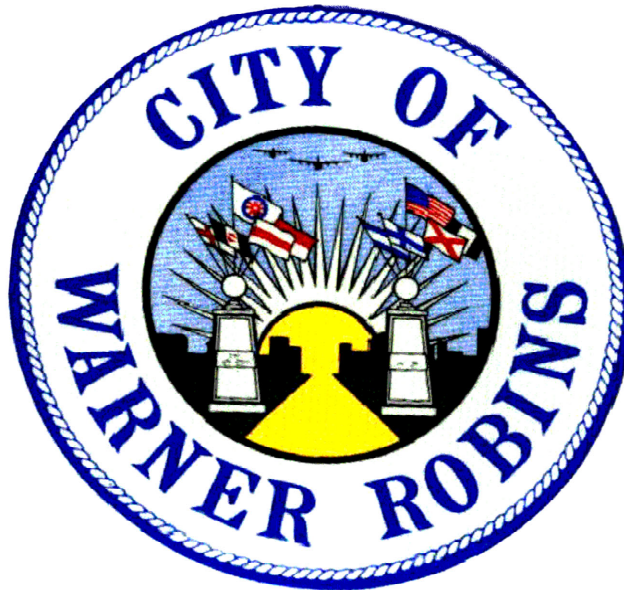


CITY OF WARNER ROBINS, GEORGIA
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2020



CITY OF WARNER ROBINS, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Warner Robins, Georgia (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Redevelopment Agency of the City of Warner Robins, Georgia which represent 8.5 percent, 8.6 percent, and 1.8 percent, respectively, of the assets, fund balance, and revenues of the non-major governmental funds. We did not audit the financial statements of the Development Authority of the City of Warner Robins, which represent 2.9 percent, (23.9) percent, and 26.9 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Redevelopment Agency of the City of Warner Robins, Georgia and the Development Authority of the City of Warner Robins, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of Pension Contributions, and the Schedule of Changes in the City's Total OPEB Liability and Related Ratios on pages 4 through 24, and pages 79 through 83, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements and Schedules, the Schedule of State Requirements, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost*

Principles, and Audit Requirements for Federal Awards (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Richards, Cauley + Associates, LLC

Warner Robins, Georgia
May 14, 2021



**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

The City of Warner Robins' basic financial statements are presented for the fiscal year ended June 30, 2020. The components of the financial statements include Management's Discussion and Analysis (MD&A), Basic Financial Statements, and Other Required Supplementary Information (RSI). The MD&A, a component of RSI, introduces the basic financial statements and provides an analytical overview of the City's financial activities.

FINANCIAL HIGHLIGHTS

For fiscal year 2020, key financial highlights are as follows:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at June 30, 2020 by \$241.3 million. Of this amount, the unrestricted net position was a negative \$12.4 million.
- The City's total net position decreased by \$8.2 million or 3.30% in relation to the prior fiscal year end. Net position of governmental activities decreased by \$8.4 million, while the net position of business-type activities increased by \$207 thousand.
- On a government-wide basis, the City's total assets decreased by \$9.6 million and total liabilities increased by \$12.8 million.
- The business-type activities or enterprise funds closed the fiscal year with operating revenues exceeding operating expenses by \$3.2 million, representing a reduction of \$87 thousand or 2.64% from FY 2019.
- As of June 30, 2020, the City's governmental funds reported a combined ending fund balances of \$66.6 million, representing a decrease of \$5.3 million or 7.31% in comparison to the previous fiscal year end. Of this amount, \$15.6 million is designated as unassigned fund balance and is therefore available for spending at the government's discretion.
- For the General Fund, the ending fund balance was \$18.8 million, which declined \$179 thousand or .94% from fiscal year 2019.
- The sales tax collections for the 2018 Special Purpose Local Option Sales Tax (SPLOST), which continues through September 2024, totaled \$7.1 million. For fiscal year 2020 alone, this represented an increase of \$897 thousand or 14.41% above projected revenues for referenced period.

