the costs of certain activities such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

23,497

Change in net position of Governmental Activities		<u>\$ 7,081,629</u>
---	--	---------------------

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 11,430,843	\$ 7,091,595	\$ 1,687,428
Accounts receivable, net	1,750,372	1,609,887	336,693
Due from other governments	--	40,071	--
Inventories, at cost	--	272,080	--
Prepaid items	28,981	42,543	3,674
Restricted-			
Cash and cash equivalents	1,028,140	500,000	--
Total current assets	<u>14,238,336</u>	<u>9,556,176</u>	<u>2,027,795</u>
NON CURRENT ASSETS:			
Receivable	2,268,272	--	--
Investment in Jointly-Owned Natural Gas Transmission Line	1,889,872	--	--
Land and other non depreciable assets	981,885	5,395,520	711,256
Capital assets, net of accumulated depreciation	8,808,334	74,801,488	17,618,319
Total non current assets	<u>13,948,363</u>	<u>80,197,008</u>	<u>18,329,575</u>
Total assets	<u>28,186,699</u>	<u>89,753,184</u>	<u>20,357,370</u>
DEFERRED OUTFLOWS OF RESOURCES-			
Related to pension	174,676	452,237	164,501
OPEB	34,673	98,796	39,898
Total Deferred Outflows of Resources	<u>209,349</u>	<u>551,033</u>	<u>204,399</u>

Business-type Activities - Enterprise Funds		Governmental Activities
Major Sanitation System	Total	Internal Service Funds
\$ 888,182	\$ 21,098,048	\$ 2,102,135
907,804	4,604,756	104,475
--	40,071	--
--	272,080	--
--	75,198	89,992
--	1,528,140	--
<u>1,795,986</u>	<u>27,618,293</u>	<u>2,296,602</u>
--	2,268,272	--
--	1,889,872	--
--	7,088,661	--
--	101,228,141	--
--	112,474,946	--
<u>1,795,986</u>	<u>140,093,239</u>	<u>2,296,602</u>
--	791,414	--
--	173,367	--
<u>--</u>	<u>964,781</u>	<u>--</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
<u>LIABILITIES, DEFERRED INFLOWS,</u>			
<u>AND NET POSITION</u>			
CURRENT LIABILITIES:			
Accounts payable	1,217,041	334,665	26,244
Accrued payroll/related liabilities	--	124,437	34,608
Due to other funds	--	10	--
Compensated absences	--	191,715	18,994
Capital lease payable	592,168	--	--
Accrued interest	44,225	429,944	--
Bonds, notes, and loans payable	--	1,492,283	--
Total current liabilities	<u>1,853,434</u>	<u>2,573,054</u>	<u>79,846</u>
NON CURRENT LIABILITIES:			
Compensated absences	--	44,170	--
Capital lease obligations	1,955,514	--	--
Accrued interest	2,620,611	--	--
Net pension liability	279,572	723,810	263,286
Total OPEB liability	1,361,050	3,878,061	1,566,140
Bonds, notes and loans payable	103,210	24,266,308	--
Total non current liabilities	<u>6,319,957</u>	<u>28,912,349</u>	<u>1,829,426</u>
Total liabilities	<u>8,173,391</u>	<u>31,485,403</u>	<u>1,909,272</u>
DEFERRED INFLOWS OF RESOURCES-			
Related to pension	237,946	616,042	224,086
Related to OPEB	23,340	66,502	26,856
Total deferred inflows of resources	<u>261,286</u>	<u>682,544</u>	<u>250,942</u>
NET POSITION:			
Net investment in capital assets	7,139,327	54,438,417	18,329,575
Restricted for capital projects	1,028,140	500,000	--
Unrestricted	11,793,904	3,197,853	71,980
Total net position	<u>\$ 19,961,371</u>	<u>\$ 58,136,270</u>	<u>\$ 18,401,555</u>

Business-type Activities - Enterprise Funds		Governmental Activities
Major Sanitation System	Total	Internal Service Funds
1,341,949	2,919,899	2,121,901
--	159,045	--
--	10	--
--	210,709	--
--	592,168	--
--	474,169	--
--	1,492,283	--
<u>1,341,949</u>	<u>5,848,283</u>	<u>2,121,901</u>
--	44,170	--
--	1,955,514	--
--	2,620,611	--
--	1,266,668	--
--	6,805,251	--
--	24,369,518	--
--	37,061,732	--
<u>1,341,949</u>	<u>42,910,015</u>	<u>2,121,901</u>
--	1,078,074	--
--	116,698	--
--	1,194,772	--
--	79,907,319	--
--	1,528,140	--
454,037	15,517,774	174,701
<u>\$ 454,037</u>	<u>\$ 96,953,233</u>	<u>\$ 174,701</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
OPERATING REVENUES:			
Charges for services	\$ 21,323,197	\$ 14,383,658	\$ 2,666,324
Connection charges	--	869,144	--
Penalties and cut-on fees	236,496	344,201	41,224
Miscellaneous	188,971	1,137,075	55,795
Refund-Southern Natural Gas	702,762	--	--
Distribution line income	739,672	--	--
Total operating revenues	<u>23,191,098</u>	<u>16,734,078</u>	<u>2,763,343</u>
OPERATING EXPENSES:			
Purchases/cost of sales	17,039,995	--	--
Personnel services	994,259	4,877,984	2,080,936
Operating expenses	206,134	5,127,660	305,999
Repairs and maintenance	145,024	329,435	56,342
Supplies	97,849	1,490,921	151,395
Distribution line expense	703,538	--	--
Bad debt expense	184,099	403,447	56,822
Depreciation	377,130	3,269,721	758,141
Insurance	17,163	114,182	7,260
Total operating expenses	<u>19,765,191</u>	<u>15,613,350</u>	<u>3,416,895</u>
Operating income (loss)	<u>3,425,907</u>	<u>1,120,728</u>	<u>(653,552)</u>
NON-OPERATING REVENUES (EXPENSES):			
Net income from joint venture	20,310	--	--
Interest earned	233,426	221,146	--
Interest expense and fees	--	(853,837)	--
Rental income	--	60,048	--
Gain (loss) on sale/disposal of capital assets	--	1,552	--
Total non-operating revenues (expenses), net	<u>253,736</u>	<u>(571,091)</u>	<u>--</u>
Income (loss) before capital contributions and transfers	<u>3,679,643</u>	<u>549,637</u>	<u>(653,552)</u>
CONTRIBUTIONS AND TRANSFERS:			
Capital contribution - developers	--	1,128,906	844,295
Transfers out	(2,510,600)	(6,050,600)	--
Total contributions and transfers	<u>(2,510,600)</u>	<u>(4,921,694)</u>	<u>844,295</u>
CHANGE IN NET POSITION	<u>1,169,043</u>	<u>(4,372,057)</u>	<u>190,743</u>
NET POSITION, beginning	18,792,328	62,508,327	18,210,812
NET POSITION, ending	<u>\$ 19,961,371</u>	<u>\$ 58,136,270</u>	<u>\$ 18,401,555</u>

Business-type Activities - Enterprise Funds		Governmental Activities
Major Sanitation System	Total	Internal Service Funds
\$ 7,366,039	\$ 45,739,218	\$ 13,469,073
--	869,144	--
183,393	805,314	--
--	1,381,841	--
--	702,762	--
--	739,672	--
<u>7,549,432</u>	<u>50,237,951</u>	<u>13,469,073</u>
--	17,039,995	--
--	7,953,179	--
7,935,776	13,575,569	13,472,344
4,080	534,881	--
--	1,740,165	--
--	703,538	--
200,252	844,620	--
1,054	4,406,046	--
--	138,605	--
<u>8,141,162</u>	<u>46,936,598</u>	<u>13,472,344</u>
<u>(591,730)</u>	<u>3,301,353</u>	<u>(3,271)</u>
--	20,310	--
17,746	472,318	26,768
--	(853,837)	--
--	60,048	--
--	1,552	--
<u>17,746</u>	<u>(299,609)</u>	<u>26,768</u>
<u>(573,984)</u>	<u>3,001,744</u>	<u>23,497</u>
--	1,973,201	--
--	(8,561,200)	--
--	(6,587,999)	--
(573,984)	(3,586,255)	23,497
1,028,021	100,539,488	151,204
<u>\$ 454,037</u>	<u>\$ 96,953,233</u>	<u>\$ 174,701</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 24,258,871	\$ 15,325,531	\$ 2,630,814
Cash paid to suppliers for goods and services and claims paid	(18,539,306)	(6,881,499)	(515,782)
Cash received from other funds for goods and services	--	--	--
Cash received from miscellaneous services	891,733	1,137,075	55,795
Cash received for claims reimbursement	--	--	--
Cash paid to employees for services	(1,939,011)	(4,656,656)	(1,491,206)
Net cash provided by operating activities	<u>4,672,287</u>	<u>4,924,451</u>	<u>679,621</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in (out)	<u>(2,510,600)</u>	<u>(6,050,600)</u>	<u>--</u>
Net cash used by noncapital financing activities	<u>(2,510,600)</u>	<u>(6,050,600)</u>	<u>--</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payments:			
Bonds, notes, and loans payable	(15,678)	(1,440,432)	--
Capital leases	(619,618)	--	--
Acquisition and construction of capital assets	(374,067)	(944,000)	(754,048)
Interest and fees paid on revenue bonds payable and notes payable	<u>(1,193,945)</u>	<u>(876,428)</u>	<u>--</u>
Net cash used for capital and related financing activities	<u>(2,203,308)</u>	<u>(3,260,860)</u>	<u>(754,048)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from investment	--	--	--
Interest income on investments	233,426	221,146	--
Rental income	<u>--</u>	<u>60,048</u>	<u>--</u>
Net cash provided by investing activities	<u>233,426</u>	<u>281,194</u>	<u>--</u>
NET INCREASE (DECREASE) IN CASH	191,805	(4,105,815)	(74,427)
CASH, beginning	<u>12,267,178</u>	<u>11,697,410</u>	<u>1,761,855</u>
CASH, ending	<u><u>\$ 12,458,983</u></u>	<u><u>\$ 7,591,595</u></u>	<u><u>\$ 1,687,428</u></u>

Business-type Activities - Enterprise Funds		Governmental Activities
Major Sanitation System	Total	Internal Service Funds
\$ 7,467,914	\$ 49,683,130	\$ 809,244
(7,247,730)	(33,184,317)	(13,901,423)
--	--	12,687,242
--	2,084,603	--
--	--	942,558
--	(8,086,873)	--
<u>220,184</u>	<u>10,496,543</u>	<u>537,621</u>
--	(8,561,200)	--
--	(8,561,200)	--
--	(1,456,110)	--
--	(619,618)	--
--	(2,072,115)	--
--	(2,070,373)	--
--	(6,218,216)	--
--	--	--
17,746	472,318	26,768
--	60,048	--
<u>17,746</u>	<u>532,366</u>	<u>26,768</u>
237,930	(3,750,507)	564,389
650,252	26,376,695	1,537,746
<u>\$ 888,182</u>	<u>\$ 22,626,188</u>	<u>\$ 2,102,135</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET:			
Cash, beginning:			
Current	\$ 11,194,904	\$ 11,197,410	\$ 1,761,855
Restricted	1,072,274	500,000	--
Total	<u>12,267,178</u>	<u>11,697,410</u>	<u>1,761,855</u>
Net increase (decrease):			
Current	235,939	(4,105,815)	(74,427)
Restricted	(44,134)	--	--
Total	<u>191,805</u>	<u>(4,105,815)</u>	<u>(74,427)</u>
Cash, ending:			
Current	11,430,843	7,091,595	1,687,428
Restricted	1,028,140	500,000	--
Total	<u>\$ 12,458,983</u>	<u>\$ 7,591,595</u>	<u>\$ 1,687,428</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ 3,425,907</u>	<u>\$ 1,120,728</u>	<u>\$ (653,552)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	377,130	3,269,721	758,141
Decrease (increase) in assets and deferred outflows:			
Accounts receivable	2,143,605	119,054	(19,912)
Due from other governments	--	12,921	--
Due from other funds	--	729,559	60,000
Inventory	--	36,970	--
Prepaid items	(12,149)	(33,819)	(3,081)
Deferred outflows	(35,626)	(212,345)	(69,119)
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable	(309,451)	(550,869)	(62,831)
Accrued payroll and related liabilities	--	(1,152)	11,126
Due to other funds	(8,003)	10	--
Compensated absences payable	--	13,322	(5,413)
Pension liability	36,273	249,480	73,827
OPEB liability	(777,252)	313,055	658,238
Deferred inflows	(168,147)	(142,184)	(67,803)
Total adjustments	<u>1,246,380</u>	<u>3,803,723</u>	<u>1,333,173</u>
Net cash provided by operating activities	<u>\$ 4,672,287</u>	<u>\$ 4,924,451</u>	<u>\$ 679,621</u>
Noncash capital financing activities-			
Contributions from developers	<u>\$ --</u>	<u>\$ 1,128,906</u>	<u>\$ 844,295</u>
Noncash investing activities-			
Change in investment in JOTL	<u>\$ 20,310</u>	<u>\$ --</u>	<u>\$ --</u>

