

**CITY OF WARNER ROBINS, GEORGIA**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2014**



**NICHOLS, CAULEY & ASSOCIATES, LLC**

Certified Public Accountants

Certified Financial Planners™

Certified Internal Auditors

Certified Government Auditing Professionals

Certified Valuation Analysts

Financial and Business Development Advisors

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

**Page(s)**

**I. FINANCIAL SECTION**

<b>INDEPENDENT AUDITOR'S REPORT .....</b>	1-3
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited).....</b>	4-14
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position.....	15
Statement of Activities .....	16
<b>Fund Financial Statements:</b>	
<b>Governmental Funds:</b>	
Balance Sheet - Governmental Funds.....	17
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position .....	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities .....	20
<b>Proprietary Funds:</b>	
Statement of Net Position - Proprietary Funds .....	21-22
Reconciliation of the Statement of Net Position - Proprietary Funds to the Statement of Net Position .....	23
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds .....	24
Statement of Cash Flows - Proprietary Funds .....	25-26
<b>Notes to Financial Statements .....</b>	27-75
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Budgetary Comparison Schedule – General Fund .....	76
Notes to the Required Supplementary Information .....	77
Schedule of Funding Progress - Georgia Municipal Employees Benefit System Plan.....	78
Schedule of Funding Progress and Schedule of Employer's Contribution – Other Post Employment Benefits Plan .....	79
<b>OTHER SUPPLEMENTARY INFORMATION:</b>	
<b>NONMAJOR GOVERNMENTAL FUNDS:</b>	
Combining Balance Sheet .....	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	81
<b>BUREAU OF CIVIC AFFAIRS:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget And Actual.....	82
<b>HOTEL - MOTEL TOURISM ALLOCATION BOARD FUND (TAB):</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget And Actual.....	83

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

**TABLE OF CONTENTS**

	<b><u>Page(s)</u></b>
MOTOR VEHICLE RENTAL TAX FUND:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	84
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	85
LAW ENFORCEMENT SPECIAL REVENUE FUND:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	86
RECREATION SPECIAL REVENUE FUND:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	87
REDEVELOPMENT AGENCY SPECIAL REVENUE FUND:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	88
SPLOST 2001 CAPITAL PROJECT:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	89
SPLOST 2006 CAPITAL PROJECT:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	90
PARKS AND RECREATION CAPITAL PROJECT:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	91
VISITOR CENTER CAPITAL PROJECT:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	92
INTERNAL SERVICE FUNDS:	
Combining Statement of Net Position.....	93
Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	94
Combining Statement of Cash Flows.....	95
WATER AND SEWER SYSTEM:	
Schedule of Bonds Payable with Interest – Series 2012 .....	96
Schedule of State Requirements.....	97-99

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

**TABLE OF CONTENTS**

**II. COMPLIANCE SECTION**

**Page(s)**

**OTHER REQUIRED LETTERS**

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 <i>Government Auditing Standards</i> .....	100-101
Schedule of Finding and Responses .....	102



## NICHOLS, CAULEY & ASSOCIATES, LLC

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### INDEPENDENT AUDITOR'S REPORT

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

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Warner Robins, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Warner Robins, Georgia's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Warner Robins, Georgia, as of June 30, 2014, 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, and the schedules of funding progress on pages 4 through 14, page 76, and pages 78 through 79 respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Warner Robins, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of state requirements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of state requirements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of state requirements are fairly stated in all material respects in relation to the basic financial statements as a whole.

In the conduct of our audit, we verified and tested expenditures of each project constructed or under construction, which were identified in the resolution or ordinance calling for imposition of the special sales and use tax authorized by OCGA, Section 48-8-110. The accompanying schedule of state requirements on page 98 lists each identified Special Purpose Local Option Sales Tax Project and contains the information required by OCGA, Section 48-8-121. In our opinion this schedule presents fairly the original estimated cost of each project, expenditures incurred and the estimated percentage of completion of each project through June 30, 2014, the end of the fiscal year covered by this audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2014 on our consideration of the City of Warner Robins, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Warner Robins, Georgia's internal control over financial reporting and compliance.

*Richels, Cauley + Associates, LLC*

Warner Robins, Georgia  
December 30, 2014

**CITY OF WARNER ROBINS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2014**

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The City of Warner Robins' basic financial statements are presented for the fiscal year ended June 30, 2014. 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 15 and 16 of this report.

**Fund Financial Statements**

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

The basic governmental fund financial statements can be found on pages 17 and 19 and the basic proprietary fund financial statements can be found on pages 21, 22 and 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 page 27 through 75 of this report.

**CITY OF WARNER ROBINS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014**

**Other Information**

Combining and individual statements present more detailed views of non-major funds used in the governmental and enterprise funds beginning on page 80. Also included are statements for internal service funds beginning on page 93.

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

<b>Table 1: Major Features of the Basic Financial Statements</b>			
		<b>Fund Financial Statements</b>	
	<b>Government-Wide Financial Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>
<b>Scope</b>	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
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of revenues, expenses, and changes in net position</li> <li>• Statements of cash flows</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	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
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is paid or received	<ul style="list-style-type: none"> <li>• Revenues for which cash is received during or soon after the end of the year</li> <li>• Expenditures when goods or services have been received and payment is due during the year or soon thereafter</li> </ul>	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, 2014**

**Government-Wide Financial Analysis**

Table 2 below presents the City's condensed statement of net position as of June 30, 2014, and 2013, derived from the government-wide Statement of Net Assets.

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current assets	\$ 40,837	\$ 36,715	\$ 28,705	\$ 51,247	\$ 69,542	\$ 87,962
Other Assets	--	--	5,207	5,897	5,207	5,897
Capital Assets	135,734	134,433	112,719	87,848	248,453	222,281
Total assets	<u>176,571</u>	<u>171,148</u>	<u>146,631</u>	<u>144,992</u>	<u>323,202</u>	<u>316,140</u>
Current liabilities	4,380	4,697	5,552	5,346	9,932	10,043
Long-term liabilities	9,869	10,625	43,161	44,313	53,030	54,938
Total liabilities	<u>14,249</u>	<u>15,322</u>	<u>48,713</u>	<u>49,659</u>	<u>62,962</u>	<u>64,981</u>
Net Position:						
Net investment in						
Capital assets	\$ 131,792	\$ 128,595	\$ 68,683	\$ 48,290	\$ 200,475	\$ 176,885
Restricted	14,155	11,784	5,207	22,560	19,362	34,344
Unrestricted	16,375	15,447	24,028	24,483	40,403	39,930
Total net Position	<u>\$ 162,322</u>	<u>\$ 155,826</u>	<u>\$ 97,918</u>	<u>\$ 95,333</u>	<u>\$ 260,240</u>	<u>\$ 251,159</u>

By far the largest portion (approximately \$200 million) of the City of Warner Robins' net position reflect its investment in capital assets (e.g., land, building, infrastructure, machinery, and equipment, etc.), less accumulated depreciation. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Unrestricted net position is the next largest component, totaling approximately \$40 million as of June 30, 2014. Restricted net position (approximately \$19 million) represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used.

Governmental Activities reflect a positive unrestricted net position balance of approximately \$16 million.

Business-type activities reflect a positive unrestricted net position balance of approximately \$24 million.

Table 3 presents the City's condensed statement of activities for the fiscal year ended June 30, 2014 and 2013, as derived from the government-wide Statement of Activities on page 16. 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 \$6.5 million and the net position of the business-type activities increased by approximately \$2.5 million.

**CITY OF WARNER ROBINS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2014**

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 9,170	\$ 10,624	\$ 53,095	\$ 50,356	\$ 62,265	\$ 60,980
Operating grants & Contributions	77	110	--	--	77	110
Capital grants & Contributions	10,045	8,174	1,415	676	11,460	8,850
General revenues:						
Property & other taxes	24,043	24,006	--	--	24,043	24,006
Sale of Land	1	320	12	--	13	320
Other	4,462	353	77	113	4,539	466
Total revenues	<u>\$ 47,798</u>	<u>\$ 43,587</u>	<u>\$ 54,599</u>	<u>\$ 51,145</u>	<u>\$ 102,397</u>	<u>\$ 94,732</u>
Expense:						
General government	\$ 6,809	\$ 7,514	\$ --	\$ -	\$ 6,809	\$ 7,514
Public safety	23,657	18,684	--	--	23,657	18,684
Public works (Streets)	6,144	9,625	--	--	6,144	9,625
Recreation	1,989	2,209	--	--	1,989	2,209
City development	5,721	2,621	--	--	5,721	2,621
Downtown Development	30	447	--	--	30	447
Other	88	96	--	--	88	96
Water & Sewer	--	--	13,801	13,787	13,801	13,787
Natural gas	--	--	24,211	21,634	24,211	21,634
Sanitation	--	--	8,065	8,051	8,065	8,051
Other enterprise funds	--	--	2,801	2,798	2,801	2,798
Total expenses	<u>\$ 44,438</u>	<u>\$ 41,196</u>	<u>\$ 48,878</u>	<u>\$ 46,270</u>	<u>\$ 93,316</u>	<u>\$ 87,466</u>
Increase (decrease) in net position before transfers	3,360	2,391	5,721	4,875	9,081	7,266
Transfers	3,136	2,745	(3,136)	(2,745)	--	--
Increase (decrease) in net position	6,496	5,136	2,585	2,130	9,081	7,266
Net Position - Beginning	155,826	150,690	95,333	93,203	251,159	243,893
Net Position - Ending	<u>\$ 162,322</u>	<u>\$ 155,826</u>	<u>\$ 97,918</u>	<u>\$ 95,333</u>	<u>\$ 260,240</u>	<u>\$ 251,159</u>

**CITY OF WARNER ROBINS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014**

**Program Expenses and Revenues for Governmental Activities**

Table 4 presents the net costs of governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. General revenues, mainly taxes, supported the net costs of governmental activities. Program revenues as a percentage of program expenses decreased for governmental activities from fiscal year 2013 to fiscal year 2014.

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

<b>Function/Program</b>	<b>Program Expenses</b>	<b>Less Program Revenues</b>	<b>Net Program Costs</b>		<b>Program Revenues as a Percentage of Program Expenses</b>	
	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
General government	\$ 6,809	\$ 1,439	\$ 5,371	\$ 2,694	21.13%	64.10%
Public Safety	23,657	7,408	16,249	14,812	31.32%	20.70%
Recreation	1,989	403	1,586	1,817	20.27%	17.70%
Public Works	6,144	7,267	(1,123)	3,496	118.28%	63.70%
City development	5,721	2,775	2,946	(1,074)	48.50%	14.10%
Other	118	-	118	543	0.00%	0.00%
<b>Total</b>	<b>\$ 44,439</b>	<b>\$ 19,292</b>	<b>\$ 25,147</b>	<b>\$ 22,288</b>	<b>43.41%</b>	<b>45.90%</b>

**Program Expenses and Revenues for Business-type Activities**

Table 5 presents the net income and costs of business-type activities. Program revenues generated were more than sufficient to cover program expenses. Overall, program expenses as a percentage of program revenues increased for business-type activities from fiscal year 2013 to fiscal year 2014.

**City of Warner Robins, Georgia  
Table 4: Net Costs of Business-Type Activities  
for the Fiscal Year Ended June 30  
(in thousands)**

<b>Function/Program</b>	<b>Program Revenues</b>	<b>Less Program Expenses</b>	<b>Net Program Costs</b>		<b>Program Expenses as a Percentage of Program Revenues</b>	
	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Natural gas system	\$ 27,519	\$ 24,211	\$ 3,308	\$ 2,611	87.98%	89.20%
Water & Sewer system	16,092	13,801	2,291	1,971	85.76%	87.50%
Storm Water Drainage	2,554	2,311	242	256	90.51%	89.95%
Other programs	8,345	8,555	(210)	(76)	102.52%	99.12%
<b>Total</b>	<b>\$ 54,510</b>	<b>\$ 48,878</b>	<b>\$ 5,632</b>	<b>\$ 4,762</b>	<b>89.67%</b>	<b>90.70%</b>

**CITY OF WARNER ROBINS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2014**

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Overall Analysis

Financial highlights for the City as a whole during the fiscal year ended June 30, 2014, include the following:

The assets of the City exceeded its liabilities (net position) at the close of the fiscal year by \$162 million for the governmental activities and by \$98 million for the business-type activities.

The City's total net position increased during the year by \$9 million. Net position of governmental activities increased by \$6.5 million, while the net position of business-type activities increased by \$2.6 million. The increase in the net position of the City governmental activities is the result of a new SPLOST collections, transfers from the City's enterprise funds and a slight increase in other tax revenues. The City's business-type funds an overall reported positive net revenues for the year due to positive operating result. The City's Natural Gas Fund experienced positive net revenues due to an increase in sales to the City's industrial natural gas customers and a deduction in the amount of transfers to the City's General Fund. The City's Water and Sewer Fund operating revenues were 4% less than operating revenues of Fiscal Year 2013 due to a reduction of water usage. The reduced sales of the Water and Sewer Fund in FY 2013 would have resulted in a decrease of net position were it not for contributions of capital assets. The City's governmental activities net expense increased 8% due to an increase in personnel expenditures related to public safety functions.

Fund Analysis

Funds that experienced significant changes during the fiscal year ended June 30, 2014, are as follows:

**Governmental Funds:**

As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$37.5 million.

*General Fund*

The total General Fund's fund balances as of June 30, 2014 were \$18.1 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, \$170 thousand is non-spendable, \$1 million are committed and \$16.9 million is unassigned. Although the City's General Fund had operating expenditures greater than its operating revenues, the increase in the unassigned General Fund's fund balance for FY 2014 is the result of proceeds received for capital lease financing and transfers from the City's Enterprise Funds of \$3.9 million. FY 2014 General Fund revenues increased by \$142 thousand compared to FY 2013's revenues. General Fund's expenditures increased by 1% (\$426 thousand) compared to FY 2013 expenditures. Although the City's cost of providing group health benefits remained relatively flat in FY 2014, the increase in expenditures is attributable to increased employee wages per an adopted cost of living pay adjustment, and to increase staffing levels in the Police and Fire Departments.

**CITY OF WARNER ROBINS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2014**

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*Capital Project Fund/SPLOST*

The fund balance for the 2012 SPLOST, classified as a major fund in FY 2014, as of June 30, 2014 totaled \$6.57 million. The fund balance for the 2001 SPLOST totaled \$637 thousand, a decrease of \$586 thousand from June 30, 2013. The fund balance for the 2006 SPLOST totaled \$3.9 million, a decrease of \$961 thousand from June 30, 2013. The change in fund balance was the result of the use of prior SPLOST receipts in the completion of various projects. Sales tax receipts for the City's 2001 SPLOST ended December 2006 and for the City's 2006 SPLOST ended in October 2012. Expenditures for the 2006 project will continue into Fiscal Year 2015.

**Proprietary Funds:**

The City's Proprietary Funds reported a net position of \$98 million, a 3% increase from the prior year. The City's internal service funds reported net position of \$542, an decrease of 5% from the prior year.

*Water and Sewer Fund*

The Net Position of the Water and Sewer Fund (approximately \$59.9 million) remain at appropriately the same level as FY 2013. The change in the balance of net position was the result of positive operating results (\$1.9 million) and from \$1.12 million in capital contributions from the County and from real estate development. Operating results for FY 2014 excluding capital contributions and after transfers resulted in a net decrease of \$698 thousand; this decrease is attributable to a decrease in gross water and sewer sales and usage as compared to FY 2013 sales and usage as a result of abnormal rainfall for the FY 2014.

*Natural Gas Fund*

The Net Position of the Natural Gas Fund increased by \$1.7 million, generated by increased usage by residential and commercial customers due a relatively normal winter weather, and by increased usage by the City's industrial customers in their manufacturing processes. Additionally, the City did not increased operating transfers out to the City's General Fund.

*Sanitation Fund*

The Sanitation Fund reported a negative change in net assets of \$12 thousand, decreasing the net position balance to \$1 million at year end. The Fund's operating expenses have increased due to a contract fee increases from the City's waste collection contractor, and the governing body electing not to enact a corresponding rate increase to the City's sanitation customers for the fiscal year. The governing body did not budget operating transfers from the Sanitation Fund in FY 2014.

**CITY OF WARNER ROBINS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2014**

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*Stormwater Drainage Fund (SWD)*

The SWD Fund reported its net position of \$16.6 million at year end. This increase was due to positive operating results for the fiscal year and contributions from real estate developers in the amount of \$298 thousand.