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.

Reporting the City as a Whole **Government-wide Financial Statements**

The government-wide financial statements, which include the Statement of Net Position and the Statement of Activities answer the question, “How did we do financially during 2020?” These statements report information about the City as a whole, including all assets and liabilities using the accrual basis of accounting. This is similar to the accounting used by most private-sector entities. In addition, this basis of accounting takes into consideration all of the current year’s revenues and expenses regardless of when the cash is received or paid. Further, the statements provide 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 regarding how the City’s net position changed during the fiscal year is presented in the Statement of Activities. Specifically, from the year-over-year comparison, the reader is able to ascertain if there was an improvement or decline in the City’s overall financial performance.

In the Statement of Net Position and the Statement of Activities, the City reports the primary government, which includes the governmental activities as well as the business-type activities. The governmental activities’ programs and services reported include general government, judicial, public safety, and recreation. The business-type activities’ program services include the natural gas system, water and sewer system, storm water drainage, and sanitation. The City’s component units are also reported in the government-wide financial statements. More detailed information regarding the component units can be found in Note 1, Summary of Significant Accounting Policies, of the Financial Statements.

The government-wide financial statements may be found on pages 25 and 26 of this report.

Reporting the City’s Most Significant Funds **Fund Financial Statements**

Fund financial statements, unlike the government-wide financial statements, provide more detailed information regarding the City’s funds. The City uses various funds to account for a multitude of financial transactions that are necessary for the successful day-to-day operations of the City, with a focus on how money flows into and out of these funds and the balances remaining at year end that are available to meet future expenditure needs. The City’s financial statements for all governmental funds are presented on the modified accrual basis of accounting, with the revenues recorded when both measurable and available, and expenditures recorded when the goods or services are received and the liabilities are incurred. The governmental fund financial statements provide a detailed short-term view of the City’s general operations and the basic services provided. Governmental fund financials assist in determining if there are adequate financial resources available that can assist in financing the overall future operational needs of the City and the various stakeholders to which it

is indebted to serve. However, the fund financial statements primarily focus on the City's most significant funds. Fund financial statements include the statements for governmental and proprietary funds. The City's major governmental funds include the General Fund, 2018 Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Fund, and the Warner Robins Public Facilities Authority (WRPFA) Capital Projects Fund. The City's major proprietary funds include the Natural Gas System Fund, Water and Sewer System Fund, Storm Water Drainage Fund, and Sanitation System Fund.

The governmental fund financial statements can be found on pages 27 through 30 and the proprietary fund financial statements can be found on pages 31 through 35 of this report. The relationship (or differences) between governmental *activities* reported in the Statement of Net Position and the Statement of Activities and governmental *funds* is reconciled in the financial statements and can also be found in this referenced section.

Notes to the Basic Financial Statements

The notes to the financial statements 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, which includes a summary of significant accounting policies that assist in interpreting the information presented.

The notes to the financial statements may be found on pages 36 through 78 of this report.

Other Financial Reporting

Combining and individual statements of non-major special revenue governmental funds are presented, providing a comprehensive review of the financial transactions through the respective year-end. The central non-major special revenue governmental funds, based on the ending fund balance at June 30, 2020, include the following:

- Bureau of Civic Affairs
- Law Enforcement
- Redevelopment Agency of the City of Warner Robins
- GA Industrial Park Capital Projects
- 2012 SPLOST Capital Projects
- Visitor Center Capital Projects

The associated combining and individual statements may be found on pages 84-98.

Internal Service Funds' combining statements, which include the Workers Compensation and Group Health Insurance special revenue funds may be found on pages 99-101.