Business-type Activities - Enterprise Funds		Governmental Activities
Major Sanitation System	Total	Internal Service Funds
\$ 650,252	\$ 24,804,421	\$ 1,537,746
--	1,572,274	--
<u>650,252</u>	<u>26,376,695</u>	<u>1,537,746</u>
237,930	(3,706,373)	564,389
--	(44,134)	--
<u>237,930</u>	<u>(3,750,507)</u>	<u>564,389</u>
888,182	21,098,048	2,102,135
--	1,528,140	--
<u>\$ 888,182</u>	<u>\$ 22,626,188</u>	<u>\$ 2,102,135</u>
<u>\$ (591,730)</u>	<u>\$ 3,301,353</u>	<u>\$ (3,271)</u>
1,054	4,406,046	--
118,734	2,361,481	27,413
--	12,921	--
--	789,559	--
--	36,970	--
--	(49,049)	(9,649)
--	(317,090)	--
699,682	(223,469)	523,128
--	9,974	--
(7,556)	(15,549)	--
--	7,909	--
--	359,580	--
--	194,041	--
--	(378,134)	--
<u>811,914</u>	<u>7,195,190</u>	<u>540,892</u>
<u>\$ 220,184</u>	<u>\$ 10,496,543</u>	<u>\$ 537,621</u>
<u>\$ --</u>	<u>\$ 1,973,201</u>	<u>\$ --</u>
<u>\$ --</u>	<u>\$ 20,310</u>	<u>\$ --</u>

See accompanying notes to financial statements.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 financial statements of the reporting entity include those of the City of Warner Robins (the primary government) and in accordance with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 61 “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34,” the financial statements of its component units. The component units discussed below are included in the reporting entity because of the financial relationship with the City. 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.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. REPORTING ENTITY (CONTINUED)

1. Discretely Presented Component Units

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

The Downtown Development Authority of The City of Warner Robins, Georgia's purpose is to promote trade, commerce, industry, and employment within the City. The DDA is a legally separate entity for which the City is financially accountable and is reported as a discretely presented component unit. The Mayor and Council of the City of Warner Robins appoint its Board of Directors. The DDA is reported on a June 30, 2019 fiscal year. Complete financial statements for the DDA may be obtained from:

The Downtown Development Authority of the
City of Warner Robins, Georgia
700 Watson Blvd.
Warner Robins, Georgia 31093

The Development Authority of the City of Warner Robins (DA)

The Development Authority of The City of Warner Robins, Georgia's purpose is to promote trade, commerce, industry, and employment within the City. The DA is a legally separate entity for which the City is financially accountable and is reported as a discretely presented component unit. The Mayor and Council of the City of Warner Robins appoint its Board of Directors. The DA is reported on a June 30, 2019 fiscal year. Complete financial statements for the DA may be obtained from:

The Development Authority of the
City of Warner Robins, Georgia
700 Watson Blvd.
Warner Robins, Georgia 31093

2. Blended Component Units

The Warner Robins Redevelopment Agency (WRRRA)

Although legally a separate entity, the WRRRA is appropriately blended as a special revenue fund type. The Mayor and Council of the City of Warner Robins appoint its Board of Directors. Complete financial statements for the WRRRA may be obtained from :

The Warner Robins Redevelopment Agency of the
City of Warner Robins, Georgia
700 Watson Blvd.
Warner Robins, Georgia 31093

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. REPORTING ENTITY (CONTINUED)

The Warner Robins Public Facilities Authority (WRPFA)

Although legally a separate entity, the WRPFA is appropriately blended as a capital projects fund. The Mayor and Council of the City of Warner Robins serve as its governing board.

3. Joint Ventures

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

Jointly Owned Natural Gas (JONG)

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

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, 2019, the City paid \$202,994 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.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. REPORTING ENTITY (CONTINUED)

4. Related Organization

Warner Robins Housing Authority (WRHA)

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

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City has elected not to allocate indirect cost amounts to the programs, functions and segments.

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.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The City reports the following major governmental funds:

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

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

The *Special Purpose Local Option Sales Tax (SPLOST) 2018 Capital Projects Fund* accounts for 1% sales tax proceeds required to be used for capital outlay for enhancement and rehabilitation purposes as authorized by local referendum.

The *Warner Robins Public Facilities Authority (WRPFA) Capital Projects Fund* accounts for the 2018 revenue bonds and the related capital projects.

The City reports the following major proprietary funds:

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

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

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

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 resolution. Unencumbered appropriations lapse at fiscal year end. Project length financial plans are legally adopted for all capital projects funds.

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY

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

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

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

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

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

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

2. **Receivables** - Property taxes are levied on property as of January 1st of each year. The City billed property owners on October 2, and taxes were due on December 22. The tax levy was set on September 03, 2019. Property taxes are delinquent after January 1st and are subject to penalties and interest. Measurable but unavailable taxes as of the end of year are accounted for as unearned revenue, and while delinquent taxes are considered fully collectible, an allowance has been made for uncollectible taxes resulting from errors and omissions. The City considers property tax revenues available if they are collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities in the current period.

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

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

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

3. **Inventories and Prepaid Items** - Inventory of expendable supplies is valued at cost (first-in, first-out). The inventory is comprised of parts and material as well as consumable supplies for all departments of the City. They are charged to each department on a consumed basis. Certain payments which reflect costs applicable to future accounting periods are recorded as prepaid items.
4. **Restricted Assets** - These assets included the debt service, debt service reserves, renewal and extension, construction, and customer deposit funds. The debt service and debt service reserve funds were maintained in compliance with their respective bond resolutions. Expenditures from the construction funds require written approval of the City's consulting engineers. Details of the transactions are presented on the various pages as indicated in the table of contents of this report. Interest earned on the investments is included in each of their respective funds.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

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 acquisition value at the time of donation and disposals are removed at recorded cost.

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).

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

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

Contributions made to the pension plan after the plan's measurement date but before the City's fiscal year end are deferred into the subsequent year and represent one component of deferred outflows related to pensions. An additional component related to pensions is the difference between expected and actual experience See Note IV. D. for additional information on deferred outflows related to pensions. See Note IV. E. for additional information on deferred outflows related to the OPEB Plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenues) until that time. The City has two items that qualify for reporting as a deferred inflow in the statement of net position at June 30, 2019 relating to its retirement benefits and postemployment benefit (OPEB) plan. This year's deferred inflow of resources is the summation of investment differences and assumption changes within the plans. See Note IV. D. for additional information on deferred inflows related to pensions. See Note IV. E. for additional information on deferred inflows related to the OPEB Plan.

In addition, the City reports unavailable revenue as deferred inflows of resources in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

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

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

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

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

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

11. OPEB - For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. As of June 30, 2019, the classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified inventories and prepaid items as being nonspendable because they are assets that are not in a spendable form.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified forfeitures as being restricted because their use is restricted by State Statute for police investigative expenditures.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the City’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

- Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

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

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

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

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

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

16. *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.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. ASSETS, LIABILITIES AND EQUITY (CONTINUED)

17. Allowance for Uncollectible Accounts - Allowances for uncollectible accounts are maintained for all types of receivables which have historically experienced uncollectible accounts.

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

19. 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.

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.

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.

Public hearings are conducted at City Hall to obtain taxpayer comment.

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.

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.

Budgets are prepared using the modified accrual basis of accounting with encumbrances included as budgetary basis expenditures.

**CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION (CONTINUED)

The City Clerk or Chief Financial Officer is authorized to transfer budgeted amounts between departments, programs or functions, or increase expenditures resulting from revenues exceeding amounts estimated upon the approval of Mayor and Council.

The Capital Projects Fund utilizes project length budgets.

Unencumbered appropriations lapse at the end of each year.

The City Council may authorize supplemental appropriations during the year. During the year several supplemental appropriations were necessary.

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	\$ 43,950,167
Prior year encumbrances carry forward	4,903,060
Legally adopted budget amendments	(1,683,516)
Final revised budget	\$ 47,169,711

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

In the City's General Fund the public works and city development departments expenditures exceeded budgeted amounts by \$74,327 and \$29,442, respectively. The Community Development Fund expenditures exceeded the budgeted amount in the public facilities and code enforcement departments by \$1,805 and \$7,896, respectively.

D. DEFICIT FUND EQUITY

At June 30, 2019, the Group Health Insurance Fund, an internal service fund, has a deficit fund balance of \$974,838.

**CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

III. DETAIL NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

A summary of the City's deposits and investments at June 30, 2019 follows:

Account Balances		
Petty cash		\$ 5,748
Demand deposits		44,428,351
Investments (cash equivalents)		50,124,416
		\$ 94,558,515
Ownership of Funds		
<u>Primary Government:</u>		
Governmental funds:		
Cash and cash equivalents		\$ 69,669,384
Proprietary funds:		
Cash and cash equivalents		21,098,048
Restricted cash and cash equivalents		1,528,140
Internal service funds:		
Cash and cash equivalents		2,102,135
Total primary government		94,397,707
<u>Discretely Presented Component Unit</u>		
Downtown Development Authority		37,527
Development Authority of the City of Warner Robins		123,281
Total component unit		160,808
Total Government		\$ 94,558,515

As of June 30, 2019, the City had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1 (investment pool)	10 day weighted average	\$ 50,124,416

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

III. DETAIL NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

Credit Risk is the risk an issuer or counterparty to an investment will not fulfill its obligations. The City has no investment policy that would further limit its investment choices from those authorized and listed in Note I. F. 1. As of June 30, 2019, the City's investments in Georgia Fund I was rated AAf 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 investment pool is excluded from concentration of credit risk.

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

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

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

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

The City had no recurring financial measurements as of June 30, 2019.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

III. DETAIL NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2019, real estate held for investment and/or resale in the Community Development Fund was \$51,750.

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, 2019, real estate held for investment and/or resale in the Redevelopment Agency Fund was \$1,185,687.