*Group Health Fund*

Net Position of the City's Group Health Internal Service Fund reported a negative net asset balance of \$420 thousand at year end. While claim payments for health care services were relatively flat for the fiscal year, contributions to the Fund were not sufficient to cover costs of operating the fund for the year resulting in a deficient balance.

**Budgetary Highlights**

Over the course of the fiscal year, the Mayor and Council of the City of Warner Robins amended the budget several times. These budget amendments were supplemental appropriations for capital expenditures and for increases in appropriations to prevent budget overruns. No variances between the original and final budget, or between final and actual budget are expected to significantly affect future services or liquidity. For additional information on the budget variances, refer to the budgetary comparison schedule for the General Fund in the Other RSI section on page 76.

Differences between the original appropriated budget and the final amended budget in the General Fund amounted to \$2.4 million. This difference is attributable to allocations from unreserved fund balance for prior year's encumbrances of \$1.8 million, to supplemental appropriations for unanticipated revenues of \$600 thousand were incorporated into this year's expenditure accounts.

**Capital Asset and Debt Administration**

**Capital Assets**

The City of Warner Robins' investment in capital assets for its governmental and business type activities as of June 30, 2014, amounts to \$242 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 \$2.5 million in the current fiscal year for police vehicles, fire trucks, service vehicles, and machinery and equipment; \$187 thousand for building improvements and \$2.1 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, 2014**

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The City finalized plans for a major expansion of its Sandy Run Creek Wastewater Treatment Plant in FY 2012. The projected cost of this project is \$28.9 million. The plant treatment capacity will increase to 12 million GPD from 9 million GPD, and will comply with all current water quality standards. As of the end of FY 2014, \$28.5 million has been spent on the project; a total of \$18.7 million was spent in FY 2014. This Project is expected to be completed by the end of Fiscal Year 2015.

Various road improvement projects, sidewalk projects, building project and sewer line improvements are continuing related to the 2001, 2006 and 2012 SPLOST Funds. Amounts expended from the 2001 SPLOST fund for street projects totaled \$588 thousand. Amounts expended from the 2006 SPLOST fund for street light projects totaled \$126 thousand, for building project totaled \$6 thousand and for sewer line improvements totaled \$835 thousand. Amounts expended from the 2012 SPLOST for general capital obligations totaled \$697 thousand for vehicles, heavy equipment and building improvements; \$36 thousand was spend on recreational facilities; \$2.7 million was spend on public safety facilities and equipment; and, \$276 thousand for roads and sidewalk improvements.

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

### **Long-term Debt**

As of June 30, 2014, the City reported a total debt balance of \$57.5 million. The total debt had an overall decrease of \$1.9 million from Fiscal Year 2013. The current portion of this debt is comprised of Claims Payable (\$152 thousand), Compensated Absences (\$221 thousand), Capital Leases (\$685 thousand) and Bonds, Notes and Accrued Interest (\$3.4 million). The non-current portion is comprised of Compensated Absences (\$1.3 million), Capital Leases (\$5.8 million), Other Post-Employment Benefits (\$8.07 million) and Bonds and Notes (\$32.4 million). The City had one debt addition in Fiscal Year of \$251 thousand from a capital lease obligation for the purchase of a public safety vehicle. In recognition of employee other post-employment benefits, as required by the implementation of the Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," caused an addition to the City's long debt of \$1.3 million.

The Constitution of the State of Georgia limits direct general obligation indebtedness of the City to an amount equivalent to ten percent of the assessed value of all taxable property within the City. The net assessed value of all taxable property in the City for the year 2013 was \$1.7 billion. The legal limit of general obligation debt for the City is \$170 million. As of June 30, 2014, the City has not issued general obligation debt bonds, nor does the City have any plans to do so.

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

**CITY OF WARNER ROBINS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2014**

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**Economic Factors and Next Year's Budgets**

The unemployment rate for the Warner Robins Metropolitan Statistical Area at the fiscal year-end was 7.3%, an improvement over last fiscal year's unemployment rate of 8.0%. The State's rate was 7.4% at the fiscal year-end.

The City's 2013 net taxable digest (Fiscal Year 2014 income) experience an increase of 4% over the net taxable digest of 2012 (Fiscal Year 2013 income). The governing body enacted the millage rate for FY 2014 of 9.99 mills in order to maintain the current level of services. The City sold 740 building permits in calendar year 2013 and 338 from July 2013 to December 2013 signaling an improving residential and commercial construction market.

Decreased rates of return for United States Treasury investments have affected the City's budgeted revenues.

The population of the City has increased approximately 36% since the 2000 census. Per the U. S. Census Bureau, 2000 census for the City show a population of 48,804; the Bureau's estimated population at 2013 is 72,531. In the year 2001, the City and Houston County were designated as a metropolitan statistical area.

Cash collections from the 2012 SPLOST are 12% less than original projections as of June 30, 2014.

City officials considered these factors in making judgments and estimates in developing the general fund budget for fiscal year 2015. The City approved a budget appropriation for Fiscal Year 2015 in the amount of \$37.2 million, an increase of 5 percent from the 2013 budget of \$35.6 million. Tax revenues will provide 59% of this appropriation. The majority of the remaining 41% of appropriations will be financed by selective sales and use taxes (17%) and other financing revenues (12%). The City will use these revenues to finance programs currently offered and to finance increased program costs due to the City's growth.

Budgeted expenditures increased by 5% over fiscal year 2014 original budgeted appropriations. This increase in appropriations is attributable to an increase in personnel at the City's public safety departments, budgeted cost of living pay adjustments and a modest increase in health care costs related to the Patient Protection and Affordable Care Act (PPACA). The City did not add new programs to the 2015 budget.

The City's business-type activities are experiencing inflationary pressures on its operational expenses. Gross revenues of the Water and Sewer Fund, Sanitation Fund and Stormwater Drainage Fund are expected to remain comparable to results of FY 2014. Net revenues will decrease in the City's Sanitation Fund due to increase costs of contracted services. The City enacted a rate increase in its Water and Sewer Fund service fees due to flat revenue streams of the past two fiscal years and to increased cost of operating the water and sewer system. The City's Natural Gas Fund is expected to end the year with a modest increase in net revenues.

**CITY OF WARNER ROBINS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014**

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**Requests for Information**

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

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$ 36,412,881	\$ 23,335,984	\$ 59,748,865	\$ 63,701
Investments	--	500	500	--
Accounts receivable, net	1,413,982	4,871,575	6,285,557	--
Internal balances	(233,502)	233,502	--	--
Due from other governments	1,780,864	36,434	1,817,298	--
Inventories, at cost	1,270,760	216,050	1,486,810	--
Prepaid items	191,622	11,005	202,627	--
Restricted assets -				
Cash and cash equivalents	--	5,207,293	5,207,293	--
 Total current assets	 40,836,607	 33,912,343	 74,748,950	 63,701
Non-current assets:				
Receivables	--	6,237,748	6,237,748	--
Land and other non-depreciable assets	26,496,273	31,230,998	57,727,271	--
Capital assets, net of accumulated depreciation	109,238,171	75,250,469	184,488,640	--
 Total non-current assets	 135,734,444	 112,719,215	 248,453,659	 --
 Total assets	 \$ 176,571,051	 \$ 146,631,558	 \$ 323,202,609	 \$ 63,701

	Primary Government			Component
	Governmental	Business-type	Total	Unit
				Downtown
	Activities	Activities		Development
				Agency
<u>LIABILITIES:</u>				
Current liabilities:				
Cash overdraft	\$ --	\$ 357,904	\$ 357,904	\$ --
Accounts payable	1,266,638	2,875,287	4,141,925	--
Accrued payroll/related liabilities	427,152	84,555	511,707	--
Claims payable	152,469	--	152,469	--
Compensated absences	190,278	31,017	221,295	--
Unearned revenue	399,448	--	399,448	15,201
Security deposits	19,102	--	19,102	--
Capital lease obligations	431,532	253,281	684,813	--
Accrued interest payable	--	571,086	571,086	--
Bonds, notes and loans payable	1,493,666	1,378,867	2,872,533	--
Total current liabilities	4,380,285	5,551,997	9,932,282	15,201
Non-current liabilities:				
Compensated absences	1,164,746	175,577	1,340,323	--
Capital lease obligations	1,133,997	4,709,518	5,843,515	--
Accrued interest payable	--	5,432,118	5,432,118	--
OPEB liability	6,686,898	1,387,609	8,074,507	--
Bonds, notes and loans payable	882,950	31,456,369	32,339,319	--
Total non-current liabilities	9,868,591	43,161,191	53,029,782	--
Total liabilities	14,248,876	48,713,188	62,962,064	15,201
<u>NET POSITION:</u>				
Net investment in capital assets	131,792,299	68,683,432	200,475,731	--
Restricted for capital projects	14,155,289	5,207,293	19,362,582	--
Unrestricted	16,374,587	24,027,645	40,402,232	48,500
Total net position	\$ 162,322,175	\$ 97,918,370	\$ 260,240,545	\$ 48,500

See accompanying notes to financial statements.

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

<b>Functions/Programs:</b>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental activities:				
General government	\$ 6,809,349	\$ 1,438,532	\$ --	\$ --
Public safety	23,657,087	4,452,231	6,500	2,949,507
Recreation	1,989,403	403,298	--	--
Public works	6,144,254	100,929	70,415	7,095,975
City development	5,721,039	2,774,549	--	--
Downtown development	30,000	--	--	--
Interest on long-term debt	87,509	--	--	--
Total governmental activities	44,438,641	9,169,539	76,915	10,045,482
Business-type activities:				
Natural Gas System	24,211,114	27,519,253	--	--
Water and Sewer System	13,801,141	14,677,768	--	1,414,640
Storm Water Drainage	2,311,135	2,553,572	--	--
Sanitation	8,064,886	8,052,014	--	--
International City Golf Course	489,737	292,628	--	--
Total business-type activities	48,878,013	53,095,235	--	1,414,640
Total primary government	\$ 93,316,654	\$ 62,264,774	\$ 76,915	\$ 11,460,122
<b>Component Unit-</b>				
Downtown Development Agency	\$ 33,772	\$ 82,385	\$ --	\$ --
General revenues:				
Property taxes				
Other taxes				
Franchise fees				
Interest income				
Sale of assets				
Miscellaneous				
Total general revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Agency
\$ (5,370,817)	\$ --	\$ (5,370,817)	\$ --
(16,248,849)	--	(16,248,849)	--
(1,586,105)	--	(1,586,105)	--
1,123,065	--	1,123,065	--
(2,946,490)	--	(2,946,490)	--
(30,000)	--	(30,000)	--
(87,509)	--	(87,509)	--
<u>(25,146,705)</u>	<u>--</u>	<u>(25,146,705)</u>	<u>--</u>
--	3,308,139	3,308,139	--
--	2,291,267	2,291,267	--
--	242,437	242,437	--
--	(12,872)	(12,872)	--
<u>--</u>	<u>(197,109)</u>	<u>(197,109)</u>	<u>--</u>
<u>--</u>	<u>5,631,862</u>	<u>5,631,862</u>	<u>--</u>
<u>(25,146,705)</u>	<u>5,631,862</u>	<u>(19,514,843)</u>	<u>--</u>
			<u>\$ 48,613</u>
15,634,862	--	15,634,862	--
8,408,321	--	8,408,321	--
3,932,187	--	3,932,187	--
12,377	23,234	35,611	--
1,446	11,681	13,127	--
517,138	54,507	571,645	--
28,506,331	89,422	28,595,753	--
3,136,377	(3,136,377)	--	--
<u>31,642,708</u>	<u>(3,046,955)</u>	<u>28,595,753</u>	<u>--</u>
6,496,003	2,584,907	9,080,910	48,613
155,826,172	95,333,463	251,159,635	(113)
<u>\$ 162,322,175</u>	<u>\$ 97,918,370</u>	<u>\$ 260,240,545</u>	<u>\$ 48,500</u>

See accompanying notes to financial statements.

**CITY OF WARNER ROBINS, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	General Fund	SPLOST 2012 Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 18,591,233	\$ 5,580,148	\$ 10,930,974	\$ 35,102,355
Accounts receivable - net of uncollectable accounts	585,229	--	828,753	1,413,982
Due from other governments	689,144	992,014	99,706	1,780,864
Due from other funds	155,607	--	--	155,607
Prepaid expenses	100,473	--	--	100,473
Inventory of gas, oil, and supplies	69,760	--	--	69,760
Real estate-held for investment/resale	--	--	1,201,000	1,201,000
Total assets	<u>\$ 20,191,446</u>	<u>\$ 6,572,162</u>	<u>\$ 13,060,433</u>	<u>\$ 39,824,041</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued costs	\$ 648,105	\$ --	\$ 46,798	\$ 694,903
Accrued payroll/related expenses	419,847	--	7,305	427,152
Unearned revenue	311,098	--	88,350	399,448
Due to other funds	--	--	101,215	101,215
Escrow funds	--	--	19,102	19,102
Total liabilities	<u>1,379,050</u>	<u>--</u>	<u>262,770</u>	<u>1,641,820</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	547,230	--	--	547,230
Unavailable revenue-fines	118,502	--	--	118,502
Total deferred inflows	<u>665,732</u>	<u>--</u>	<u>--</u>	<u>665,732</u>
<b>FUND BALANCES</b>				
Nonspendable, inventories	69,760	--	--	69,760
Nonspendable, prepaid items	100,473	--	--	100,473
Restricted, capital projects	--	6,572,162	7,583,127	14,155,289
Committed, general government	79,153	--	--	79,153
Committed, public safety	107,419	--	--	107,419
Committed, public works	235,911	--	--	235,911
Committed, recreation	496,256	--	--	496,256
Committed, city development	73,775	--	--	73,775
Committed, special programs	--	--	5,214,536	5,214,536
Unassigned, general fund	16,983,917	--	--	16,983,917
Total fund balances	<u>18,146,664</u>	<u>6,572,162</u>	<u>12,797,663</u>	<u>37,516,489</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,191,446</u>	<u>\$ 6,572,162</u>	<u>\$ 13,060,433</u>	<u>\$ 39,824,041</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, 2014**

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Fund balance - total governmental funds (page 17)	\$ 37,516,489
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	135,734,444
Certain long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	665,732
Certain liabilities, such as compensated absences and claims payable are not due and payable in the current period and, therefore, are not reported in the funds.	(1,507,493)
OPEB liabilities and expenses are not reported in the governmental funds.	(6,686,898)
Long-term liabilities, including capital leases, bonds, notes and loans payable, are not due and payable in the current period and therefore are not reported in the funds.	(3,942,145)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities of the statement of net position.	<u>542,046</u>
Net position of governmental activities (page 15)	<u><u>\$162,322,175</u></u>

See accompanying notes to financial statements.

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNEMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	General Fund	SPLOST 2012 Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
General property taxes	\$ 15,637,068	\$ --	\$ --	\$ 15,637,068
Other taxes	12,156,612	--	1,628,178	13,784,790
Licenses and permits	250,736	--	--	250,736
Fines and forfeitures	992,088	--	3,152,882	4,144,970
Intergovernmental	651,941	5,977,339	1,747,544	8,376,824
Other revenue	<u>3,370,924</u>	<u>3,155</u>	<u>177,362</u>	<u>3,551,441</u>
Total revenues	<u>33,059,369</u>	<u>5,980,494</u>	<u>6,705,966</u>	<u>45,745,829</u>
<b>EXPENDITURES:</b>				
Current:				
General government	6,420,414	--	--	6,420,414
Public safety	19,763,979	--	489,707	20,253,686
Recreation	1,813,787	--	166,572	1,980,359
Public works	5,251,756	--	--	5,251,756
City development	1,061,344	--	1,363,415	2,424,759
Downtown development	30,000	--	--	30,000
Intergovernmental -				
Payments to other governmental agencies	746,200	--	--	746,200
Debt service	--	381,172	1,780,388	2,161,560
Capital outlay -				
Special purpose	--	<u>3,752,142</u>	<u>1,554,698</u>	<u>5,306,840</u>
Total expenditures	<u>35,087,480</u>	<u>4,133,314</u>	<u>5,354,780</u>	<u>44,575,574</u>
(DEFICIENCY) EXCESS OF REVENUES				
(UNDER)/OVER EXPENDITURES	<u>(2,028,111)</u>	<u>1,847,180</u>	<u>1,351,186</u>	<u>1,170,255</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital lease	251,196	--	--	251,196
Sale of assets	1,446	--	--	1,446
Transfer in	3,707,162	--	948,762	4,655,924
Transfer out	<u>(148,750)</u>	<u>(13,623)</u>	<u>(1,357,174)</u>	<u>(1,519,547)</u>
Total other financing sources (uses), net	<u>3,811,054</u>	<u>(13,623)</u>	<u>(408,412)</u>	<u>3,389,019</u>
NET CHANGE IN FUND BALANCES	1,782,943	1,833,557	942,774	4,559,274
FUND BALANCES, beginning	<u>16,363,721</u>	<u>4,738,605</u>	<u>11,854,889</u>	<u>32,957,215</u>
FUND BALANCES, ending	<u>\$ 18,146,664</u>	<u>\$ 6,572,162</u>	<u>\$ 12,797,663</u>	<u>\$ 37,516,489</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, 2014**

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Net change in fund balances - total governmental funds (page 19) \$ 4,559,274

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (786,594)

Contributions of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 2,088,260

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (11,414)

The issuance of long-term debt (e.g., leases) provides current financial resources to governmental funds. However, the issuance has no effect on net position. (251,196)

Repayment of long-term debt is reported as an expenditure in governmental funds, but as a reduction of long-term liabilities in the statement of activities. 2,146,919

The net revenues of the internal service funds (funds used to charge the costs of certain activities to individual funds) are reported with governmental activities. (25,854)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These include the net change in the claims and adjustments (\$45,035) and the OPEB liability of (\$1,115,038). (1,160,073)

In the statement of activities, certain operating expenses - compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). During this year, accrued leave decreased. (63,319)

Change in net position of governmental activities (page 16) \$ 6,496,003

See accompanying notes to financial statements.