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

**Table 1:
Major Features of the Basic Financial Statements**

	Government-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City Government and any component units	Activities of the City that are not proprietary	Activities of the City that are operated similar to a private business
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenditures and Changes in Fund Balances • Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, as well as short-term and long-term	Only assets expected to be consumed and liabilities that are due during the year or soon thereafter; capital assets are not included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is paid or received	<ul style="list-style-type: none"> • Revenues for which cash is received during or soon after the year end • Expenditures recognized when goods or services have been received and payments are due during the year or soon thereafter 	All revenues and expenses during the year, regardless of when cash is received or paid

Government-Wide Financial Analysis

Table 2 below presents the City's condensed statement of net position (in thousands) as of June 30, 2020 and 2019, derived from the government-wide Statement of Net Position on page 14.

Table 2: Condensed Statements of Net Position
As of June 30
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets and Deferred Outflows						
Current assets	\$ 73,895	\$ 77,446	\$ 24,073	\$ 27,618	\$ 97,968	\$ 105,064
Other assets	-	-	2,726	4,158	2,726	4,158
Capital assets	159,200	159,920	107,989	108,317	267,189	268,237
Total assets	233,095	237,366	134,788	140,093	367,883	377,459
Deferred outflows	14,608	5,638	2,661	965	17,269	6,603
Liabilities and Deferred Inflows						
Current liabilities	11,000	8,961	3,381	5,848	14,381	14,809
Long-term liabilities	88,427	74,283	36,117	37,062	124,544	111,345
Total liabilities	99,427	83,244	39,498	42,910	138,925	126,154
Deferred inflows	4,095	7,145	791	1,195	4,886	8,340
Net Position						
Net investment in						
Capital assets	122,876	159,920	81,679	79,907	204,555	239,827
Restricted	47,819	50,280	1,402	1,528	49,221	51,808
Unrestricted	(26,514)	(57,585)	14,079	15,518	(12,435)	(42,067)
Total net position	\$ 144,181	\$ 152,615	\$ 97,160	\$ 96,953	\$ 241,341	\$ 249,568

By far the largest portion (\$204.5 million) of the City of Warner Robins' total net position reflect its net investment in capital assets (e.g., land, buildings and improvements, infrastructure, machinery and equipment, etc.), less accumulated depreciation and related debt. The City employs these various capital assets to provide daily services to its citizens; consequently, these assets are not available for future spending. Unrestricted net position reflects a deficit of \$12.4 million as of June 30, 2020. Restricted net position of \$49.2 million represents resources that are subject to external restrictions, constitutional provisions, and/or enabling legislation, which govern how the funds can be used.

From strictly an activities perspective in regard to unrestricted net position, governmental activities reflect a negative unrestricted net position of \$26.5 million as of June 30, 2020. Business-type activities, however, reflect a positive unrestricted net position of \$14.1 million for the identical reporting period.

Table 3 presents the City’s condensed statement of activities (in thousands) for the fiscal years ended June 30, 2020 and 2019, as derived from the government-wide Statement of Activities on page 26. Over time, increases or decreases in net position measure whether the City’s financial position is improving or experiencing a decline, providing the opportunity to proactively address and implement corrective fiscal actions needed, if any. During the fiscal year, the net position of the governmental activities decreased by \$8.4 million and the net position of the business-type activities increased by \$207 thousand.

