

**CITY OF WARNER ROBINS, GEORGIA**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2013**



**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



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ANNUAL FINANCIAL REPORT  
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## 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, 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, 2013, 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, each major fund, and the aggregate remaining fund information of the City of Warner Robins, Georgia, as of June 30, 2013, 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 through 77, and pages 79 through 80 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, schedule of state requirements, and the Schedule of Expenditures of Federal Awards, required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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, schedule of state requirements, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.



The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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, schedule of state requirements, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 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.

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, 2013, the end of the fiscal year covered by this audit.

*Richels, Cauley + Associates, LLC*

Warner Robins, Georgia  
January 24, 2014

**CITY OF WARNER ROBINS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

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The City of Warner Robins' basic financial statements are presented for the fiscal year ended June 30, 2013. The components of the financial statements include Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplementary Information (RSI), and Other Supplementary Information (OSI). 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 and 24 through 26 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.

#### **Other Information**

Combining and individual statements present more detailed views of non-major funds used in the governmental and enterprise funds beginning on page 81. Also included are statements for internal service funds beginning on page 93.

**CITY OF WARNER ROBINS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

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>	<b>Entire City Government and any component Units</b>	<b>Activities of the City that are not proprietary</b>	<b>Activities of the City that are operated similar to private business</b>
<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>	<b>Accrual accounting and economic resources focus</b>	<b>Modified accrual accounting and current financial resources focus</b>	<b>Accrual accounting and economic resources focus</b>
<b>Type of asset/liability information</b>	<b>All assets and liabilities, both financial and capital, and short-term and long- term</b>	<b>Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included</b>	<b>All assets and liabilities, both financial and capital, and short-term and long-term</b>
<b>Type of inflow/outflow information</b>	<b>All revenues and expenses during the year, regardless of when cash is paid or received</b>	<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>	<b>All revenues and expenses during the year, regardless of when cash is received or paid</b>

**CITY OF WARNER ROBINS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**Government-Wide Financial Analysis**

Table 2 below presents the City's condensed statement of net position as of June 30, 2013, and 2012, derived from the government-wide Statement of Net Position.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current assets	\$ 36,715	\$ 30,792	\$ 51,247	\$ 55,957	\$ 87,962	\$ 86,749
Other Assets	--	--	5,897	--	5,897	--
Capital Assets	134,433	128,138	87,848	87,574	222,281	215,712
Total assets	<u>171,148</u>	<u>158,930</u>	<u>144,992</u>	<u>143,531</u>	<u>316,140</u>	<u>302,461</u>
Current liabilities	4,697	2,027	5,346	6,239	10,043	8,266
Long-term liabilities	10,625	6,213	44,313	44,088	54,938	50,301
Total liabilities	<u>15,322</u>	<u>8,240</u>	<u>49,659</u>	<u>50,327</u>	<u>64,981</u>	<u>58,567</u>
Net Position:						
Capital assets	\$ 128,595	\$ 127,633	\$ 48,290	\$ 39,544	\$ 176,885	\$ 167,177
Restricted	11,784	9,043	22,560	30,037	34,344	39,080
Unrestricted	15,447	14,014	24,483	23,623	39,930	37,637
Total net Position	<u>\$ 155,826</u>	<u>\$ 150,690</u>	<u>\$ 95,333</u>	<u>\$ 93,204</u>	<u>\$ 251,159</u>	<u>\$ 243,894</u>

By far the largest portion (\$177 million) of the City of Warner Robins' net position reflects 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 \$39 million as of June 30, 2013. Restricted net position (\$34 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 \$15 million.

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

Table 3 presents the City's condensed statement of activities for the fiscal year ended June 30, 2013 and 2012, 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 \$5 million and the net position of the business-type activities increased by \$2 million.

**CITY OF WARNER ROBINS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

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	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 10,624	\$ 9,678	\$ 50,356	\$ 49,262	\$ 60,980	\$ 58,940
Operating grants & Contributions	110	122	--	--	110	122
Capital grants & Contributions	8,174	7,514	676	2,468	8,850	9,982
General revenues:						
Property & other taxes	24,006	23,759	--	--	24,006	23,759
Sale of Land	320	--	--	--	320	--
Other	353	187	113	65	466	252
Total revenues	<u>\$ 43,587</u>	<u>\$ 41,260</u>	<u>\$ 51,145</u>	<u>\$ 51,795</u>	<u>\$ 94,732</u>	<u>\$ 93,055</u>
Expense:						
General government	\$ 7,514	\$ 6,848	\$ --	\$ --	\$ 7,514	\$ 6,848
Public safety	18,684	21,417	--	--	18,684	21,417
Public works (Streets)	9,625	8,083	--	--	9,625	8,083
Recreation	2,209	1,969	--	--	2,209	1,969
City development	2,621	2,396	--	--	2,621	2,396
Downtown Development	447	140	--	--	447	140
Other	96	7	--	--	96	7
Water & Sewer	--	--	13,787	13,165	13,787	13,165
Natural gas	--	--	21,634	20,039	21,634	20,039
Sanitation	--	--	8,051	7,812	8,051	7,812
Other enterprise funds	--	--	2,798	2,774	2,798	2,774
Total expenses	<u>\$ 41,196</u>	<u>\$ 40,860</u>	<u>\$ 46,270</u>	<u>\$ 43,790</u>	<u>\$ 87,466</u>	<u>\$ 84,650</u>
Increase (decrease) in net position before transfers	2,391	400	4,875	8,005	7,266	8,405
Transfers	2,745	(6,713)	(2,745)	6,713	--	--
Increase (decrease) in net position	5,136	(6,313)	2,130	14,718	7,266	8,405
Net Position - Beginning	150,690	157,003	93,203	78,486	243,893	235,489
Net Position - Ending	<u>\$ 155,826</u>	<u>\$ 150,690</u>	<u>\$ 95,333</u>	<u>\$ 93,204</u>	<u>\$ 251,159</u>	<u>\$ 243,894</u>

**CITY OF WARNER ROBINS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

**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 increased for governmental activities from fiscal year 2012 to fiscal year 2013.

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

Function/ Programs	Program Expenses	Less Program Revenues	Net Program Costs		Program Revenues as a Percentage of Program Expenses	
			2013	2012	2013	2012
			2013	2013	2013	2012
General government	\$7,514	\$4,820	\$2,694	\$2,261	64.1%	67.0%
Public safety	18,684	3,872	14,812	18,608	20.7%	13.1%
Recreation	2,209	392	1,817	1,539	17.7%	21.8%
Public works	9,625	6,129	3,496	1,665	63.7%	79.4%
City development	2,621	3,695	(1,074)	(674)	141.0%	128.1%
Other	542	--	542	148	0.0%	0.0%
<b>Total</b>	<b>\$41,195</b>	<b>\$18,908</b>	<b>\$22,287</b>	<b>\$23,547</b>	<b>45.9%</b>	<b>42.4%</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 2012 to fiscal year 2013.

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

Programs	Program Revenues	Less Program Expenses	Net Program Income/(Costs)		Program Expenses as a Percentage of Program Revenues	
			2013	2012	2013	2012
			2013	2013	2013	2012
Natural gas system	\$24,245	\$21,634	\$2,611	\$1,466	89.2%	93.2%
Water & Sewer system	15,758	13,787	1,971	5,481	87.5%	70.6%
Sanitation system	8,177	8,051	126	205	98.5%	97.4%
Other programs	2,852	2,798	54	789	98.1%	77.8%
<b>Total</b>	<b>\$51,032</b>	<b>\$46,270</b>	<b>\$4,762</b>	<b>\$7,941</b>	<b>90.7%</b>	<b>84.6%</b>

**CITY OF WARNER ROBINS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

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**Overall Analysis**

Financial highlights for the City as a whole during the fiscal year ended June 30, 2013, include the following:

- The assets of the City exceeded its liabilities (net position) at the close of the fiscal year by \$156 million for the governmental activities and by \$95 million for the business-type activities.
- The City's total net position increased during the year by \$7.2 million. Net position of governmental activities increased by \$5.1 million, while the net position of business-type activities increased by \$2.1 million. The increase in the net position of the City governmental activities is the result of proceeds from debt financing, transfers from the City's enterprise funds and the sales of fixed assets of the City's general fund and the Redevelopment Agency. The City's business-type funds overall reported positive net revenues for the year due to positive operating results and contributions from real estate development. 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 gross sales were 10% less than gross sales of Fiscal Year 2012 due to abnormal rain fall during the Fiscal Year 2013 resulting in less water usage for lawn irrigation. 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 decreased 4% as a result of increased program revenues related to charges for services and capital grants and contributions.

**Fund Analysis**

Funds that experienced significant changes during the fiscal year ended June 30, 2013, 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 \$33 million.

**General Fund**

The total General Fund's fund balances as of June 30, 2013 were \$16.4 million. In our implementation of the Governmental Accounting Standards Board (GASB) Statement #54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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, \$158 is non-spendable, \$1.9 million are committed and \$14.4 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 2013 is the result of fixed asset sales of \$320 thousand and transfers from the City's Enterprise Funds of \$3.8 million. FY 2013 General Fund revenues increased by \$1.8 million compared to FY 2012's revenues due to an increase in the City's tax digest as a result of annexations, and an

**CITY OF WARNER ROBINS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

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increase in the City's insurance premium tax collection as result of the increased population of the City per the 2010 census. The General Fund's expenditures increased by \$1 million (3% over FY 2012). Although the City's cost of providing group health benefits remained relatively flat in FY 2013 and a modest decrease in retirement contributions to the City's retirement plan, the increase in expenditures is attributable to increased employee wages as a result of an entity wide salary study performed at the end of FY 2012.

**Capital Project Fund/SPLOST**

The fund balance for the 2012 SPLOST, classified as a major fund in FY 2013, as of June 30, 2013 totaled \$4.7 million. The fund balance for the 2001 SPLOST totaled \$1.2 million, a decrease of \$54 thousand from June 30, 2012. The fund balance for the 2006 SPLOST totaled \$4.8 million, a decrease of \$2.3 million from June 30, 2012. 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 in December 2006 and the City's 2006 SPLOST ended in October 2012 and expenditures for projects will continue into Fiscal Year 2014.

**Proprietary Funds:**

The City's Proprietary Funds reported a net position of \$95 million, a 2% increase from the prior year. The City's internal service fund reported net position of \$568 thousand, an increase of 2% from the prior year.

**Water and Sewer Fund**

The Net Position of the Water and Sewer Fund increased by \$633 thousand providing a total net position balance of \$60 million at year end. The change in the balance of net position was a result of positive operating results (\$1.5 million) and from \$676 thousand in capital contributions from the City's SPLOST Funds and from real estate development. Operating results for FY 2013 excluding capital contributions and after transfers resulted in a net decrease of \$254; this decrease is attributable to a decrease in gross water and sewer sales as compared to FY 2012 sales due to abnormal rainfall for the FY 2013 which decreased usage for lawn irrigation.

**Natural Gas Fund**

The Net Position of the Natural Gas Fund increased by \$1 million, generated by increased usage by residential and commercial customers due to relatively normal winter weather, and by increased usage by the City's industrial customers in their manufacturing processes. Additionally, the City decreased operating transfers out to the City's General Fund.

**Sanitation Fund**

The Sanitation Fund reported a negative change in net position of \$31 thousand decreasing the net position balance to \$1 million at year end. The Fund's operating expenses have increased due to 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 2013.



**CITY OF WARNER ROBINS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Stormwater Drainage Fund (SWD)**

The SWD Fund reported its net position of \$16 million at year end. This increase was due to positive operating results for the fiscal year and transfers from the City's 2012 SPLOST for capital equipment purchases in the amount of \$158 thousand.

**Internal Service Funds:**

As of the close of the fiscal year, the City's internal service funds reported a combined ending net position of \$568 thousand.

**Group Health Fund**

Net Position of the City's Group Health Internal Service Fund reported a negative net position balance of (\$348 thousand) at year end. While claims 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.

**Worker's Compensation Fund**

Reported a net position of \$916 thousand, which was an increase of \$18 thousand over FY 2012.

**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 \$3.8 million. This difference is attributable to allocations from unreserved fund balance for prior year's encumbrances of \$2.9 million, to supplemental appropriations for unanticipated revenues of \$900 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, 2013, amounts to \$222 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.

**CITY OF WARNER ROBINS, GEORGIA  
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Major capital asset events during the current fiscal year included the following:

- The City's General fund expended \$1.5 million in the current fiscal year for vehicles, machinery and equipment, \$56 thousand for building improvements and \$962 thousand for land purchases for the future construction of a new recreation complex and parks.
- The Warner Robins Law Enforcement Center (LEC) began construction during FY 2012 and was completed in FY 2013 at a final cost of \$9.65 million, which includes furniture and fixtures costing \$487 thousand and land costing \$786 thousand. The project's final budgeted cost was \$10 million. The City's 2006 SPLOST contributed \$5.12 million of this cost, while the 2012 SPLOST will contribute \$4.45 million; the City transferred \$275 thousand during FY 2013 for the purpose of purchasing furniture and fixtures and the City's Community Development Block Grant Fund contributed \$112 thousand for demolition. At June 30, 2013, \$206 thousand was encumbered for additional furniture and fixture purchases.
- 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 2013, \$7.2 million has been spent on the project.
- 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 \$56 thousand. Amounts expended from the 2006 SPLOST fund for sidewalk improvement totaled \$109 thousand, for street light projects totaled \$152 thousand, for street projects totaled \$26 thousand, for building project totaled \$2.1 million and for sewer line improvements totaled \$369 thousand. Amounts expended from the 2012 SPLOST for vehicle and equipment totaled \$787 thousand and \$6 thousand for sidewalk improvements. The vehicle and equipment purchases for the 2012 SPLOST were financed through a capital lease loan which will be repaid by the 2012 SPLOST Fund.

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

**Long-term Debt**

As of June 30, 2013, the City reported a total debt balance of \$59 million. The total debt increased by \$5 million from Fiscal Year 2012. The current portion of this debt is comprised of Claims Payable (\$107 thousand), Compensated Absences (\$207 thousand), Capital Leases (\$690 thousand) and Bonds, Notes and Accrued Interest (\$3.5 million). The non-current portion is comprised of Compensated Absences (\$1.3 million), Capital Leases (\$6.5 million), Other Post-Employment Benefits (\$6.7 million) and Bonds and Notes (\$40.4 million). The City's increase in total debt was due to the lease purchase of various public safety vehicles and public works equipment through the Georgia Municipal Association (\$1.8 million), issuance of a revenue bonds for the construction of Law Enforcement Center (\$4.45 million) and 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," increased by \$1.14 million.