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2014**

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 12,442,044	8,916,822	\$ 1,196,182
Investments	--	500	--
Accounts receivable, net	2,135,712	1,552,263	271,715
Due from other governments	--	36,434	--
Due from other funds	115,258	100,000	--
Inventories, at cost	--	216,050	--
Prepaid items	11,005	--	--
Restricted-			
Cash and cash equivalents	1,127,563	4,079,730	--
Total current assets	<u>15,831,582</u>	<u>14,901,799</u>	<u>1,467,897</u>
<b>NON CURRENT ASSETS:</b>			
Receivable	6,237,748	--	--
Due from other funds	201,215	--	--
Land and other non depreciable assets	844,909	28,097,175	704,956
Capital assets, net of accumulated depreciation	<u>8,770,191</u>	<u>51,309,577</u>	<u>14,821,597</u>
Total non current assets	<u>16,054,063</u>	<u>79,406,752</u>	<u>15,526,553</u>
Total assets	<u>\$ 31,885,645</u>	<u>\$ 94,308,551</u>	<u>\$ 16,994,450</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Major	Nonmajor		
Sanitation System	International City Golf Course	Total	Internal Service Funds
\$ 780,936	\$ --	\$ 23,335,984	\$ 1,310,526
--	--	500	--
911,795	90	4,871,575	--
--	--	36,434	--
--	--	215,258	82,971
--	--	216,050	--
--	--	11,005	91,149
--	--	5,207,293	--
<u>1,692,731</u>	<u>90</u>	<u>33,894,099</u>	<u>1,484,646</u>
--	--	6,237,748	--
--	--	201,215	--
--	1,583,958	31,230,998	--
<u>6,724</u>	<u>342,380</u>	<u>75,250,469</u>	<u>--</u>
<u>6,724</u>	<u>1,926,338</u>	<u>112,920,430</u>	<u>--</u>
<u>\$ 1,699,455</u>	<u>\$ 1,926,428</u>	<u>\$ 146,814,529</u>	<u>\$ 1,484,646</u>

See accompanying notes to financial statements.

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2014**

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
<b><u>LIABILITIES AND NET POSITION</u></b>			
<b>CURRENT LIABILITIES:</b>			
<b>(Payable from current assets)</b>			
Cash overdraft	\$ --	\$ --	\$ --
Accounts payable	2,011,602	167,902	21,955
Accrued payroll/related liabilities	--	67,308	9,916
Due to other funds	--	--	82,971
Compensated absences	--	28,191	1,270
Capital lease payable	220,000	--	--
Accrued interest	58,025	513,061	--
Bonds, notes, and loans payable	15,683	1,363,184	--
<b>Total current liabilities</b>	<b>2,305,310</b>	<b>2,139,646</b>	<b>116,112</b>
<b>NON CURRENT LIABILITIES:</b>			
Compensated absences	--	159,747	5,415
Capital lease obligations	4,639,941	--	--
Accrued interest	5,432,118	--	--
OPEB liability	332,231	723,357	238,832
Bonds, notes and loans payable	165,915	31,290,454	--
Due to other funds - advance payable	--	--	--
<b>Total non current liabilities</b>	<b>10,570,205</b>	<b>32,173,558</b>	<b>244,247</b>
<b>Total liabilities</b>	<b>12,875,515</b>	<b>34,313,204</b>	<b>360,359</b>
<b>NET POSITION:</b>			
Net investment in capital assets	4,573,561	46,753,114	15,526,553
Restricted for capital projects	1,127,563	4,079,730	--
Unrestricted	13,309,006	9,162,503	1,107,538
<b>Total net position</b>	<b>19,010,130</b>	<b>59,995,347</b>	<b>16,634,091</b>
<b>Total liabilities and net position</b>	<b>\$ 31,885,645</b>	<b>\$ 94,308,551</b>	<b>\$ 16,994,450</b>

Business-type Activities - Enterprise Funds			Governmental Activities
Major	Nonmajor		
Sanitation System	International City Golf Course	Total	Internal Service Funds
\$ --	\$ 357,904	\$ 357,904	\$ --
670,355	3,473	2,875,287	571,735
--	7,331	84,555	--
--	--	82,971	370,865
--	1,556	31,017	--
--	33,281	253,281	--
--	--	571,086	--
--	--	1,378,867	--
<u>670,355</u>	<u>403,545</u>	<u>5,634,968</u>	<u>942,600</u>
--	10,415	175,577	--
--	69,577	4,709,518	--
--	--	5,432,118	--
--	93,189	1,387,609	--
--	--	31,456,369	--
--	100,000	100,000	--
--	273,181	43,261,191	--
<u>670,355</u>	<u>676,726</u>	<u>48,896,159</u>	<u>942,600</u>
6,724	1,823,480	68,683,432	--
--	--	5,207,293	--
<u>1,022,376</u>	<u>(573,778)</u>	<u>24,027,645</u>	<u>542,046</u>
<u>1,029,100</u>	<u>1,249,702</u>	<u>97,918,370</u>	<u>542,046</u>
<u>\$ 1,699,455</u>	<u>\$ 1,926,428</u>	<u>\$ 146,814,529</u>	<u>\$ 1,484,646</u>

See accompanying notes to financial statements.

**CITY OF WARNER ROBINS, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

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

Total assets for statement of net position - Proprietary Funds (page 21)	\$ 146,814,529
Elimination of interfund receivables relating to amounts paid by one fund on behalf of another fund for which reimbursement has not been made by year end.	174,933
Elimination of interfund receivables relating to cash overdrafts reflected as due from other funds.	<u>(357,904)</u>

Total assets for statement of net position - business-type activities (page 15)	<u>\$ 146,631,558</u>
---	-----------------------

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

Total liabilities for statement of net position - Proprietary Funds (page 22)	\$ 48,896,159
Elimination of interfund payables relating to amounts received by one fund for payments received on their behalf and not reimbursed as of year end.	174,933
Elimination of interfund payables relating to cash overdrafts reflected as due to other funds.	<u>(357,904)</u>

Total liabilities for statement of net position - business-type activities (page 15)	<u>\$ 48,713,188</u>
--	----------------------

See accompanying notes to financial statements.

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**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 25,397,284	\$ 12,936,965	\$ 2,476,399
Connection charges	--	432,540	--
Penalties and cut-on fees	--	290,338	46,358
Miscellaneous	176,702	1,017,925	30,815
Refund-Southern Natural Gas	1,205,594	--	--
Distribution line income	739,673	--	--
Total operating revenues	<u>27,519,253</u>	<u>14,677,768</u>	<u>2,553,572</u>
<b>OPERATING EXPENSES:</b>			
Purchases/cost of sales	20,322,745	--	--
Personnel services	1,900,134	4,272,895	1,228,309
Operating expenses	210,468	4,254,476	359,961
Repairs and maintenance	125,597	252,329	34,760
Supplies	193,157	1,432,824	140,331
Distribution line expense	886,522	--	--
Bad debt expense	162,943	228,776	25,918
Depreciation	389,344	2,188,787	521,856
Insurance	20,204	118,164	--
Total operating expenses	<u>24,211,114</u>	<u>12,748,251</u>	<u>2,311,135</u>
Operating income (loss)	<u>3,308,139</u>	<u>1,929,517</u>	<u>242,437</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Interest earned	13,205	8,970	--
Interest expense and fees	--	(1,052,890)	--
Rental income	--	54,507	--
Gain on sale of capital assets	--	11,681	--
Total non-operating revenues (expenses), net	<u>13,205</u>	<u>(977,732)</u>	<u>--</u>
Income (loss) before capital contributions and transfers	<u>3,321,344</u>	<u>951,785</u>	<u>242,437</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Capital contribution - SPLOST	--	--	--
Capital contribution - developers	--	1,116,664	297,976
Transfers in	--	--	--
Transfers out	(1,600,000)	(1,650,000)	--
Total contributions and transfers	<u>(1,600,000)</u>	<u>(533,336)</u>	<u>297,976</u>
<b>CHANGE IN NET POSITION</b>	<u>1,721,344</u>	<u>418,449</u>	<u>540,413</u>
<b>NET POSITION, beginning</b>	<u>17,288,786</u>	<u>59,576,898</u>	<u>16,093,678</u>
<b>NET POSITION, ending</b>	<u>\$ 19,010,130</u>	<u>\$ 59,995,347</u>	<u>\$ 16,634,091</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Major Sanitation System	Nonmajor International City Golf Course	Total	Internal Service Funds
\$ 7,851,872	\$ 272,874	\$ 48,935,394	\$ 8,837,178
--	--	432,540	--
170,348	--	507,044	--
29,794	19,754	1,274,990	--
--	--	1,205,594	--
--	--	739,673	--
<u>8,052,014</u>	<u>292,628</u>	<u>53,095,235</u>	<u>8,837,178</u>
--	--	20,322,745	--
--	290,676	7,692,014	--
7,933,584	20,157	12,778,646	8,866,172
--	13,429	426,115	--
--	79,151	1,845,463	--
--	--	886,522	--
129,885	--	547,522	--
1,417	82,771	3,184,175	--
--	--	138,368	--
<u>8,064,886</u>	<u>486,184</u>	<u>47,821,570</u>	<u>8,866,172</u>
<u>(12,872)</u>	<u>(193,556)</u>	<u>5,273,665</u>	<u>(28,994)</u>
1,059	--	23,234	3,140
--	(3,553)	(1,056,443)	--
--	--	54,507	--
--	--	11,681	--
<u>1,059</u>	<u>(3,553)</u>	<u>(967,021)</u>	<u>3,140</u>
<u>(11,813)</u>	<u>(197,109)</u>	<u>4,306,644</u>	<u>(25,854)</u>
--	13,623	13,623	--
--	--	1,414,640	--
--	100,000	100,000	--
--	--	(3,250,000)	--
--	113,623	(1,721,737)	--
<u>(11,813)</u>	<u>(83,486)</u>	<u>2,584,907</u>	<u>(25,854)</u>
<u>1,040,913</u>	<u>1,333,188</u>	<u>95,333,463</u>	<u>567,900</u>
<u>\$ 1,029,100</u>	<u>\$ 1,249,702</u>	<u>\$ 97,918,370</u>	<u>\$ 542,046</u>

See accompanying notes to financial statements.

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Business-type Activities -		
	Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 26,882,834	\$ 14,511,445	\$ 2,445,229
Cash paid to suppliers for goods and services and claims paid	(21,135,825)	(6,046,448)	(345,050)
Cash received from other funds for goods and services	--	--	--
Cash received from miscellaneous services	--	--	77,173
Cash paid to employees for services	(1,851,842)	(4,102,187)	(1,440,396)
Net cash provided (used) by operating activities	<u>3,895,167</u>	<u>4,362,810</u>	<u>736,956</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers in (out)	(1,600,000)	(1,650,000)	--
Cash overdraft	--	--	--
Due from (to) other funds, net	--	--	--
Net cash provided (used) by noncapital financing activities	<u>(1,600,000)</u>	<u>(1,650,000)</u>	<u>--</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal payments:			
Bonds, notes, and loans payable	(15,677)	(1,425,045)	--
Capital leases	(215,000)	(71,384)	--
Acquisition and construction of capital assets	(615,494)	(20,575,903)	(612,819)
Capital contributions - SPLOST	--	--	--
Capital contributions - developers	--	1,116,664	297,976
Interest and fees paid on revenue bonds payable and notes payable	--	(1,052,890)	--
Proceeds from sale of capital assets	--	11,681	--
Net cash used for capital and related financing activities	<u>(846,171)</u>	<u>(21,996,877)</u>	<u>(314,843)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from investment	--	345	--
Interest income on investments	13,205	8,970	--
Rental income	--	54,507	--
Net cash provided by investing activities	<u>13,205</u>	<u>63,822</u>	<u>--</u>
NET INCREASE (DECREASE) IN CASH	1,462,201	(19,220,245)	422,113
CASH, beginning	<u>12,107,406</u>	<u>32,216,797</u>	<u>774,069</u>
CASH, ending	<u>\$ 13,569,607</u>	<u>\$ 12,996,552</u>	<u>\$ 1,196,182</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Major	Nonmajor		
Sanitation System	International City Golf Course	Total	Internal Service Funds
\$ 7,865,219	\$ 272,899	\$ 51,977,626	\$ 775,828
(7,922,727)	(104,306)	(35,554,356)	(8,781,491)
--	--	--	8,061,350
--	19,754	96,927	--
--	(272,824)	(7,667,249)	--
<u>(57,508)</u>	<u>(84,477)</u>	<u>8,852,948</u>	<u>55,687</u>
--	100,000	(3,150,000)	--
--	357,904	357,904	--
--	--	--	(1,117,839)
<u>--</u>	<u>457,904</u>	<u>(2,792,096)</u>	<u>(1,117,839)</u>
--	--	(1,440,722)	--
--	(32,316)	(318,700)	--
--	(13,622)	(21,817,838)	--
--	13,623	13,623	--
--	--	1,414,640	--
--	(3,553)	(1,056,443)	--
--	--	11,681	--
<u>--</u>	<u>(35,868)</u>	<u>(23,193,759)</u>	<u>--</u>
--	--	345	--
1,059	--	23,234	3,140
--	--	54,507	--
<u>1,059</u>	<u>--</u>	<u>78,086</u>	<u>3,140</u>
(56,449)	337,559	(17,054,821)	(1,059,012)
<u>837,385</u>	<u>(337,559)</u>	<u>45,598,098</u>	<u>2,369,538</u>
<u>\$ 780,936</u>	<u>\$ --</u>	<u>\$ 28,543,277</u>	<u>\$ 1,310,526</u>

See accompanying notes to financial statements.