B. RECEIVABLES

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

Major Governmental Funds:	
General Fund:	
Property taxes (net)	\$ 368,303
Business licenses (net)	89,142
Other	78,949
Total General Fund	<u>536,394</u>
SPLOST 2018	28,739
WRPFA	33,066
Total Major Governmental Funds	<u>598,199</u>
Non-Major Governmental Funds -	
Accounts receivable (net)	434,468
Total Governmental Funds	<u>\$ 1,032,667</u>
Major Proprietary Funds -	
Accounts receivable (net)-	
Natural Gas Fund	\$ 1,750,372
Water and Sewer System Fund	1,609,887
Storm Water Drainage Fund	336,693
Sanitation System Fund	907,804
Total Business type Funds	<u>\$ 4,604,756</u>
Internal Service Funds -	
Accounts receivable (net)	\$ 104,475
Total Internal Service Fund	<u>\$ 104,475</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

III. DETAIL NOTES ON ALL FUNDS

B. RECEIVABLES (CONTINUED)

In addition, the Natural Gas Fund has a non-current receivable of \$2,268,272 related to a facility charge associated with the lease more fully detailed in Note III. G.

The following is a brief description of the receivable amounts:

Major Governmental Fund-General Fund:

Unpaid property taxes for all years totaled \$425,206 at June 30, 2019, of which \$56,903 are estimated uncollectible.

Unpaid business licenses for the year ended June 30, 2019 totaled \$147,554 of which \$58,412 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 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, 2019 was \$510,973.

Internal Service Funds:

Accounts receivable represented amounts owed to the internal service funds for claims recovery from customers.

**CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

III. DETAIL NOTES ON ALL FUNDS

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	BCA	\$ 33
	Community Development	236,519
	Water & Sewer	10
Total General Fund		<u>\$ 236,562</u>

Interfund receivables and payables result from timing issues between funds from payroll and providing operating funds. These amounts are considered timing differences and are expected to be paid immediately after year end.

Interfund transfers were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
Major Governmental Funds:		
General Fund	Hotel Motel Tax	\$ 714,534
General Fund	Natural Gas	2,510,600
General Fund	Water and Sewer System	2,050,600
General Fund	WRPFA	229,300
Total General Fund		<u>5,505,034</u>
Non-major Governmental Funds:		
Tax Allocation District	General Fund	37,000
Parks and Recreation	Hotel Motel Tax	285,814
GA Industrial Park	General Fund	100,000
GA Industrial Park	Water and Sewer System	4,000,000
Bureau of Civic Affairs	Hotel Motel Tax	571,627
Total Non-major Governmental Funds		<u>4,994,441</u>
Total		<u>\$ 10,499,475</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

III. DETAIL NOTES ON ALL FUNDS

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

The above listed transfers represent the total transfers to/from other funds at June 30, 2019 and were used for the purpose of supplementing the various fund sources as well as complete budgeted capital projects. Interfund transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type group.

D. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2019, have been included in revenues of the various funds as follows:

Major Governmental Fund - General Fund		
Federal Government-		
Department of Justice	\$	55,333
State of Georgia -		
Department of Transportation		40,787
Department of Human Services		11,950
Houston County -		
Motor vehicle, mobile home and intangible taxes		965,829
Jointly Owned Transmission Lines-		
Reimbursable expenses		184,067
Total General Fund		1,257,966
Major Governmental Fund - SPLOST 2018		
Houston County -		
Special Local Option Sales Tax		1,164,719
Total Major Governmental Funds		2,422,685
Non-Major Governmental Fund		
Federal Government		355,633
Total Non-Major Governmental Fund		355,633
Total Governmental Funds		\$ 2,778,318
Major Proprietary Fund-		
Water and Sewer System -		
City of Centerville - Wastewater Treatment Fees	\$	40,071
Total Business-Type Funds	\$	40,071

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

III. DETAIL NOTES ON ALL FUNDS

E. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 20,119,893	\$ 1,454,482	\$ --	\$ 21,574,375
Construction in progress	9,247,614	14,578,689	(11,803,216)	12,023,087
Total nondepreciable assets	<u>29,367,507</u>	<u>16,033,171</u>	<u>(11,803,216)</u>	<u>33,597,462</u>
Depreciable assets:				
Buildings and improvements	23,134,351	3,369,790	--	26,504,141
Machinery and equipment	24,672,945	1,960,516	(576,012)	26,057,449
Infrastructure	172,697,798	9,432,042	--	182,129,840
Total depreciable assets	<u>220,505,094</u>	<u>14,762,348</u>	<u>(576,012)</u>	<u>234,691,430</u>
Less accumulated depreciation				
Buildings and improvements	7,706,824	705,660	--	8,412,484
Machinery and equipment	19,599,307	1,454,546	(577,730)	20,476,123
Infrastructure	75,594,922	3,885,177	--	79,480,099
Total accumulated depreciation	<u>102,901,053</u>	<u>6,045,383</u>	<u>(577,730)</u>	<u>108,368,706</u>
Total depreciable assets, net	<u>117,604,041</u>	<u>8,716,965</u>	<u>1,718</u>	<u>126,322,724</u>
Governmental activities capital assets, net	<u>\$ 146,971,548</u>	<u>\$ 24,750,136</u>	<u>\$ (11,801,498)</u>	<u>\$ 159,920,186</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

III. DETAIL NOTES ON ALL FUNDS

E. CAPITAL ASSETS (CONTINUED)

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Nondepreciable assets:				
Land	\$ 730,457	\$ 6,951	\$ --	\$ 737,408
Construction in progress	6,104,196	247,057	--	6,351,253
Total nondepreciable assets	<u>6,834,653</u>	<u>254,008</u>	<u>--</u>	<u>7,088,661</u>
Depreciable assets:				
Buildings and improvements	431,474	--	--	431,474
Machinery and equipment	10,176,616	585,180	(21,942)	10,739,854
Distribution systems	163,564,756	3,207,680	--	166,772,436
Total depreciable assets	<u>174,172,846</u>	<u>3,792,860</u>	<u>(21,942)</u>	<u>177,943,764</u>
Less accumulated depreciation				
Buildings and improvements	280,801	5,025	--	285,826
Machinery and equipment	8,565,345	455,555	(21,942)	8,998,958
Distribution systems	63,485,373	3,945,466	--	67,430,839
Total accumulated depreciation	<u>72,331,519</u>	<u>4,406,046</u>	<u>(21,942)</u>	<u>76,715,623</u>
Total depreciable assets, net	<u>101,841,327</u>	<u>(613,186)</u>	<u>--</u>	<u>101,228,141</u>
Business-type activities capital assets, net	<u>\$ 108,675,980</u>	<u>\$ (359,178)</u>	<u>\$ --</u>	<u>\$ 108,316,802</u>

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

Governmental Activities:	
General government	\$ 263,345
Public safety	1,222,679
Recreation	231,687
Public works	4,022,783
City development	26,803
Downtown development	278,086
Total depreciation expense-governmental activities	<u>\$ 6,045,383</u>
Business-type Activities:	
Natural Gas System	\$ 377,130
Water and Sewer System	3,269,721
Storm Water Drainage	758,141
Sanitation System	1,054
Total depreciation expense-business-type activities	<u>\$ 4,406,046</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

III. DETAIL NOTES ON ALL FUNDS

F. COMMITMENTS

Construction Commitments. The government has active construction projects outstanding as of June 30, 2019. The projects include street construction and construction of additional water plant facilities. At year end the government's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Governmental Activities:		
Sports complex	\$ 3,166,248	\$ 21,748,372
Elberta road	282,792	7,417,208
Industrial park complex	15,000	3,985,000
Fire station #2 - museum	137,462	12,538
Sidewalks	1,322,875	849,247
The walk@sandy run	865,142	264,000
Wellston/dog park	61,492	274,908
Fire dept training center	237,607	1,691,393
Municipal court renovations	731,388	2,728,612
Simpson park	28,633	173,103
Wall street development	816,954	3,046
Wan network project	2,587,710	62,290
Visitor center (I75)	5,360	255,040
Bank building renovations	1,386,197	113,803
Underground electrical service	242,491	617,509
Storage building	1,814	4,186
Watson streetscape	7,000	1,283,000
Armed forces blvd - infrastructure improv	126,923	121,077
Total governmental activities	\$ 12,023,088	\$ 41,604,332
Business-Type Activities:		
New sewer service lines	\$ 2,100,986	\$ 750,672
New water service lines	1,803,974	193,306
Gas meter project	755,577	1,744,424
Highway 41 sewer extension	52,149	365,720
WWTP improvements	806,372	956,628
Miller Hills gas replacement	200,158	42,382
Wastewater Plant #1	340,274	949,726
Water main extension	205,488	224,512
The Woodlands sewer extension	108,563	751,437
Total business-type activities	\$ 6,373,541	\$ 5,978,807

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

III. DETAIL NOTES ON ALL FUNDS

F. COMMITMENTS (CONTINUED)

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

General Fund	\$	2,158,382
SPLOST 2012 Capital Projects Fund		1,731,423
SPLOST 2018 Capital Projects Fund		3,143,860
Nonmajor Governmental Funds		2,477,553
Total	\$	9,511,218

G. LONG TERM OBLIGATIONS

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

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Capital leases	\$ 23,570	\$ --	\$ (23,570)	\$ --	\$ --
Compensated absences	1,488,732	1,256,425	(1,102,573)	1,642,584	1,194,892
Claims and judgments	136,023	145,121	(136,023)	145,121	145,121
Contracts payable	2,190,000	--	--	2,190,000	--
Bonds payable, net	--	38,637,524	(2,295,300)	36,342,224	2,961,728
Total governmental activities	3,838,325	40,039,070	(3,557,466)	40,319,929	4,301,741
Business-Type Activities:					
Revenue bonds, net	24,266,697	--	(1,226,593)	23,040,104	1,255,915
Notes payable	3,051,214	--	(229,517)	2,821,697	236,368
Capital leases	3,167,300	--	(619,618)	2,547,682	592,168
Compensated absences	246,970	213,649	(205,740)	254,879	210,709
Accrued interest	4,311,316	426,614	(1,643,150)	3,094,780	474,169
Total business-type activities	35,043,497	640,263	(3,924,618)	31,759,142	2,769,329
Total long-term liabilities	\$ 38,881,822	\$ 40,679,333	\$ (7,482,084)	\$ 72,079,071	\$ 7,071,070

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

III. DETAIL NOTES ON ALL FUNDS

G. LONG TERM OBLIGATIONS (CONTINUED)

Claims and judgments are classified as short term debt. For the governmental activities, total OPEB liability, net pension liability, contracts payable, claims and judgments and compensated absences are generally liquidated by the General Fund. Bonds payable are paid by the 2018 SPLOST Fund, the Hotel/Motel Tax Fund, and the General Fund. Accrued interest payable in the business-type activities is related to the MGAG capital lease, further explained in the capital leases section of this note. The pension liability is further explained in Note IV. D. The OPEB liability is further explained in Note IV. E.

CONTRACTS PAYABLE:

Contracts Payable: In June 2018, the City entered into an intergovernmental contract with the Joint Development Authority of Peach County and the City of Warner Robins (JDA) to pay for \$2,190,000 (30%) of the total \$7,300,000 in JDA Industrial Development Revenue Bond, Series 2018 issued by the JDA. Under the terms of the contract, the City is obligated to make payments to the JDA sufficient to pay thirty percent of the principal of, interest on, and other amounts with respect to, the Series 2018 Bond as the same shall become due. The bond in the amount of \$7,300,000 was issued in order to (1) to refund and refinance the JDA's taxable industrial development revenue bond, Series 2017, which was issued on July 12, 2017 in the original principal amount of \$2,500,000; (2) finance, in part, the cost of the development, acquisition, constructing, and leasing of an industrial building and related property; and (3) pay the costs of issuance of the Series 2018 Bonds. The bond was issued with interest rates of 4.0% to 5.0%, to be paid semiannually commencing September 30, 2019. Annual principal payments commence September 30, 2020 with the final payment due September 30, 2034.

In June 2018, the Joint Development Authority of Peach County and the City of Warner Robins, the Development Authority of the City of Warner Robins, the Development Authority of Peach County, the City of Warner Robins, and Peach County entered into an intergovernmental contract to confirm timing of payments required by the previous intergovernmental contracts, and the use of the proceeds.