**CITY OF WARNER ROBINS, GEORGIA  
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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 2012 was \$1.66 billion. The legal limit of general obligation debt for the City is \$166 million. As of June 30, 2013, 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.

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

- The unemployment rate for the Warner Robins Metropolitan Statistical Area at the fiscal year-end was 8.3%, a slight increase over last fiscal year's unemployment rate of 8.1%. The State's rate was 9% at the fiscal year-end. Over the last three fiscal years, the Area's unemployment rate has averaged at this 8% level.
- The City's 2012 net taxable digest (Fiscal Year 2013 income) experienced a modest increase of 2% over the net taxable digest of 2011 (Fiscal Year 2012 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 703 building permits in calendar year 2012 and 409 from January 2013 to June 2013 signaling an improving residential and commercial construction market.
- The City annexed in Fiscal Year 2013 un-incorporated islands within the City proper which will increase its taxable digest base. While these annexations, they will provide future income streams, the City also assumed the cost of providing services to these areas.
- 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; estimated population at July 1, 2011 is 68,500. In the year 2001, the City and Houston County were designated as a metropolitan statistical area.
- Cash collections from the 2012 SPLOST are 7.74% less than original projections as of June 30, 2013.

City officials considered these factors in making judgments and estimates in developing the general fund budget for fiscal year 2014. The City approved a budget appropriation for Fiscal Year 2014 in the amount of \$35.6 million, a decrease of 1 percent from the 2012 budget of \$35.8 million. Tax revenues will provide 60% of this appropriation. The majority of the remaining 40% of appropriations will be financed by selective sales and use taxes (17%) and other financing revenues (10%). The City will use these revenues to finance programs currently offered and to finance increased program costs due to the City's growth.

**CITY OF WARNER ROBINS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

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Budgeted expenditures declined 1% over fiscal year 2013 original budgeted appropriations. This modest decrease in appropriations is attributable to the City's use of the 2012 and 2006 SPLOST funds for capital expenditures for public safety and public works, and due to a modest decline in health care costs experienced in the City's Group Health Fund. The City did not add any new programs to the 2013 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 increase due to additional customers gained through the City's recent annexations. Net revenues will decrease in the City's Sanitation Fund due to increased costs of contracted services. The City's Natural Gas Fund is expected to end the year with a modest increase in net revenues.

**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.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 31,400,922	\$ 23,500,210	\$ 54,901,132
Investments	--	846	846
Accounts receivable, net	1,652,967	4,519,733	6,172,700
Internal balances	(502,914)	502,914	--
Due from other governments	1,808,044	49,518	1,857,562
Inventories, at cost	1,286,047	226,192	1,512,239
Prepaid items	553,128	11,854	564,982
Restricted assets -			
Cash and cash equivalents	517,299	22,435,447	22,952,746
<b>Total current assets</b>	<b>36,715,493</b>	<b>51,246,714</b>	<b>87,962,207</b>
<b>Non-current assets:</b>			
Receivables	--	5,897,507	5,897,507
Land and other non-depreciable assets	24,798,556	11,362,035	36,160,591
Capital assets, net of accumulated depreciation	109,634,221	76,485,768	186,119,989
<b>Total non-current assets</b>	<b>134,432,777</b>	<b>93,745,310</b>	<b>228,178,087</b>
<b>Total assets</b>	<b>\$ 171,148,270</b>	<b>\$ 144,992,024</b>	<b>\$ 316,140,294</b>

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b><u>LIABILITIES:</u></b>			
Current liabilities:			
Cash overdraft	\$ --	\$ 337,559	\$ 337,559
Accounts payable	1,443,318	2,623,956	4,067,274
Accrued payroll/related liabilities	605,785	70,831	676,616
Claims payable	107,434	--	107,434
Compensated absences	180,839	26,453	207,292
Unearned revenue	436,385	--	436,385
Security deposits	27,744	--	27,744
Capital lease obligations	427,012	263,281	690,293
Accrued interest payable	--	583,241	583,241
Bonds, notes and loans payable	1,468,653	1,440,728	2,909,381
Total current liabilities	<u>4,697,170</u>	<u>5,346,049</u>	<u>10,043,219</u>
Non-current liabilities:			
Compensated absences	1,110,866	150,219	1,261,085
Capital lease obligations	1,565,529	5,018,218	6,583,747
Accrued interest payable	--	5,152,352	5,152,352
OPEB liability	5,571,859	1,156,493	6,728,352
Bonds, notes and loans payable	2,376,674	32,835,230	35,211,904
Total non-current liabilities	<u>10,624,928</u>	<u>44,312,512</u>	<u>54,937,440</u>
Total liabilities	<u>15,322,098</u>	<u>49,658,561</u>	<u>64,980,659</u>
<b><u>NET POSITION:</u></b>			
Net investment in capital assets	128,594,909	48,290,346	176,885,255
Restricted for debt service	--	125,000	125,000
Restricted for capital projects	12,301,252	22,435,447	34,736,699
Unrestricted	14,930,011	24,482,670	39,412,681
Total net position	<u>\$ 155,826,172</u>	<u>\$ 95,333,463</u>	<u>\$ 251,159,635</u>

See accompanying notes to financial statements and independent auditor's report.

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
General government	\$ 7,513,503	\$ 4,819,944	\$ --
Public safety	18,684,101	1,678,667	--
Recreation	2,209,175	392,312	--
Public works	9,625,119	38,498	109,981
City development	2,620,858	3,694,753	--
Downtown development	447,209	--	--
Interest on long-term debt	95,630	--	--
Total governmental activities	<u>41,195,595</u>	<u>10,624,174</u>	<u>109,981</u>
Business-type activities:			
Natural Gas System	21,633,923	24,244,519	--
Water and Sewer System	13,787,085	15,240,738	--
Sanitation System	8,050,689	8,018,191	--
Storm Water Drainage	2,292,044	2,547,984	--
International City Golf Course	505,846	304,079	--
Total business-type activities	<u>46,269,587</u>	<u>50,355,511</u>	<u>--</u>
Total primary government	<u>\$ 87,465,182</u>	<u>\$ 60,979,685</u>	<u>\$ 109,981</u>

General revenues:  
Property taxes  
Other taxes  
Franchise fees  
Interest income  
Sale of assets  
Miscellaneous  
Transfers  
Total general revenues and transfers  
Change in net position  
Net position - beginning  
Net position - ending



Program Revenues Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
\$ --	\$ (2,693,559)	\$ --	\$ (2,693,559)
2,193,679	(14,811,755)	--	(14,811,755)
--	(1,816,863)	--	(1,816,863)
5,980,517	(3,496,123)	--	(3,496,123)
--	1,073,895	--	1,073,895
--	(447,209)	--	(447,209)
--	(95,630)	--	(95,630)
<u>8,174,196</u>	<u>(22,287,244)</u>	<u>--</u>	<u>(22,287,244)</u>
--	--	2,610,596	2,610,596
517,479	--	1,971,132	1,971,132
158,354	--	125,856	125,856
--	--	255,940	255,940
--	--	(201,767)	(201,767)
<u>675,833</u>	<u>--</u>	<u>4,761,757</u>	<u>4,761,757</u>
<u>\$ 8,850,029</u>	<u>(22,287,244)</u>	<u>4,761,757</u>	<u>(17,525,487)</u>
	17,496,437	--	17,496,437
	2,796,261	--	2,796,261
	3,712,450	--	3,712,450
	24,024	35,642	59,666
	320,102	25,641	345,743
	329,025	51,810	380,835
	2,744,907	(2,744,907)	--
	<u>27,423,206</u>	<u>(2,631,814)</u>	<u>24,791,392</u>
	<u>5,135,962</u>	<u>2,129,943</u>	<u>7,265,905</u>
	<u>150,690,210</u>	<u>93,203,520</u>	<u>243,893,730</u>
	<u>\$ 155,826,172</u>	<u>\$ 95,333,463</u>	<u>\$ 251,159,635</u>

See accompanying notes to financial statements and independent auditor's report.

**CITY OF WARNER ROBINS, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	General Fund	SPLOST 2012 Capital Projects	Redevelopment Agency Special Revenue	Non-Major Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 15,842,061	\$ 3,414,379	\$ 877,789	\$ 8,897,155	\$ 29,031,384
Accounts receivable -					
net of uncollectable accounts	705,331	--	13,986	933,650	1,652,967
Due from other governments	736,668	979,271	--	92,105	1,808,044
Due from other funds	1,031,534	--	5,119	3,370	1,040,023
Prepaid expenses	98,070	367,887	--	--	465,957
Inventory of gas, oil, and supplies	60,387	--	--	--	60,387
Real estate-held for investment/resale	--	--	1,160,673	64,987	1,225,660
Restricted-					
Cash and cash equivalents	--	--	517,299	--	517,299
<b>Total assets</b>	<b>\$ 18,474,051</b>	<b>\$ 4,761,537</b>	<b>\$ 2,574,866</b>	<b>\$ 9,991,267</b>	<b>\$ 35,801,721</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b>LIABILITIES</b>					
Accounts payable and accrued costs	\$ 539,744	\$ --	\$ 362,042	\$ 58,455	\$ 960,241
Accrued payroll/related expenses	568,963	22,932	--	13,890	605,785
Unearned revenue	998,253	--	18,869	96,409	1,113,531
Due to other funds	3,370	--	128,890	4,945	137,205
Escrow funds	--	--	--	27,744	27,744
<b>Total liabilities</b>	<b>2,110,330</b>	<b>22,932</b>	<b>509,801</b>	<b>201,443</b>	<b>2,844,506</b>
<b>FUND BALANCES</b>					
Nonspendable, inventories	60,387	--	--	--	60,387
Nonspendable, prepaid items	98,070	--	--	--	98,070
Restricted, capital projects fund	--	4,738,605	517,299	7,045,348	12,301,252
Committed, general government	110,991	--	--	--	110,991
Committed, public safety	305,169	--	--	--	305,169
Committed, public works	881,661	--	--	--	881,661
Committed, recreation	500,739	--	--	--	500,739
Committed, city development	73,594	--	--	--	73,594
Committed, special programs	--	--	1,547,766	2,744,476	4,292,242
Unassigned, general fund	14,333,110	--	--	--	14,333,110
<b>Total fund balances</b>	<b>16,363,721</b>	<b>4,738,605</b>	<b>2,065,065</b>	<b>9,789,824</b>	<b>32,957,215</b>
<b>Total liabilities, and fund balances</b>	<b>\$ 18,474,051</b>	<b>\$ 4,761,537</b>	<b>\$ 2,574,866</b>	<b>\$ 9,991,267</b>	<b>\$ 35,801,721</b>

See accompanying notes to financial statements and independent auditor's report.

**CITY OF WARNER ROBINS, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

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Fund balance - total governmental funds (page 17)	\$ 32,957,215
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.	134,432,777
Certain long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	677,146
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.	(1,399,139)
OPEB liabilities and expenses are not reported in the governmental funds.	(5,571,859)
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.	(5,837,868)
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>567,900</u>
Net position of governmental activities (page 15)	<u>\$155,826,172</u>

See accompanying notes to financial statements and independent auditor's report.

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNEMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	General Fund	SPLOST 2012 Capital Projects	Redevelopment Agency Special Revenue	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
General property taxes	\$ 17,480,270	\$ --	\$ --	\$ --	\$ 17,480,270
Other taxes	4,946,367	--	--	1,562,344	6,508,711
Licenses and permits	1,731,089	--	--	--	1,731,089
Fines and forfeitures	1,145,049	--	--	80,884	1,225,933
Intergovernmental	1,156,635	4,657,621	675,027	982,584	7,471,867
Other revenue	6,458,331	974	173,903	153,901	6,787,109
Total revenues	<u>32,917,741</u>	<u>4,658,595</u>	<u>848,930</u>	<u>2,779,713</u>	<u>41,204,979</u>
<b>EXPENDITURES:</b>					
Current:					
General government	6,549,254	--	--	--	6,549,254
Public safety	19,328,645	--	4,305,207	72,615	23,706,467
Recreation	2,806,868	--	--	88,344	2,895,212
Public works	4,161,460	--	--	--	4,161,460
City development	1,112,963	--	--	1,133,564	2,246,527
Downtown development	--	--	447,209	--	447,209
Intergovernmental -					
Payments to other governmental agencies	701,834	--	--	--	701,834
Debt service	--	222,351	677,383	--	899,734
Capital outlay -					
Special purpose	--	1,539,139	--	2,808,552	4,347,691
Total expenditures	<u>34,661,024</u>	<u>1,761,490</u>	<u>5,429,799</u>	<u>4,103,075</u>	<u>45,955,388</u>
<b>EXCESS OF REVENUES (UNDER)/OVER</b>					
EXPENDITURES	<u>(1,743,283)</u>	<u>2,897,105</u>	<u>(4,580,869)</u>	<u>(1,323,362)</u>	<u>(4,750,409)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Capital lease	--	1,841,500	--	--	1,841,500
Proceeds from debt	--	--	4,450,000	--	4,450,000
Sale of assets	320,102	--	--	--	320,102
Transfer in	3,843,920	--	400,334	720,272	4,964,526
Transfer out	(418,535)	--	--	(1,295,991)	(1,714,526)
Total other financing sources (uses), net	<u>3,745,487</u>	<u>1,841,500</u>	<u>4,850,334</u>	<u>(575,719)</u>	<u>9,861,602</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,002,204	4,738,605	269,465	(1,899,081)	5,111,193
<b>FUND BALANCES, Beginning</b>	<u>14,361,517</u>	<u>--</u>	<u>1,795,600</u>	<u>11,688,905</u>	<u>27,846,022</u>
<b>FUND BALANCES, Ending</b>	<u>\$ 16,363,721</u>	<u>\$ 4,738,605</u>	<u>\$ 2,065,065</u>	<u>\$ 9,789,824</u>	<u>\$ 32,957,215</u>

See accompanying notes to financial statements and independent auditor's report.

**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, 2013**

Net change in fund balances - total governmental funds (page 19) \$ 5,111,193

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. (327,553)

Governmental funds do not report general capital assets or the related fund balances. General capital assets having a net book value of \$505,093 were transferred to a proprietary fund and are presented as part of net transfers on the statement of activities. The net book value is presented as a capital contribution in the fund financial statements. (505,093)

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. 7,127,542

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 27,193

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. (6,291,500)

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. 958,737

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. 8,806

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 (\$86,443) and the OPEB liability of \$(930,742). (1,017,185)

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. 43,822

Change in net position of governmental activities (page 16) \$ 5,135,962

See accompanying notes to financial statements and independent auditor's report.