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Business-type Activities - Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
<b>RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET:</b>			
Cash, beginning:			
Current	\$ 11,315,593	\$ 10,573,163	\$ 774,069
Restricted	791,813	21,643,634	--
Total	<u>12,107,406</u>	<u>32,216,797</u>	<u>774,069</u>
Net increase (decrease):			
Current	1,126,451	(1,656,341)	422,113
Restricted	335,750	(17,563,904)	--
Total	<u>1,462,201</u>	<u>(19,220,245)</u>	<u>422,113</u>
Cash, ending:			
Current	12,442,044	8,916,822	1,196,182
Restricted	1,127,563	4,079,730	--
Total	<u>\$ 13,569,607</u>	<u>\$ 12,996,552</u>	<u>\$ 1,196,182</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	<u>\$ 3,308,139</u>	<u>\$ 1,929,517</u>	<u>\$ 242,437</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	389,344	2,188,787	521,856
Decrease (increase) in assets:			
Accounts receivable	(500,637)	49,372	(17,185)
Due from other governments	--	13,084	--
Inventory	--	10,142	--
Prepaid items	849	--	--
Increase (decrease) in liabilities:			
Accounts payable / accrued expenses	344,401	13,917	(108,273)
Accrued expenses	277,616	--	--
Due to other funds	27,163	--	58,911
OPEB liability	48,292	130,586	37,104
Compensated absences payable	--	27,405	2,106
Total adjustments	<u>587,028</u>	<u>2,433,293</u>	<u>494,519</u>
Net cash provided (used) by operating activities	<u>\$ 3,895,167</u>	<u>\$ 4,362,810</u>	<u>\$ 736,956</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Major	Nonmajor		
Sanitation System	International City Golf Course	Total	Internal Service Funds
\$ 837,385	\$ --	\$ 23,500,210	\$ 2,369,538
--	--	22,435,447	--
<u>837,385</u>	<u>--</u>	<u>45,935,657</u>	<u>2,369,538</u>
(56,449)	--	(164,226)	(1,059,012)
--	--	(17,228,154)	--
<u>(56,449)</u>	<u>--</u>	<u>(17,392,380)</u>	<u>(1,059,012)</u>
780,936	--	23,335,984	1,310,526
--	--	5,207,293	--
<u>\$ 780,936</u>	<u>\$ --</u>	<u>\$ 28,543,277</u>	<u>\$ 1,310,526</u>
<u>\$ (12,872)</u>	<u>\$ (193,556)</u>	<u>\$ 5,273,665</u>	<u>\$ (28,994)</u>
1,417	82,771	3,184,175	--
(56,910)	25	(525,335)	--
--	16,979	30,063	--
--	--	10,142	--
--	--	849	(3,978)
11,246	(6,241)	255,050	88,659
--	--	277,616	--
(389)	--	85,685	--
--	15,134	231,116	--
--	411	29,922	--
<u>(44,636)</u>	<u>109,079</u>	<u>3,579,283</u>	<u>84,681</u>
<u>\$ (57,508)</u>	<u>\$ (84,477)</u>	<u>\$ 8,852,948</u>	<u>\$ 55,687</u>

See accompanying notes to financial statements.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. INTRODUCTION**

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

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

**B. REPORTING ENTITY**

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

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

**1. Discretely Presented Component Units**

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

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. REPORTING ENTITY**

**2. Blended Component Units**

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

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

*The Warner Robins Redevelopment Agency (WRRRA)*

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

*The Warner Robins Public Facilities Authority (WRPFA)*

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

The above blended component units do not prepare separately issued financial statements. However, combining information for the business-type activities is shown as notes to the financial statements. See Note IV E. for additional information.

**3. Joint Ventures**

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

*Jointly Owned Natural Gas (JONG)*

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. REPORTING ENTITY**

*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, 2014, the City paid \$138,620 in such dues. Membership in a Regional Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Regional Commissions of Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission.

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

**4. Related Organization**

*Warner Robins Housing Authority (WRHA)*

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

**C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City has no fiduciary funds.

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

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

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

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

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

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

The City also reports the following fund type:

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

**E. BUDGETS**

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

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

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. ASSETS, LIABILITIES AND EQUITY**

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

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

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

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

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. ASSETS, LIABILITIES AND EQUITY**

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

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

The fund is marked-to-market daily to maintain an accurate net asset value. Minimum investment is \$1,000,000, and GEAP operates in a manner consistent with Georgia Fund 1.

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

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

- 2. *Receivables*** - Property taxes are levied on property as of January 1st of each year. The City billed property owners on October 22, and taxes were due on December 20. The tax levy was set on September 16, 2013. 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.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. ASSETS, LIABILITIES AND EQUITY**

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

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

3. ***Inventories and Prepaid Items*** - Inventory of expendable supplies is valued at cost (first-in, first-out). The inventory is comprised of parts and material as well as consumable supplies for all departments of the City. They are charged to each department on a consumed basis. Certain payments which reflect costs applicable to future accounting periods are recorded as prepaid items.
4. ***Restricted Assets*** - These assets included the debt service, debt service reserves, renewal and extension, construction, and customer deposit funds. The debt service and debt service reserve funds were maintained in compliance with their respective bond resolutions. Expenditures from the construction funds require written approval of the City's consulting engineers. Details of the transactions are presented on the various pages as indicated in the table of contents of this report. The meter deposit fund includes deposits from both the water and gas customers. Interest earned on the investments is included in each of their respective funds.
5. ***Capital Assets*** - Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. ASSETS, LIABILITIES AND EQUITY**

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

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

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

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

6. **Unearned Revenue** - Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.
7. **Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The City has no items that fall under this financial statement element.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. ASSETS, LIABILITIES AND EQUITY**

In addition to liabilities, the statement of financial position reports 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports one type of these items, unavailable revenue, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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

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 assets. 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.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. ASSETS, LIABILITIES AND EQUITY**

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. 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, 2014, 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, 2014

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. ASSETS, LIABILITIES AND EQUITY**

- 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.

**11. *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.

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

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

**14. *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, 2014

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. ASSETS, LIABILITIES AND EQUITY**

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

**16. 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.

**17. 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.

- (1.) In accordance with the City Charter, six weeks prior to the start of the City's year, the Mayor submits to the City Council a proposed operating budget for the upcoming year. The operating budget includes proposed expenditures and means of financing them for the upcoming year.
- (2.) Public Hearings are conducted at City Hall to obtain taxpayer comment.
- (3.) Prior to the first day of the new year, the budget is legally enacted through passage of an ordinance for the General Fund, each Special Revenue Fund and for all Enterprise Funds except for the Building Authority of Warner Robins and the Development Authority of Warner Robins.
- (4.) Budgetary control is legally maintained at the expenditures level for each department and formal budgetary integration is employed as a management control device during the year.
- (5.) Budgets are prepared using the modified accrual basis of accounting with encumbrances included as budgetary basis expenditures.
- (6.) The City Clerk or Chief Financial Officer is authorized to transfer budgeted amounts between departments, programs or functions, or increase expenditures resulting from revenues exceeding amounts estimated upon the approval of Mayor and Council.
- (7.) The Capital Projects Fund utilizes project length budgets.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

- (8.) Unencumbered appropriations lapse at the end of each year.
- (9.) The City Council may authorize supplemental appropriations during the year. During the year several supplemental appropriations were necessary.
- (10.) There were no material violations of finance-related legal or contractual provisions in connection with the basic financial statements and to other governmental funds for which annual budgets are required.

**B. BUDGET/APPROPRIATED-GOVERNMENTAL FUND TYPES RECONCILIATION**

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

	<u>General Fund</u>
Original adopted budget	\$35,595,970
Prior year encumbrances carry forward	1,872,154
Legally adopted budget amendments	<u>605,037</u>
Final revised budget	<u><u>\$38,073,161</u></u>

**C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

In the City's General Fund there were no actual expenditures in excess of its budgeted appropriations during fiscal year 2014.

**D. DEFICIT FUND EQUITY**

At June 30, 2014, the Group Health Insurance Fund, an internal service fund, has a deficit fund balance of \$420,337.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**III. DETAIL NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

A summary of the City's deposits and investments at June 30, 2014 follows:

Account Balances	
Petty cash	\$ 5,158
Demand deposits, net of cash overdraft of \$357,904	20,201,222
Investments, including cash equivalents of \$44,455,975	44,456,075
	\$ 64,662,455
Ownership of Funds	
<u>Primary Government:</u>	
Governmental funds:	
Cash and cash equivalents	\$ 35,102,355
Proprietary funds:	
Cash and cash equivalents, net of cash overdraft of \$357,904	22,978,080
Restricted cash and cash equivalents	5,207,293
Investments	500
Internal service funds:	
Cash and cash equivalents	1,310,526
Total primary government	64,598,754
 <u>Discretely Presented Component Unit</u>	
Downtown Development Authority	63,701
Total Component Unit	63,701
Total Government	\$ 64,662,455

As of June 30, 2014, the City had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1 (investment pool)	less than 60 day average	\$ 41,285,743
GEAP (investment pool)	less than 60 day average	3,169,832
U.S. Government Securities	January 20, 2018	500
		\$ 44,456,075

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**III. DETAIL NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

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, 2014, the City's investments in Georgia Fund I and GEAP were rated AAA by Standard and Poor's.

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

**WATER AND SEWER FUND**

First Securities is holding a \$100,000, 8% GNMA II Mortgage. The interest and a portion of the principal is paid to the City monthly. Interest is recorded on the City's accounts. The City's investment at June 30, 2014 was \$500.

**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, 2014, real estate held for investment and/or resale in the Community Development Fund was \$51,751.

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, 2014, real estate held for investment and/or resale in the Redevelopment Agency Fund was \$1,149,249.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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III. **DETAIL NOTES ON ALL FUNDS**

B. **RECEIVABLES**

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

Major Governmental Fund:	
General Fund	
Property taxes (net)	\$ 475,216
Business licenses (net)	25,878
Other	84,135
Total Major Governmental Fund	<u>585,229</u>
Non-Major Governmental Fund -	
Accounts receivable (net)	828,753
Total Governmental Fund	<u>\$ 1,413,982</u>
Major Proprietary Funds -	
Accounts receivable (net)- Gas, Water, Sanitation and Storm Water Drainage Funds	\$ 4,871,485
Non-Major Proprietary Funds -	
Accounts receivable (net)	90
Total Business ype	<u>\$ 4,871,575</u>

The following is a brief description of the receivable amounts:

Major Governmental Fund-General Fund:

Unpaid property taxes for all years totaled \$513,029 at June 30, 2014, of which \$37,813 are estimated uncollectible.

Unpaid business licenses for the year ended June 30, 2014 totaled \$76,113 of which \$50,235 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.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**III. DETAIL NOTES ON ALL FUNDS**

**B. RECEIVABLES**

Non-Major Governmental Fund-Special Revenue Fund:

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

Major and Non-Major Proprietary Funds:

Accounts receivable represented amounts owed to the Utility Department by its gas, water and sanitation customers for user charges. After accounts become three months past due, they are written off and turned over to the Credit Bureau for collection. Subsequent collections by the Credit Bureau, less their fee, are recorded as recovery of bad debts on the income statement. The estimated uncollectible amount of these accounts at June 30, 2014 was \$300,956.

**C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

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

	<u>Receivable</u>	<u>Payable</u>
Natural Gas System	\$ 201,215	\$ --
International City Golf Course	--	100,000
Redevelopment Agency	--	101,215
Total	<u>\$ 201,215</u>	<u>\$ 201,215</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**III. DETAIL NOTES ON ALL FUNDS**

**C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount
General-	Group Health	\$ 155,607
Total General		155,607
Natural Gas:	Workers Comp	66,000
	Group Health	49,258
Total Natural Gas		115,258
Water and Sewer-	Group Health	100,000
Total Water and Sewer		100,000
Internal Service Funds-		
Group Health	Storm Water Drainage	82,971
Total Internal Service Funds		82,971
Total		\$ 453,836

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**III. DETAIL NOTES ON ALL FUNDS**

**C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund transfers were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
Major Governmental Funds:		
General:	Tourism Allocation Board	\$ 457,162
	Natural Gas	1,600,000
	Water and Sewer	<u>1,650,000</u>
Total Major Governmental Funds		<u>3,707,162</u>
Non-major Governmental Funds:		
Redevelopment Agency	Motor Vehicle Rental Tax	168,553
Bureau of Civic Affairs	General Fund	30,000
Bureau of Civic Affairs	Tourism Allocation Board	365,729
Parks & Recreation	Tourism Allocation Board	91,433
Visitor's Center	Tourism Allocation Board	274,297
Redevelopment Agency	General Fund	<u>18,750</u>
Total Non-major Governmental Funds		<u>948,762</u>
Non-major Proprietary Funds:		
International City Golf Course	General Fund	100,000
International City Golf Course	2012 SPLOST	<u>13,623</u>
Total Non-major Proprietary Funds		<u>113,623</u>
Total		<u>\$ 4,769,547</u>

The above listed transfers represent the total transfers to/from other funds at June 30, 2014 and were used for the purpose of supplementing the various fund sources. Interfund transfer are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type group.

Additionally, transfers presented in the government-wide statement of activities include a transfer of \$13,623 from governmental activities to business type activities. This transfer represents SPLOST funds that were transferred to the Golf Course in order to purchase capital assets.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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III. **DETAIL NOTES ON ALL FUNDS**

D. **DUE TO/FROM OTHER GOVERNMENTS**

Amounts due from other governments at June 30, 2014, have been included in revenues of the General Fund and Water and Sewer System for the current year.

Major Governmental Fund - General Fund	
Federal Government-	
Department of Justice	\$ 4,440
State of Georgia -	
Department of Transportation	35,381
Houston County -	
Motor vehicle, mobile home and intangible taxes	576,257
Jointly Owned Transmission Lines-	
Reimbursable expenses	<u>73,066</u>
Total General Fund	<u>689,144</u>
Major Governmental Fund - SPLOST 2012	
Houston County -	
Special Local Option Sales Tax	<u>992,014</u>
Total Major Governmental Funds	<u>1,681,158</u>
Non-Major Governmental Fund	
Federal Government	<u>99,706</u>
Total Non-Major Governmental Fund	<u>99,706</u>
Total Governmental Funds	<u>\$ 1,780,864</u>
Business-Type Funds -	
Water and Sewer System -	
City of Centerville - Wastewater Treatment Fees	<u>\$ 36,434</u>
Total Business-Type Funds	<u>\$ 36,434</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**III. DETAIL NOTES ON ALL FUNDS**

**E. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014, was as follows:

***Primary Government***

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Nondepreciable assets:				
Land	\$ 16,039,968	\$ 411,529	\$ --	\$ 16,451,497
Construction in progress	8,758,588	1,675,814	(389,626)	10,044,776
Total nondepreciable assets	24,798,556	2,087,343	(389,626)	26,496,273
Depreciable assets:				
Buildings and improvements	17,030,538	187,374	--	17,217,912
Machinery and equipment	17,885,361	2,455,932	(155,749)	20,185,544
Infrastructure	151,787,877	2,108,286	--	153,896,163
Total depreciable assets	186,703,776	4,751,592	(155,749)	191,299,619
Less accumulated depreciation				
Buildings and improvements	5,313,403	419,530	--	5,732,933
Machinery and equipment	14,056,770	1,278,383	(138,036)	15,197,117
Infrastructure	57,699,382	3,432,016	--	61,131,398
Total accumulated depreciation	77,069,555	5,129,929	(138,036)	82,061,448
Total depreciable assets, net	109,634,221	(378,337)	(17,713)	109,238,171
Governmental activities capital assets, net	\$ 134,432,777	\$ 1,709,006	\$ (407,339)	\$ 135,734,444

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**III. DETAIL NOTES ON ALL FUNDS**

**E. CAPITAL ASSETS**

*Primary Government*

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Nondepreciable assets:				
Land	\$ 2,308,114	\$ --	\$ --	\$ 2,308,114
Construction in progress	9,053,921	19,868,963	--	28,922,884
Total nondepreciable assets	<u>11,362,035</u>	<u>19,868,963</u>	<u>--</u>	<u>31,230,998</u>
Depreciable assets:				
Buildings and improvements	706,044	--	--	706,044
Machinery and equipment	9,502,036	206,161	--	9,708,197
Distribution systems	120,960,590	1,742,715	--	122,703,305
Total depreciable assets	<u>131,168,670</u>	<u>1,948,876</u>	<u>--</u>	<u>133,117,546</u>
Less accumulated depreciation				
Buildings and improvements	510,400	19,134	--	529,534
Machinery and equipment	7,582,286	490,619	--	8,072,905
Distribution systems	46,590,216	2,674,422	--	49,264,638
Total accumulated depreciation	<u>54,682,902</u>	<u>3,184,175</u>	<u>--</u>	<u>57,867,077</u>
Total depreciable assets, net	<u>76,485,768</u>	<u>(1,235,299)</u>	<u>--</u>	<u>75,250,469</u>
Business-type activities capital assets, net	<u>\$ 87,847,803</u>	<u>\$ 18,633,664</u>	<u>\$ --</u>	<u>\$ 106,481,467</u>

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

Governmental Activities:	
General government	\$ 400,825
Public safety	1,085,527
Recreation	85,182
Public works	3,543,328
City development	15,067
Total depreciation expense-governmental activities	<u>\$ 5,129,929</u>
Business-type Activities:	
Natural Gas System	\$ 389,344
Water and Sewer Fund	2,188,787
Stormwater Drainage	521,856
Sanitation System	1,417
International City Golf Course	82,771
Total depreciation expense-business-type activities	<u>\$ 3,184,175</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**III. DETAIL NOTES ON ALL FUNDS**