The annual requirements to amortize contracts payable as of June 30, 2019 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ --	\$ 61,678	\$ 61,678
2021	108,000	99,570	207,570
2022	112,500	95,250	207,750
2023	117,000	90,750	207,750
2024	121,500	86,070	207,570
2025-2029	681,000	353,670	1,034,670
2030-2034	1,050,000	191,100	1,241,100
	<u>\$ 2,190,000</u>	<u>\$ 978,088</u>	<u>\$ 3,168,088</u>

**CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

III. DETAIL NOTES ON ALL FUNDS

G. LONG TERM OBLIGATIONS (CONTINUED)

REVENUE BONDS:

Warner Robins Public Facilities Authority

\$34,980,000-Series 2018 Warner Robins Public Facilities Authority Revenue Bonds due in annual installments of \$1,586,000 to \$4,751,400 thru July 2038; Interest at 3.0% to 5.0%. Bonds are pledged by the full faith and credit of the City. Proceeds will be used to finance the acquiring, constructing, equipping, and installing of capital outlay projects throughout the City. \$ 32,745,000

The total annual debt service requirements for the WRPFA revenue bonds outstanding at June 30, 2019, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,800,000	\$ 1,540,650	\$ 4,340,650
2021	2,935,000	1,400,650	4,335,650
2022	3,230,000	1,253,900	4,483,900
2023	3,525,000	1,092,400	4,617,400
2024	3,835,000	916,150	4,751,150
2025-2029	4,690,000	3,243,500	7,933,500
2030-2034	5,975,000	1,959,300	7,934,300
2035-2038	5,755,000	586,800	6,341,800
	<u>\$ 32,745,000</u>	<u>\$ 11,993,350</u>	<u>\$ 44,738,350</u>

Also included in revenue bonds payable presented in the statement of net position is a bond premium of \$3,597,224 related to the \$34,980,000 – Series 2018 Revenue Bond to be amortized over the life of the bond.

Water and Sewer

\$28,220,000-Series 2012 Warner Robins Public Facilities Authority Revenue Bonds (Water And Sewer Projects) due in annual installments of \$579,815 to \$2,010,012 thru July 2032; Interest at .550% to 3.250%. Bonds are pledged by the full faith and credit of the City. Proceeds will be used to finance the acquiring, constructing, equipping, and installing of upgrades to the Sandy Run Creek Wastewater Treatment Plant. Proceeds were also used to repay interest and principal of notes payable to Georgia Environmental Facilities Authority (GEFA). \$ 21,950,000

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

III. DETAIL NOTES ON ALL FUNDS

G. LONG TERM OBLIGATIONS (CONTINUED)

The total annual debt service requirements for the water and sewer revenue bonds outstanding at June 30, 2019, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,180,000	\$ 809,813	\$ 1,989,813
2021	1,240,000	749,312	1,989,312
2022	1,305,000	685,688	1,990,688
2023	1,370,000	618,812	1,988,812
2024	1,435,000	562,500	1,997,500
2025-2029	7,995,000	1,967,000	9,962,000
2030-2033	7,425,000	528,307	7,953,307
	<u>\$ 21,950,000</u>	<u>\$ 5,921,432</u>	<u>\$ 27,871,432</u>

Also included in revenue bonds payable presented in the statement of net position are bond premium of \$986,894 related to the \$28,220,000 – Series 2012 Revenue Bond to be amortized over the life of the bond, and \$103,210 premium recognized in conjunction with the series 2011 revenue bonds issued by MGAG for distribution lines, to be amortized over the life of the lease. (See Capital Leases below.)

NOTES PAYABLE:

Water and Sewer

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

\$2,821,697

The total annual debt service requirements for the Water and Sewer Fund outstanding at June 30, 2019, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 236,368	\$ 81,554	\$ 317,922
2021	243,811	74,111	317,922
2022	251,103	66,819	317,922
2023	258,741	59,182	317,923
2024	266,529	51,393	317,922
2025-2029	1,459,797	129,814	1,589,611
2030	105,348	661	106,009
	<u>\$ 2,821,697</u>	<u>\$ 463,534</u>	<u>\$ 3,285,231</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

III. DETAIL NOTES ON ALL FUNDS

G. LONG TERM OBLIGATIONS (CONTINUED)

CAPITAL LEASES:

The City's business-type funds entered into a lease-purchase agreement for the construction of a natural gas pipe line for the Natural Gas System.

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

Current Portion:	
MGAG - Distribution line (payable from restricted assets)	\$ 592,168
Long-term portion:	
MGAG - Distribution line (payable from restricted assets)	1,955,514
	<u>\$ 2,547,682</u>

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

Future minimum lease payments under the leases, along with the present value of the minimum lease payments as of June 30, 2019, are as follows:

<u>Year Ending June 30th</u>	
2020	\$ 2,114,700
2021	1,867,500
2022	162,500
2023	162,500
2024	162,500
2025-2026	<u>1,868,750</u>
Total minimum lease payment	6,338,450
Less amount representing interest	<u>3,790,768</u>
Present value of lease payment	<u>\$ 2,547,682</u>

Following is an analysis of capital assets leased under capital leases at June 30, 2019:

Capital assets	\$ 4,994,770
Less: Accumulated depreciation	<u>(2,614,332)</u>
Carrying value	<u>\$ 2,380,438</u>

Total depreciation expense related to capital leases for the year ended June 30, 2019 was \$103,732.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

III. DETAIL NOTES ON ALL FUNDS

H. UNEARNED REVENUE

Unearned revenue at June 30, 2019 were comprised of the following balances:

Governmental Funds:	
Houston County - Transportation Planning	\$ 12,696
Grants	3,363
Other government	27,020
Keep WR Beautiful	5,277
City of Character Program	197
Total major governmental funds	<u>48,553</u>
Nonmajor Governmental Funds:	
Confiscations in advance of verdict	235,714
Other	5,250
Total nonmajor governmental funds	<u>240,964</u>
Total governmental funds	<u>\$ 289,517</u>

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

I. DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

Deferred inflows of resources at June 30, 2019, consisted of unavailable revenue, which is presented in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes \$404,718 and fines \$326,796 for a total of \$731,514. Please refer to Note IV D for more detail on the deferred inflows/outflows of resources related to the City pension plan reported on the government-wide statements. Please refer to Note IV E for more detail on the deferred inflows/outflows of resources related to the City OPEB plan reported on the government-wide statements.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

IV. OTHER INFORMATION

A. RISK MANAGEMENT

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

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

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

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

IV. OTHER INFORMATION

A. RISK MANAGEMENT (CONTINUED)

- To furnish to GIRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates.

The City of Warner Robins retains the first \$10,000 of each risk of loss in the form of a deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to \$10,000 deductible.

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

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

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

**CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

IV. OTHER INFORMATION

A. RISK MANAGEMENT (CONTINUED)

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

	General Fund	Internal Service Funds		Total
	Property and Casualty Insurance	Group Health Insurance	Workers Compensation Insurance	
Unpaid claims as of June 30, 2018	\$ 136,023	\$ 1,572,748	\$ 26,025	\$ 1,734,796
Incurred claims	145,121	12,245,336	(402,185)	11,843,151
Payments	(136,023)	(11,737,849)	417,826	(11,320,023)
Unpaid claims as of June 30, 2019	\$ 145,121	\$ 2,080,235	\$ 41,666	\$ 2,257,924

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, 2019.

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

IV. OTHER INFORMATION

C. DEFERRED COMPENSATION PLAN

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

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

D. PENSION PLAN

PLAN DESCRIPTION, CONTRIBUTION INFORMATION, AND FUNDING POLICIES:

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

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

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

Inactive employees or beneficiaries currently receiving benefits	326
Inactive employees entitled to but not yet receiving benefits	67
Active employees	538
	<u>931</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

IV. OTHER INFORMATION

D. PENSION PLAN (CONTINUED)

CONTRIBUTIONS

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

The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The contribution amount is determined using the actuarial methods and assumptions approved by the GMEBS Board of Trustees. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by City Council. For the year ended June 30, 2019, the City's contribution rate was 10.5% of annual payroll. City contributions to the Plan were \$2,247,439 for the year ended June 30, 2019.

NET PENSION LIABILITY

The City's net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019.

The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	2.75 percent, average, including inflation
Investment rate of return	7.50 percent, net pension plan investment expense, including inflation

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

IV. OTHER INFORMATION

D. PENSION PLAN (CONTINUED)

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.40%
International equity	20%	7.40%
Real estate	10%	5.10%
Global fixed income	5%	3.03%
Domestic fixed income	20%	1.75%
Cash	--	--
Total	<u>100%</u>	

Discount rate - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

**CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

IV. OTHER INFORMATION

D. PENSION PLAN (CONTINUED)

	Schedule of Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance June 30, 2018	\$ 113,335,363	\$ 106,520,275	\$ 6,815,088
Changes for the year:			
Service cost	1,257,080	--	1,257,080
Interest	8,376,185	--	8,376,185
Difference between expected and actual experience	4,576,300	--	4,576,300
Contributions - City	--	2,400,645	(2,400,645)
Net investment income	--	10,445,566	(10,445,566)
Benefit payments	(5,819,940)	(5,819,940)	--
Administrative expense	--	(141,004)	141,004
Other	728,182	--	728,182
Net changes	<u>9,117,807</u>	<u>6,885,267</u>	<u>2,232,540</u>
Balance June 30, 2019	<u>\$ 122,453,170</u>	<u>\$ 113,405,542</u>	<u>\$ 9,047,628</u>

The following presents the net pension liability of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's Net Pension Liability	\$ 24,096,681	\$ 9,047,628	\$ (3,519,754)

PENSION PLAN FIDUCIARY NET POSITION

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

IV. OTHER INFORMATION

D. PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2019, the City recognized pension expense of \$603,491. As of June 30, 2019 the City reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions made subsequent to measurement date	\$ 1,575,573	\$ --
Difference between expected and actual experience	4,077,387	--
Changes in assumptions	--	1,452,535
Net difference between projected and actual earnings on pension plan investments	--	6,247,986
Total	<u>\$ 5,652,960</u>	<u>\$ 7,700,521</u>

City contributions subsequent to the measurement date of \$1,575,573 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	\$ (648,653)
2021	(1,979,975)
2022	(1,391,755)
2023	397,249

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

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

**CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

IV. OTHER INFORMATION

D. PENSION PLAN (CONTINUED)

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

E. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan description. The City’s defined benefit OPEB plan, The City of Warner Robins OPEB Plan (the “OPEB Plan”), provides OEPB for all permanent full-time general and public safety employees of the City. The OPEB Plan is a single-employer defined benefit OPEB plan administered by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. The City has the authority to establish and amend the OPEB Plan. The City provides medical, and prescription drug coverage to employees that retire on or after age 62 with pension benefit. Coverage stops when the retiree becomes age 65 or eligible for Medicare, whichever comes first. The City pays one-half the active premium for those covered.

Employees covered by benefit terms. At June 30, 2019, the following employees were covered by the benefit terms:

Retired employees or beneficiaries currently receiving benefits	209
Vested terminated employees entitled to but not yet receiving benefits	60
Active employees	478
	747
	747

City Contributions. The City has not elected to advance fund the OPEB Plan, but rather maintains the OPEB Plan on a “pay-as-you-go” basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS.

Total OPEB Liability

The City’s total OPEB liability of \$37,289,048 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2019.

**CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

IV. OTHER INFORMATION

E. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial assumptions. The Total OPEB liability was measured as of June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent
Salary increases	3.0 percent
Discount rate	3.50 percent
Healthcare cost trend rates	6.5 percent for 2020, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2024 and beyond
Mortality rates	RP-2014 generational table scaled using MP-17 and applied on a gender-specific basis

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to June 30, 2014.