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2013**

	Business-type Activities -	
	Enterprise Funds	
	Major	
	Natural Gas System	Water and Sewer System
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 11,315,593	\$ 10,573,163
Investments	--	846
Accounts receivable, net	1,978,872	1,431,331
Due from other governments	--	49,518
Due from other funds	111,702	270,304
Inventories, at cost	--	226,192
Prepaid items	11,854	--
Restricted-		
Cash and cash equivalents	791,813	21,643,634
Total current assets	<u>14,209,834</u>	<u>34,194,988</u>
<b>NON CURRENT ASSETS:</b>		
Receivable	5,897,507	--
Due from other funds	228,890	--
Land and other non depreciable assets	605,585	8,467,536
Capital assets, net of accumulated depreciation	8,783,365	52,552,099
Total non current assets	<u>15,515,347</u>	<u>61,019,635</u>
Total assets	<u>\$ 29,725,181</u>	<u>\$ 95,214,623</u>

Business-type Activities - Enterprise Funds				Governmental Activities
Major		Nonmajor		Internal Service Funds
Sanitation System	Storm Water Drainage	International City Golf Course	Total	
\$ 837,385	\$ 774,069	\$ --	\$ 23,500,210	\$ 2,369,538
--	--	--	846	--
854,885	254,530	115	4,519,733	--
--	--	--	49,518	--
--	11,934	16,979	410,919	39,662
--	--	--	226,192	--
--	--	--	11,854	87,171
--	--	--	22,435,447	--
<u>1,692,270</u>	<u>1,040,533</u>	<u>17,094</u>	<u>51,154,719</u>	<u>2,496,371</u>
--	--	--	5,897,507	--
--	--	--	228,890	--
--	704,956	1,583,958	11,362,035	--
<u>8,141</u>	<u>14,730,634</u>	<u>411,529</u>	<u>76,485,768</u>	<u>--</u>
<u>8,141</u>	<u>15,435,590</u>	<u>1,995,487</u>	<u>93,974,200</u>	<u>--</u>
<u>\$ 1,700,411</u>	<u>\$ 16,476,123</u>	<u>\$ 2,012,581</u>	<u>\$ 145,128,919</u>	<u>\$ 2,496,371</u>

See accompanying notes to financial statements and independent auditor's report.

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2013**

	Business-type Activities -	
	Enterprise Funds	
	Major	
	Natural Gas System	Water and Sewer System
<b><u>LIABILITIES AND NET POSITION</u></b>		
<b>CURRENT LIABILITIES:</b>		
(Payable from current assets)		
Cash overdraft	\$ --	\$ --
Accounts payable	1,667,201	156,694
Accrued payroll/related liabilities	--	54,594
Due to other funds	512	--
Compensated absences	--	24,080
Capital lease payable	215,000	15,966
Accrued interest	60,175	523,066
Bonds, notes, and loans payable	15,683	1,425,045
Total current liabilities	<u>1,958,571</u>	<u>2,199,445</u>
<b>NON CURRENT LIABILITIES:</b>		
Compensated absences	--	136,453
Capital lease obligations	4,859,941	55,418
Accrued interest	5,152,352	--
OPEB liability	283,939	592,771
Bonds, notes and loans payable	181,592	32,653,638
Due to other funds - advance payable	--	--
Total non current liabilities	<u>10,477,824</u>	<u>33,438,280</u>
Total liabilities	<u>12,436,395</u>	<u>35,637,725</u>
<b>NET POSITION:</b>		
Net investment in capital assets	4,116,734	26,869,568
Restricted for debt service	--	125,000
Restricted for capital projects	791,813	21,643,634
Unrestricted	12,380,239	10,938,696
Total net position	<u>17,288,786</u>	<u>59,576,898</u>
Total liabilities and net position	<u>\$ 29,725,181</u>	<u>\$ 95,214,623</u>



Business-type Activities - Enterprise Funds				Governmental Activities
Major		Nonmajor		Internal Service Funds
Sanitation System	Storm Water Drainage	International City Golf Course	Total	
\$ --	\$ --	\$ 337,559	\$ 337,559	\$ --
659,109	128,931	12,021	2,623,956	483,077
--	11,213	5,024	70,831	--
389	35,994	--	36,895	1,445,394
--	870	1,503	26,453	--
--	--	32,315	263,281	--
--	--	--	583,241	--
--	--	--	1,440,728	--
<u>659,498</u>	<u>177,008</u>	<u>388,422</u>	<u>5,382,944</u>	<u>1,928,471</u>
--	3,709	10,057	150,219	--
--	--	102,859	5,018,218	--
--	--	--	5,152,352	--
--	201,728	78,055	1,156,493	--
--	--	--	32,835,230	--
--	--	100,000	100,000	--
--	<u>205,437</u>	<u>290,971</u>	<u>44,412,512</u>	--
<u>659,498</u>	<u>382,445</u>	<u>679,393</u>	<u>49,795,456</u>	<u>1,928,471</u>
8,141	15,435,590	1,860,313	48,290,346	--
--	--	--	125,000	--
--	--	--	22,435,447	--
<u>1,032,772</u>	<u>658,088</u>	<u>(527,125)</u>	<u>24,482,670</u>	<u>567,900</u>
<u>1,040,913</u>	<u>16,093,678</u>	<u>1,333,188</u>	<u>95,333,463</u>	<u>567,900</u>
<u>\$ 1,700,411</u>	<u>\$ 16,476,123</u>	<u>\$ 2,012,581</u>	<u>\$ 145,128,919</u>	<u>\$ 2,496,371</u>

See accompanying notes to financial statements and independent auditor's report.

**CITY OF WARNER ROBINS, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

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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)	\$ 145,128,919
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.	200,664
Elimination of interfund receivables relating to cash overdrafts reflected as due from other funds.	<u>(337,559)</u>
Total assets for Statement of Net Position - Business-type Activities (page 15)	<u><u>\$ 144,992,024</u></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)	\$ 49,795,456
Elimination of interfund payables relating to amounts received by one fund for payments received on their behalf and not reimbursed as of year end.	200,664
Elimination of interfund payables relating to cash overdrafts reflected as due to other funds.	<u>(337,559)</u>
Total liabilities for Statement of Net Position - Business-type Activities (page 15)	<u><u>\$ 49,658,561</u></u>

See accompanying notes to financial statements and independent auditor's report.

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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, 2013**

	Business-type Activities -	
	Enterprise Funds	
	Major	
	Natural Gas System	Water and Sewer System
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 22,213,055	\$ 13,408,742
Connection charges	--	478,668
Penalties and cut-on fees	--	302,267
Miscellaneous	195,050	1,051,061
Refund-Southern Natural Gas	1,096,741	--
Distribution line income	739,673	--
Total operating revenues	<u>24,244,519</u>	<u>15,240,738</u>
<b>OPERATING EXPENSES:</b>		
Purchases/cost of sales	17,899,637	--
Personnel services	1,841,768	4,374,310
Operating expenses	183,543	4,042,988
Repairs and maintenance	136,106	268,621
Supplies	165,683	1,278,165
Distribution line expense	851,749	--
Bad debt expense	125,417	384,821
Depreciation	408,864	2,138,516
Insurance	21,156	142,833
Total operating expenses	<u>21,633,923</u>	<u>12,630,254</u>
Operating income (loss)	<u>2,610,596</u>	<u>2,610,484</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Interest earned	19,968	14,522
Interest expense and fees	--	(1,152,462)
Amortization of bond expense	--	(4,369)
Rental income	--	51,810
Gain on sale of capital assets	--	25,641
Total non-operating revenues (expenses), net	<u>19,968</u>	<u>(1,064,858)</u>
Income (loss) before capital contributions and transfers	<u>2,630,564</u>	<u>1,545,626</u>
<b>CAPITAL CONTRIBUTIONS</b>		
Capital contribution - SPLOST	--	369,492
Capital contribution - developers	--	517,479
Total contributions	<u>--</u>	<u>886,971</u>
Income (loss) before transfers	<u>2,630,564</u>	<u>2,432,597</u>
<b>TRANSFERS IN (OUT)</b>		
Transfers in	--	--
Transfers out	(1,600,000)	(1,800,000)
Total transfers	<u>(1,600,000)</u>	<u>(1,800,000)</u>
<b>CHANGE IN NET POSITION</b>	<u>1,030,564</u>	<u>632,597</u>
<b>NET POSITION, Beginning</b>	<u>16,258,222</u>	<u>58,944,301</u>
<b>NET POSITION, Ending</b>	<u>\$ 17,288,786</u>	<u>\$ 59,576,898</u>

Business-type Activities - Enterprise Funds				Governmental Activities
Major		Nonmajor		Internal Service Funds
Sanitation System	Storm Water Drainage	International City Golf Course	Total	
\$ 7,828,892	\$ 2,493,760	\$ 282,959	\$ 46,227,408	\$ 8,408,722
--	--	--	478,668	--
163,445	43,559	--	509,271	--
25,854	10,665	21,120	1,303,750	--
--	--	--	1,096,741	--
--	--	--	739,673	--
<u>8,018,191</u>	<u>2,547,984</u>	<u>304,079</u>	<u>50,355,511</u>	<u>8,408,722</u>
--	--	--	17,899,637	--
--	1,267,001	317,820	7,800,899	--
7,899,704	347,079	17,605	12,490,919	8,405,515
--	24,513	14,753	443,993	--
--	127,980	92,534	1,664,362	--
--	--	--	851,749	--
149,568	34,032	--	693,838	--
1,417	491,439	58,643	3,098,879	--
--	--	--	163,989	--
<u>8,050,689</u>	<u>2,292,044</u>	<u>501,355</u>	<u>45,108,265</u>	<u>8,405,515</u>
<u>(32,498)</u>	<u>255,940</u>	<u>(197,276)</u>	<u>5,247,246</u>	<u>3,207</u>
1,152	--	--	35,642	5,597
--	--	(4,491)	(1,156,953)	--
--	--	--	(4,369)	--
--	--	--	51,810	--
--	--	--	25,641	--
<u>1,152</u>	<u>--</u>	<u>(4,491)</u>	<u>(1,048,229)</u>	<u>5,597</u>
<u>(31,346)</u>	<u>255,940</u>	<u>(201,767)</u>	<u>4,199,017</u>	<u>8,804</u>
--	--	135,601	505,093	--
--	158,354	--	675,833	--
--	158,354	135,601	1,180,926	--
<u>(31,346)</u>	<u>414,294</u>	<u>(66,166)</u>	<u>5,379,943</u>	<u>8,804</u>
--	--	150,000	150,000	--
--	--	--	(3,400,000)	--
--	--	150,000	(3,250,000)	--
<u>(31,346)</u>	<u>414,294</u>	<u>83,834</u>	<u>2,129,943</u>	<u>8,804</u>
<u>1,072,259</u>	<u>15,679,384</u>	<u>1,249,354</u>	<u>93,203,520</u>	<u>559,096</u>
<u>\$ 1,040,913</u>	<u>\$ 16,093,678</u>	<u>\$ 1,333,188</u>	<u>\$ 95,333,463</u>	<u>\$ 567,900</u>

See accompanying notes to financial statements and independent auditor's report.

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Business-type Activities -	
	Enterprise Funds	
	Major	
	Natural Gas System	Water and Sewer System
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 23,422,654	\$ 15,552,420
Cash paid to suppliers for goods and services and claims paid	(18,918,495)	(5,720,315)
Cash received from other funds for goods and services	--	--
Cash received from miscellaneous services	--	--
Cash received for claims reimbursement	--	--
Cash paid to employees for services	(1,800,298)	(4,264,352)
Net cash provided (used) by operating activities	<u>2,703,861</u>	<u>5,567,753</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfers in (out)	(1,600,000)	(1,800,000)
Due from (to) other funds, net	--	--
Net cash provided (used) by noncapital financing activities	<u>(1,600,000)</u>	<u>(1,800,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Principal payments:		
Bonds, notes, and loans payable	--	(1,764,445)
Capital leases	(210,000)	(15,213)
Acquisition and construction of capital assets	(405,791)	(8,489,523)
Capital contributions - SPLOST	--	369,492
Capital contributions - developers	--	517,479
Interest and fees paid on revenue bonds payable and notes payable	261,988	(669,851)
Proceeds from sale of capital assets	--	25,641
Net cash used for capital and related financing activities	<u>(353,803)</u>	<u>(10,026,420)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from investment	--	125
Interest income on investments	19,968	14,522
Rental income	--	51,810
Net cash provided by investing activities	<u>19,968</u>	<u>66,457</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>770,026</b>	<b>(6,192,210)</b>
CASH, Beginning	<u>11,337,380</u>	<u>38,409,007</u>
CASH, Ending	<u>\$ 12,107,406</u>	<u>\$ 32,216,797</u>

Business-type Activities - Enterprise Funds				Governmental Activities
Major		Nonmajor		Internal Service Funds
Sanitation System	Storm Water Drainage	International City Golf Course	Total	
\$ 7,891,389	\$ 2,509,588	\$ 282,954	\$ 49,659,005	\$ 677,651
(7,739,218)	(190,812)	(304,712)	(32,873,552)	(8,209,341)
--	--	--	--	7,641,612
--	54,224	21,121	75,345	--
--	--	--	--	89,459
(150,000)	(1,487,625)	(304,328)	(8,006,603)	--
2,171	885,375	(304,965)	8,854,195	199,381
--	--	150,000	(3,250,000)	--
--	--	--	--	(562,212)
--	--	150,000	(3,250,000)	(562,212)
--	--	--	(1,764,445)	--
--	--	(31,377)	(256,590)	--
--	(735,376)	(178,196)	(9,808,886)	--
--	--	135,601	505,093	--
--	158,354	--	675,833	--
--	--	(4,491)	(412,354)	--
--	--	--	25,641	--
--	(577,022)	(78,463)	(11,035,708)	--
--	--	--	125	--
1,152	--	--	35,642	5,597
--	--	--	51,810	--
1,152	--	--	87,577	5,597
3,323	308,353	(233,428)	(5,343,936)	(357,234)
834,062	465,716	(104,131)	50,942,034	2,726,772
\$ 837,385	\$ 774,069	\$ (337,559)	\$ 45,598,098	\$ 2,369,538

See accompanying notes to financial statements and independent auditor's report.