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 5,810	\$ 5,288	\$ 46,144	\$ 50,238	\$ 51,954	\$ 55,526
Operating grants and contributions	1,372	1,663	-	-	1,372	1,663
Capital grants and contributions	10,589	8,305	2,040	1,973	12,629	10,278
General revenues						
Property and other taxes	30,013	29,106	-	-	30,013	29,106
Sale of assets	(14)	51	2	2	(12)	53
Other	5,545	6,443	292	552	5,837	6,995
Total revenues	<u>53,315</u>	<u>50,856</u>	<u>48,478</u>	<u>52,765</u>	<u>101,793</u>	<u>103,621</u>
Expense						
General government	7,652	4,658	-	-	7,652	4,658
Judicial	963	621	-	-	963	621
Public safety	28,407	25,817	-	-	28,407	25,817
Recreation	14,230	4,623	-	-	14,230	4,623
Public works (Streets)	8,774	10,434	-	-	8,774	10,434
City development	4,646	4,718	-	-	4,646	4,718
Downtown Development	95	137	-	-	95	137
Other	1,543	1,328	-	-	1,543	1,328
Natural gas system	-	-	15,642	19,765	15,642	19,765
Water and sewer system	-	-	17,009	16,467	17,009	16,467
Storm water drainage	-	-	3,014	3,417	3,014	3,417
Sanitation	-	-	8,045	8,141	8,045	8,141
Total expenses	<u>66,310</u>	<u>52,336</u>	<u>43,710</u>	<u>47,790</u>	<u>110,020</u>	<u>100,126</u>
Increase (decrease) in net position before transfers	(12,995)	(1,480)	4,768	4,975	(8,227)	3,495
Transfers	<u>4,561</u>	<u>8,561</u>	<u>(4,561)</u>	<u>(8,561)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(8,434)	7,081	207	(3,586)	(8,227)	3,495
Net position - beginning	<u>152,615</u>	<u>145,534</u>	<u>96,953</u>	<u>100,539</u>	<u>249,568</u>	<u>246,073</u>
Net position - ending	<u>\$ 144,181</u>	<u>\$ 152,615</u>	<u>\$ 97,160</u>	<u>\$ 96,953</u>	<u>\$ 241,341</u>	<u>\$ 249,568</u>

Program Expenses and Revenues for Governmental Activities

Table 4 presents the net costs of governmental activities. As reflected, overall total program revenues were not sufficient to cover program expenses for governmental activities. General revenues, predominately taxes, supported the net costs of governmental activities. Program revenues as a percentage of program expenses decreased slightly for governmental activities from fiscal year 2019 to fiscal year 2020.

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

Function/Program	Program Expenses 2020	Less Program Revenues	Net Program Expenses (Revenue)		Program Revenues as a Percentage of Program Expenses	
			2020	2019	2020	2019
General government	\$ 7,651	\$ 4,462	\$ 3,189	\$ (5,902)	58.32%	226.71%
Judicial	963	1,118	(155)	(409)	116.10%	165.84%
Public safety	28,407	1,653	26,754	24,988	5.82%	3.21%
Recreation	14,230	7,181	7,049	3,982	50.46%	13.85%
Public works	8,774	3,195	5,579	8,980	36.41%	13.94%
City development	4,646	135	4,511	4,008	2.91%	15.06%
Other	1,637	27	1,610	1,432	1.65%	0.00%
Total	<u>\$ 66,308</u>	<u>\$ 17,771</u>	<u>\$ 48,537</u>	<u>\$ 37,079</u>	<u>26.80%</u>	<u>29.15%</u>

Program Expenses and Revenues for Business-type Activities

Table 5 presents the net income and costs of business-type activities. Program revenues generated were more than sufficient to cover program expenses. Overall, program expenses as a percentage of program revenues decreased slightly for business-type activities from fiscal year 2019 to fiscal year 2020.

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

Function/Program	Program Expenses 2020	Less Program Revenues	Net Program Expenses (Revenue)		Program Expenses as a Percentage of Program Revenues	
			2020	2019	2020	2019
Natural gas system	\$ 15,643	\$ 18,578	\$ (2,935)	\$ (3,426)	84.20%	85.23%
Water and sewer system	17,009	18,096	(1,087)	(1,396)	93.99%	92.19%
Storm water drainage	3,014	3,877	(864)	(191)	77.72%	94.71%
Sanitation	8,045	7,632	412	592	105.40%	107.84%
Total	<u>\$ 43,711</u>	<u>\$ 48,184</u>	<u>\$ (4,474)</u>	<u>\$ (4,421)</u>	<u>90.72%</u>	<u>91.53%</u>

OVERALL FINANCIAL ANALYSIS

Financial highlights for the City as a whole for the fiscal year ended June 30, 2020, include the following:

In accordance to the Statement of Net Position at June 30, 2020, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$144.2 million for the governmental activities and by \$97.2 million for the business-type activities.