Discount rate. Since the City funds this Plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. Specifically, the chosen rate is 3.87%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2019.

Changes to Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at June 30, 2018	<u>\$ 35,054,135</u>
Changes for the year:	
Service cost	1,769,587
Interest	1,386,700
Changes in assumptions	1,061,996
Differences between expected and actual experience	--
Benefit payments	(1,983,370)
Plan administrative expenses	--
Net changes	<u>2,234,913</u>
Balances at June 30, 2019	<u><u>\$ 37,289,048</u></u>

**CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

IV. OTHER INFORMATION

E. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5%) or 1 percentage-point higher (4.5%) than the current discount rate.

	1% Decrease (2.5%)	Discount rate (3.5%)	1% Increase (4.5%)
Total OPEB liability	\$ 40,394,048	\$ 37,289,048	\$ 34,533,048

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5% decrease to 3.5%) or 1-percentage-point higher (7.5% decrease to 5.5%) than the current healthcare cost trend rates.

	1% Decrease (5.5% decreasing to 3.5%)	Healthcare Cost Trend Rates (6.5% decreasing to 4.5%)	1% Increase (7.5% decreasing to 5.5%)
Total OPEB liability	\$ 33,232,048	\$ 37,289,048	\$ 42,333,048

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2019, the City recognized OPEB expense of \$3,183,000. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ --
Changes of assumptions	949,958	639,440
Total	\$ 949,958	\$ 639,440

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

IV. OTHER INFORMATION

E. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ 26,539
2021	26,539
2022	26,539
2023	26,539
2024	26,539
Thereafter	177,823

F. JOINT VENTURES

JOINTLY OWNED NATURAL GAS (JONG)

The City's Natural Gas System is a 40.16% participant in Jointly Owned Natural Gas Transmission Line (JONG). The City appoints one member to its Board. The City's capital account as of September 30, 2018 was \$1,889,872. If the Jointly Owned Natural Gas Transmission Line were to be terminated, the available assets would be distributed pro rata based on contribution. JONG issues separate financial statements which are available from the JONG office. Information taken from the audited statements of JONG for the fiscal year ended September 30, 2018 follows:

Total assets	\$ 5,789,174
Less: current liabilities	(1,282,388)
Long-term liabilities	-
Retained earnings	<u>\$ 4,506,786</u>
Total revenues	\$ 1,865,331
Operating expenses	(2,529,714)
Non-operating revenue	714,955
Net income	<u>\$ 50,572</u>

JONG 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 JONG are prorated to each member and are reimbursed to JONG on a monthly basis by the participating cities. Funds held by JONG are invested and the earnings are allocated to each members account. JONG purchases supplies and pays rent, postage, and other administrative costs to the City of Warner Robins.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

IV. OTHER INFORMATION

F. JOINT VENTURES (CONTINUED)

Employees of JONG are included in the retirement system and related employee benefits programs. Costs for this participation are also reimbursed to the City of Warner Robins.

As of June 30, 2019, the City has an approximate 40.16% interest in current operations of JONG. The City's overall equity interest in JONG is approximately 41.93%. This equity interest is recorded in the City's Natural Gas System Fund's statement of net position.

MIDDLE GEORGIA REGIONAL COMMISSION

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

G. SUBSEQUENT EVENTS

The City assessed events that have occurred subsequent to June 30, 2019 through May 28, 2020 for potential recognition in the financial statements. No events, other than below, have occurred that would require adjustment to or disclosure in the financial statements which were available to be issued on May 28, 2020.

On March 11, 2020 the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The recently declared pandemic could adversely impact the City's future financial results, especially if the community is negatively impacted by the decrease in economic activity caused by the virus. Such potential impact is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WARNER ROBINS, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget
REVENUES:		
General property taxes	\$ 16,666,882	\$ 16,666,882
Other taxes	14,177,000	14,177,000
Licenses and permits	331,500	331,500
Fines and forfeitures	1,274,910	1,274,910
Intergovernmental	62,000	841,808
Charges for services	3,254,800	3,181,832
Investment revenue	215,000	215,000
Other revenues	110,000	243,721
Total revenues	<u>36,092,092</u>	<u>36,932,653</u>
EXPENDITURES:		
General government		
Legislative	214,558	233,536
Executive	422,424	430,100
General administration	7,062,865	7,357,614
Judicial	746,831	756,061
Public safety		
Police department	14,904,450	14,556,752
Fire department	9,988,262	11,160,379
Recreation	3,390,983	4,193,302
Public works	5,148,349	6,030,632
City development	2,071,445	2,451,335
Total expenditures	<u>43,950,167</u>	<u>47,169,711</u>
Excess of revenues over (under) expenditures	<u>(7,858,075)</u>	<u>(10,237,058)</u>
OTHER FINANCING SOURCES (USES):		
Sale of assets	25,000	25,000
Transfers in	5,233,075	5,462,375
Transfers out	--	--
Appropriated fund balance	<u>3,851,790</u>	<u>8,243,192</u>
Total other financing sources (uses)	<u>9,109,865</u>	<u>13,730,567</u>
Excess of revenues and other financing sources (uses) over (under) expenditures and other uses	1,251,790	3,493,509
Fund balance beginning	<u>19,133,391</u>	<u>19,133,391</u>
Fund balance ending	<u>\$ 20,385,181</u>	<u>\$ 22,626,900</u>

Variance Final Budget With Actual Budgetary Basis Differences	Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis
\$ 38,292	\$ 16,705,174	\$ --	\$ 16,705,174
830,514	15,007,514	--	15,007,514
57,172	388,672	--	388,672
(245,048)	1,029,862	--	1,029,862
124,623	966,431	--	966,431
28,899	3,210,731	--	3,210,731
134,824	349,824	--	349,824
(66,421)	177,300	--	177,300
<u>902,855</u>	<u>37,835,508</u>	<u>--</u>	<u>37,835,508</u>
15,919	217,617	--	217,617
60,505	369,595	(10,720)	358,875
343,778	7,013,836	(250,661)	6,763,175
49,917	706,144	--	706,144
807,717	13,749,035	(50,307)	13,698,728
127,253	11,033,126	(119,985)	10,913,141
299,482	3,893,820	(422,526)	3,471,294
(74,327)	6,104,959	(916,918)	5,188,041
(29,442)	2,480,777	(387,265)	2,093,512
<u>1,600,802</u>	<u>45,568,909</u>	<u>(2,158,382)</u>	<u>43,410,527</u>
<u>2,503,657</u>	<u>(7,733,401)</u>	<u>(2,158,382)</u>	<u>(5,575,019)</u>
25,784	50,784	--	50,784
42,659	5,505,034	--	5,505,034
(137,000)	(137,000)	--	(137,000)
(8,243,192)	--	--	--
<u>(8,311,749)</u>	<u>5,418,818</u>	<u>--</u>	<u>5,418,818</u>
(5,808,092)	(2,314,583)	2,158,382	(156,201)
<u>--</u>	<u>19,133,391</u>	<u>--</u>	<u>19,133,391</u>
<u>\$ (5,808,092)</u>	<u>\$ 16,818,808</u>	<u>\$ 2,158,382</u>	<u>\$ 18,977,190</u>

CITY OF WARNER ROBINS, GEORGIA
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 BASIS OF PRESENTATION

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total pension liability										
Service cost	\$ 1,257,080	\$ 1,293,624	\$ 1,289,597	\$ 1,360,714	\$ 1,312,396					
Interest	8,376,185	8,351,270	8,024,157	7,631,089	7,595,446					
Differences between expected and actual experience	4,576,300	357,600	61,825	885,280	758,020					
Changes of assumptions	--	(2,420,892)	--	--	(4,693,345)					
Changes of benefit terms	728,182	670,988	--	489	--					
Benefit payments, including refunds of employee contributions	(5,819,940)	(5,351,106)	(4,958,418)	(4,653,041)	(4,372,157)					
Net change in total pension liability	<u>9,117,807</u>	<u>2,901,484</u>	<u>4,417,161</u>	<u>5,224,531</u>	<u>600,360</u>					
Total pension liability-beginning	<u>113,335,363</u>	<u>110,433,879</u>	<u>106,016,718</u>	<u>100,792,187</u>	<u>100,191,827</u>					
Total pension liability-ending (a)	<u>\$ 122,453,170</u>	<u>\$ 113,335,363</u>	<u>\$ 110,433,879</u>	<u>\$ 106,016,718</u>	<u>\$ 100,792,187</u>					
Plan fiduciary net position										
Contributions-employer	\$ 2,400,645	\$ 2,351,392	\$ 2,221,849	\$ 2,547,094	\$ 2,639,536					
Contributions-employee	--	--	--	--	--					
Net investment income	10,445,566	14,161,578	9,758,065	1,093,965	9,335,936					
Benefit payments, including refunds of employee contributions	(5,819,940)	(5,351,106)	(4,958,418)	(4,653,041)	(4,372,157)					
Administrative expense	(141,004)	(149,967)	(89,047)	(98,976)	(75,992)					
Other	--	--	--	--	--					
Net change in plan fiduciary net position	<u>6,885,267</u>	<u>11,011,897</u>	<u>6,932,449</u>	<u>(1,110,958)</u>	<u>7,527,323</u>					
Plan fiduciary net position-beginning	<u>106,520,275</u>	<u>95,508,378</u>	<u>88,575,929</u>	<u>89,686,887</u>	<u>82,159,564</u>					
Plan fiduciary net position-ending (b)	<u>\$ 113,405,542</u>	<u>\$ 106,520,275</u>	<u>\$ 95,508,378</u>	<u>\$ 88,575,929</u>	<u>\$ 89,686,887</u>					
City's net pension liability-ending (a) - (b)	\$ 9,047,628	\$ 6,815,088	\$ 14,925,501	\$ 17,440,789	\$ 11,105,300					
Plan fiduciary net position as a percentage of the total pension liability	92.61%	93.99%	86.48%	83.55%	88.98%					
Covered payroll	\$ 21,590,245	\$ 21,133,852	\$ 20,662,283	\$ 20,434,256	\$ 19,589,572					
City's net pension liability as a percentage of covered payroll	41.91%	32.25%	72.24%	85.35%	56.69%					

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 2,247,439	\$ 2,420,115	\$ 2,328,484	\$ 2,186,304	\$ 2,667,357					
Contributions in relation to the actuarially determined contribution	<u>2,247,439</u>	<u>2,420,115</u>	<u>2,328,484</u>	<u>2,186,304</u>	<u>2,667,357</u>					
Contribution deficiency (excess)	<u>\$ --</u>									
Covered payroll	\$ 21,399,021 *	\$ 20,775,749 *	\$ 21,695,122 *	\$ 21,237,792	\$ 20,973,869 *					
Contributions as a percentage of covered payroll	10.50%	11.65%	10.73%	10.29%	12.72%					

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

* Based on City's fiscal year

Notes to Schedule

Valuation Date:

The Actuarially determined contribution rate was determined as of January 1, 2019, with an interest adjustment to the fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 14 years
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Inflation	2.75%
Salary increases	2.75% plus service based merit increases
Investment rate of return	7.50% net pension plan investment expense, including inflation
Retirement age	65
Mortality	The mortality and economic actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.
Other Information:	<i>Changes of assumptions</i> The investment return assumption was decreased from 7.75% to 7.50% The inflation assumption was decreased from 3.25% to 2.75% The cost-of-living assumption was decreased from 3.25% to 2.75%

**CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED JUNE 30**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total OPEB liability										
Service cost	\$ 1,769,587	\$ 1,703,655								
Interest	1,386,700	1,365,912								
Differences between expected and actual experience	--	--								
Changes of assumptions	1,061,996	(810,440)								
Changes of benefit terms	--	--								
Benefit payments, including refunds of employee contributions	(1,983,370)	(1,592,209)								
Net change in total OPEB liability	<u>2,234,913</u>	<u>666,918</u>								
Total OPEB liability-beginning	<u>35,054,135</u>	<u>34,387,217</u>								
Total OPEB liability-ending	<u><u>\$ 37,289,048</u></u>	<u><u>\$ 35,054,135</u></u>								
Covered payroll	\$ 21,399,021	\$ 20,775,749								
City's net pension liability as a percentage of covered payroll	174.26%	168.73%								

(Historical information prior to implementation of GASB 74/75 is not required)

(Historical information prior to implementation of GASB 74/75 is not required)

OTHER SUPPLEMENTARY INFORMATION

**CITY OF WARNER ROBINS, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds							
	Hotel - Motel			Community Development	Law Enforcement	Recreation	Redevelopment Agency	Tax Allocation District
	Bureau of Civic Affairs	Tourism Allocation Board						
ASSETS								
Cash and cash equivalents	\$ 1,068,558	\$ 63,915	\$ --	\$ 226,335	\$ 1,640,925	\$ 73,066	\$ 422,515	\$ 9,125
Accounts receivable -								
net of uncollectible accounts	--	--	--	386,238	--	--	48,230	--
Due from other governments	--	--	--	355,633	--	--	--	--
Real estate held for investment	--	--	--	51,750	--	--	1,185,689	--
Prepaid items	91,742	--	--	--	--	--	3,724	--
Total assets	<u>\$ 1,160,300</u>	<u>\$ 63,915</u>	<u>\$ --</u>	<u>\$ 1,019,956</u>	<u>\$ 1,640,925</u>	<u>\$ 73,066</u>	<u>\$ 1,660,158</u>	<u>\$ 9,125</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable and accrued costs	\$ 11,989	\$ 63,915	\$ --	\$ 11,596	\$ --	\$ 4,357	\$ 8,859	\$ --
Accrued payroll/related expenses	6,027	--	--	--	--	--	--	--
Unearned revenue	5,000	--	--	--	235,714	250	--	--
Due to other funds	33	--	--	236,519	--	--	--	--
Escrow funds	--	--	--	1,947	--	--	--	--
Total liabilities	<u>23,049</u>	<u>63,915</u>	<u>--</u>	<u>250,062</u>	<u>235,714</u>	<u>4,607</u>	<u>8,859</u>	<u>--</u>
FUND BALANCES								
Nonspendable, prepaid items	91,742	--	--	--	--	--	3,724	--
Restricted - capital projects	--	--	--	--	--	--	1,647,575	--
Restricted - economic development	--	--	--	769,894	--	--	--	--
Restricted, special programs	1,045,509	--	--	--	1,405,211	68,459	--	9,125
Total fund balance	<u>1,137,251</u>	<u>--</u>	<u>--</u>	<u>769,894</u>	<u>1,405,211</u>	<u>68,459</u>	<u>1,651,299</u>	<u>9,125</u>
Total liabilities and fund balances	<u>\$ 1,160,300</u>	<u>\$ 63,915</u>	<u>\$ --</u>	<u>\$ 1,019,956</u>	<u>\$ 1,640,925</u>	<u>\$ 73,066</u>	<u>\$ 1,660,158</u>	<u>\$ 9,125</u>

Special Revenue Funds	Capital Projects Funds						Total Nonmajor Government Funds
Subtotal	Georgia Industrial Park	SPLOST 2001	SPLOST 2006	Parks and Recreation	Visitor Center	Subtotal	
\$ 3,504,439	\$ 4,100,000	\$ --	\$ 51,307	\$ 493,035	\$ 1,321,157	\$ 5,965,499	\$ 9,469,938
434,468	--	--	--	--	--	--	434,468
355,633	--	--	--	--	--	--	355,633
1,237,439	--	--	--	--	--	--	1,237,439
95,466	--	--	--	--	--	--	95,466
<u>\$ 5,627,445</u>	<u>\$ 4,100,000</u>	<u>\$ --</u>	<u>\$ 51,307</u>	<u>\$ 493,035</u>	<u>\$ 1,321,157</u>	<u>\$ 5,965,499</u>	<u>\$ 11,592,944</u>
\$ 100,716	\$ 13,779	\$ --	\$ --	\$ --	\$ --	\$ 13,779	\$ 114,495
6,027	--	--	--	--	--	--	6,027
240,964	--	--	--	--	--	--	240,964
236,552	--	--	--	--	--	--	236,552
1,947	--	--	--	--	--	--	1,947
586,206	13,779	--	--	--	--	13,779	599,985
95,466	--	--	--	--	--	--	95,466
1,647,575	4,086,221	--	51,307	493,035	1,321,157	5,951,720	7,599,295
769,894	--	--	--	--	--	--	769,894
2,528,304	--	--	--	--	--	--	2,528,304
5,041,239	4,086,221	--	51,307	493,035	1,321,157	5,951,720	10,992,959
<u>\$ 5,627,445</u>	<u>\$ 4,100,000</u>	<u>\$ --</u>	<u>\$ 51,307</u>	<u>\$ 493,035</u>	<u>\$ 1,321,157</u>	<u>\$ 5,965,499</u>	<u>\$ 11,592,944</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, 2019

	Special Revenue Funds							
	Hotel - Motel		Motor Vehicle Rental Tax	Community Development	Law Enforcement	Recreation	Redevelopment Agency	Tax Allocation District
	Bureau of Civic Affairs	Tourism Allocation Board						
REVENUES:								
Other taxes	\$ --	\$ 2,286,509	\$ 160,066	\$ --	\$ --	\$ --	\$ --	\$ --
Fines and forfeitures	--	--	--	--	475,891	--	--	--
Intergovernmental	--	--	--	625,504	--	--	--	--
Contributions	60,700	--	--	--	16,426	--	--	--
Other revenue	20,126	--	--	2,579	30,972	33,419	40,041	--
Total revenues	80,826	2,286,509	160,066	628,083	523,289	33,419	40,041	--
EXPENDITURES:								
Current:								
Public safety	--	--	--	--	1,469,153	--	--	--
Recreation	--	--	--	--	--	47,026	--	--
Civic affairs (city development)	595,249	714,534	--	--	--	--	--	--
Economic development (city development)	--	--	160,066	1,122,283	--	--	--	--
Downtown development	--	--	--	--	--	--	104,933	27,875
Debt service - interest	--	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--	--
Total expenditures	595,249	714,534	160,066	1,122,283	1,469,153	47,026	104,933	27,875
Excess of revenues over (under) expenditures	(514,423)	1,571,975	--	(494,200)	(945,864)	(13,607)	(64,892)	(27,875)
OTHER FINANCING SOURCES (USES):								
Transfer in	571,627	--	--	--	--	--	--	37,000
Transfer out	--	(1,571,975)	--	--	--	--	--	--
Total other financing sources (uses)	571,627	(1,571,975)	--	--	--	--	--	37,000
Net change in fund balances	57,204	--	--	(494,200)	(945,864)	(13,607)	(64,892)	9,125
FUND BALANCES, beginning	1,080,047	--	--	1,264,094	2,351,075	82,066	1,716,191	--
FUND BALANCES, ending	\$ 1,137,251	\$ --	\$ --	\$ 769,894	\$ 1,405,211	\$ 68,459	\$ 1,651,299	\$ 9,125

Special Revenue Funds	Capital Projects Funds						Total Nonmajor Government Funds
Subtotal	Georgia Industrial Park	SPLOST 2001	SPLOST 2006	Parks and Recreation	Visitor Center	Subtotal	
\$ 2,446,575	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,446,575
475,891	--	--	--	--	--	--	475,891
625,504	--	--	--	--	--	--	625,504
77,126	--	--	--	--	--	--	77,126
127,137	--	6,649	1,237	2,683	31,913	42,482	169,619
3,752,233	--	6,649	1,237	2,683	31,913	42,482	3,794,715
1,469,153	--	--	--	--	--	--	1,469,153
47,026	--	--	--	--	--	--	47,026
1,309,783	--	--	--	--	--	--	1,309,783
1,282,349	--	--	--	--	--	--	1,282,349
132,808	--	--	--	--	--	--	132,808
--	--	--	--	263,364	--	263,364	263,364
--	13,779	420,881	14,400	65,367	--	514,427	514,427
4,241,119	13,779	420,881	14,400	328,731	--	777,791	5,018,910
(488,886)	(13,779)	(414,232)	(13,163)	(326,048)	31,913	(735,309)	(1,224,195)
608,627	4,100,000	--	--	285,814	--	4,385,814	4,994,441
(1,571,975)	--	--	--	--	--	--	(1,571,975)
(963,348)	4,100,000	--	--	285,814	--	4,385,814	3,422,466
(1,452,234)	4,086,221	(414,232)	(13,163)	(40,234)	31,913	3,650,505	2,198,271
6,493,473	--	414,232	64,470	533,269	1,289,244	2,301,215	8,794,688
\$ 5,041,239	\$ 4,086,221	\$ -	\$ 51,307	\$ 493,035	\$ 1,321,157	\$ 5,951,720	\$ 10,992,959

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES -				
Other revenue:				
Contributions	\$ --	\$ --	\$ 60,700	\$ 60,700
Interest	<u>3,800</u>	<u>3,800</u>	<u>20,126</u>	<u>16,326</u>
Total revenues	<u>3,800</u>	<u>3,800</u>	<u>80,826</u>	<u>77,026</u>
EXPENDITURES -				
Current -				
Civic affairs	<u>743,251</u>	<u>861,072</u>	<u>595,249</u>	<u>265,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(739,451)</u>	<u>(857,272)</u>	<u>(514,423)</u>	<u>342,849</u>
OTHER FINANCING SOURCES -				
Transfer in	<u>500,000</u>	<u>500,000</u>	<u>571,627</u>	<u>71,627</u>
Net change in fund balance	<u>\$ (239,451)</u>	<u>\$ (357,272)</u>	57,204	<u>\$ 414,476</u>
FUND BALANCE, beginning			<u>1,080,047</u>	
FUND BALANCE, ending			<u>\$ 1,137,251</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES -				
Other taxes -				
Hotel/Motel tax	\$ 2,150,000	\$ 2,286,509	\$ 2,286,509	\$ --
EXPENDITURES -				
Current -				
Civic affairs	671,875	714,534	714,534	--
Excess of revenues over expenditures	1,478,125	1,571,975	1,571,975	--
OTHER FINANCING USES -				
Transfer out	(1,478,125)	(1,571,975)	(1,571,975)	--
Net change in fund balance	\$ --	\$ --	--	\$ --
FUND BALANCE, beginning			--	
FUND BALANCE, ending			\$ --	