**CITY OF WARNER ROBINS, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Business-type Activities - Enterprise Funds	
	Major	
	Natural Gas System	Water and Sewer System
<b>RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET:</b>		
Cash, beginning:		
Current	\$ 10,881,368	\$ 8,079,165
Restricted	456,012	30,329,842
Total	11,337,380	38,409,007
Net increase (decrease):		
Current	434,225	2,493,998
Restricted	335,801	(8,686,208)
Total	770,026	(6,192,210)
Cash, ending:		
Current	11,315,593	10,573,163
Restricted	791,813	21,643,634
Total	\$ 12,107,406	\$ 32,216,797
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ 2,610,596	\$ 2,610,484
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	408,864	2,138,516
Decrease (increase) in assets:		
Accounts receivable	(624,654)	715,670
Due from other governments	--	(19,167)
Inventory	--	17,732
Prepaid items	10,345	64,512
Increase (decrease) in liabilities:		
Accounts payable / accrued expenses	329,034	(67,984)
Due to other funds	(71,794)	--
OPEB liability	41,470	113,615
Compensated absences payable	--	(5,625)
Total adjustments	93,265	2,957,269
Net cash provided (used) by operating activities	\$ 2,703,861	\$ 5,567,753



Business-type Activities - Enterprise Funds				Governmental Activities
Major		Nonmajor		
Sanitation System	Storm Water Drainage	International City Golf Course	Total	Internal Service Funds
\$ 834,062	\$ 465,716	\$ (104,131)	\$ 20,156,180	\$ 2,726,772
--	--	--	30,785,854	--
<u>834,062</u>	<u>465,716</u>	<u>(104,131)</u>	<u>50,942,034</u>	<u>2,726,772</u>
3,323	308,353	(233,428)	3,006,471	(357,234)
--	--	--	(8,350,407)	--
<u>3,323</u>	<u>308,353</u>	<u>(233,428)</u>	<u>(5,343,936)</u>	<u>(357,234)</u>
837,385	774,069	(337,559)	23,162,651	2,369,538
--	--	--	22,435,447	--
<u>\$ 837,385</u>	<u>\$ 774,069</u>	<u>\$ (337,559)</u>	<u>\$ 45,598,098</u>	<u>\$ 2,369,538</u>
\$ (32,498)	\$ 255,940	\$ (197,276)	\$ 5,247,246	\$ 3,207
1,417	491,439	58,643	3,098,879	--
22,765	346	(3)	114,124	--
--	31,910	(16,979)	(4,236)	--
--	--	--	17,732	--
--	--	2,173	77,030	(5,675)
10,487	67,031	(166,622)	171,946	201,849
--	--	--	(71,794)	--
--	39,198	14,508	208,791	--
--	(489)	591	(5,523)	--
<u>34,669</u>	<u>629,435</u>	<u>(107,689)</u>	<u>3,606,949</u>	<u>196,174</u>
<u>\$ 2,171</u>	<u>\$ 885,375</u>	<u>\$ (304,965)</u>	<u>\$ 8,854,195</u>	<u>\$ 199,381</u>

See accompanying notes to financial statements and independent auditor's report.

**NOTES TO FINANCIAL STATEMENTS**

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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**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.

The City of Warner Robins did not have any discretely presented component units presented in the government wide financial statements at June 30, 2013.

**1. 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.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. REPORTING ENTITY**

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

Although a legally separate entity, the DDA is appropriately blended as part of the Redevelopment Agency 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.

**2. Joint Ventures**

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

*Jointly Owned Natural Gas (JONG)*

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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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, 2013, the City paid \$66,588 in such dues. Membership in a Regional Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Regional Commissions of Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission.

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

**3. Related Organization**

*Warner Robins Housing Authority (WRHA)*

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

**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, 2013**

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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, 2013

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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 *Redevelopment Agency Special Revenue Fund* was established to implement the urban redevelopment plan as well as aid in the development of downtown Warner Robins.

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, 2013**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

*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.

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, 2013**

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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, 2013

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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 NAV. Minimum investment is \$1,000,000, and GEAP operates in a manner consistent with Georgia Fund 1.

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

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

- 2. *Receivables*** - Property taxes are levied on property as of January 1st of each year. The City billed property owners on October 22, and taxes were due on December 20. The tax levy was set on October 15, 2012. 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, 2013

---

**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, 2013

---

**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. **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.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. ASSETS, LIABILITIES AND EQUITY**

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

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

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

9. ***Fund Balance Classification*** – Fund balance reporting reflects GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, beginning in fiscal year 2011. 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, 2013, the classifications used in the governmental fund financial statements are as follows:

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. ASSETS, LIABILITIES AND EQUITY**

- **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.
- **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.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. ASSETS, LIABILITIES AND EQUITY**

**10. *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.

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

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

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

All other interfund transactions are reported as transfers.

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. ASSETS, LIABILITIES AND EQUITY**

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

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

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

**A. BUDGETARY INFORMATION**

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

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



**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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

**A. BUDGETARY INFORMATION**

(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	\$35,786,086
Prior year encumbrances carry forward	2,393,392
Legally adopted budget amendments	<u>1,668,551</u>
Final revised budget	<u>\$39,848,029</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 2013.

**D. DEFICIT FUND EQUITY**

At June 30, 2013, the Group Health Insurance Fund, a non-major internal service fund, has a deficit fund balance of \$347,957.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**III. DETAIL NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

A summary of the City's deposits and investments at June 30, 2013 follows:

<u>Account Balances</u>	
Petty cash	\$ 505,008
Demand deposits, net of cash overdraft of \$337,559	34,537,283
Investments	42,474,874
	<u>\$ 77,517,165</u>

<u>Ownership of Funds</u>	
<u>Primary Government:</u>	
Governmental funds:	
Cash and cash equivalents	\$ 29,031,384
Restricted cash and cash equivalents	517,299
Proprietary funds:	
Cash and cash equivalents, net of cash overdraft of \$337,559	23,162,651
Restricted cash and cash equivalents	22,435,447
Investments	846
Internal service funds:	
Cash and cash equivalents	2,369,538
Total primary government	<u>\$ 77,517,165</u>

As of June 30, 2013, the City had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Georgia Fund 1 (investment pool)	less than 60 day average	\$ 39,300,286
GEAP (investment pool)	less than 60 day average	3,173,742
U.S. Government Securities	January 20, 2018	846
		<u>\$ 42,474,874</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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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, 2013, 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, 2013 was \$846.

**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, 2013, real estate held for investment and/or resale in the Community Development Fund was \$64,987.

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, 2013, real estate held for investment and/or resale in the Redevelopment Agency Fund was \$1,160,673.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

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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)	\$ 534,120
Business licenses (net)	17,474
Other	153,737
Total Major Governmental Fund	<u>705,331</u>
Redevelopment Agency Fund	
Motor Vehicle Tax receivables (net)	13,986
Total Redevelopment Agency	<u>13,986</u>
Total Major Governmental Funds	<u>719,317</u>
Non-Major Governmental Fund -	
Accounts receivable (net)	933,650
Total Governmental Fund	<u>\$ 1,652,967</u>
Major Proprietary Funds -	
Accounts receivable (net)- Gas, Water, Sanitation and Storm Water Drainage Funds	\$ 4,519,618
Non-Major Proprietary Funds -	
Accounts receivable (net)	115
Total Business Type	<u>\$ 4,519,733</u>

The following is a brief description of the receivable amounts:

**Major Governmental Fund-General Fund:**

Unpaid property taxes for all years totaled \$566,585 at June 30, 2013, of which \$32,465 are estimated uncollectible.

Unpaid business licenses for the year ended June 30, 2013 totaled \$50,745 of which \$33,271 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, 2013**

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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, 2013 was \$298,063.

**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	\$ 228,890	\$ --
International City Golf Course	--	100,000
Redevelopment Agency	--	128,890
Total	<u>\$ 228,890</u>	<u>\$ 228,890</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**III. DETAIL NOTES ON ALL FUNDS**

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

Interfund receivables and payables were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General:	Group Health	\$ 956,649
	Workers Comp	73,631
	Recreation Department	1,254
Total General		<u>1,031,534</u>
Natural Gas:	Workers Comp	66,000
	Group Health	45,702
Total Natural Gas		<u>111,702</u>
Water and Sewer:	Group Health	188,903
	Workers Comp	80,477
	Sanitation	389
	Natural Gas	512
	Stormwater Drainage	23
Total Water and Sewer		<u>270,304</u>
Stormwater Drainage	Workers Comp	<u>11,934</u>
Redevelopment Agency Fund	Group Health	<u>5,119</u>
Non-major Governmental Funds -		
Public Safety	General Fund	37
Parks and Recreation	General Fund	3,333
Total Non-major Governmental Funds		<u>3,370</u>
Non-major Proprietary Funds-		
Group Health	Bureau of Civic Affairs	3,691
Group Health	Storm Water Drainage	35,971
Golf Course	Group Health	16,979
Total Non-major Internal Service Funds		<u>56,641</u>
Total		<u>\$ 1,490,604</u>

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**III. DETAIL NOTES ON ALL FUNDS**

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

Interfund transfers were as follows:

Transfers To	Transfers From	Amount
Major Governmental Funds:		
General:	Tourism Allocation Board	\$ 443,920
	Natural Gas	1,600,000
	Water and Sewer	1,800,000
Total General		3,843,920
Redevelopment Agency	Motor Vehicle Rental Tax	141,799
Total Major Governmental Funds		3,985,719
Non-major Governmental Funds:		
Bureau of Civic Affairs	General Fund	10,000
Bureau of Civic Affairs	Tourism Allocation Board	355,136
Parks & Recreation	Tourism Allocation Board	88,784
Visitor's Center	Tourism Allocation Board	266,352
Redevelopment Agency	General Fund	258,535
Total Non-major Governmental Funds		978,807
Non-major Proprietary Funds -		
International City Golf Course	General Fund	150,000
Total Non-major Proprietary Funds		150,000
Total		\$ 5,114,526

The above listed transfers represent the total transfers to/from other funds at June 30, 2013 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 \$135,601 from governmental activities to business type activities. This is a reconciling item from net change in fund balance – governmental funds to change in net assets in governmental activities and is recorded in the Golf Course fund as a capital contribution from capital assets purchased using SPLOST funds.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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**III. DETAIL NOTES ON ALL FUNDS**

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

Amounts due from other governments at June 30, 2013, 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 \$ 2,960

State of Georgia -

Department of Transportation 43,375

Houston County -

Motor vehicle, mobile home and intangible taxes 583,879

Jointly Owned Transmission Lines

Reimbursable expenses 74,437

Warner Robins Housing Authority

Total General Fund 736,668

Major Governmental Fund - SPLOST 2012

Houston County -

Special Local Option Sales Tax 979,271

Total Major Governmental Funds 1,715,939

Non-Major Governmental Fund

Federal Government 43,651

State of Georgia 48,454

Total Non-Major Governmental Fund 92,105

Total Governmental Funds \$ 1,808,044

Business-Type Funds -

Water and Sewer System -

City of Centerville - Wastewater Treatment Fees \$ 49,518

Total Business-Type Funds \$ 49,518



**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**III. DETAIL NOTES ON ALL FUNDS**

**E. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013, was as follows:

***Primary Government***

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Nondepreciable assets:				
Land	\$ 14,172,949	\$ 1,939,334	\$ (72,315)	\$ 16,039,968
Construction in progress	12,519,994	1,240,448	(5,001,854)	8,758,588
Total nondepreciable assets	<u>26,692,943</u>	<u>3,179,782</u>	<u>(5,074,169)</u>	<u>24,798,556</u>
Depreciable assets:				
Buildings and improvements	8,474,540	8,555,998	--	17,030,538
Machinery and equipment	17,199,165	1,483,875	(797,679)	17,885,361
Infrastructure	148,775,665	3,012,212	--	151,787,877
Total depreciable assets	<u>174,449,370</u>	<u>13,052,085</u>	<u>(797,679)</u>	<u>186,703,776</u>
Less accumulated depreciation				
Buildings and improvements	5,040,803	272,600	--	5,313,403
Machinery and equipment	13,617,517	1,176,810	(737,557)	14,056,770
Infrastructure	54,346,112	3,353,270	--	57,699,382
Total accumulated depreciation	<u>73,004,432</u>	<u>4,802,680</u>	<u>(737,557)</u>	<u>77,069,555</u>
Total depreciable assets, net	<u>101,444,938</u>	<u>8,249,405</u>	<u>(60,122)</u>	<u>109,634,221</u>
Governmental activities capital assets, net	<u>\$ 128,137,881</u>	<u>\$ 11,429,187</u>	<u>\$ (5,134,291)</u>	<u>\$ 134,432,777</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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	\$ 2,288,914	\$ 19,200	\$ --	\$ 2,308,114
Construction in progress	<u>7,034,225</u>	<u>2,019,696</u>	<u>--</u>	<u>9,053,921</u>
Total nondepreciable assets	<u>9,323,139</u>	<u>2,038,896</u>	<u>--</u>	<u>11,362,035</u>
Depreciable assets:				
Buildings and improvements	670,244	35,800	--	706,044
Machinery and equipment	8,983,393	789,842	(271,199)	9,502,036
Distribution systems	<u>114,016,243</u>	<u>6,944,347</u>	<u>--</u>	<u>120,960,590</u>
Total depreciable assets	<u>123,669,880</u>	<u>7,769,989</u>	<u>(271,199)</u>	<u>131,168,670</u>
Less accumulated depreciation				
Buildings and improvements	491,638	18,762	--	510,400
Machinery and equipment	7,407,339	446,146	(271,199)	7,582,286
Distribution systems	<u>43,956,245</u>	<u>2,633,971</u>	<u>--</u>	<u>46,590,216</u>
Total accumulated depreciation	<u>51,855,222</u>	<u>3,098,879</u>	<u>(271,199)</u>	<u>54,682,902</u>
Total depreciable assets, net	<u>71,814,658</u>	<u>4,671,110</u>	<u>--</u>	<u>76,485,768</u>
Business-Type activities capital assets, net	<u>\$ 81,137,797</u>	<u>\$ 6,710,006</u>	<u>\$ --</u>	<u>\$ 87,847,803</u>

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

Governmental Activities:	
General Government	\$ 166,275
Public Safety	1,051,978
Recreation	75,435
Public Works	3,489,852
City Development	<u>19,140</u>
Total depreciation expense-Governmental Activities	<u>\$ 4,802,680</u>
Business-type Activities:	
Natural Gas System	\$ 408,864
Water and Sewer Fund	2,138,516
Sanitation System	1,417
International City Golf Course	58,643
Stormwater Drainage	<u>491,439</u>
Total depreciation expense-Business-type Activities	<u>\$ 3,098,879</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**III. DETAIL NOTES ON ALL FUNDS**