**F. CONSTRUCTION COMMITMENTS**

*Construction Commitments.* The government has active construction projects outstanding as of June 30, 2014. The projects include street construction and construction of additional water plant facilities. At year end the government's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
<i>Governmental Activities:</i>		
Sports Complex	\$ 624,523	\$ 3,375,477
MLK Jr Boulevard	614,569	--
Watson/Davis	204,399	133,495
Corder Road	6,133,735	2,736,265
Moody Road	1,412,577	9,036,534
Wall Street	131,477	268,523
Total governmental activities	\$ 9,121,280	\$ 15,550,294
 <i>Business-Type Activities:</i>		
Sandy Run Creek WPCP	\$ 25,983,230	\$ 2,522,505
New Sewer Service Lines	992,026	1,007,974
New Water Service Lines	1,069,771	930,229
Gas Meter Project	629,783	1,870,217
Total business-type activities	\$ 28,674,810	\$ 6,330,925

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

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

General Fund	\$ 992,514
Capital Projects Fund	2,217,564
Nonmajor Governmental Funds	627,599
Total	\$ 3,837,677

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**III. DETAIL NOTES ON ALL FUNDS**

**G. LONG TERM OBLIGATIONS:**

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

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Revenue bonds	\$ 3,845,327	\$ --	\$ 1,468,711	\$ 2,376,616	\$ 1,493,666
Capital leases	1,992,541	251,196	678,208	1,565,529	431,532
Compensated absences	1,291,705	1,037,431	974,112	1,355,024	190,278
Claims and judgments	107,434	152,469	107,434	152,469	152,469
OPEB liability	5,571,859	1,773,420	658,381	6,686,898	--
Total governmental activities	<u>\$ 12,808,866</u>	<u>\$ 3,214,516</u>	<u>\$ 3,886,846</u>	<u>\$ 12,136,536</u>	<u>\$ 2,267,945</u>
<b>Business-Type Activities:</b>					
Revenue bonds	\$ 29,859,658	\$ --	\$ 991,592	\$ 28,868,066	\$ 1,111,598
Notes payable	4,416,300	--	449,130	3,967,170	267,269
Capital leases	5,281,499	--	318,700	4,962,799	253,281
Compensated absences	176,672	183,141	153,219	206,594	31,017
Accrued interest payable	5,735,593	279,766	12,155	6,003,204	571,086
OPEB liability	1,156,493	367,579	136,463	1,387,609	--
Total business-type activities	<u>\$ 46,626,215</u>	<u>\$ 830,486</u>	<u>\$ 2,061,259</u>	<u>\$ 45,395,442</u>	<u>\$ 2,234,251</u>
Total long-term liabilities	<u>\$ 59,435,081</u>	<u>\$ 4,045,002</u>	<u>\$ 5,948,105</u>	<u>\$ 57,531,978</u>	<u>\$ 4,502,196</u>

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**III. DETAIL NOTES ON ALL FUNDS**

**G. LONG TERM OBLIGATIONS:**

REVENUE BONDS:

Water and Sewer

\$28,220,000-Series 2012 Warner Robins Public Facilities Authority Revenue Bonds (Water And Sewer Projects) due in annual installments of \$579,815 to \$2,010,012 thru July 2032; Interest at .550% to 3.250%. Bonds are pledged by the full faith and credit of the City. Proceeds will be used to finance the acquiring, constructing, equipping, and installing 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).

\$ 27,320,000

The total annual debt service requirements for the water and sewer revenue bonds outstanding at June 30, 2014, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,020,000	\$ 990,012	\$ 2,010,012
2016	1,040,000	964,213	2,004,213
2017	1,070,000	932,562	2,002,562
2018	1,105,000	899,938	2,004,938
2019	1,135,000	861,337	1,996,337
2020-2024	6,530,000	3,426,125	9,956,125
2025-2029	7,995,000	1,967,000	9,962,000
2030-2033	7,425,000	528,307	7,953,307
	<u>\$ 27,320,000</u>	<u>\$ 10,569,494</u>	<u>\$ 37,889,494</u>

Also included in revenue bonds payable presented in the statement of net position are bond premium of \$1,366,468 related to the \$28,220,000 – Series 2012 Revenue Bond to be amortized over the life of the bond, and \$181,598 premium recognized in conjunction with the series 2011 revenue bonds issued by MGAG for distribution lines, to be amortized over the life of the lease. (See Capital Leases below.)

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**III. DETAIL NOTES ON ALL FUNDS**

**G. LONG TERM OBLIGATIONS:**

Redevelopment Agency

REVENUE BONDS:

\$4,450,000 – Series 2012 City of Warner Robins Redevelopment Agency Revenue Bond (Law Enforcement Center). Interest rate of 1.690%, due in monthly installments of \$126,858 after a one time interest payment of \$40,736 ending February 1, 2016. Proceeds will be used to acquire, construct, install, and furnish the Law Enforcement Center. \$ 2,376,616

The total annual debt service requirements for the redevelopment agency revenue bonds outstanding at June 30, 2014, are as follows:

Fiscal Year	Principal	Interest	Total
2015	\$ 1,493,666	\$ 28,632	\$ 1,522,298
2016	882,950	4,981	887,931
	\$ 2,376,616	\$ 33,613	\$ 2,410,229

NOTES PAYABLE:

Water and Sewer

\$4,777,071 – 2007 GEFA due in monthly installments of \$26,494; interest at 3%. Matures October 1, 2029. Interest capitalized into note - \$188,004. Proceeds used for installation of new water meters to replace all manual read water meters. \$ 3,903,495

\$4,104,261 - State of Georgia '95 Revolving Loan due in quarterly installments of \$63,993. Interest accrues at 2% on unpaid balance. Interest capitalized into the note - \$296,496. Proceeds used for construction of sanitary sewer system. 63,675

Total notes payable \$ 3,967,170

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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**III. DETAIL NOTES ON ALL FUNDS**

**G. LONG TERM OBLIGATIONS:**

NOTES PAYABLE:

The total annual debt service requirements for all notes payable outstanding at June 30, 2014, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 267,269	\$ 114,646	\$ 381,915
2015	209,614	108,309	317,923
2016	216,331	101,592	317,923
2017	222,742	95,180	317,922
2018	229,517	88,405	317,922
2019 - 2023	1,256,552	333,059	1,589,611
2024 - 2028	1,459,797	129,814	1,589,611
2029 - 2030	105,348	661	106,009
	<u>\$ 3,967,170</u>	<u>\$ 971,666</u>	<u>\$ 4,938,836</u>

CAPITAL LEASES:

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

The Government type funds entered into a lease-purchase agreement to acquire Bearcat Armored Vehicle. The existing capital leases of the General Fund were for a copier, various equipment and vehicles, and a fire truck.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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**III. DETAIL NOTES ON ALL FUNDS**

**G. LONG TERM OBLIGATIONS:**

CAPITAL LEASES:

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

Current portion -	
BB&T Fire Truck	\$ 65,379
BB&T Equipment	366,153
	<u>431,532</u>
Long-term portion -	
BB&T Fire Truck	228,308
BB&T Equipment	905,689
	<u>1,133,997</u>
Total capital lease	<u>\$ 1,565,529</u>

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

Current Portion:	
BB&T - Yamaha golf carts	\$ 33,281
MGAG - Distribution line (payable from restricted assets)	220,000
	<u>253,281</u>
Long-term portion:	
BB&T - Yamaha golf carts	69,577
MGAG - Distribution line (payable from restricted assets)	4,639,941
	<u>4,709,518</u>
	<u>\$ 4,962,799</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**III. DETAIL NOTES ON ALL FUNDS**

**G. LONG TERM OBLIGATIONS:**

CAPITAL LEASES:

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

Future minimum lease payments under the leases, along with the present value of the minimum lease payments as of June 30, 2014, are as follows:

Year Ending June 30th	General	
	Government	Business-Type
2015	\$ 452,198	\$ 371,918
2016	452,198	372,518
2017	452,198	2,078,018
2018	229,847	2,037,550
2019	23,675	2,040,650
2020-2024	--	4,063,450
2025-2027	--	1,787,500
Total minimum lease payment	1,610,116	12,751,604
Less amount representing interest	44,587	7,788,805
Present value of lease payment	\$ 1,565,529	\$ 4,962,799

Following is an analysis of capital assets leased under capital leases at June 30, 2014:

	General	
	Government	Business-Type
Capital assets	\$ 2,502,814	\$ 5,161,320
Less: Accumulated depreciation	391,671	2,118,870
Carrying value	\$ 2,111,143	\$ 3,042,450

Total amortization expense for the year ended June 30, 2014 was \$166,614.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**III. DETAIL NOTES ON ALL FUNDS**

**H. UNEARNED REVENUE**

Unearned revenue at June 30, 2014 were comprised of the following balances:

Governmental Funds:		
Fines collected in advance of verdict	\$	262,228
Performance bonds		22,145
Police special projects		15,509
Confiscated funds		83,350
Houston County - Transportation Planning		11,019
Other government		5,000
City of Character Program		197
Total unearned revenue	\$	<u>399,448</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. CAPITALIZATION OF INTEREST**

Interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized into the cost of the assets. During the current year \$53,645 total interest was incurred and capitalized with the construction of the Law Enforcement Center in the Redevelopment Agency.

**J. DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources at June 30, 2014, consisted of unavailable revenue, which is presented in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes (\$547,230) and fines (\$118,502) for a total of \$665,732.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**III. 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.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**IV. OTHER INFORMATION**

**A. RISK MANAGEMENT**

- 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.
- 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.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**IV. OTHER INFORMATION**

**A. RISK MANAGEMENT**

The City uses its self insurance health and workers compensation funds to account for and finance its self insured risk of loss. It maintains excess insurance coverage for health and worker's compensation for specific stop loss coverage for claims exceeding \$100,000 and \$225,000 respectively. The City uses a third party administrator which performs all claims management and loss prevention activities. They project the ultimate claim payment obligation for each year's claim experience and project the new year's probable loss fund cost. Changes in the balances of claims liability during the last and current fiscal years are as follows:

	Group Health Insurance	Workers Compensation Insurance	Property and Casualty Insurance	Total
Unpaid claims as of June 30, 2013	\$ 456,455	\$ 26,622	\$ 107,434	\$ 590,511
Incurred claims	6,651,389	836,714	152,469	7,640,572
Payments	<u>(6,640,248)</u>	<u>(759,197)</u>	<u>(107,434)</u>	<u>(7,506,879)</u>
Unpaid claims as of June 30, 2014	<u>\$ 467,596</u>	<u>\$ 104,139</u>	<u>\$ 152,469</u>	<u>\$ 724,204</u>

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

**B. LEGAL AND CONTRACTUAL MATTERS AND CONTINGENT LIABILITIES**

**LITIGATION:**

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

The City's insurance companies and self-insurance pool are providing the defense for several lawsuits and legal counsel has advised that the likelihood of an unfavorable outcome on any of them is remote at the present time. The total claims for damages, should they prove successful against the City, are within the appropriate coverage carried at June 30, 2014.

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, 2014**

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**IV. OTHER INFORMATION**

**B. LEGAL AND CONTRACTUAL MATTERS AND CONTINGENT LIABILITIES**

OTHER CONTINGENCIES:

The City participates in a number of federally assisted grant programs, principal of which is the Community Development Block Grant. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for, or including, the year ended June 30, 2014, have not yet been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

COMMITMENTS:

The City had no other significant commitments at June 30, 2014.

**C. DEFERRED COMPENSATION PLAN**

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

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

**D. OTHER POST EMPLOYMENT BENEFITS**

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

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**IV. OTHER INFORMATION**

**D. OTHER POST EMPLOYMENT BENEFITS**

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

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

**Three Year Trend Information –**

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage Contributed</u>	<u>OPEB Obligation</u>
2012	\$2,193,000	23.5%	\$ 3,910,914
2013	2,193,000	48.0%	5,588,733
2014	2,141,000	57.7%	7,758,000

**Plan Funded Status –**

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

**Schedule of Funding Progress**

<u>Measurement Date</u>	<u>(1) Actuarial Value of Assets</u>	<u>(2) Actuarial Accrued Liability (AAL)</u>	<u>(3) Funded Ratio (1)/(2)</u>	<u>(4) Unfunded AAL/(UAAL) (2)-(1)</u>	<u>(5) Annual Covered Payroll</u>	<u>(6) UAAL as a Percentage of Covered Payroll</u>
7/1/2013	\$ -	\$ 18,846,000	0.0%	\$ 18,846,000	\$ 20,235,798	93.1%

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

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

---

IV. **OTHER INFORMATION**

D. **OTHER POST EMPLOYMENT BENEFITS**

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

Normal cost	\$	969,000
Interest		303,000
Amortization of unfunded actuarial accrued liability(UAAL)		1,199,000
Adjustment for timing		<u>(330,000)</u>
Annual required contribution (ARC)		2,141,000
Contribution made		<u>795,000</u>
Increase in net OPEB obligation		1,346,000
Net OPEB obligation, beginning of year		<u>6,728,000</u>
Net OPEB obligation, end of year	\$	<u><u>8,074,000</u></u>

The percentage of OPEB cost contributed for the year ended June 30, 2014 was 37.1%.

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**IV. OTHER INFORMATION**

**D. OTHER POST EMPLOYMENT BENEFITS**

The City's actuarial valuation information is as follows:

Valuation date	July 1, 2013
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed, 30 years
Remaining amortization period	25 years as of June 30, 2014
Asset valuation method	Market value
Actuarial assumption:	
Investment rate of return	4.50% pay as you go
Inflation rate	3.50%
Medical and drug cost trend rate	9.00% graded to 5.00% at an annual reduction in rate of .5%
Dental cost trend rate	5.00%
Vision cost trend rate	5.00%
Plan membership:	
Actives (fully eligible)	71
Actives (not fully eligible)	464
Retirees*	154
Total	<u>689</u>
Total unfunded actuarial accrued liability	\$ 18,846,000

\* 59 retirees are covered in the medical plan. The remaining 95 have life insurance only.

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**IV. OTHER INFORMATION**

**D. OTHER POST EMPLOYEMENT BENEFITS**

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

At June 30, 2014, the City has 10 participants eligible to receive benefits with a related cost to the City of \$34,974.