The City's total net position decreased during the year by \$8.2 million or 3.30 % in comparison to the previous fiscal year end. Net position of governmental activities decreased by \$8.4 million, while the net position of business-type activities increased by \$207 thousand. The decrease in the net position for the City's governmental activities is primarily attributed to the increase in public safety and recreation expenditures, which combined realized a year-over-year increase of \$12.2 million or 40.1%. Much of this increase, \$9.6 million or 78.8%, was dedicated to the City's recreation department and represented construction cost associated with the new North Houston Sports Complex that is essentially funded by the 2018 Special Purpose Local Option Sales Tax (SPLOST). This new multi-purpose sports complex that can also be used for events, includes state of the arts amenities and is scheduled to open in fiscal year 2021. In addition, the \$4.6 million transfer from the enterprise or proprietary funds to the governmental activities worked to soften the overall reduction in the City's total net position.

Operating revenues in the City's business-type or enterprise funds declined by \$4.1 million or 8.2% from FY 2019 to FY 2020, with a corresponding decrease in operating expenses of \$4 million or 8.5% for the identical reporting period. This overall reduction was primarily attributed to the activity in the Natural Gas System enterprise fund. Reduction in natural gas rates to customers coupled with a reduction in gas cost both contributed to the overall year-over-year reductions in the enterprise funds.

Year-over-year changes realized in the enterprise funds' operating revenues are as reflected below:

Enterprise Funds Operating Revenues	FY 2020	FY 2019	Dollar Change	Percent Change
Natural Gas System	\$18,577,772	\$23,191,098	(\$4,613,326)	-19.89%
Water and Sewer System	16,923,200	16,734,078	189,122	+1.13%
Storm Water Drainage	3,011,091	2,763,343	247,748	+8.97%
Sanitation	7,632,373	7,549,432	82,941	+1.10%
Total	\$46,144,436	\$50,237,951	(\$4,093,515)	-8.15%

Year-over-year changes realized in the enterprise funds' operating expenses are as reflected below:

Enterprise Funds Operating Expenses	FY 2020	FY 2019	Dollar Change	Percent Change
Natural Gas System	\$15,642,933	\$19,765,191	(\$4,122,257)	-20.86%
Water and Sewer System	16,228,822	15,613,350	615,472	3.94%
Storm Water Drainage	3,013,682	3,416,895	(403,213)	-11.80%
Sanitation	8,044,801	8,141,162	(96,361)	-1.18%
Total	\$42,930,238	\$46,936,598	(\$4,006,359)	-8.54%

Year-over-year changes realized in the enterprise funds' overall results of operations are as reflected below. The Natural Gas System Fund, as in FY 2019, once again was responsible for the lion's share of the operating income by closing the fiscal year at \$2.9 million. As shown, at June 30, 2020, operating revenues for the City's business-type activities or enterprise funds exceeded operating expenses by \$3.2 million.

Enterprise Funds Operating Income (Loss)	FY 2020	FY 2019	Dollar Change	Percent Change
Natural Gas System	\$2,934,839	\$3,425,907	(\$491,069)	-14.33%
Water and Sewer System	694,378	1,120,728	(426,350)	-38.04%
Storm Water Drainage	(2,591)	(653,552)	650,961	99.60%
Sanitation	(412,428)	(591,730)	179,302	30.30%
Total	\$3,214,198	\$3,301,353	(\$87,156)	-2.64%

The City's Funds

Funds (governmental, enterprise and internal service) that experienced significant changes during the fiscal year ended June 30, 2020, are referenced below.