**F. CONSTRUCTION COMMITMENTS**

*Construction Commitments.* The government has active construction projects outstanding as of June 30, 2013. 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	163,379	236,621
Watson/Davis	204,399	133,495
Corder Road	8,548,690	321,310
Moody Road	6,719,353	3,729,759
Wall Street	32,134	367,866
Total Governmental Activities	\$ 16,292,478	\$ 8,164,528
 <i>Business-Type Activities:</i>		
Sandy Run Creek WPCP	\$ 7,240,871	\$ 21,264,864
New Sewer Service Lines	909,284	1,090,716
New Water Service Lines	317,380	1,682,620
Gas Meter Project	586,385	1,913,615
Total Business-Type Activities	\$ 9,053,920	\$ 25,951,815

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

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

General Fund	\$ 1,872,154
Capital Projects Fund	1,825,877
Redevelopment Agency Fund	457,016
Nonmajor Governmental Funds	120,731
Total	\$ 4,275,778

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments/ Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Revenue bonds	\$ --	\$ 4,450,000	\$ 604,673	\$ 3,845,327	\$ 1,468,653
Capital leases	505,105	1,841,500	354,064	1,992,541	427,012
Compensated absences	1,335,527	958,489	1,002,311	1,291,705	180,839
Claims and judgments	20,991	107,434	20,991	107,434	107,434
OPEB liability	4,641,117	930,742	--	5,571,859	--
Total governmental activities	<u>\$ 6,502,740</u>	<u>\$ 8,288,165</u>	<u>\$ 1,982,039</u>	<u>\$ 12,808,866</u>	<u>\$ 2,183,938</u>
<b>Business-Type Activities:</b>					
Revenue bonds	\$ 31,201,251	\$ --	\$ 1,341,593	\$ 29,859,658	\$ 991,598
Notes payable	4,854,830	--	438,530	4,416,300	449,130
Capital leases	5,538,088	--	256,589	5,281,499	263,281
Compensated absences	182,193	173,590	179,111	176,672	26,453
Accrued interest payable	4,975,316	865,107	104,830	5,735,593	583,241
OPEB liability	947,702	208,791	--	1,156,493	--
Total business-type activities	<u>\$ 47,699,380</u>	<u>\$ 1,247,488</u>	<u>\$ 2,320,653</u>	<u>\$ 46,626,215</u>	<u>\$ 2,313,703</u>
Total long-term liabilities	<u>\$ 54,202,120</u>	<u>\$ 9,535,653</u>	<u>\$ 4,302,692</u>	<u>\$ 59,435,081</u>	<u>\$ 4,497,641</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, 2013**

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**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).

\$ 28,220,000

The total annual debt service requirements for the water and sewer revenue bonds outstanding at June 30, 2013, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 900,000	\$ 1,009,213	\$ 1,909,213
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
2019-2023	6,230,000	3,724,962	9,954,962
2024-2028	7,720,000	2,246,250	9,966,250
2029-2033	9,135,000	811,557	9,946,557
	<u>\$ 28,220,000</u>	<u>\$ 11,578,707</u>	<u>\$ 39,798,707</u>

Also included in revenue bonds payable presented in the statement of net position are bond premium of \$1,442,383 related to the \$28,220,000 – Series 2012 Revenue Bond to be amortized over the life of the bond, and \$197,275 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, 2013**

**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. \$ 3,845,327

The total annual debt service requirements for the redevelopment agency revenue bonds outstanding at June 30, 2013, are as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 1,468,653	\$ 53,643	\$ 1,522,296
2015	1,493,664	28,632	1,522,296
2016	883,010	4,983	887,993
	\$ 3,845,327	\$ 87,258	\$ 3,932,585

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. \$ 4,101,080

\$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. 315,220

Total notes payable \$ 4,416,300

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

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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, 2013, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 449,130	\$ 124,763	\$ 573,893
2015	267,269	114,646	381,915
2016	209,614	108,309	317,923
2017	216,331	101,592	317,923
2018	222,742	95,180	317,922
2019 - 2023	1,219,540	370,071	1,589,611
2024 - 2028	1,416,612	172,999	1,589,611
2029 - 2030	415,062	8,869	423,931
	<u>\$ 4,416,300</u>	<u>\$ 1,096,429</u>	<u>\$ 5,512,729</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, Komatsu dozer for the Water and Sewer System, 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 various equipment and vehicles. The existing capital leases of the General Fund were for a copier and a fire truck.

CITY OF WARNER ROBINS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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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 -	
US Bancorp - copier	\$ 1,807
BB&T Fire Truck	63,996
BB&T Equipment	361,209
	<u>\$ 427,012</u>
Long-term portion -	
BB&T Fire Truck	293,687
BB&T Equipment	1,271,842
	<u>1,565,529</u>
Total capital lease	<u>\$ 1,992,541</u>

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

Current Portion:	
BB&T - Yamaha golf carts	\$ 32,315
Kansas State Bank - Komatsu dozer	15,966
MGAG - Distribution line (payable from restricted assets)	215,000
	<u>263,281</u>
Long-term portion:	
BB&T - Yamaha golf carts	102,859
Kansas State Bank - Komatsu dozer	55,418
MGAG - Distribution line (payable from restricted assets)	4,859,941
	<u>5,018,218</u>
	<u>\$ 5,281,499</u>



**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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, 2013, are as follows:

Year Ending June 30th	General Government	Business-Type
2014	\$ 454,039	\$ 442,602
2015	452,198	371,918
2016	452,198	372,521
2017	452,198	2,078,018
2018	229,848	2,037,550
2019-2023	23,675	6,022,850
2024-2027	--	1,868,750
Total Minimum Lease Payment	2,064,156	13,194,209
Less Amount Representing Interest	71,615	7,912,710
Present Value of Lease Payment	<u>\$ 1,992,541</u>	<u>\$ 5,281,499</u>

Following is an analysis of capital assets leased under capital leases at June 30, 2013:

	General Government	Business-Type
Capital assets	\$ 1,294,498	\$ 8,124,562
Less: Accumulated depreciation	103,246	2,848,474
Carrying value	<u>\$ 1,191,252</u>	<u>\$ 5,276,088</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

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**III. DETAIL NOTES ON ALL FUNDS**

**H. UNEARNED REVENUES**

Unearned revenue at June 30, 2013 were comprised of the following balances:

Governmental Funds:	
Fines Collected in Advance of Verdict	\$ 256,354
Performance Bonds	22,145
Police Special Projects	33,691
Confiscated funds	91,409
Houston County - Transportation Planning	8,720
Animal Shelter	18,869
Other Government	5,000
City of Character Program	197
Total Unearned Revenue	<u>\$ 436,385</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 \$70,371 total interest was incurred and capitalized with the construction of the Law Enforcement Center in the Redevelopment Agency.

**IV. OTHER INFORMATION**

**A. RISK MANAGEMENT**

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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**IV. OTHER INFORMATION**

**A. RISK MANAGEMENT**

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

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

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

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

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**IV. OTHER INFORMATION**

**A. RISK MANAGEMENT**

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

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

The City uses its self insurance health and workers compensation funds to account for and finance its self insured risk of loss. It maintains excess insurance coverage for health 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, 2012	\$ 262,833	\$ 5,647	\$ 20,991	\$ 289,471
Incurred Claims	6,648,208	676,448	107,434	7,432,090
Payments	(6,454,586)	(655,473)	(20,991)	(7,131,050)
Unpaid Claims as of June 30, 2013	<u>\$ 456,455</u>	<u>\$ 26,622</u>	<u>\$ 107,434</u>	<u>\$ 590,511</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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**IV. OTHER INFORMATION**

**A. RISK MANAGEMENT**

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, 2013.

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

**OTHER CONTINGENCIES:**

The City participates in a number of federally assisted grant programs, principal of which is the Community Development Block Grant. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for, or including, the year ended June 30, 2013, 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, 2013.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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**IV. OTHER INFORMATION**

**C. DEFERRED COMPENSATION PLAN**

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

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

**D. OTHER POST EMPLOYMENT BENEFITS**

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

**Plan Description and Funding Policy** – The City Council authorizes participation in the OPEB and sets the contribution rates, benefits, funding policy and maintains the authority to change the policy. Coverage under the Plan includes medical, prescription drug, dental benefits and life insurance for retirees. Dependent coverage benefits are payable to a spouse only while the retiree is alive and less than 65, except for dependent life which is provided for life. Eligibility requirement for retired employee are retired on or after 60 (or 55 if public safety officer with at least 25 years of service) or disabled and entitled to social security disability payments. The Plan's assets may be used only for payment of benefits to members of the Plan, in accordance with terms of the Plan. The funding policy for the Plan is for the City to contribute an amount equal to the benefit and administrative costs paid on behalf of retirees and their dependents (i.e. pay as you go basis). The Plan is noncontributory, with no contributions being required by the Plan members.

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.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**IV. OTHER INFORMATION**

**D. OTHER POST EMPLOYMENT BENEFITS**

**Plan Funded Status –**

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

Schedule of Funding Progress

Measurement Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
7/1/2011	\$ -	\$ 17,493,000	0.0%	\$ 17,493,000	\$ 19,699,931	88.8%

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

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

Normal cost	\$ 996,000
Amortization of Unfunded actuarial accrued liability(UAAL)	1,077,000
Adjustment for timing	<u>120,000</u>
Annual required contribution (ARC)	\$ 2,193,000
Contribution made	<u>1,053,468</u>
Increase in net OPEB obligation	\$ 1,139,532
Net OPEB obligation, beginning of year	<u>5,588,820</u>
Net OPEB obligation, end of year	<u><u>\$ 6,728,352</u></u>

The percentage of OPEB cost contributed for the year ended June 30, 2013 was 48%. There is no interest component in the 2011 actuarial valuation.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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**IV. OTHER INFORMATION**

**D. OTHER POST EMPLOYMENT BENEFITS**

**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, 2013**

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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, 2011
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar, closed, 30 years
Remaining amortization period	26 years as of June 30, 2013
Asset valuation method	Market value
Actuarial assumption:	
Investment rate of return	4.50% pay as you go
Inflation rate	3.00%
Medical and drug cost trend rate	10.00% 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)	65
Actives (Not Fully Eligible)	445
Retirees*	<u>186</u>
Total	<u><u>696</u></u>
Total unfunded Actuarial accrued liability	\$ 17,493,000

\* 49 Retirees are covered in the medical plan. The remaining 137 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, 2013**

**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, 2013, the City has 5 participants eligible to receive benefits with a related cost to the City of \$60,118.

**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, 2013

	Water and Sewer Fund	Warner Robins Public Facility Authority	Total
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 10,573,163	\$ --	\$ 10,573,163
Investments	846	--	846
Accounts receivable, net	1,431,331	--	1,431,331
Due from other governments	49,518	--	49,518
Due from other funds	270,304	--	270,304
Inventories, at cost	226,192	--	226,192
Restricted-			
Cash and cash equivalents	21,643,634	--	21,643,634
Total current assets	<u>34,194,988</u>	<u>--</u>	<u>34,194,988</u>
<b>NON CURRENT ASSETS:</b>			
Land and other non depreciable assets	1,924,132	6,543,404	8,467,536
Capital assets, net of accumulated depreciation	52,552,099	--	52,552,099
Total non current assets	<u>54,476,231</u>	<u>6,543,404</u>	<u>61,019,635</u>
Total assets	<u>\$ 88,671,219</u>	<u>\$ 6,543,404</u>	<u>\$ 95,214,623</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

**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, 2013

	Water and Sewer Fund	Warner Robins Public Facility Authority	Total
<b><u>LIABILITIES AND NET POSITION</u></b>			
<b>CURRENT LIABILITIES:</b>			
(Payable from current assets)			
Accounts payable	\$ 156,694	\$ --	\$ 156,694
Accrued payroll/related liabilities	54,594	--	54,594
Due to (from) other funds	(335,467)	335,467	--
Compensated absences	24,080	--	24,080
Capital lease payable	15,966	--	15,966
Accrued interest	523,066	--	523,066
Bonds, notes, and loans payable	1,425,045	--	1,425,045
<b>Total current liabilities</b>	<b>1,863,978</b>	<b>335,467</b>	<b>2,199,445</b>
<b>NON CURRENT LIABILITIES:</b>			
Compensated absences	136,453	--	136,453
Capital lease obligations	55,418	--	55,418
OPEB liability	592,771	--	592,771
Bonds, notes and loans payable	32,653,638	--	32,653,638
<b>Total non current liabilities</b>	<b>33,438,280</b>	<b>--</b>	<b>33,438,280</b>
<b>Total liabilities</b>	<b>35,302,258</b>	<b>335,467</b>	<b>35,637,725</b>
<b>NET POSITION:</b>			
Net investment in capital assets	20,326,164	6,543,404	26,869,568
Restricted for debt service	125,000	--	125,000
Restricted for capital projects	21,643,634	--	21,643,634
Unrestricted	11,274,163	(335,467)	10,938,696
<b>Total net position</b>	<b>53,368,961</b>	<b>6,207,937</b>	<b>59,576,898</b>
<b>Total liabilities and net position</b>	<b>\$ 88,671,219</b>	<b>\$ 6,543,404</b>	<b>\$ 95,214,623</b>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

**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, 2013

	Water and Sewer Fund	Warner Robins Public Facility Authority	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 13,408,742	\$ --	\$ 13,408,742
Connection charges	478,668	--	478,668
Penalties and cut-on fees	302,267	--	302,267
Miscellaneous	1,051,061	--	1,051,061
Total operating revenues	<u>15,240,738</u>	<u>--</u>	<u>15,240,738</u>
<b>OPERATING EXPENSES:</b>			
Personnel services	4,374,310	--	4,374,310
Operating expenses	4,042,928	60	4,042,988
Repairs and maintenance	268,621	--	268,621
Supplies	1,278,165	--	1,278,165
Bad debt expense	384,821	--	384,821
Depreciation	2,138,516	--	2,138,516
Insurance	142,833	--	142,833
Total operating expenses	<u>12,630,194</u>	<u>60</u>	<u>12,630,254</u>
Operating income (loss)	<u>2,610,544</u>	<u>(60)</u>	<u>2,610,484</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Interest earned	14,522	--	14,522
Interest expense and fees	(1,152,462)	--	(1,152,462)
Amortization of bond expense	(4,369)	--	(4,369)
Rental income	51,810	--	51,810
Gain on sale of capital assets	25,641	--	25,641
Total non-operating revenues (expenses), net	<u>(1,064,858)</u>	<u>--</u>	<u>(1,064,858)</u>
Income (loss) before capital contributions and transfers	<u>1,545,686</u>	<u>(60)</u>	<u>1,545,626</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Capital contribution - SPLOST	369,492	--	369,492
Capital contribution - developers	517,479	--	517,479
Income (loss) before transfers	<u>2,432,657</u>	<u>(60)</u>	<u>2,432,597</u>
<b>TRANSFERS IN (OUT)</b>			
Total transfers	<u>(8,705,464)</u>	<u>6,905,464</u>	<u>(1,800,000)</u>
CHANGE IN NET POSITION	<u>(6,272,807)</u>	<u>6,905,404</u>	<u>632,597</u>
NET POSITION, Beginning	<u>59,641,768</u>	<u>(697,467)</u>	<u>58,944,301</u>
NET POSITION, Ending	<u>\$ 53,368,961</u>	<u>\$ 6,207,937</u>	<u>\$ 59,576,898</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