**E. BUSINESS-TYPE ACTIVITIES COMBINING INFORMATION**

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

CITY OF WARNER ROBINS, GEORGIA  
COMBINING STATEMENT OF NET POSITION  
WATER AND SEWER FUND  
JUNE 30, 2014

	Water and Sewer Fund	Warner Robins Public Facility Authority	Total
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 9,930,743	\$ (1,013,921)	\$ 8,916,822
Investments	500	--	500
Accounts receivable, net	1,552,263	--	1,552,263
Due from other governments	36,434	--	36,434
Due from other funds	100,000	--	100,000
Inventories, at cost	216,050	--	216,050
Restricted-			
Cash and cash equivalents	4,079,730	--	4,079,730
Total current assets	<u>15,915,720</u>	<u>(1,013,921)</u>	<u>14,901,799</u>
<b>NON CURRENT ASSETS:</b>			
Land and other non depreciable assets	2,811,413	25,285,762	28,097,175
Capital assets, net of accumulated depreciation	51,309,577	--	51,309,577
Total non current assets	<u>54,120,990</u>	<u>25,285,762</u>	<u>79,406,752</u>
Total assets	<u>\$ 70,036,710</u>	<u>\$ 24,271,841</u>	<u>\$ 94,308,551</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**IV. OTHER INFORMATION**

**E. BUSINESS-TYPE ACTIVITIES COMBINING INFORMATION**

CITY OF WARNER ROBINS, GEORGIA  
COMBINING STATEMENT OF NET POSITION  
WATER AND SEWER FUND  
JUNE 30, 2014

	<u>Water and Sewer Fund</u>	<u>Warner Robins Public Facility Authority</u>	<u>Total</u>
<b><u>LIABILITIES AND NET POSITION</u></b>			
<b>CURRENT LIABILITIES:</b>			
<b>(Payable from current assets)</b>			
Accounts payable	\$ 167,902	\$ --	\$ 167,902
Accrued payroll/related liabilities	67,308	--	67,308
Compensated absences	28,191	--	28,191
Accrued interest	513,061	--	513,061
Bonds, notes, and loans payable	1,363,184	--	1,363,184
<b>Total current liabilities</b>	<b>2,139,646</b>	<b>--</b>	<b>2,139,646</b>
<b>NON CURRENT LIABILITIES:</b>			
Compensated absences	159,747	--	159,747
OPEB liability	723,357	--	723,357
Bonds, notes and loans payable	31,290,454	--	31,290,454
<b>Total non current liabilities</b>	<b>32,173,558</b>	<b>--</b>	<b>32,173,558</b>
<b>Total liabilities</b>	<b>34,313,204</b>	<b>--</b>	<b>34,313,204</b>
<b>NET POSITION:</b>			
Net investment in capital assets	21,467,352	25,285,762	46,753,114
Restricted for capital projects	4,079,730	--	4,079,730
Unrestricted	10,176,424	(1,013,921)	9,162,503
<b>Total net position</b>	<b>35,723,506</b>	<b>24,271,841</b>	<b>59,995,347</b>
<b>Total liabilities and net position</b>	<b>\$ 70,036,710</b>	<b>\$ 24,271,841</b>	<b>\$ 94,308,551</b>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**IV. OTHER INFORMATION**

**E. BUSINESS-TYPE ACTIVITIES COMBINING INFORMATION**

CITY OF WARNER ROBINS, GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
WATER AND SEWER FUND  
JUNE 30, 2014

	Water and Sewer Fund	Warner Robins Public Facility Authority	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 12,936,965	\$ --	\$ 12,936,965
Connection charges	432,540	--	432,540
Penalties and cut-on fees	290,338	--	290,338
Miscellaneous	1,017,925	--	1,017,925
Total operating revenues	<u>14,677,768</u>	<u>--</u>	<u>14,677,768</u>
<b>OPERATING EXPENSES:</b>			
Personnel services	4,272,895	--	4,272,895
Operating expenses	4,254,476	--	4,254,476
Repairs and maintenance	252,329	--	252,329
Supplies	1,432,824	--	1,432,824
Bad debt expense	228,776	--	228,776
Depreciation	2,188,787	--	2,188,787
Insurance	118,164	--	118,164
Total operating expenses	<u>12,748,251</u>	<u>--</u>	<u>12,748,251</u>
Operating income	<u>1,929,517</u>	<u>--</u>	<u>1,929,517</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Interest earned	8,970	--	8,970
Interest expense and fees	(1,052,890)	--	(1,052,890)
Rental income	54,507	--	54,507
Gain on sale of capital assets	11,681	--	11,681
Total non-operating revenues (expenses), net	<u>(977,732)</u>	<u>--</u>	<u>(977,732)</u>
Income before capital contributions and transfers	<u>951,785</u>	<u>--</u>	<u>951,785</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Capital contribution - developers	1,116,664	--	1,116,664
Income before transfers	<u>2,068,449</u>	<u>--</u>	<u>2,068,449</u>
TRANSFERS IN (OUT)	<u>(19,713,904)</u>	<u>18,063,904</u>	<u>(1,650,000)</u>
Total transfers	<u>(19,713,904)</u>	<u>18,063,904</u>	<u>(1,650,000)</u>
CHANGE IN NET POSITION	<u>(17,645,455)</u>	<u>18,063,904</u>	<u>418,449</u>
NET POSITION, beginning	<u>53,368,961</u>	<u>6,207,937</u>	<u>59,576,898</u>
NET POSITION, ending	<u>\$ 35,723,506</u>	<u>\$ 24,271,841</u>	<u>\$ 59,995,347</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**IV. OTHER INFORMATION**

**E. BUSINESS-TYPE ACTIVITIES COMBINING INFORMATION**

CITY OF WARNER ROBINS, GEORGIA  
COMBINING STATEMENT OF CASH FLOWS  
WATER AND SEWER FUND  
JUNE 30, 2014

	Water and Sewer Fund	Warner Robins Public Facilities Authority	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 14,511,445	\$ --	\$ 14,511,445
Cash paid to suppliers for goods and services and claims paid	(5,710,981)	(335,467)	(6,046,448)
Cash paid to employees for services	(4,102,187)	--	(4,102,187)
Net cash provided (used) by operating activities	4,698,277	(335,467)	4,362,810
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers in (out)	(19,713,904)	18,063,904	(1,650,000)
Net cash used by noncapital financing activities	(19,713,904)	18,063,904	(1,650,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
<b>Principal payments:</b>			
Bonds, notes, and loans payable	(1,425,045)	--	(1,425,045)
Capital leases	(71,384)	--	(71,384)
Acquisition and construction of capital assets	(1,833,545)	(18,742,358)	(20,575,903)
Capital contributions - developers	1,116,664	--	1,116,664
Interest and fees paid on revenue bonds payable and notes payable	(1,052,890)	--	(1,052,890)
Proceeds from sale of capital assets	11,681	--	11,681
Net cash used for capital and related financing activities	(3,254,519)	(18,742,358)	(21,996,877)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from investment	345	--	345
Interest income on investments	8,970	--	8,970
Rental income	54,507	--	54,507
Net cash provided by investing activities	63,822	--	63,822
NET INCREASE (DECREASE) IN CASH	(18,206,324)	(1,013,921)	(19,220,245)
CASH, Beginning	32,216,797	--	32,216,797
CASH, Ending	\$ 14,010,473	\$ (1,013,921)	\$ 12,996,552

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**IV. OTHER INFORMATION**

**E. BUSINESS-TYPE ACTIVITIES COMBINING INFORMATION**

CITY OF WARNER ROBINS, GEORGIA  
COMBINING STATEMENT OF CASH FLOWS  
WATER AND SEWER FUND  
JUNE 30, 2014

	Water and Sewer Fund	Warner Robins Public Facility Authority	Total
RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET:			
Cash, beginning:			
Current	\$ 10,573,163	\$ --	\$ 10,573,163
Restricted	21,643,634	--	21,643,634
Total	<u>32,216,797</u>	<u>--</u>	<u>32,216,797</u>
Net increase (decrease):			
Current	(642,420)	(1,013,921)	(1,656,341)
Restricted	(17,563,904)	--	(17,563,904)
Total	<u>(18,206,324)</u>	<u>(1,013,921)</u>	<u>(19,220,245)</u>
Cash, ending:			
Current	9,930,743	(1,013,921)	8,916,822
Restricted	4,079,730	--	4,079,730
Total	<u>\$ 14,010,473</u>	<u>\$ (1,013,921)</u>	<u>\$ 12,996,552</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income	\$ 1,929,517	\$ --	\$ 1,929,517
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	2,188,787	--	2,188,787
Accounts receivable	49,372	--	49,372
Due from other governments	(322,383)	335,467	13,084
Inventory	10,142	--	10,142
Increase (decrease) in liabilities:			
Accounts payable / accrued expenses	13,917	--	13,917
OPEB liability	130,586	--	130,586
Compensated absences payable	27,405	--	27,405
Total adjustments	<u>2,097,826</u>	<u>335,467</u>	<u>2,433,293</u>
Net cash provided by operating activities	<u>\$ 4,027,343</u>	<u>\$ 335,467</u>	<u>\$ 4,362,810</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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**IV. OTHER INFORMATION**

**F. JOINT VENTURES**

JOINTLY OWNED NATURAL GAS (JONG)

The Natural Gas System is a 40.16% participant in Jointly Owned Natural Gas (A Joint Venture). The City appoints one member to its Board. The City's capital account as of September 30, 2013 was \$1,571,269. If the Jointly Owned Natural Gas Transmission Line were to be terminated, the available assets would be distributed pro rata based on contribution. The Joint Venture issues separate financial statements which are available from the Joint Venture office. Information taken from the audited statements of the Joint Venture for the fiscal year ended September 30, 2013.

Total assets	\$ 4,357,424
Less: current liabilities	(212,928)
Long-term liabilities	(431,039)
Retained earnings	<u>\$ 3,713,457</u>
Total revenues	\$ 1,416,838
Operating expenses	(1,770,412)
Non-operating revenue	514,053
Net income	<u>\$ 160,479</u>

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

MIDDLE GEORGIA REGIONAL COMMISSION

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**IV. OTHER INFORMATION**

**G. PENSION PLAN**

PLAN DESCRIPTION, CONTRIBUTION INFORMATION, AND FUNDING POLICIES:

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

All full-time employees of the City (30 hours per week) are eligible to participate in GMEBS after one (1) year of service. Benefits fully vest after ten (10) years of service. Employees who retire at or after age sixty-five (65) with five (5) years of credited service or after age fifty-five (55) with ten (10) years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 to 1.75 percent of their average monthly earnings as defined in the plan for each year of credit service. The system also provides death and disability benefits. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Employees Benefit System, 201 Pryor Street-SW, Atlanta, Georgia 30303.

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

<u>Group</u>	<u>January 1, 2014</u>
Retirees and beneficiaries currently receiving benefits	243
Vested terminated employees	68
Active employees:	
Vested	256
Nonvested	228
	<hr/>
Total membership in the plan	<u>795</u>

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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**IV. OTHER INFORMATION**

**G. PENSION PLAN**

*Funding Policy*

The City is required to contribute based on actuarial funding policy. The annual recommended contribution is the sum of 1) the normal cost (including administrative expenses), 2) the level dollar amortization of the unfunded actuarial accrued liability (initial unfunded actuarial accrued liability over 30 years from 1982 and changes in the unfunded actuarial liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year during which such changes arise, and 3) interest on these amounts from the valuation date to the date contributions are paid. Plan provisions and contribution requirements are established by state statute and may be amended by the State. The contribution requirement for the year current year was \$2,630,262 which was 14.4% of the covered payroll. Employees are not required to contribute to the fund.

ANNUAL PENSION COST

For fiscal year 2014, the City's annual pension cost of \$2,630,262 for GMEBS was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2014 actuarial valuation using the entry age normal actuarial cost method. The significant actuarial assumptions used to compute the actuarial accrued liability and the annual recommended contribution of the plan meet the Actuarial Standard of Practice No. 4, *Measuring Pension Obligations*, establishing generally accepted actuarial principles and practices.

The significant actuarial assumptions used in the current valuation are:

- |                                |                |
|--------------------------------|----------------|
| - rate of return on investment | 7.75% per year |
| - projected salary increases   | 3.50% per year |
| - cost of living adjustments   | 3.50% per year |

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

To minimize the effect of random variations in financial market values on the recommended contribution, the GMEBS Board of Trustees adopted an asset valuation method for use in the calculation. The method for determining the actuarial value of assets is part of the GMEBS actuarial funding policy. It produces an adjusted actuarial value of assets. The smoothing technique gradually incorporates investment performance that exceeds or falls short of the expected return of 7.75%. The market value of assets is based on current values as of two months preceding the valuation date and is assumed to be current through that date.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**IV. OTHER INFORMATION**

**G. PENSION PLAN**

THREE YEAR TREND INFORMATION

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2012	\$ 3,371,626	100%
2013	3,385,217	100%
2014	2,630,262	100%

PLAN FUNDED STATUS

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

<u>Schedule of Funding Progress</u>						
<u>Date</u>	<u>(1) Actuarial Value of Assets</u>	<u>(2) Actuarial Accrued Liability (AAL)</u>	<u>(3) Funded Ratio (1)/(2)</u>	<u>(4) Unfunded AAL/(UAAL) (2)-(1)</u>	<u>(5) Annual Covered Payroll</u>	<u>(6) UAAL as a Percentage of Covered Payroll</u>
1/1/2014	\$ 88,138,655	\$ 92,012,267	95.8%	\$ 3,873,612	\$ 18,256,775	21.2%

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

**PEACE OFFICERS ANNUITY AND BENEFIT FUND**

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**IV. OTHER INFORMATION**

**H. SUBSEQUENT EVENTS**

The City assessed events that have occurred subsequent to June 30, 2014 through December 30, 2014 for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the City's statements which were issued on December 30, 2014.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WARNER ROBINS, GEORGIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget
<b>REVENUES:</b>		
General property taxes	\$ 17,622,988	\$ 17,622,988
Other taxes	8,249,669	8,249,669
Licenses and permits	1,572,800	1,572,800
Fines and forfeitures	1,166,000	1,166,000
Intergovernmental	85,000	110,692
Charges for services	2,775,700	2,775,700
Investment revenue	20,000	20,000
Other revenues	391,000	465,624
Total revenues	<u>31,883,157</u>	<u>31,983,473</u>
<b>EXPENDITURES:</b>		
General Government		
Legislative	174,588	174,585
Executive	484,504	489,508
General administration	6,289,413	6,369,382
Judicial	552,113	552,127
Public Safety		
Police department	12,099,796	12,655,103
Fire department	7,761,664	7,777,857
Recreation	1,837,241	2,332,261
Public works	5,108,412	6,335,595
City development	1,158,239	1,207,993
Total expenditures	<u>35,465,970</u>	<u>37,894,411</u>
Excess of revenues over (under) expenditures	<u>(3,582,813)</u>	<u>(5,910,938)</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Capital leases	--	251,196
Sale of assets	10,000	10,000
Transfers in	3,702,813	3,702,813
Transfers out	(130,000)	(178,750)
Total other financing sources (uses)	<u>3,582,813</u>	<u>3,534,063</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	--	(2,376,875)
Fund balance beginning	--	<u>2,376,875</u>
Fund balance ending	<u>\$ --</u>	<u>\$ --</u>

Variance Final Budget With Actual Budgetary Basis Positive (Negative)	Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis
\$ (136,915)	\$ 17,486,073	\$ --	\$ 17,486,073
613,656	8,863,325	--	8,863,325
122,218	1,695,018	--	1,695,018
(173,912)	992,088	--	992,088
541,249	651,941	--	651,941
61,076	2,836,776	--	2,836,776
(10,763)	9,237	--	9,237
59,287	524,911	--	524,911
<u>1,075,896</u>	<u>33,059,369</u>	<u>--</u>	<u>33,059,369</u>
31,262	143,323	--	143,323
12,920	476,588	(56)	476,532
865,055	5,504,327	(79,097)	5,425,230
81,329	470,798	--	470,798
463,269	12,191,834	(86,466)	12,105,368
7,707	7,770,150	(20,953)	7,749,197
15,807	2,316,454	(496,256)	1,820,198
294,194	6,041,401	(235,911)	5,805,490
42,874	1,165,119	(73,775)	1,091,344
<u>1,814,417</u>	<u>36,079,994</u>	<u>(992,514)</u>	<u>35,087,480</u>
<u>(738,521)</u>	<u>(3,020,625)</u>	<u>(992,514)</u>	<u>(2,028,111)</u>
--	251,196	--	251,196
(8,554)	1,446	--	1,446
4,349	3,707,162	--	3,707,162
30,000	(148,750)	--	(148,750)
<u>25,795</u>	<u>3,811,054</u>	<u>--</u>	<u>3,811,054</u>
(712,726)	790,429	<u>\$ (992,514)</u>	1,782,943
	<u>12,643,751</u>		<u>16,363,721</u>
	<u>\$ 13,434,180</u>		<u>\$ 18,146,664</u>

**CITY OF WARNER ROBINS, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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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 FUNDING PROGRESS  
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM PLAN  
FOR THE YEAR ENDED JUNE 30, 2014**

	Actuarial Valuation Date		
	1/1/2014	1/1/2013	1/1/2012
Actuarial accrued liability (AAL) entry age (b)	\$ 92,012,267	\$ 88,037,432	\$ 81,839,822
Actuarial value of assets Assets (a)	88,138,655	83,218,710	78,680,950
Unfunded AAL (funding excess) (UAAL) (b-a)	\$ 3,873,612	\$ 4,818,722	\$ 3,158,872
Funded ratio (a/b)	95.8%	94.5%	96.1%
Covered payroll (c)	\$ 18,256,775	\$ 17,307,780	\$ 17,899,336
UAAL as a percentage of covered payroll ((b-a)/c)	21.2%	27.8%	17.6%

**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF EMPLOYER'S**  
**CONTRIBUTION OTHER POST EMPLOYEMENT BENEFITS PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2014**

SCHEDULE OF FUNDING PROGRESS

Actuarial valuation date	<u>7/1/2013</u>	<u>7/1/2011</u>
Actuarial accrued liability (AAL) entry age (b)	\$ 18,846,000	\$ 17,493,000
Actuarial value of assets Assets (a)	<u>          --</u>	<u>          --</u>
Unfunded AAL (funding excess) (UAAL) (b-a)	<u>\$ 18,846,000</u>	<u>\$ 17,493,000</u>
Funded ratio (a/b)	<u>          --</u>	<u>          --</u>
Covered payroll (c)	<u>\$ 20,235,798</u>	<u>\$ 19,699,931</u>
UAAL as a percentage of covered payroll ((b-a)/c)	<u>          93.1%</u>	<u>          88.8%</u>