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES -				
Other taxes -				
Motor vehicle rental tax	<u>\$ 160,000</u>	<u>\$ 160,066</u>	<u>\$ 160,066</u>	<u>\$ --</u>
EXPENDITURES -				
Current -				
Economic development	<u>160,000</u>	<u>160,066</u>	<u>160,066</u>	<u>--</u>
Excess of revenues over expenditures	<u>\$ --</u>	<u>\$ --</u>	<u>--</u>	<u>\$ --</u>
Net change in fund balance			--	
FUND BALANCE, beginning			<u>--</u>	
FUND BALANCE, 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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental -				
Grants - federal - CDBG	\$ 450,000	\$ 450,000	\$ 625,504	\$ 175,504
Other revenue -				
Program income	--	--	2,579	2,579
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>628,083</u>	<u>178,083</u>
EXPENDITURES -				
Economic development:				
Administration	193,744	193,745	132,565	61,180
Housing	507,772	423,782	423,782	--
Public services	441,266	441,268	423,023	18,245
Public facility	80,000	80,000	81,805	(1,805)
Code enforcement	33,088	33,462	41,358	(7,896)
Clearance	19,750	19,750	19,750	--
Total expenditures	<u>1,275,620</u>	<u>1,192,007</u>	<u>1,122,283</u>	<u>69,724</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (825,620)</u>	<u>\$ (742,007)</u>	(494,200)	<u>\$ 247,807</u>
FUND BALANCE, beginning			<u>1,264,094</u>	
FUND BALANCE, ending			<u>\$ 769,894</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and forfeitures-				
Condemnation	\$ 100,000	\$ 100,000	\$ 475,891	\$ 375,891
Contributions	10,000	12,926	16,426	3,500
Interest	3,800	3,800	30,972	27,172
Total revenues	<u>113,800</u>	<u>116,726</u>	<u>523,289</u>	<u>406,563</u>
EXPENDITURES -				
Current -				
Public safety	<u>526,700</u>	<u>2,132,482</u>	<u>1,469,153</u>	<u>663,329</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (412,900)</u>	<u>\$ (2,015,756)</u>	(945,864)	<u>\$ 1,069,892</u>
FUND BALANCE, beginning			<u>2,351,075</u>	
FUND BALANCE, ending			<u>\$ 1,405,211</u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RECREATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES -				
Other revenue -				
Recreation fee	<u>\$ 61,400</u>	<u>\$ 38,512</u>	<u>\$ 33,419</u>	<u>\$ (5,093)</u>
EXPENDITURES -				
Current -				
Recreation	<u>49,700</u>	<u>51,833</u>	<u>47,026</u>	<u>4,807</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 11,700</u>	<u>\$ (13,321)</u>	(13,607)	<u>\$ (286)</u>
FUND BALANCE, beginning			<u>82,066</u>	
FUND BALANCE, ending			<u>\$ 68,459</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES-				
Other revenue:				
Rental revenue	\$ 35,000	\$ 35,000	\$ 31,900	\$ (3,100)
Interest revenue	--	--	8,141	8,141
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>40,041</u>	<u>5,041</u>
EXPENDITURES -				
Current-				
Downtown development	<u>316,150</u>	<u>344,789</u>	<u>104,933</u>	<u>239,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (281,150)</u>	<u>\$ (309,789)</u>	(64,892)	<u>\$ 244,897</u>
FUND BALANCE, beginning			<u>1,716,191</u>	
FUND BALANCE, ending			<u>\$ 1,651,299</u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TAX ALLOCATION DISTRICT SPRECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES-				
Other revenue:				
Interest revenue	\$ --	\$ --	\$ --	\$ --
Total revenues	--	--	--	--
EXPENDITURES -				
Current-				
Downtown development	--	37,000	27,875	9,125
Excess (deficiency) of revenues over (under) expenditures	--	(37,000)	(27,875)	(9,125)
OTHER FINANCING SOURCES -				
Transfer in	--	37,000	37,000	--
Net change in fund balance	\$ --	\$ --	9,125	\$ 9,125
FUND BALANCE, beginning			--	
FUND BALANCE, ending			\$ 9,125	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GEORGIA INDUSTRIAL PARK CAPITAL PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	Prior Years	Current Year	Total to Date	Revised Projected Costs
REVENUES -				
Other revenue:				
Interest	\$ --	\$ --	\$ --	\$ 10,000
Total revenues	<u> --</u>	<u> --</u>	<u> --</u>	<u>10,000</u>
EXPENDITURES -				
Capital outlay:				
Water tower	--	13,779	13,779	1,000,000
New road	--	--	--	1,000,000
Water extension	--	--	--	1,000,000
Sewer extension	--	--	--	1,000,000
Professional services	--	--	--	100,000
Total expenditures	<u> --</u>	<u>13,779</u>	<u>13,779</u>	<u>4,100,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u> --</u>	<u>(13,779)</u>	<u>(13,779)</u>	<u>(4,090,000)</u>
OTHER FINANCING USES -				
Transfer in	--	4,100,000	4,100,000	4,100,000
Total other financing uses	<u> --</u>	<u>4,100,000</u>	<u>4,100,000</u>	<u>4,100,000</u>
Net change in fund balance	<u>\$ --</u>	4,086,221	<u>\$ 4,086,221</u>	<u>\$ 10,000</u>
FUND BALANCE, beginning		<u> --</u>		
FUND BALANCE, ending		<u>\$ 4,086,221</u>		

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPLOST 2001 CAPITAL PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	Prior Years	Current Year	Total to Date	Revised Projected Costs
REVENUES -				
Other revenue:				
Special purpose local option sales tax	\$ 12,763,226	\$ --	\$ 12,763,226	\$ 12,763,226
Interest	349,662	6,649	356,311	340,111
Total revenues	<u>13,112,888</u>	<u>6,649</u>	<u>13,119,537</u>	<u>13,103,337</u>
EXPENDITURES -				
Capital outlay:				
Road construction/reconstruction	2,039,770	414,004	2,453,774	2,392,157
Drainage construction	601,694	--	601,694	601,710
Sidewalk construction	999,998	6,877	1,006,875	1,000,000
Street resurfacing	9,109,470	--	9,109,470	9,109,470
Total expenditures	<u>12,750,932</u>	<u>420,881</u>	<u>13,171,813</u>	<u>13,103,337</u>
Excess (deficiency) of revenues over (under) expenditures	<u>361,956</u>	<u>(414,232)</u>	<u>(52,276)</u>	<u>--</u>
FUND BALANCE, beginning		<u>414,232</u>		
FUND BALANCE, ending		<u><u>\$ --</u></u>		

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPLOST 2006 CAPITAL PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	Prior Years	Current Year	Total to Date	Revised Projected Costs
REVENUES -				
Other revenue:				
Special purpose local option sales tax	\$ 15,208,866	\$ --	\$ 15,208,866	\$ 15,208,866
Interest	156,770	1,237	158,007	115,781
Total revenues	<u>15,365,636</u>	<u>1,237</u>	<u>15,366,873</u>	<u>15,324,647</u>
EXPENDITURES -				
Capital outlay:				
Public safety	6,115,857	--	6,115,857	6,150,000
Water and sewer system	2,912,966	--	2,912,966	4,000,000
Road, street and sidewalk	4,794,353	14,400	4,808,753	5,515,000
Total expenditures	<u>13,823,176</u>	<u>14,400</u>	<u>13,837,576</u>	<u>15,665,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,542,460</u>	<u>(13,163)</u>	<u>1,529,297</u>	<u>(340,353)</u>
OTHER FINANCING USES -				
Transfer out	<u>(854,754)</u>	<u>--</u>	<u>(854,754)</u>	<u>--</u>
Net change in fund balance	<u>\$ 687,706</u>	<u>(13,163)</u>	<u>\$ 674,543</u>	<u>\$ (340,353)</u>
FUND BALANCE, beginning		<u>64,470</u>		
FUND BALANCE, ending		<u>\$ 51,307</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES-				
Other revenue -				
Interest	\$ --	\$ 2,683	\$ 2,683	\$ --
EXPENDITURES -				
Current -				
Capital outlay:				
Buildings/improvements	10,000	72,554	65,367	7,187
Swimming pool equipment	15,500	--	--	--
Debt service-				
Interest	--	--	263,364	(263,364)
Total expenditures	25,500	72,554	328,731	(256,177)
Excess (deficiency) of revenues over (under) expenditures	(25,500)	(69,871)	(326,048)	(256,177)
OTHER FINANCING SOURCES -				
Transfer in	250,000	285,814	285,814	--
Net change in fund balance	\$ 224,500	\$ 215,943	(40,234)	\$ (256,177)
FUND BALANCE, beginning			533,269	
FUND BALANCE, ending			\$ 493,035	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
VISITOR CENTER CAPITAL PROJECT
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES -				
Interest	\$ 15,000	\$ 30,309	\$ 31,913	\$ 1,604
EXPENDITURES -				
Capital outlay -				
Building/improvements	--	--	--	--
Excess of revenues over (under) expenditures	\$ 15,000	\$ 30,309	31,913	\$ 1,604
FUND BALANCE, beginning			1,289,244	
FUND BALANCE, ending			\$ 1,321,157	

CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019

<u>ASSETS</u>	Worker's	Group	
	Compensation	Health	Total
CURRENT ASSETS	_____	Insurance	_____
Cash	\$ 1,097,408	\$ 1,004,727	\$ 2,102,135
Receivables	3,805	100,670	104,475
Prepaid items	89,992	--	89,992
Total assets	_____	_____	_____
	1,191,205	1,105,397	2,296,602
	_____	_____	_____
	1,191,205	1,105,397	2,296,602
	_____	_____	_____
	1,191,205	1,105,397	2,296,602
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	1,191,205	1,105,397	2,296,602
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	1,191,205	1,105,397	2,296,602

**CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Worker's Compensation</u>	<u>Group Health Insurance</u>	<u>Total</u>
OPERATING REVENUES -			
Charges for services	\$ 655,283	\$ 12,813,790	\$ 13,469,073
Total operating revenues	<u>655,283</u>	<u>12,813,790</u>	<u>13,469,073</u>
OPERATING EXPENSES -			
Operating expenses	<u>622,216</u>	<u>12,850,128</u>	<u>13,472,344</u>
Total operating expenses	<u>622,216</u>	<u>12,850,128</u>	<u>13,472,344</u>
OPERATING INCOME (LOSS)	<u>33,067</u>	<u>(36,338)</u>	<u>(3,271)</u>
NON-OPERATING REVENUES -			
Interest earned	<u>17,697</u>	<u>9,071</u>	<u>26,768</u>
Total non-operating revenues, net	<u>17,697</u>	<u>9,071</u>	<u>26,768</u>
CHANGE IN NET POSITION	50,764	(27,267)	23,497
NET POSITION, beginning	<u>1,098,775</u>	<u>(947,571)</u>	<u>151,204</u>
NET POSITION, ending	<u>\$ 1,149,539</u>	<u>\$ (974,838)</u>	<u>\$ 174,701</u>

**CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Worker's Compensation	Group Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ --	\$ 809,244	\$ 809,244
Cash paid to suppliers for goods and services	(616,224)	(13,285,199)	(13,901,423)
Cash received from other funds for goods and services	651,478	12,035,764	12,687,242
Cash received for claims reimbursements	--	942,558	942,558
Net cash provided by operating activities	<u>35,254</u>	<u>502,367</u>	<u>537,621</u>
CASH FLOWS FROM INVESTING ACTIVITIES -			
Interest income on investments	<u>17,697</u>	<u>9,071</u>	<u>26,768</u>
Net cash provided by investing activities	<u>17,697</u>	<u>9,071</u>	<u>26,768</u>
NET INCREASE IN CASH	52,951	511,438	564,389
CASH, beginning	<u>1,044,457</u>	<u>493,289</u>	<u>1,537,746</u>
CASH, ending	<u>\$ 1,097,408</u>	<u>\$ 1,004,727</u>	<u>\$ 2,102,135</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</u>			
<u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>			
Operating income (loss)	<u>\$ 33,067</u>	<u>\$ (36,338)</u>	<u>\$ (3,271)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(3,805)	31,218	27,413
Increase in prepaid items	(9,649)	--	(9,649)
Increase in accounts payable	<u>15,641</u>	<u>507,487</u>	<u>523,128</u>
Total adjustments	<u>2,187</u>	<u>538,705</u>	<u>540,892</u>
Net cash provided by operating activities	<u>\$ 35,254</u>	<u>\$ 502,367</u>	<u>\$ 537,621</u>

CITY OF WARNER ROBINS, GEORGIA
WATER AND SEWER SYSTEM
SCHEDULE OF BONDS PAYABLE WITH INTEREST
WATER AND SEWER REVENUE BONDS
JUNE 30, 2019