**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, 2013

	Water and Sewer Fund	Warner Robins Public Facilities Authority	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 15,552,420	\$ --	\$ 15,552,420
Cash paid to suppliers for goods and services and claims paid	(5,720,255)	(60)	(5,720,315)
Cash paid to employees for services	(4,264,352)	--	(4,264,352)
Net cash provided (used) by operating activities	<u>5,567,813</u>	<u>(60)</u>	<u>5,567,753</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers in (out)	(8,705,464)	6,905,464	(1,800,000)
Due from (to) other funds, net	362,000	(362,000)	--
Net cash used by noncapital financing activities	<u>(8,343,464)</u>	<u>6,543,464</u>	<u>(1,800,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal payments:			
Bonds, notes, and loans payable	(1,764,445)	--	(1,764,445)
Capital leases	(15,213)	--	(15,213)
Acquisition and construction of capital assets	(1,946,119)	(6,543,404)	(8,489,523)
Capital contributions - developers	369,492	--	369,492
Capital contributions - SPLOST	517,479	--	517,479
Interest and fees paid on revenue bonds payable and notes payable	(669,851)	--	(669,851)
Proceeds from sale of capital assets	25,641	--	25,641
Net cash used for capital and related financing activities	<u>(3,483,016)</u>	<u>(6,543,404)</u>	<u>(10,026,420)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from investment	125	--	125
Interest income on investments	14,522	--	14,522
Rental income	51,810	--	51,810
Net cash provided by investing activities	<u>66,457</u>	<u>--</u>	<u>66,457</u>
NET INCREASE (DECREASE) IN CASH	(6,192,210)	--	(6,192,210)
CASH, Beginning	38,409,007	--	38,409,007
CASH, Ending	<u>\$ 32,216,797</u>	<u>\$ --</u>	<u>\$ 32,216,797</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

**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, 2013

	Water and Sewer Fund	Warner Robins Public Facility Authority	Total
<b>RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET:</b>			
Cash, beginning:			
Current	\$ 8,079,165	\$ --	\$ 8,079,165
Restricted	30,329,842	--	30,329,842
Total	<u>38,409,007</u>	<u>--</u>	<u>38,409,007</u>
Net increase (decrease):			
Current	2,493,998	--	2,493,998
Restricted	(8,686,208)	--	(8,686,208)
Total	<u>(6,192,210)</u>	<u>--</u>	<u>(6,192,210)</u>
Cash, ending:			
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>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 2,610,544	\$ (60)	\$ 2,610,484
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	2,138,516	--	2,138,516
Accounts receivable	715,670	--	715,670
Due from other governments	(19,167)	--	(19,167)
Inventory	17,732	--	17,732
Prepaid items	64,512	--	64,512
Increase (decrease) in liabilities:			
Accounts payable / accrued expenses	(67,984)	--	(67,984)
OPEB liability	113,615	--	113,615
Compensated absences payable	(5,625)	--	(5,625)
Total adjustments	<u>2,957,269</u>	<u>--</u>	<u>2,957,269</u>
Net cash provided (used) by operating activities	<u>\$ 5,567,813</u>	<u>\$ (60)</u>	<u>\$ 5,567,753</u>

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

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**IV. OTHER INFORMATION**

**F. JOINT VENTURES**

**JOINTLY OWNED NATURAL GAS (JONG)**

The Natural Gas System is a 40% 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, 2012 was \$1,504,034. 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, 2012.

Total assets	\$ 4,372,540
Less: current liabilities	(227,296)
Long-term liabilities	(592,266)
Retained earnings	<u>\$ 3,552,978</u>
Total revenues	\$ 1,210,353
Operating expenses	(1,656,066)
Non-operating revenue	458,995
Net income	<u>\$ 13,282</u>

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

**MIDDLE GEORGIA REGIONAL COMMISSION**

As more fully described in Note I.B.2. the City in conjunction with 21 other cities and eleven counties in the Middle Georgia area participate in the Middle Georgia Regional Commission.

**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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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, 2013</u>
Retirees and beneficiaries currently receiving benefits	239
Vested terminated employees	64
Active employees:	
Vested	253
Nonvested	215
	<hr/>
Total membership in the plan	<u>771</u>



**CITY OF WARNER ROBINS, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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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 \$3,385,217 which was 19.6% of the covered payroll. Employees are not required to contribute to the fund.

**ANNUAL PENSION COST**

For fiscal year 2013, the City's annual pension cost of \$3,385,217 for GMEBS was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2013 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, 2013**

**IV. OTHER INFORMATION**

**G. PENSION PLAN**

THREE YEAR TREND INFORMATION

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2011	\$ 3,247,768	100%
2012	3,371,626	100%
2013	3,385,217	100%

PLAN FUNDED STATUS

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

Schedule of Funding Progress						
(1)	(2)	(3)	(4)	(5)	(6)	
Actuarial Value	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL/(UAAL)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll	
<u>Date</u>	<u>of Assets</u>	<u>Liability (AAL)</u>	<u>(1)/(2)</u>	<u>(2)-(1)</u>	<u>Payroll</u>	<u>Payroll</u>
1/1/2013	\$ 83,218,710	\$ 88,037,432	94.5%	\$ 4,818,722	\$ 17,307,780	27.8%

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, 2013**

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**IV. OTHER INFORMATION**

**H. SUBSEQUENT EVENTS**

The City assessed events that have occurred subsequent to June 30, 2013 through January 24, 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 January 24, 2014.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WARNER ROBINS, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget
<b>REVENUES:</b>		
General property taxes	\$ 17,151,223	\$ 17,151,223
Other taxes	5,066,000	5,066,000
Licenses and permits	1,615,000	1,615,000
Fines and forfeitures	1,207,000	1,207,000
Intergovernmental	62,000	1,107,690
Charges for services	2,819,700	2,819,700
Investment revenue	24,000	24,000
Other revenues	3,381,617	3,391,773
Total revenues	<u>31,326,540</u>	<u>32,382,386</u>
<b>EXPENDITURES:</b>		
General Government		
Legislative	187,231	187,231
Executive	489,807	519,858
General administration	6,164,356	6,362,539
Judicial	597,181	597,181
Public Safety		
Police department	12,143,394	12,646,766
Fire department	7,850,215	7,996,324
Recreation	1,802,936	3,388,851
Public works	5,282,935	6,477,286
City development	1,108,031	1,253,458
Total expenditures	<u>35,626,086</u>	<u>39,429,494</u>
Excess of revenues over (under) expenditures	<u>(4,299,546)</u>	<u>(7,047,108)</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Sale of assets	2,500	77,500
Transfers in	3,866,000	3,866,000
Transfers out	(160,000)	(418,535)
Total other financing sources (uses)	<u>3,708,500</u>	<u>3,524,965</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	(591,046)	(3,522,143)
Fund balance beginning	<u>591,046</u>	<u>3,522,143</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
\$ 329,047	\$ 17,480,270	\$ --	\$ 17,480,270
(119,633)	4,946,367	--	4,946,367
116,089	1,731,089	--	1,731,089
(61,951)	1,145,049	--	1,145,049
48,945	1,156,635	--	1,156,635
28,996	2,848,696	--	2,848,696
(5,574)	18,426	--	18,426
199,436	3,591,209	--	3,591,209
<u>535,355</u>	<u>32,917,741</u>	<u>--</u>	<u>32,917,741</u>
2,647	184,584	--	184,584
6,644	513,214	(5,099)	508,115
731,595	5,630,944	(105,892)	5,525,052
90,460	506,721	--	506,721
485,390	12,161,376	(285,030)	11,876,346
502,211	7,494,113	(20,139)	7,473,974
81,244	3,307,607	(500,739)	2,806,868
929,224	5,548,062	(881,661)	4,666,401
66,901	1,186,557	(73,594)	1,112,963
<u>2,896,316</u>	<u>36,533,178</u>	<u>(1,872,154)</u>	<u>34,661,024</u>
<u>(2,360,961)</u>	<u>(3,615,437)</u>	<u>(1,872,154)</u>	<u>(1,743,283)</u>
242,602	320,102	--	320,102
(22,080)	3,843,920	--	3,843,920
--	(418,535)	--	(418,535)
<u>220,522</u>	<u>3,745,487</u>	<u>--</u>	<u>3,745,487</u>
(2,140,439)	130,050	<u>\$ (1,872,154)</u>	2,002,204
	<u>12,513,701</u>		<u>14,361,517</u>
	<u>\$ 12,643,751</u>		<u>\$ 16,363,721</u>

**CITY OF WARNER ROBINS, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
REDEVELOPMENT AGENCY SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Intergovernmental	\$ --	\$ 675,027	675,027	\$ --
Other revenue:				
Other	56,200	169,389	173,549	4,160
Interest	200	200	354	154
Total revenues	<u>56,400</u>	<u>844,616</u>	<u>848,930</u>	<u>4,314</u>
<b>EXPENDITURES -</b>				
Current -				
Public safety	--	4,305,207	4,305,207	--
Economic development	201,185	892,746	447,209	445,537
Debt service	--	677,383	677,383	--
Total expenditures	<u>201,185</u>	<u>5,875,336</u>	<u>5,429,799</u>	<u>445,537</u>
Excess of revenues under expenditures	(144,785)	(5,030,720)	(4,580,869)	449,851
<b>OTHER FINANCING SOURCES -</b>				
Proceeds from debt	--	4,450,000	4,450,000	--
Transfer in	145,000	403,535	400,334	(3,201)
Total other financing sources	<u>145,000</u>	<u>4,853,535</u>	<u>4,850,334</u>	<u>(3,201)</u>
Excess of revenues and other sources over (under) expenditures	215	(177,185)	269,465	<u>\$ 446,650</u>
FUND BALANCE ALLOCATION	<u>(215)</u>	<u>177,185</u>		
FUND BALANCE, Beginning	<u>\$ --</u>	<u>\$ --</u>	1,795,600	
FUND BALANCE, Ending			<u>\$ 2,065,065</u>	



**CITY OF WARNER ROBINS, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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NOTE 1 BASIS OF PRESENTATION

The budgets were 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, 2013**

	Actuarial Valuation Date		
	1/1/2013	1/1/2012	1/1/2011
Actuarial Accrued Liability (AAL) Entry Age (b)	\$ 88,037,432	\$ 81,839,822	\$ 75,413,898
Actuarial Value of Assets Assets (a)	83,218,710	78,680,950	74,997,064
Unfunded AAL (funding excess) (UAAL) (b-a)	\$ 4,818,722	\$ 3,158,872	\$ 416,834
Funded Ratio (a/b)	94.5%	96.1%	99.4%
Covered Payroll (c)	\$ 17,307,780	\$ 17,899,336	\$ 17,827,474
UAAL as a Percentage of Covered Payroll ((b-a)/c)	27.8%	17.6%	2.3%

**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, 2013**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	<u>7/1/2011</u>	<u>7/1/2009</u>
Actuarial Accrued Liability (AAL) Entry Age (b)	\$ 17,493,000	\$ 15,001,000
Actuarial Value of Assets Assets (a)	<u>--</u>	<u>--</u>
Unfunded AAL (funding excess) (UAAL) (b-a)	<u>\$ 17,493,000</u>	<u>\$ 15,001,000</u>
Funded Ratio (a/b)	<u>--</u>	<u>--</u>
Covered Payroll (c)	<u>\$ 19,699,931</u>	<u>\$ 19,101,543</u>
UAAL as a Percentage of Covered Payroll ((b-a)/c)	<u>88.8%</u>	<u>78.5%</u>

SCHEDULE OF EMPLOYER'S CONTRIBUTION

Fiscal Year Ended	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
Annual Required Contributions (pay as you go)	<u>\$ 2,193,000</u>	<u>\$ 2,193,000</u>	<u>\$ 1,822,000</u>
Actual Contributions	<u>\$ 1,053,468</u>	<u>\$ 515,181</u>	<u>\$ 677,467</u>
Percentage Contributed	<u>48.0%</u>	<u>23.5%</u>	<u>37.2%</u>

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**OTHER SUPPLEMENTAL INFORMATION**

**CITY OF WARNER ROBINS, GEORGIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013**

Special Revenue Funds

	Hotel - Motel						Subtotal
	Bureau of Civic Affairs	Tourism Allocation Board	Motor Vehicle Rental Tax	Community Development	Law Enforcement	Recreation	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 717,304	\$ 37,136	\$ --	\$ 603,398	\$ 435,520	\$ 61,193	\$ 1,854,551
Accounts receivable - net of uncollectible accounts	--	--	13,987	919,663	--	--	933,650
Due from other governments	48,454	--	--	43,651	--	--	92,105
Due from other funds	--	--	--	--	37	--	37
Real estate held for investment	--	--	--	64,987	--	--	64,987
Restricted-							
Cash and cash equivalents	--	--	--	--	--	--	--
Total assets	<u>\$ 765,758</u>	<u>\$ 37,136</u>	<u>\$ 13,987</u>	<u>\$ 1,631,699</u>	<u>\$ 435,557</u>	<u>\$ 61,193</u>	<u>\$ 2,945,330</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable and accrued costs	\$ 6,743	\$ 37,136	\$ 13,987	\$ --	\$ --	\$ --	\$ 57,866
Accrued payroll/related expenses	13,890	--	--	--	--	--	13,890
Unearned revenue	5,000	--	--	--	91,409	--	96,409
Due to other funds	3,691	--	--	--	--	1,254	4,945
Escrow funds	--	--	--	27,744	--	--	27,744
Total liabilities	<u>29,324</u>	<u>37,136</u>	<u>13,987</u>	<u>27,744</u>	<u>91,409</u>	<u>1,254</u>	<u>200,854</u>
<b>FUND BALANCES</b>							
Fund balance - restricted	--	--	--	--	--	--	--
Fund balance - committed	736,434	--	--	1,603,955	344,148	59,939	2,744,476
Total fund balance	<u>736,434</u>	<u>--</u>	<u>--</u>	<u>1,603,955</u>	<u>344,148</u>	<u>59,939</u>	<u>2,744,476</u>
Total liabilities and fund balances	<u>\$ 765,758</u>	<u>\$ 37,136</u>	<u>\$ 13,987</u>	<u>\$ 1,631,699</u>	<u>\$ 435,557</u>	<u>\$ 61,193</u>	<u>\$ 2,945,330</u>