SCHEDULE OF EMPLOYER'S CONTRIBUTION

Fiscal year ended	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2012</u>
Annual required contributions (pay as you go)	<u>\$ 2,141,000</u>	<u>\$ 2,193,000</u>	<u>\$ 2,193,000</u>
Actual contributions	<u>\$ 794,845</u>	<u>\$ 1,053,468</u>	<u>\$ 515,181</u>
Percentage contributed	<u>          37.1%</u>	<u>          48.0%</u>	<u>          23.5%</u>

**OTHER SUPPLEMENTAL INFORMATION**

**CITY OF WARNER ROBINS, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	Special Revenue Funds						
	Hotel - Motel		Motor Vehicle Rental Tax	Community Development	Law Enforcement	Recreation	Redevelopment Agency
	Bureau of Civic Affairs	Tourism Allocation Board					
<u>ASSETS</u>							
Cash and cash equivalents	\$ 641,804	\$ 23,918	\$ --	\$ 598,579	\$ 3,062,295	\$ 80,338	\$ 768,301
Accounts receivable -							
net of uncollectible accounts	--	14,753	--	799,247	--	--	14,753
Due from other governments	--	--	--	99,706	--	--	--
Real estate held for investment	--	--	--	51,751	--	--	1,149,249
Total assets	<u>\$ 641,804</u>	<u>\$ 38,671</u>	<u>\$ --</u>	<u>\$ 1,549,283</u>	<u>\$ 3,062,295</u>	<u>\$ 80,338</u>	<u>\$ 1,932,303</u>
<u>LIABILITIES AND FUND BALANCES</u>							
<u>LIABILITIES</u>							
Accounts payable and accrued costs	\$ 8,127	\$ 38,671	\$ --	\$ --	\$ --	\$ --	\$ --
Accrued payroll/related expenses	3,605	--	--	--	--	--	3,700
Unearned revenue	5,000	--	--	--	83,350	--	--
Due to other funds	--	--	--	--	--	--	101,215
Escrow funds	--	--	--	19,102	--	--	--
Total liabilities	<u>16,732</u>	<u>38,671</u>	<u>--</u>	<u>19,102</u>	<u>83,350</u>	<u>--</u>	<u>104,915</u>
<u>FUND BALANCES</u>							
Fund balance - restricted	--	--	--	--	--	--	1,827,388
Fund balance - committed	625,072	--	--	1,530,181	2,978,945	80,338	--
Total fund balance	<u>625,072</u>	<u>--</u>	<u>--</u>	<u>1,530,181</u>	<u>2,978,945</u>	<u>80,338</u>	<u>1,827,388</u>
Total liabilities and fund balances	<u>\$ 641,804</u>	<u>\$ 38,671</u>	<u>\$ --</u>	<u>\$ 1,549,283</u>	<u>\$ 3,062,295</u>	<u>\$ 80,338</u>	<u>\$ 1,932,303</u>

Special Revenue Funds	Capital Projects Funds					Total Nonmajor Government Funds
Subtotal	SPLOST 2001	SPLOST 2006	Parks and Recreation	Visitor Center	Subtotal	
\$ 5,175,235	\$ 637,376	\$ 3,875,393	\$ 139,989	\$ 1,102,981	\$ 5,755,739	\$ 10,930,974
828,753	--	--	--	--	--	828,753
99,706	--	--	--	--	--	99,706
1,201,000	--	--	--	--	--	1,201,000
<u>\$ 7,304,694</u>	<u>\$ 637,376</u>	<u>\$ 3,875,393</u>	<u>\$ 139,989</u>	<u>\$ 1,102,981</u>	<u>\$ 5,755,739</u>	<u>\$ 13,060,433</u>
\$ 46,798	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 46,798
7,305	--	--	--	--	--	7,305
88,350	--	--	--	--	--	88,350
101,215	--	--	--	--	--	101,215
19,102	--	--	--	--	--	19,102
<u>262,770</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>262,770</u>
1,827,388	637,376	3,875,393	139,989	1,102,981	5,755,739	7,583,127
5,214,536	--	--	--	--	--	5,214,536
<u>7,041,924</u>	<u>637,376</u>	<u>3,875,393</u>	<u>139,989</u>	<u>1,102,981</u>	<u>5,755,739</u>	<u>12,797,663</u>
<u>\$ 7,304,694</u>	<u>\$ 637,376</u>	<u>\$ 3,875,393</u>	<u>\$ 139,989</u>	<u>\$ 1,102,981</u>	<u>\$ 5,755,739</u>	<u>\$ 13,060,433</u>

**CITY OF WARNER ROBINS, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES**  
**NONMAJOR GOVERNEMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Special Revenue Funds

	Special Revenue Funds						
	Bureau of Civic Affairs	Hotel - Motel Tourism Allocation Board	Motor Vehicle Rental Tax	Community Development	Law Enforcement	Recreation	Redevelopment Agency
<b>REVENUES:</b>							
Other taxes	\$ --	\$ 1,459,625	\$ 168,553	\$ --	\$ --	\$ --	\$ --
Fines and forfeitures	--	--	--	--	3,152,882	--	--
Intergovernmental	3,100	--	--	346,087	--	--	1,398,357
Contributions	6,500	--	--	--	13,132	--	--
Other revenue	957	--	--	14,289	26	78,144	56,128
Total revenues	<u>10,557</u>	<u>1,459,625</u>	<u>168,553</u>	<u>360,376</u>	<u>3,166,040</u>	<u>78,144</u>	<u>1,454,485</u>
<b>EXPENDITURES:</b>							
Current:							
Public safety	--	--	--	--	275,478	--	214,229
Recreation	--	--	--	--	--	57,745	--
Civic affairs (city development)	517,648	271,004	--	--	--	--	--
Economic development (city development)	--	--	--	434,150	--	--	140,613
Debt service	--	--	--	--	255,765	--	1,524,623
Capital outlay	--	--	--	--	--	--	--
Total expenditures	<u>517,648</u>	<u>271,004</u>	<u>--</u>	<u>434,150</u>	<u>531,243</u>	<u>57,745</u>	<u>1,879,465</u>
Excess of revenue over (under) expenditures	<u>(507,091)</u>	<u>1,188,621</u>	<u>168,553</u>	<u>(73,774)</u>	<u>2,634,797</u>	<u>20,399</u>	<u>(424,980)</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfer in	395,729	--	--	--	--	--	187,303
Transfer out	--	(1,188,621)	(168,553)	--	--	--	--
Total other financing sources (uses)	<u>395,729</u>	<u>(1,188,621)</u>	<u>(168,553)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>187,303</u>
Net change in fund balances	(111,362)	--	--	(73,774)	2,634,797	20,399	(237,677)
FUND BALANCES, Beginning	<u>736,434</u>	<u>--</u>	<u>--</u>	<u>1,603,955</u>	<u>344,148</u>	<u>59,939</u>	<u>2,065,065</u>
FUND BALANCES, Ending	<u>\$ 625,072</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,530,181</u>	<u>\$ 2,978,945</u>	<u>\$ 80,338</u>	<u>\$ 1,827,388</u>

Special Revenue Funds	Capital Projects Funds					Total Nonmajor Government Funds
Subtotal	SPLOST 2001	SPLOST 2006	Parks and Recreation	Visitor Center	Subtotal	Funds
\$ 1,628,178	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,628,178
3,152,882	--	--	--	--	--	3,152,882
1,747,544	--	--	--	--	--	1,747,544
19,632	--	--	--	--	--	19,632
149,544	1,323	5,846	53	964	8,186	157,730
<u>6,697,780</u>	<u>1,323</u>	<u>5,846</u>	<u>53</u>	<u>964</u>	<u>8,186</u>	<u>6,705,966</u>
489,707	--	--	--	--	--	489,707
57,745	--	--	108,827	--	108,827	166,572
788,652	--	--	--	--	--	788,652
574,763	--	--	--	--	--	574,763
1,780,388	--	--	--	--	--	1,780,388
--	587,548	967,150	--	--	1,554,698	1,554,698
<u>3,691,255</u>	<u>587,548</u>	<u>967,150</u>	<u>108,827</u>	<u>--</u>	<u>1,663,525</u>	<u>5,354,780</u>
3,006,525	(586,225)	(961,304)	(108,774)	964	(1,655,339)	1,351,186
583,032	--	--	91,433	274,297	365,730	948,762
(1,357,174)	--	--	--	--	--	(1,357,174)
<u>(774,142)</u>	<u>--</u>	<u>--</u>	<u>91,433</u>	<u>274,297</u>	<u>365,730</u>	<u>(408,412)</u>
2,232,383	(586,225)	(961,304)	(17,341)	275,261	(1,289,609)	942,774
<u>4,809,541</u>	<u>1,223,601</u>	<u>4,836,697</u>	<u>157,330</u>	<u>827,720</u>	<u>7,045,348</u>	<u>11,854,889</u>
<u>\$ 7,041,924</u>	<u>\$ 637,376</u>	<u>\$ 3,875,393</u>	<u>\$ 139,989</u>	<u>\$ 1,102,981</u>	<u>\$ 5,755,739</u>	<u>\$ 12,797,663</u>

**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**BUREAU OF CIVIC AFFAIRS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES -				
Other revenue:				
Grant income - local assistance	\$ --	\$ --	\$ 3,100	\$ 3,100
Contributions	--	6,500	6,500	--
Interest	1,400	1,400	957	(443)
Total revenues	1,400	7,900	10,557	2,657
EXPENDITURES -				
Current -				
Civic affairs	392,840	557,543	517,648	39,895
Total expenditures	392,840	557,543	517,648	39,895
Excess of revenues over (under) expenditures	(391,440)	(549,643)	(507,091)	42,552
OTHER FINANCING SOURCES -				
Transfer in	391,440	392,250	395,729	3,479
Total other financing sources	391,440	392,250	395,729	3,479
Excess of revenues and other sources over (under) expenditures	--	(157,393)	(111,362)	\$ 46,031
FUND BALANCE ALLOCATION	--	157,393		
FUND BALANCE, beginning	--	--	736,434	
FUND BALANCE, ending	\$ --	\$ --	\$ 625,072	

**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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES -				
Other taxes -				
Hotel/Motel tax	<u>\$ 1,449,000</u>	<u>\$ 1,449,000</u>	<u>\$ 1,459,625</u>	<u>\$ 10,625</u>
Total revenues	<u>1,449,000</u>	<u>1,449,000</u>	<u>1,459,625</u>	<u>10,625</u>
EXPENDITURES -				
Current -				
Civic affairs	<u>271,688</u>	<u>271,688</u>	<u>271,004</u>	<u>684</u>
Total expenditures	<u>271,688</u>	<u>271,688</u>	<u>271,004</u>	<u>684</u>
Excess of revenues over expenditures	1,177,312	1,177,312	1,188,621	11,309
OTHER FINANCING USES -				
Transfer out	<u>1,177,312</u>	<u>1,177,312</u>	<u>1,188,621</u>	<u>11,309</u>
Total other financing uses	<u>1,177,312</u>	<u>1,177,312</u>	<u>1,188,621</u>	<u>11,309</u>
Excess of revenues over (under) expenditures and other uses	<u>\$ --</u>	<u>\$ --</u>	--	<u>\$ --</u>
FUND BALANCES, beginning			<u>--</u>	
FUND BALANCES, ending			<u>\$ --</u>	

**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MOTOR VEHICLE RENTAL TAX FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES -				
Other taxes -				
Motor vehicle rental tax	<u>\$ 135,500</u>	<u>\$ 135,500</u>	<u>\$ 168,553</u>	<u>\$ 33,053</u>
Total revenues	<u>135,500</u>	<u>135,500</u>	<u>168,553</u>	<u>33,053</u>
 EXPENDITURES -				
Current -				
Downtown development	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over expenditures	135,500	135,500	168,553	33,053
 OTHER FINANCING USES -				
Transfer out	<u>(135,500)</u>	<u>(135,500)</u>	<u>(168,553)</u>	<u>(33,053)</u>
Total other financing uses	<u>(135,500)</u>	<u>(135,500)</u>	<u>(168,553)</u>	<u>(33,053)</u>
Excess of revenues over (under) expenditures and other uses	<u>\$ --</u>	<u>\$ --</u>	--	<u>\$ --</u>
 FUND BALANCES, beginning			<u>--</u>	
 FUND BALANCES, ending			<u>\$ --</u>	

**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Intergovernmental -				
Grants - federal - CDBG	\$ 458,707	\$ 429,161	\$ 346,087	\$ (83,074)
Other revenue -				
Program income	<u>10,000</u>	<u>20,000</u>	<u>14,289</u>	<u>(5,711)</u>
Total revenues	<u>468,707</u>	<u>449,161</u>	<u>360,376</u>	<u>(88,785)</u>
EXPENDITURES -				
Economic development:				
Administration	129,500	129,500	98,939	30,561
Housing	184,465	186,914	187,782	(868)
Public services	86,294	83,845	93,270	(9,425)
Public facility	--	--	6,500	(6,500)
Code enforcement	25,923	25,923	31,734	(5,811)
Clearance	<u>32,525</u>	<u>32,525</u>	<u>15,925</u>	<u>16,600</u>
Total expenditures	<u>458,707</u>	<u>458,707</u>	<u>434,150</u>	<u>24,557</u>
Excess of revenues over (under) expenditures	<u>10,000</u>	<u>(9,546)</u>	(73,774)	<u>\$ (64,228)</u>
FUND BALANCE ALLOCATION	<u>(10,000)</u>	<u>9,546</u>		
FUND BALANCE, beginning	<u>--</u>	<u>--</u>	<u>1,603,955</u>	
FUND BALANCES, ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,530,181</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, 2014**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Fines and forfeitures- Condemnation	\$ 15,000	\$ 740,440	\$ 3,152,882	\$ 2,412,442
Contributions	8,050	8,187	13,132	4,945
Other revenue	--	--	26	26
Total revenues	<u>23,050</u>	<u>748,627</u>	<u>3,166,040</u>	<u>2,417,413</u>
EXPENDITURES -				
Current -				
Public safety	23,050	771,116	275,478	495,638
Debt service	--	--	255,765	(255,765)
Total expenditures	<u>23,050</u>	<u>771,116</u>	<u>531,243</u>	<u>239,873</u>
Excess of revenues over (under) expenditures	<u>--</u>	<u>(22,489)</u>	2,634,797	<u>\$ 2,657,286</u>
FUND BALANCE ALLOCATION	<u>--</u>	<u>22,489</u>		
FUND BALANCES, beginning	<u>--</u>	<u>--</u>	344,148	
FUND BALANCES, ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,978,945</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES -				
Other revenue -				
Recreation fee	<u>\$ 88,500</u>	<u>\$ 88,500</u>	<u>\$ 78,144</u>	<u>\$ (10,356)</u>
Total revenues	<u>88,500</u>	<u>88,500</u>	<u>78,144</u>	<u>(10,356)</u>
EXPENDITURES -				
Current -				
Recreation	<u>88,500</u>	<u>88,563</u>	<u>57,745</u>	<u>30,818</u>
Total expenditures	<u>88,500</u>	<u>88,563</u>	<u>57,745</u>	<u>30,818</u>
Excess of revenues over (under) expenditures	\$ --	\$ (63)	20,399	<u><u>\$ 20,462</u></u>
FUND BALANCE ALLOCATION	<u>--</u>	<u>63</u>		
FUND BALANCES, beginning	<u>--</u>	<u>--</u>	<u>59,939</u>	
FUND BALANCES, ending	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 80,338</u></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, 2014**

	Original Budget	Final Budget	Actual	Variance
REVENUES-				
Other revenue:				
Intergovernmental	\$ --	\$ --	\$ 1,398,357	\$ 1,398,357
Other	76,900	76,900	55,856	(21,044)
Interest	300	200	272	72
Total revenues	<u>77,200</u>	<u>77,100</u>	<u>1,454,485</u>	<u>1,377,385</u>
EXPENDITURES -				
Current:				
Public safety	--	458,155	214,229	243,926
Economic development	212,647	230,147	140,613	89,534
Debt service	--	--	1,524,623	(1,524,623)
Total expenditures	<u>212,647</u>	<u>688,302</u>	<u>1,879,465</u>	<u>(1,191,163)</u>
Excess of revenues under expenditures	(135,447)	(611,202)	(424,980)	186,222
OTHER FINANCING SOURCES -				
Transfer in	<u>135,500</u>	<u>154,250</u>	<u>187,303</u>	<u>33,053</u>
Total other financing sources	<u>135,500</u>	<u>154,250</u>	<u>187,303</u>	<u>33,053</u>
Excess of revenues and other sources over (under) expenditures	53	(456,952)	(237,677)	<u>\$ 219,275</u>
FUND BALANCE ALLOCATION	<u>(53)</u>	<u>456,952</u>		
FUND BALANCE, beginning	<u>--</u>	<u>--</u>	<u>2,065,065</u>	
FUND BALANCE, ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,827,388</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, 2014**