SERIES 2012

<u>YEAR OF MATURITY</u>	<u>BONDS OUTSTANDING</u>	<u>INTEREST RATE</u>	<u>INTEREST</u>
2020	\$ 1,180,000	5.00%	\$ 809,812
2021	1,240,000	5.00%	749,312
2022	1,305,000	5.00%	685,688
2023	1,370,000	5.00%	618,813
2024	1,435,000	3.00%	562,500
2025	1,480,000	4.00%	503,437
2026	1,555,000	5.00%	443,112
2027	1,600,000	4.00%	395,788
2028	1,650,000	4.00%	341,413
2029	1,710,000	4.00%	283,250
2030	1,765,000	4.00%	226,781
2031	1,825,000	4.00%	166,163
2032	1,885,000	4.00%	101,238
2033	1,950,000	4.00%	34,125
	<u>\$ 21,950,000</u>		<u>\$ 5,921,432</u>

**CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

SCHEDULE OF STATE AWARDS EXPENDED

<u>State Program Name</u>		<u>Contract Number</u>	<u>Revenue Received</u>	<u>Expenditures</u>	<u>Amount Due From State</u>
Ga Dept. of Transportation					
WRATS	(1)	PL-000-0013-00(409)	\$ 30,223	\$ 71,010	\$ 40,787
LMIG	(1)	PI S014582	771,318	--	--
Total Dept. of Transportation			<u>801,541</u>	<u>71,010</u>	<u>40,787</u>
Total state and pass through grant			<u>\$ 801,541</u>	<u>\$ 71,010</u>	<u>\$ 40,787</u>

(1) includes Federal pass through

**CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECTS</u>	Original		EXPENDITURES		
	<u>Estimated Cost</u>	<u>Revised Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2018 Referendum -					
Capital outlay:					
Transportation	\$ 4,282,000	\$ 4,282,000	\$ --	\$ --	\$ --
Public safety	7,280,000	7,280,000	--	--	--
Recreation	15,600,000	15,600,000	--	4,224,937	4,224,937
General government	4,487,000	4,487,000	--	1,877,800	1,877,800
Water and sewer	3,721,122	3,721,122	--	--	--
Economic development	2,000,000	2,000,000	--	--	--
	<u>37,370,122</u>	<u>37,370,122</u>	<u>--</u>	<u>6,102,737</u>	<u>6,102,737</u>

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECTS</u>	Original		EXPENDITURES		
	<u>Estimated Cost</u>	<u>Revised Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2012 Referendum -					
Capital outlay:					
Road, street and sidewalk	\$ 8,100,000	\$ 8,100,000	\$ 193,437	\$ 1,592,004	\$ 1,785,441
Public safety	10,016,000	10,016,000	8,146,458	196,025	8,342,483
Water and sewer system	6,600,000	6,600,000	2,631,498	--	2,631,498
General government	9,420,000	9,420,000	3,480,653	1,395,335	4,875,988
City development	2,500,000	2,500,000	7,133,671	102,924	7,236,595
Recreation facilities	7,785,000	7,785,000	1,672,272	3,312,739	4,985,011
	<u>44,421,000</u>	<u>44,421,000</u>	<u>23,257,989</u>	<u>6,599,027</u>	<u>29,857,016</u>

**CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECTS</u>	Original		EXPENDITURES		
	<u>Estimated Cost</u>	<u>Revised Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2006 Referendum - capital outlay:					
Public safety facilities	\$ 6,000,000	\$ 6,150,000	\$ 6,115,857	\$ --	\$ 6,115,857
Water and sewer system	4,000,000	4,000,000	3,988,937	--	3,988,937
Road, street and sidewalk	5,515,000	5,515,000	5,206,333	14,400	5,220,733
	<u>\$ 15,515,000</u>	<u>\$15,665,000</u>	<u>\$ 15,311,127</u>	<u>\$ 14,400</u>	<u>\$ 15,325,527</u>

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECTS</u>	Original		EXPENDITURES		
	<u>Cost</u>	<u>Revised Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2001 Referendum - capital outlay:					
Road construction / reconstruction	\$ 1,950,000	\$ 2,392,157	\$ 2,039,770	\$ 414,004	\$ 2,453,774
Drainage construction	565,000	601,710	601,694	--	601,694
Sidewalk construction	1,000,000	1,000,000	999,998	6,877	1,006,875
Streets resurfacing	8,598,750	9,109,470	9,109,470	--	9,109,470
	<u>\$ 12,113,750</u>	<u>\$13,103,337</u>	<u>\$ 12,750,932</u>	<u>\$ 420,881</u>	<u>\$ 13,171,813</u>

**CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

SCHEDULE OF MOTOR VEHICLE RENTAL TAX

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES -				
Other taxes -				
Motor vehicle rental tax	\$ 160,000	\$ 160,066	\$ 160,066	\$ --
EXPENDITURES -				
Current -	160,000	160,066	160,066	--
Excess of revenues over expenditures	--	--	--	--
OTHER FINANCING (USES) -				
Transfer out	(160,000)	(160,066)	--	160,066
Net change in fund balance	<u>\$ (160,000)</u>	<u>\$ (160,066)</u>	--	<u>\$ 160,066</u>
FUND BALANCE, beginning			--	
FUND BALANCE, ending			<u>\$ --</u>	

SCHEDULE OF HOTEL/MOTEL TAX REPORT

		<u>8%</u>
Amount of tax collected	\$ 2,286,509	100.00%
Amount expended to promote tourism (General Fund)	\$ 714,534	31.25%
Amount expended to support the Museum of Aviation	\$ 714,534	31.25%
Amount expended for city promotion (Bureau of Civic Affairs)	\$ 571,627	25.00%
Amount expended for recreation capital project (Sports Complex)	\$ 142,907	6.25%
Amount expended for recreation capital project (Parks and Recreation)	\$ 142,907	6.25%

COMPLIANCE SECTION



NICHOLS, CAULEY & ASSOCIATES, LLC

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Warner Robins, Georgia (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 28, 2020. Our report includes a reference to other auditors who audited the financial statements of the Redevelopment Agency of the City of Warner Robins, Georgia, the Downtown Development Authority of the City of Warner Robins, Georgia and the Development Authority of the City of Warner Robins, Georgia, as described in our report on the City of Warner Robins, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

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

We noted certain matters that we have reported to management of the City in a separate letter dated May 28, 2020.

The City of Warner Robins' Response to Findings

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Richels, Cauley + Associates, LLC

Warner Robins, Georgia
May 28, 2020



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Warner Robins, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and responses.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 each of the major federal programs occurred. An audit includes examining, on a test basis, evidence about the City'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Nichols, Cauley + Associates, LLC

Warner Robins, Georgia
May 28, 2020

**CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA/Grant Number</u>	<u>Passed through to Subrecipients</u>	<u>Federal Program Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grants:			
Community Development Block Grant:			
Entitlement Grant	14.218	\$ 391,805	\$ 1,081,229
HOME Investment Partnership Program	14.239	--	26,374
Total U.S. Dept. of Housing and Urban Development		<u>391,805</u>	<u>1,107,603</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grants:			
Police Bullet Proof Vests 212098	16.607	--	12,145
Edward Byrne Memorial Justice Assistance Grant Program	16.738	--	13,640
Total U.S. Department of Justice		<u>--</u>	<u>25,785</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Federal Highway Administration			
Passed Through Georgia Department of Transportation:			
WRATS-Planning	20.205 PL000-0012-00(939)	--	88,763
Total U.S. Department of Transportation		<u>--</u>	<u>88,763</u>
<u>U. S. DEPARTMENT OF HOMELAND SECURITY</u>			
Federal Emergency Management Agency			
Public assistance (Michael)	97.036	--	17,305
Homeland Security Initiative Grant	97.067	--	11,353
Total U. S. Department of Homeland Security		<u>--</u>	<u>28,658</u>
Total Expenditures of Federal Awards		<u>\$ 391,805</u>	<u>\$ 1,250,809</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

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 *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule. City records should be consulted to determine amounts expended from non-federal sources.

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	\$ 391,805

NOTE 3. INDIRECT COST RATES

The City has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION I

SUMMARY OF AUDIT RESULTS:

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

Material weakness identified? X yes no

Significant deficiency identified
not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements
noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness identified? yes X no

Significant deficiency identified
not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance
For major programs: unmodified

Any audit findings disclosed that are required
To be reported in accordance with
Uniform Guidance? yes X no

Identification of major programs:

CFDA Number	Name of Federal Programs
14.218	Community Development Block Grant – Entitlement Grant

Dollar threshold used to distinguish
Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION II

FINANCIAL STATEMENT FINDINGS

Finding 2019-001

Material Weakness in Internal Control Over Financial Reporting and Accounting Functions

Criteria: For effective monitoring of interim financial information and budgets, at the City Council level, data in the City's financial system must be supplemented by up-to-date and accurate information.

Condition: The fiscal year ended June 30, 2019, was not closed until March of 2020. The City does not have an adequate internal control system in place to provide reasonable assurance regarding the timeliness and reliability of financial reporting, including internal controls over:

- a) The budgeting process
- b) The close out process and procedures (which impacts timely financial reporting)
- c) Interim financial reporting to Mayor and City Council
- d) Capital asset recording and reconciliations
- e) Account reconciliations

Cause: The City does not have adequate technology and human resources, nor do they have an adequate system of internal control over financial reporting. For example, the trial balance obtained from the City for the audit on October 21, 2019 was not final when received. Adjusting entries were made, by management, subsequent to year-end fieldwork starting. The inadequate close out process and procedures caused the start of and the completion of the audit to be significantly delayed. The City continues to grow larger and more complex. The internal controls over financial reporting, have not been continuously modified to account for the growth and complexities occurring over time. Furthermore, the accounting function of the City has not been enhanced to keep pace with the growth and complexities occurring.

Effect: Incorrect or untimely information could result in City management, Mayor, City Council, or City employees making decisions based off of stale and or incorrect information.

Recommendations: We recommend the City improve its processes, systems and controls over financial reporting including, monthly and year-end close process and procedures, timely and accurate adjustments, and timely and accurate reconciliations. An effective system of internal controls over financial reporting is an important internal control process and should not be minimized. The City should evaluate its resources available and determine enhancements required to effectively implement the processes, systems and controls necessary for correct and timely financial reporting. We also recommend the City evaluate the need of establishing internal control process documentation and monitoring.

**CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

Responsible Official's Response:

Management concurs the timeliness of financial reporting is an ongoing concern that needs to be addressed. Increasing complexity of operations without corresponding enhancements of the accounting function continues to present a challenge that we are taking steps to overcome. For instance, the complexity of the City's Bond Issue in September 2018 was the primary cause for adjusting entries being made after audit fieldwork began.

The City has developed a reorganization plan focused on improving the contractual review and approval process; and ensuring financial operations are efficient and effective. The reorganization spans across several departments including administration, legal, city clerk, human resources, and finance. The City plans to add new positions or convert existing positions such as: City Administrator, City Clerk, Assistant City Attorney, Chief Financial Officer, and Financial Analysts. More importantly, the reorganization plan will create two additional finance department positions to ensure contractual arrangements are reviewed prior to City approval and financial contracts and related matters are recorded in a timely manner. The City also plans to implement a new system for human resources, time keeping and payroll to improve the hiring, tracking, and payroll process. Management will also review operational and financial policies and procedures to ensure proper internal controls, improve operations, and ensure financial accounts are reconciled on a monthly basis. During fiscal year 2020, the City also established a finance committee, which includes the mayor and several council members that is charged with reviewing financial matters and making proper budget recommendations during the year. These changes will improve the City's financial review and reporting process.

SECTION III

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Reported

**CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

Finding 2018-001

Significant Deficiency in Internal Control Over Financial Reporting

Criteria: For effective monitoring of interim financial information and budgets, at the City Council level, data in the City's financial system must be supplemented by up-to-date and accurate information.

Update: Unresolved. See current year finding 2019-001