Capital Projects Funds

<u>Splost 2001</u>	<u>Splost 2006</u>	<u>Parks and Recreation</u>	<u>Visitor Center</u>	<u>Subtotal</u>	<u>Total Nonmajor Government Funds</u>
\$ 1,224,190	\$ 4,836,697	\$ 153,997	\$ 827,720	\$ 7,042,604	\$ 8,897,155
--	--	--	--	--	933,650
--	--	--	--	--	92,105
--	--	3,333	--	3,333	3,370
--	--	--	--	--	64,987
--	--	--	--	--	--
<u>\$ 1,224,190</u>	<u>\$ 4,836,697</u>	<u>\$ 157,330</u>	<u>\$ 827,720</u>	<u>\$ 7,045,937</u>	<u>\$ 9,991,267</u>
\$ 589	\$ --	\$ --	\$ --	\$ 589	\$ 58,455
--	--	--	--	--	13,890
--	--	--	--	--	96,409
--	--	--	--	--	4,945
--	--	--	--	--	27,744
<u>589</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>589</u>	<u>201,443</u>
1,223,601	4,836,697	157,330	827,720	7,045,348	7,045,348
--	--	--	--	--	2,744,476
<u>1,223,601</u>	<u>4,836,697</u>	<u>157,330</u>	<u>827,720</u>	<u>7,045,348</u>	<u>9,789,824</u>
<u>\$ 1,224,190</u>	<u>\$ 4,836,697</u>	<u>\$ 157,330</u>	<u>\$ 827,720</u>	<u>\$ 7,045,937</u>	<u>\$ 9,991,267</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, 2013**

	Special Revenue Funds						
		Hotel - Motel					
	Bureau of Civic Affairs	Tourism Allocation Board	Motor Vehicle Rental Tax	Community Development	Law Enforcement	Recreation	Subtotal
<b>REVENUES:</b>							
Other taxes	\$ --	\$ 1,420,545	\$ 141,799	\$ --	\$ --	\$ --	\$ 1,562,344
Fines and forfeitures	--	--	--	--	80,884	--	80,884
Intergovernmental	51,554	--	--	486,680	--	--	538,234
Contributions	19,577	--	--	--	12,545	--	32,122
Other revenue	1,365	--	--	26,140	37	78,156	105,698
Total revenues	<u>72,496</u>	<u>1,420,545</u>	<u>141,799</u>	<u>512,820</u>	<u>93,466</u>	<u>78,156</u>	<u>2,319,282</u>
<b>EXPENDITURES:</b>							
Current:							
Public safety	--	--	--	--	72,615	--	72,615
Recreation	--	--	--	--	--	83,612	83,612
Civic affairs (city development)	445,648	266,353	--	--	--	--	712,001
Economic development (city development)	--	--	--	421,563	--	--	421,563
Capital outlay	--	--	--	--	--	--	--
Total expenditures	<u>445,648</u>	<u>266,353</u>	<u>--</u>	<u>421,563</u>	<u>72,615</u>	<u>83,612</u>	<u>1,289,791</u>
Excess of revenue over (under) expenditures	<u>(373,152)</u>	<u>1,154,192</u>	<u>141,799</u>	<u>91,257</u>	<u>20,851</u>	<u>(5,456)</u>	<u>1,029,491</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfer in	365,136	--	--	--	--	--	365,136
Transfer out	--	(1,154,192)	(141,799)	--	--	--	(1,295,991)
Total other financing sources (uses)	<u>365,136</u>	<u>(1,154,192)</u>	<u>(141,799)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(930,855)</u>
Net change in fund balances	(8,016)	--	--	91,257	20,851	(5,456)	98,636
FUND BALANCES, Beginning	<u>744,450</u>	<u>--</u>	<u>--</u>	<u>1,512,698</u>	<u>323,297</u>	<u>65,395</u>	<u>2,645,840</u>
FUND BALANCES, Ending	<u>\$ 736,434</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,603,955</u>	<u>\$ 344,148</u>	<u>\$ 59,939</u>	<u>\$ 2,744,476</u>



Capital Projects Funds

Splost 2001	Splost 2006	Parks and Recreation	Visitor Center	Subtotal	Total Nonmajor Government Funds
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,562,344
--	--	--	--	--	80,884
--	444,350	--	--	444,350	982,584
--	--	3,333	--	3,333	35,455
2,010	9,733	69	936	12,748	118,446
<u>2,010</u>	<u>454,083</u>	<u>3,402</u>	<u>936</u>	<u>460,431</u>	<u>2,779,713</u>
--	--	--	--	--	72,615
--	--	4,732	--	4,732	88,344
--	--	--	--	--	712,001
--	--	--	--	--	421,563
<u>56,122</u>	<u>2,752,430</u>	<u>--</u>	<u>--</u>	<u>2,808,552</u>	<u>2,808,552</u>
<u>56,122</u>	<u>2,752,430</u>	<u>4,732</u>	<u>--</u>	<u>2,813,284</u>	<u>4,103,075</u>
<u>(54,112)</u>	<u>(2,298,347)</u>	<u>(1,330)</u>	<u>936</u>	<u>(2,352,853)</u>	<u>(1,323,362)</u>
--	--	88,784	266,352	355,136	720,272
--	--	--	--	--	(1,295,991)
--	--	88,784	266,352	355,136	(575,719)
<u>(54,112)</u>	<u>(2,298,347)</u>	<u>87,454</u>	<u>267,288</u>	<u>(1,997,717)</u>	<u>(1,899,081)</u>
<u>1,277,713</u>	<u>7,135,044</u>	<u>69,876</u>	<u>560,432</u>	<u>9,043,065</u>	<u>11,688,905</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>\$ 9,789,824</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, 2013**

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES -				
Other revenue:				
Grant income - local assistance	\$ --	\$ 51,554	\$ 51,554	\$ --
Contributions	--	19,577	19,577	--
Interest	<u>1,200</u>	<u>1,200</u>	<u>1,365</u>	<u>165</u>
Total revenues	<u>1,200</u>	<u>72,331</u>	<u>72,496</u>	<u>165</u>
 EXPENDITURES -				
Current -				
Civic affairs	<u>376,181</u>	<u>561,581</u>	<u>445,648</u>	<u>115,933</u>
Total expenditures	<u>376,181</u>	<u>561,581</u>	<u>445,648</u>	<u>115,933</u>
 Excess of revenues over (under) expenditures	(374,981)	(489,250)	(373,152)	116,098
 OTHER FINANCING SOURCES -				
Transfer in	<u>382,500</u>	<u>365,136</u>	<u>365,136</u>	<u>--</u>
Total other financing sources	<u>382,500</u>	<u>365,136</u>	<u>365,136</u>	<u>--</u>
 Excess of revenues and other sources over (under) expenditures	<u>7,519</u>	<u>(124,114)</u>	(8,016)	<u>\$ 116,098</u>
 FUND BALANCE ALLOCATION	<u>(7,519)</u>	<u>124,114</u>		
 FUND BALANCE, Beginning	<u>\$ --</u>	<u>\$ --</u>	<u>744,450</u>	
 FUND BALANCE, Ending			<u>\$ 736,434</u>	

**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HOTEL – MOTEL TOURISM ALLOCATION BOARD FUND (TAB)**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES -				
Other taxes -				
Hotel/Motel tax	\$ 1,490,000	\$ 1,420,545	\$ 1,420,545	\$ --
Total revenues	<u>1,490,000</u>	<u>1,420,545</u>	<u>1,420,545</u>	<u>--</u>
EXPENDITURES -				
Current -				
Civic affairs	279,375	266,353	266,353	--
Total expenditures	<u>279,375</u>	<u>266,353</u>	<u>266,353</u>	<u>--</u>
Excess of revenues over expenditures	1,210,625	1,154,192	1,154,192	--
OTHER FINANCING USES -				
Transfer out	<u>1,210,625</u>	<u>1,154,192</u>	<u>1,154,192</u>	<u>--</u>
Total other financing uses	<u>1,210,625</u>	<u>1,154,192</u>	<u>1,154,192</u>	<u>--</u>
Excess of revenues over (under) expenditures and other uses	<u>\$ --</u>	<u>\$ --</u>	--	<u>\$ --</u>
FUND BALANCES, Beginning			<u>--</u>	
FUND BALANCES, Ending			<u>\$ --</u>	

**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MOTOR VEHICLE RENTAL TAX FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES -				
Other taxes -				
Motor vehicle rental tax	\$ 145,000	\$ 141,799	\$ 141,799	\$ --
Total revenues	145,000	141,799	141,799	--
EXPENDITURES -				
Current -				
Downtown development	--	--	--	--
Total expenditures	--	--	--	--
Excess of revenues over expenditures	145,000	141,799	141,799	--
OTHER FINANCING USES -				
Transfer out	(145,000)	(141,799)	(141,799)	--
Total other financing uses	(145,000)	(141,799)	(141,799)	--
Excess of revenues over (under) expenditures and other uses	\$ --	\$ --	--	\$ --
FUND BALANCES, Beginning			--	
FUND BALANCES, Ending			\$ --	

**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES:</b>				
Intergovernmental -				
Grants - federal - CDBG	\$ 521,030	\$ 521,030	\$ 486,680	\$ (34,350)
Other revenue -				
Program income	<u>20,000</u>	<u>20,000</u>	<u>26,140</u>	<u>6,140</u>
Total revenues	<u>541,030</u>	<u>541,030</u>	<u>512,820</u>	<u>(28,210)</u>
<b>EXPENDITURES -</b>				
Economic development:				
Administration	131,763	131,941	128,687	3,254
Disposition	1,820	1,720	1,720	--
Housing	204,932	204,932	134,105	70,827
Public services	120,886	120,886	114,038	6,848
Code enforcement	46,616	28,000	27,754	246
Clearance	<u>20,612</u>	<u>39,878</u>	<u>15,259</u>	<u>24,619</u>
Total expenditures	<u>526,629</u>	<u>527,357</u>	<u>421,563</u>	<u>105,794</u>
Excess of revenues over (under) expenditures	<u>\$ 14,401</u>	<u>\$ 13,673</u>	91,257	<u>\$ 77,584</u>
FUND BALANCE, Beginning			<u>1,512,698</u>	
FUND BALANCES, Ending			<u>\$ 1,603,955</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, 2013**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES -				
Fines and forfeitures:				
Condemnation	\$ 23,524	\$ 23,524	\$ 80,884	\$ 57,360
Other revenue	--	--	37	37
Contributions	<u>8,822</u>	<u>8,822</u>	<u>12,545</u>	<u>3,723</u>
Total revenues	<u>32,346</u>	<u>32,346</u>	<u>93,466</u>	<u>61,120</u>
EXPENDITURES -				
Current -				
Public safety	<u>26,100</u>	<u>75,739</u>	<u>72,615</u>	<u>3,124</u>
Total expenditures	<u>26,100</u>	<u>75,739</u>	<u>72,615</u>	<u>3,124</u>
Excess of revenues over (under) expenditures	<u>\$ 6,246</u>	<u>\$ (43,393)</u>	20,851	<u>\$ 64,244</u>
FUND BALANCES, Beginning			<u>323,297</u>	
FUND BALANCES, Ending			<u>\$ 344,148</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, 2013**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES -</b>				
Other revenue -				
Recreation fee	\$ 117,300	\$ 117,300	\$ 78,156	\$ (39,144)
Total revenues	<u>117,300</u>	<u>117,300</u>	<u>78,156</u>	<u>(39,144)</u>
<b>EXPENDITURES -</b>				
Current -				
Recreation	117,300	117,300	83,612	33,688
Total expenditures	<u>117,300</u>	<u>117,300</u>	<u>83,612</u>	<u>33,688</u>
Excess of revenues over (under) expenditures	\$ --	\$ --	(5,456)	<u><u>\$ (5,456)</u></u>
FUND BALANCE ALLOCATION	<u>--</u>	<u>--</u>		
FUND BALANCES, Beginning	<u>\$ --</u>	<u>\$ --</u>	<u>65,395</u>	
FUND BALANCES, Ending			<u><u>\$ 59,939</u></u>	

**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SPLOST 2001**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013**

	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	338,101	2,010	340,111	340,111
Total revenues	<u>13,101,327</u>	<u>2,010</u>	<u>13,103,337</u>	<u>13,103,337</u>
<b>EXPENDITURES -</b>				
Capital outlay:				
Road construction/reconstruction	1,112,452	56,122	1,168,574	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	<u>11,823,614</u>	<u>56,122</u>	<u>11,879,736</u>	<u>13,103,337</u>
Excess of revenues over (under) expenditures	<u>\$ 1,277,713</u>	(54,112)	<u>\$ 1,223,601</u>	<u>\$ --</u>
FUND BALANCES, Beginning		<u>1,277,713</u>		
FUND BALANCES, Ending		<u>\$ 1,223,601</u>		



**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SPLOST 2006**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013**

	Prior Years	Current Year	Total to Date	Revised Projected Costs
REVENUES -				
Other revenue:				
Special purpose local option sales tax	\$ 14,764,516	\$ 444,350	\$ 15,208,866	\$ 15,208,866
Interest	106,048	9,733	115,781	115,781
Total revenues	14,870,564	454,083	15,324,647	15,324,647
EXPENDITURES -				
Capital outlay:				
Public safety	3,867,900	2,096,299	5,964,199	6,150,000
Water and sewer system	857,172	369,492	1,226,664	4,000,000
Road, street and sidewalk	3,010,592	286,639	3,297,231	5,515,000
Total expenditures	7,735,664	2,752,430	10,488,094	15,665,000
Excess of revenues over (under) expenditures	\$ 7,134,900	(2,298,347)	\$ 4,836,553	\$ (340,353)
FUND BALANCES, Beginning		7,135,044		
FUND BALANCES, Ending		\$ 4,836,697		

**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, 2013**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Other revenue -				
Contributions	\$ --	\$ --	\$ 3,333	\$ 3,333
Interest	--	--	69	69
Total revenues	--	--	3,402	3,402
<b>EXPENDITURES -</b>				
Current -				
Recreation:				
Buildings/improvements	25,000	25,000	--	25,000
Swimming pool equipment	20,625	20,625	4,732	15,893
Playground equipment	47,500	47,500	--	47,500
Total expenditures	93,125	93,125	4,732	88,393
Excess of revenues over (under) expenditures	(93,125)	(93,125)	(1,330)	91,795
<b>OTHER FINANCING SOURCES -</b>				
Transfer in	93,125	93,125	88,784	(4,341)
Total other financing sources	93,125	93,125	88,784	(4,341)
Excess of revenues and other sources over (under) expenditures	\$ --	\$ --	87,454	\$ 84,052
FUND BALANCES, Beginning			69,876	
FUND BALANCES, Ending			\$ 157,330	