	Prior Years	Current Year	Total to Date	Revised Projected Costs
<b>REVENUES -</b>				
Other revenue:				
Special purpose local option sales tax	\$ 12,763,226	\$ --	\$ 12,763,226	\$ 12,763,226
Interest	340,111	1,323	341,434	340,111
Total revenues	13,103,337	1,323	13,104,660	13,103,337
<b>EXPENDITURES -</b>				
Capital outlay:				
Road construction/reconstruction	1,168,574	587,548	1,756,122	2,392,157
Drainage construction	601,694	--	601,694	601,710
Sidewalk construction	999,998	--	999,998	1,000,000
Street resurfacing	9,109,470	--	9,109,470	9,109,470
Total expenditures	11,879,736	587,548	12,467,284	13,103,337
Excess of revenues over (under) expenditures	\$ 1,223,601	(586,225)	\$ 637,376	\$ --
FUND BALANCES, beginning		1,223,601		
FUND BALANCES, ending		\$ 637,376		

**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, 2014**

	Prior Years	Current Year	Total to Date	Revised Projected Costs
<b>REVENUES -</b>				
Other revenue:				
Special purpose local option sales tax	\$ 15,208,866	\$ --	\$ 15,208,866	\$ 15,208,866
Interest	115,781	5,846	121,627	115,781
Total revenues	<u>15,324,647</u>	<u>5,846</u>	<u>15,330,493</u>	<u>15,324,647</u>
<b>EXPENDITURES -</b>				
Capital outlay:				
Public safety	5,964,199	6,004	5,970,203	6,150,000
Water and sewer system	1,226,664	835,133	2,061,797	4,000,000
Road, street and sidewalk	3,297,231	126,013	3,423,244	5,515,000
Total expenditures	<u>10,488,094</u>	<u>967,150</u>	<u>11,455,244</u>	<u>15,665,000</u>
Excess of revenues over (under) expenditures	<u>\$ 4,836,553</u>	(961,304)	<u>\$ 3,875,249</u>	<u>\$ (340,353)</u>
FUND BALANCES, beginning		<u>4,836,697</u>		
FUND BALANCES, ending		<u>\$ 3,875,393</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, 2014**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES-				
Other revenue -				
Interest	\$ --	\$ --	\$ 53	\$ 53
Total revenues	<u>    --</u>	<u>    --</u>	<u>    53</u>	<u>    53</u>
EXPENDITURES -				
Current -				
Recreation:				
Buildings/improvements	65,563	73,425	47,209	26,216
Swimming pool equipment	--	5,270	5,707	(437)
Playgroud equipment	25,000	55,914	55,911	3
Total expenditures	<u>90,563</u>	<u>134,609</u>	<u>108,827</u>	<u>25,782</u>
Excess of revenues over (under) expenditures	(90,563)	(134,609)	(108,774)	25,835
OTHER FINANCING SOURCES -				
Transfer in	90,563	90,563	91,433	870
Total other financing sources	<u>90,563</u>	<u>90,563</u>	<u>91,433</u>	<u>870</u>
Excess of revenues and other sources over (under) expenditures	<u>    --</u>	<u>44,046</u>	(17,341)	<u>\$ 26,705</u>
FUND BALANCE ALLOCATION	<u>    --</u>	<u>(44,046)</u>		
FUND BALANCES, beginning	<u>    --</u>	<u>    --</u>	<u>157,330</u>	

**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**VISITOR CENTER CAPITAL PROJECT**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES -				
Interest	\$ --	\$ --	\$ 964	\$ 964
Total revenues	<u>    --</u>	<u>    --</u>	<u>    964</u>	<u>    964</u>
EXPENDITURES -				
Capital outlay -				
Building/improvements	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>
Total expenditures	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>
Excess of revenues over (under) expenditures	--	--	964	964
OTHER FINANCING SOURCES -				
Transfer in	<u>271,688</u>	<u>271,688</u>	<u>274,297</u>	<u>2,609</u>
Total other financing sources	<u>271,688</u>	<u>271,688</u>	<u>274,297</u>	<u>2,609</u>
Excess of revenues and other sources over (under) expenditures	<u>271,688</u>	<u>271,688</u>	275,261	<u>\$ 3,573</u>
FUND BALANCE ALLOCATION	<u>(271,688)</u>	<u>(271,688)</u>		
FUND BALANCES, beginning	<u>    --</u>	<u>    --</u>	<u>827,720</u>	
FUND BALANCES, ending	<u>\$    --</u>	<u>\$    --</u>	<u>\$ 1,102,981</u>	

**CITY OF WARNER ROBINS, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2014**

ASSETS

	Worker's Compensation	Group Health Insurance	Total
CURRENT ASSETS			
Cash	\$ 1,041,373	\$ 269,153	\$ 1,310,526
Due from other funds	--	82,971	82,971
Prepaid items	91,149	--	91,149
Total assets	<u>\$ 1,132,522</u>	<u>\$ 352,124</u>	<u>\$ 1,484,646</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable/accrued expenses	\$ 104,139	\$ 467,596	\$ 571,735
Due to other funds	66,000	304,865	370,865
Total current liabilities	<u>170,139</u>	<u>772,461</u>	<u>942,600</u>

NET POSITION

Unrestricted	962,383	(420,337)	542,046
Total liabilities and net position	<u>\$ 1,132,522</u>	<u>\$ 352,124</u>	<u>\$ 1,484,646</u>

**CITY OF WARNER ROBINS, GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Worker's Compensation</u>	<u>Group Health Insurance</u>	<u>Total</u>
OPERATING REVENUES -			
Charges for services	<u>\$ 1,169,108</u>	<u>\$ 7,668,070</u>	<u>\$ 8,837,178</u>
Total operating revenues	<u>1,169,108</u>	<u>7,668,070</u>	<u>8,837,178</u>
OPERATING EXPENSES -			
Operating expenses	<u>1,124,235</u>	<u>7,741,937</u>	<u>8,866,172</u>
Total operating expenses	<u>1,124,235</u>	<u>7,741,937</u>	<u>8,866,172</u>
OPERATING INCOME (LOSS)	<u>44,873</u>	<u>(73,867)</u>	<u>(28,994)</u>
NON-OPERATING REVENUES -			
Interest earned	<u>1,653</u>	<u>1,487</u>	<u>3,140</u>
Total non-operating revenues, net	<u>1,653</u>	<u>1,487</u>	<u>3,140</u>
CHANGE IN NET POSITION	46,526	(72,380)	(25,854)
NET POSITION, beginning	<u>915,857</u>	<u>(347,957)</u>	<u>567,900</u>
NET POSITION, ending	<u>\$ 962,383</u>	<u>\$ (420,337)</u>	<u>\$ 542,046</u>

**CITY OF WARNER ROBINS, GEORGIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Worker's Compensation	Group Health Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 187,147	\$ 588,681	\$ 775,828
Cash paid to suppliers for goods and services	(1,050,695)	(7,730,796)	(8,781,491)
Cash received from other funds for goods and services	981,961	7,079,389	8,061,350
Net cash provided(used) by operating activities	<u>118,413</u>	<u>(62,726)</u>	<u>55,687</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES -</b>			
Due from other funds, net	<u>(166,043)</u>	<u>(951,796)</u>	<u>(1,117,839)</u>
Net cash used by noncapital financing activities	<u>(166,043)</u>	<u>(951,796)</u>	<u>(1,117,839)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES -</b>			
Interest income on investments	<u>1,653</u>	<u>1,487</u>	<u>3,140</u>
Net cash provided by investing activities	<u>1,653</u>	<u>1,487</u>	<u>3,140</u>
<b>NET DECREASE IN CASH</b>	<b>(45,977)</b>	<b>(1,013,035)</b>	<b>(1,059,012)</b>
CASH, beginning	<u>1,087,350</u>	<u>1,282,188</u>	<u>2,369,538</u>
CASH, ending	<u>\$ 1,041,373</u>	<u>\$ 269,153</u>	<u>\$ 1,310,526</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>			
Operating income (loss)	<u>\$ 44,873</u>	<u>\$ (73,867)</u>	<u>\$ (28,994)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Changes in assets and liabilities:			
Decrease (increase) in prepaid items	(3,978)	--	(3,978)
(Decrease) increase in accounts payable/ accrued expenses	<u>77,518</u>	<u>11,141</u>	<u>88,659</u>
Total adjustments	<u>73,540</u>	<u>11,141</u>	<u>84,681</u>
Net cash provided (used) by operating activities	<u>\$ 118,413</u>	<u>\$ (62,726)</u>	<u>\$ 55,687</u>

**CITY OF WARNER ROBINS, GEORGIA  
WATER AND SEWER SYSTEM  
SCHEDULE OF BONDS PAYABLE WITH INTEREST  
WATER AND SEWER REVENUE BONDS  
FOR THE YEAR ENDED JUNE 30, 2014**

---

SERIES 2012

<u>YEAR OF MATURITY</u>	<u>BONDS OUTSTANDING</u>	<u>INTEREST RATE</u>	<u>ACCRUED INTEREST</u>
2015	\$ 1,020,000	3.000%	\$ 990,012
2016	1,040,000	3.000	964,213
2017	1,070,000	3.000	932,562
2018	1,105,000	3.000	899,938
2019	1,135,000	4.000	861,337
2020	1,180,000	5.000	809,812
2021	1,240,000	5.000	749,312
2022	1,305,000	5.000	685,688
2023	1,370,000	5.000	618,813
2024	1,435,000	3.000	562,500
2025	1,480,000	4.000	503,437
2026	1,555,000	5.000	443,112
2027	1,600,000	4.000	395,788
2028	1,650,000	4.000	341,413
2029	1,710,000	4.000	283,250
2030	1,765,000	4.000	226,781
2031	1,825,000	4.000	166,163
2032	1,885,000	4.000	101,238
2033	1,950,000	4.000	34,125
	<u>\$ 27,320,000</u>		<u>\$ 10,569,494</u>

**CITY OF WARNER ROBINS, GEORGIA  
SCHEDULE OF STATE REQUIREMENTS  
JUNE 30, 2014**

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-000-0009-00(669)	\$ 26,469	\$ 61,850	\$ 35,381
LMIG	(1)	PI S014337	527,717	--	--
Elberta Train Depot	(1)	CSTEE-0009-00(96)	48,454	1,546	1,546
Total Dept. of Transportation			<u>602,640</u>	<u>63,396</u>	<u>36,927</u>
Total state and pass through grant			<u>\$ 602,640</u>	<u>\$ 63,396</u>	<u>\$ 36,927</u>

(1) includes Federal pass through

**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF STATE REQUIREMENTS**  
**JUNE 30, 2014**

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECTS</u>	Original		EXPENDITURES			Estimated
	<u>Estimated Cost</u>	<u>Revised Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	Percentage of Completion <u>Total</u>
2012 Referendum - capital outlay:						
Road, street and sidewalk	\$ 8,100,000	\$ 8,100,000	\$ --	\$ --	\$ --	0.00%
Public safety	10,016,000	10,016,000	781,266	2,756,018	3,537,284	35.32%
Water and sewer system	6,600,000	6,600,000	--	--	--	0.00%
General government	9,420,000	9,420,000	574,434	372,090	946,524	10.05%
City development	2,500,000	2,500,000	5,878	601,335	607,213	24.29%
Recreation facilities	7,785,000	7,785,000	177,561	36,322	213,883	2.75%
	<u>\$ 44,421,000</u>	<u>\$44,421,000</u>	<u>\$ 1,539,139</u>	<u>\$ 3,765,765</u>	<u>\$ 5,304,904</u>	

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECTS</u>	Original		EXPENDITURES			Estimated
	<u>Estimated Cost</u>	<u>Revised Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	Percentage of Completion <u>Total</u>
2006 Referendum - capital outlay:						
Public safety facilities	\$ 6,000,000	\$ 6,150,000	\$ 5,964,199	\$ 6,004	\$ 5,970,203	97.08%
Water and sewer system	4,000,000	4,000,000	1,226,664	835,133	2,061,797	51.54%
Road, street and sidewalk	5,515,000	5,515,000	3,297,231	126,013	3,423,244	62.07%
	<u>\$ 15,515,000</u>	<u>\$15,665,000</u>	<u>\$ 10,488,094</u>	<u>\$ 967,150</u>	<u>\$ 11,455,244</u>	

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECTS</u>	Original		EXPENDITURES			Estimated
	<u>Estimated Cost</u>	<u>Revised Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	Percentage of Completion <u>Total</u>
2001 Referendum - capital outlay:						
Road construction / reconstruction	\$ 1,950,000	\$ 2,392,157	\$ 1,168,574	587,548	\$ 1,756,122	73.41%
Drainage construction	565,000	601,710	601,694	--	601,694	100.00%
Sidewalk construction	1,000,000	1,000,000	999,998	--	999,998	100.00%
Streets resurfacing	8,598,750	9,109,470	9,109,470	--	9,109,470	100.00%
	<u>\$ 12,113,750</u>	<u>\$13,103,337</u>	<u>\$ 11,879,736</u>	<u>\$ 587,548</u>	<u>\$ 12,467,284</u>	

**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF STATE REQUIREMENTS**  
**JUNE 30, 2014**

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

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES -				
Other taxes -				
Motor vehicle rental tax	\$ 135,500	\$ 135,500	\$ 168,553	\$ 33,053
Total revenues	135,500	135,500	168,553	33,053
EXPENDITURES -				
Current -	--	--	--	--
Total expenditures	--	--	--	--
Excess of revenues over expenditures	135,500	135,500	168,553	33,053
OTHER FINANCING (USES) -				
Transfer out	(135,500)	(135,500)	(168,553)	(33,053)
Total other financing uses	(135,500)	(135,500)	(168,553)	(33,053)
Excess of revenues over (under) expenditures and other uses	\$ --	\$ --	--	\$ --
FUND BALANCES, Beginning			--	
FUND BALANCES, Ending			\$ --	

SCHEDULE OF HOTEL/MOTEL TAX REPORT

		8%
Amount of tax collected	\$ 1,459,625	100.00%
Amount expended to promote tourism (General Fund)	\$ 456,133	31.25%
Amount expended to support the Museum of Aviation	\$ 273,680	18.75%
Amount expended for city promotion (Bureau of Civic Affairs)	\$ 364,906	25.00%
Amount expended for a visitor center (Bureau of Civic Affairs)	\$ 273,680	18.75%
Amount expended for recreation capital project (Parks and Recreation)	\$ 91,226	6.25%



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Warner Robins, Georgia as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Warner Robins, Georgia's basic financial statements, and have issued our report thereon dated December 30, 2014.

#### ***Internal Control over Financial Reporting***

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

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

### ***Compliance and Other Matters***

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

We noted certain matters that we have reported to management of the City of Warner Robins, Georgia in a separate letter dated December 30, 2014.

### **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.

*Richards, Cauley + Associates, LLC*

Warner Robins, Georgia  
December 30, 2014

**CITY OF WARNER ROBINS, GEORGIA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2014**

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SUMMARY OF AUDIT RESULTS:

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Warner Robins, Georgia.
2. No instances of deficiencies in internal control were disclosed by the audit of the City of Warner Robins, Georgia's financial statements for the year ended June 30, 2014.
3. No instances of noncompliance material to the financial statements of the City of Warner Robins, Georgia were disclosed during the audit.

PRIOR FINANCIAL STATEMENT FINDINGS

1996-01 Management concurred that Municipal Court records were not reconciled with cash on deposit. The City has taken corrective action to strengthen internal controls including the installation of a computer software program that enables Municipal Court personnel to better manage the flow of court cases; completion of training of Municipal Court personnel on the use of the new software; and counseling of Municipal Court personnel on the importance of reconciling all open cases to cash on deposit. Processing of open cases and cash bonds with cash deposits appears to be functioning properly. The processing of the backlog of old open cases is continuing. Management has formulated a course of action to clear the backlog of old open cases in the current fiscal year. This is a repeat finding reported on in prior years.

Status: Management has taken the proper steps to correct the finding during the current Fiscal Year; therefore, this is no longer a finding as of June 30, 2014.