**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, 2013**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Interest	\$ --	\$ --	\$ 936	\$ 936
Total revenues	--	--	936	936
<b>EXPENDITURES -</b>				
Capital outlay -				
Building/improvements	--	--	--	--
Total expenditures	--	--	--	--
Excess of revenues over (under) expenditures	--	--	936	936
<b>OTHER FINANCING SOURCES -</b>				
Transfer in	279,375	279,375	266,352	(13,023)
Total other financing sources	279,375	279,375	266,352	(13,023)
Excess of revenues and other sources over (under) expenditures	279,375	279,375	267,288	<u>\$ (12,087)</u>
FUND BALANCE ALLOCATION	(279,375)	(279,375)		
FUND BALANCES, Beginning	<u>\$ --</u>	<u>\$ --</u>	560,432	
FUND BALANCES, Ending			<u>\$ 827,720</u>	

**CITY OF WARNER ROBINS, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2013**

ASSETS

	Worker's	Group	
CURRENT ASSETS	Compensation	Health	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Cash	\$ 1,087,350	\$ 1,282,188	\$ 2,369,538
Due from other funds	--	39,662	39,662
Prepaid items	87,171	--	87,171
Total assets	<u>\$ 1,174,521</u>	<u>\$ 1,321,850</u>	<u>\$ 2,496,371</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable/accrued expenses	\$ 26,622	\$ 456,455	\$ 483,077
Due to other funds	232,042	1,213,352	1,445,394
Total current liabilities	<u>258,664</u>	<u>1,669,807</u>	<u>1,928,471</u>

NET POSITION

Unrestricted	915,857	(347,957)	567,900
Total liabilities and net position	<u>\$ 1,174,521</u>	<u>\$ 1,321,850</u>	<u>\$ 2,496,371</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, 2013**

	<u>Worker's Compensation</u>	<u>Group Health Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES -</b>			
Charges for services	\$ 901,574	\$ 7,507,148	\$ 8,408,722
Total operating revenues	<u>901,574</u>	<u>7,507,148</u>	<u>8,408,722</u>
<b>OPERATING EXPENSES -</b>			
Operating expenses	<u>887,093</u>	<u>7,518,422</u>	<u>8,405,515</u>
Total operating expenses	<u>887,093</u>	<u>7,518,422</u>	<u>8,405,515</u>
<b>OPERATING INCOME (LOSS)</b>	<u>14,481</u>	<u>(11,274)</u>	<u>3,207</u>
<b>NON-OPERATING REVENUES -</b>			
Interest earned	<u>3,307</u>	<u>2,290</u>	<u>5,597</u>
Total non-operating revenues, net	<u>3,307</u>	<u>2,290</u>	<u>5,597</u>
<b>CHANGE IN NET POSITION</b>	17,788	(8,984)	8,804
<b>NET POSITION, Beginning</b>	<u>898,069</u>	<u>(338,973)</u>	<u>559,096</u>
<b>NET POSITION, Ending</b>	<u>\$ 915,857</u>	<u>\$ (347,957)</u>	<u>\$ 567,900</u>

**CITY OF WARNER ROBINS, GEORGIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Worker's Compensation	Group Health Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 105,206	\$ 572,445	\$ 677,651
Cash paid to suppliers for goods and services	(871,793)	(7,337,548)	(8,209,341)
Cash received from other funds for goods and services	796,368	6,845,244	7,641,612
Cash received for claims reimbursements	--	89,459	89,459
Net cash used by operating activities	<u>29,781</u>	<u>169,600</u>	<u>199,381</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES -</b>			
Due from other funds, net	<u>(388,437)</u>	<u>(173,775)</u>	<u>(562,212)</u>
Net cash provided by noncapital financing activities	<u>(388,437)</u>	<u>(173,775)</u>	<u>(562,212)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES -</b>			
Interest income on investments	<u>3,307</u>	<u>2,290</u>	<u>5,597</u>
Net cash provided by investing activities	<u>3,307</u>	<u>2,290</u>	<u>5,597</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(355,349)	(1,885)	(357,234)
CASH, Beginning	<u>1,442,699</u>	<u>1,284,073</u>	<u>2,726,772</u>
CASH, Ending	<u>\$ 1,087,350</u>	<u>\$ 1,282,188</u>	<u>\$ 2,369,538</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</u></b>			
<b><u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>			
Operating income (loss)	<u>\$ 14,481</u>	<u>\$ (11,274)</u>	<u>\$ 3,207</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	(5,675)	--	(5,675)
(Decrease) increase in accounts payable/ accrued expenses	<u>20,975</u>	<u>180,874</u>	<u>201,849</u>
Total adjustments	<u>15,300</u>	<u>180,874</u>	<u>196,174</u>
Net cash provided (used) by operating activities	<u>\$ 29,781</u>	<u>\$ 169,600</u>	<u>\$ 199,381</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, 2013**

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SERIES 2012

<u>YEAR OF MATURITY</u>	<u>BONDS OUTSTANDING</u>	<u>INTEREST RATE</u>	<u>ACCRUED INTEREST</u>
2014	\$ 900,000	200.000%	\$ 1,009,213
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>\$ 28,220,000</u>		<u>\$ 11,578,707</u>

**CITY OF WARNER ROBINS, GEORGIA  
SCHEDULE OF STATE REQUIREMENTS  
JUNE 30, 2013**

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)	\$ 21,532	\$ 56,907	\$ 35,375
WRATS	(1)	GA-80-0007-01	3,655	3,655	--
WRATS	(1)	GA-90-2309	38,917	38,917	--
Elberta Train Depot	(1)	CSTEE-0009-00(96)	--	48,454	48,454
Total Dept. of Transportation			<u>64,104</u>	<u>147,933</u>	<u>83,829</u>
Total state and pass through grant			<u>\$ 64,104</u>	<u>\$ 147,933</u>	<u>\$ 83,829</u>

(1) includes Federal pass through



**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF STATE REQUIREMENTS**  
**JUNE 30, 2013**

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	781,266	7.80%
Water and sewer system	6,600,000	6,600,000	--	--	--	0.00%
General government	9,420,000	9,420,000	--	574,434	574,434	6.10%
City development	2,500,000	2,500,000	--	5,878	5,878	0.24%
Recreation facilities	7,785,000	7,785,000	--	177,561	177,561	2.28%
	<u>\$ 44,421,000</u>	<u>\$44,421,000</u>	<u>\$ --</u>	<u>\$ 1,539,139</u>	<u>\$ 1,539,139</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	\$ 3,867,900	\$ 2,096,299	\$ 5,964,199	96.98%
Water and sewer system	4,000,000	4,000,000	857,172	369,492	1,226,664	30.67%
Road, street and sidewalk	5,515,000	5,515,000	3,010,592	286,639	3,297,231	59.79%
	<u>\$ 15,515,000</u>	<u>\$15,665,000</u>	<u>\$ 7,735,664</u>	<u>\$ 2,752,430</u>	<u>\$ 10,488,094</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	\$ 1,112,452	56,122	\$ 1,168,574	48.85%
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>\$ 11,823,614</u>	<u>\$ 56,122</u>	<u>\$ 11,879,736</u>	

**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF STATE REQUIREMENTS**  
**JUNE 30, 2013**

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

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES -				
Other taxes -				
Motor vehicle rental tax	\$ 145,000	\$ 141,799	\$ 141,799	\$ --
Total revenues	<u>145,000</u>	<u>141,799</u>	<u>141,799</u>	<u>--</u>
EXPENDITURES -				
Current -	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over expenditures	145,000	141,799	141,799	--
OTHER FINANCING (USES) -				
Transfer out	<u>(145,000)</u>	<u>(141,799)</u>	<u>(141,799)</u>	<u>--</u>
Total other financing uses	<u>(145,000)</u>	<u>(141,799)</u>	<u>(141,799)</u>	<u>--</u>
Excess of revenues over (under) expenditures and other uses	<u>\$ --</u>	<u>\$ --</u>	<u>--</u>	<u>\$ --</u>
FUND BALANCES, Beginning			<u>--</u>	
FUND BALANCES, Ending			<u>\$ --</u>	

SCHEDULE OF HOTEL/MOTEL TAX REPORT

		<u>8%</u>
Amount of tax collected	\$ 1,420,545	100.00%
Amount expended to promote tourism (General Fund)	\$ 443,920	31.25%
Amount expended to support the Museum of Aviation	\$ 266,353	18.75%
Amount expended for city promotion (Bureau of Civic Affairs)	\$ 355,136	25.00%
Amount expended for a visitor center (Bureau of Civic Affairs)	\$ 266,352	18.75%
Amount expended for recreation capital project (Parks and Recreation)	\$ 88,783	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, 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, 2013, 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 January 24, 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. We did identify a deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 1996-01 that we consider to be a significant deficiency in internal control over financial reporting.

### ***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 January 24, 2014.

### **City of Warner Robins, Georgia's Response to Finding**

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

### **Purpose of this Report**

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

*Richels, Cauley + Associates, LLC*

Warner Robins, Georgia  
January 24, 2014

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**CITY OF WARNER ROBINS, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Federal Program Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>		
Community Development Block Grant:		
Entitlement Grant	14.218	\$ 421,564
Total U.S. Dept. of Housing and Urban Development		<u>421,564</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>		
Police Bullet Proof Vests	16.607	5,117
JAG Recovery Subgrant	16.803	836
JAG Equipment-Recovery ACT	16.804	67,927
JAG Equipment 2009	16.738	27,354
JAG Equipment 2010	16.738	26,111
JAG Equipment 2011	16.738	11,437
JAG Equipment 2012	16.738	6,058
COPS Technology Grant	16.710	390
Project Safe Neighborhood	16.609	67
Total U.S. Department of Justice		<u>145,297</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>		
Federal Highway Administration		
Passed Through Georgia Department of Transportation	20.205	
WRATS-Planning	PL-0009-00-669	56,907
WRATS-Transit	GA-80-0007-01	3,655
WRATS-Transit	GA-90-2309	38,917
Elberat Train Depot	CSTEE-0009-00(96)	48,454
Total U.S. Department of Transportation		<u>147,933</u>
<u>U. S. DEPARTMENT OF HOMELAND SECURITY</u>		
Federal Emergency Management Agency	97.044	
Homeland Security	0228-GE-T8-0117	29,952
GSAR Equipment Grant	2010-SS-TO-0034	15,397
Total U. S. Department of Homeland Security		<u>45,349</u>
Total Expenditures of Federal Awards		<u>\$ 760,143</u>

See notes to schedule of expenditures of federal awards

**CITY OF WARNER ROBINS, GEORGIA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Warner Robins, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule. City records should be consulted to determine amounts expended from non-federal sources.

NOTE 2. SUBRECIPIENTS

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

Program Title	Federal CFDA Number	Amount
Community Development Block Grant – Entitlement Grant	14.218	\$ <u>184,540</u>

**CITY OF WARNER ROBINS, GEORGIA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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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: Remains a finding as of June 30, 2013. Management has taken steps to address this finding in fiscal year 2014.

PRIOR FEDERAL AWARDS FINDINGS

2012-01 Any contractor or vendor should be compared to the suspended and debarred list before Federal Grant monies are used to pay them. The OMB A-133 Compliance Supplement states that "covered transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. The A-102 common rule states, " Non-Federal entities are prohibited from contracting with or making sub awards under covered transactions to parties that are suspended or debarred."

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, 2013.





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### **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

#### **Compliance**

We have audited the compliance of the City of Warner Robins, Georgia with the types of compliance requirements described in the U.S. Office of Management and Budget Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. The City of Warner Robins, Georgia's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the entity's management.

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

Our responsibility is to express an opinion on the City of Warner Robins, Georgia's compliance with the applicable compliance requirements based on our compliance audit.

We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Circular A-133 require that we plan and perform the compliance audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred.

A compliance audit includes examining, on a test basis, evidence about the City of Warner Robins, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our compliance audit provides a reasonable basis for our opinion. Our compliance audit does not provide a legal determination on the City of Warner Robins, Georgia's compliance with those requirements.

### ***Opinion***

In our opinion, the City of Warner Robins, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

### **Report on Internal Control over Compliance**

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

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

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

***Restricted Use***

The purpose of this report is solely for the information and use of the Mayor, City Council, management, others within the organization, federal awarding agencies, and pass-through entities and should not be used by anyone other than these parties. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance. Accordingly, this report is not suitable for any other purpose.

*Richels, Cauley + Associates, LLC*

Warner Robins, Georgia  
January 24, 2014

**CITY OF WARNER ROBINS, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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**SECTION I. SUMMARY OF AUDITOR'S RESULTS:**

**FINANCIAL STATEMENTS**

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

**FEDERAL AWARDS**

Internal Control over major program: Material weakness identified?	No
Significant deficiency identified not considered to be material weakness?	No
Type of Auditor's report issued on compliance for major program:	Unqualified
Any audit finding disclosed that is required to be reported in Accordance with OMB Circular A-133, Section .510(A)?	No
Identification of major program:	
CDFA Number:	14.218
Name of Federal Program:	Community Development Block Grant
Dollar threshold used to distinguish between Type A and Type B programs?	\$300,000
Auditee qualified as low risk auditee?	Yes

**SECTION II. FINANCIAL STATEMENT FINDINGS**

1996-01: Criteria	Internal Control Structure should provide reasonable assurance that cash on deposit be reconciled with Municipal Court records. This is a repeat finding reported from prior years.
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**CITY OF WARNER ROBINS, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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Condition	In our review of Municipal Court records, we determined that efforts have been made by the court personnel to reconcile the cash on deposit in the Municipal Court bank account with the open cases; however, they remained unreconciled at June 30, 2013.
Context	The Municipal Court could not provide a reconciliation of cash account to open cases.
Effect	Funds on deposit in the Municipal Court account may be in excess of the amount represented by open cases. Any excess could be funds available to the City.
Cause	Because of the high volume of cases and limited availability of time for staff to perform the reconciliation, cases have not been reconciled.
Recommendation	Policies and procedures should be implemented to correct this deficiency.
Management's Response and Planned Corrective Action	<i>Management concurred with this finding. Management as of the report date has implemented a process and controls to reconcile the number of open cases to the bank account.</i>

**SECTION III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None Reported