Governmental Funds

As of the close of the fiscal year, the City's Governmental Funds reported a combined ending fund balance of \$66.6 million, which represented a decrease of \$5.3 million or 7.3% from FY 2019. Total revenues were \$50.1 million and total expenditures were \$60.1 million for all governmental funds, representing a year-over-year increase of \$715 thousand in total revenues and a decrease of \$6.2 million in total expenditures. The decrease in total expenditures primarily resulted from the decline in the 2012 Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Fund of \$5.1 million coupled with net reductions in other governmental funds. Beginning with the June 30, 2020 year-end, the 2012 SPLOST Capital Projects Fund was reclassified from a major to a non-major governmental fund.

General Fund

The General Fund's total fund balance as of June 30, 2020 was \$18.8 million. The General Fund's fund balances are segregated by the extent to which the governing body is bound to honor constraints on the specific purpose for which the amounts can be expended. Of the total General Fund's fund balance, \$1.5 million is nonspendable, \$1.7 million is committed, and \$15.6 million is unassigned. The year-over-year decrease in the General Fund's unassigned fund balance of \$901 thousand or 5.5% is largely due to a greater percentage of the General Fund's assets being composed of prepaid items. Prepaid items are nonspendable, resulting in a reduction in the total unassigned fund balance. At year-end, nonspendable prepaid items totaled \$1.4 million of the General Fund's total nonspendable fund balance. For the prior fiscal year end, however, nonspendable prepaid items totaled only \$275 thousand. The total fund balance for the General Fund decreased by only \$179 thousand or .94% from the previous fiscal year end. This reduction was due to the overall decline in other financing sources, which fell \$811 thousand. Fiscal year 2020 General Fund revenues totaled \$38.8 million, representing an increase of \$931 thousand or 2.5% over FY 2019. Gains realized in general property revenues was primarily responsible for much of the increase. The General Fund's expenditures at year-end totaled \$43.6 million, representing an increase of \$143 thousand or .33% over FY 2019. This nominal increase was primarily attributed to the increase realized in public safety expenditures.

2018 Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Fund

The 2018 SPLOST Capital Projects Fund that houses the one-cent sales tax proceeds that are primarily dedicated to funding the cost of capital outlay projects throughout the City was classified as a major fund. The ending fund balance at June 30, 2020 was \$13.3 million, representing a year-over-year decrease of \$3.9 million or 22.7%. Total revenues and total expenditures were \$7.3 million and \$11.2 million, respectively, for the 2018 SPLOST Capital Projects Fund. Year-over-year revenues increased by \$1.9 million, while expenditures increased by \$5.1 million. Increases in capital outlay cost associated with the referendum-approved projects continue to draw down the fund balance, which is anticipated as the City concludes year two of the six-year 2018 SPLOST receipts that commenced October 2018. Sales tax collections associated with the 2018 SPLOST continue through September 2024.

Warner Robins Public Facilities Authority (WRPFA) Capital Projects Fund

In addition to the 2018 SPLOST Capital Projects Fund, in 2018 the City established a capital projects fund dedicated to account for those capital projects that were financed with the Warner Robins Public Facilities Authority Revenue Bonds, Series 2018. These revenue bonds that are pledged by the full faith and credit of the City were issued by the Warner Robins Public Facilities Authority. The WRPFA Capital Projects Fund had an ending fund balance of \$15.9 million at June 30, 2020 year-end. This represented an increase of \$211 thousand or 1.3% over FY 2019. Total revenues and total expenditures were \$172 thousand and \$1 million, respectively, for the WRPFA Capital Projects Fund. Year-over-year revenues decreased by \$142 thousand or 45.3% while year-over-year expenditures declined by \$4.2 million or 80.6%. The decline in expenditures was attributed to the reduction in capital outlay expenditures.

Enterprise Funds

The City's Enterprise Funds reported a total net position of \$97.2 million at June 30, 2020, up from \$97 million or \$207 thousand or .21% from June 30, 2019. Total operating revenues were \$46.1 million and total operating expenses were \$42.9 million, representing a year-over-year decrease of \$4.1 million or 8.2% and a decrease of \$4 million or 8.5%, respectively.

Natural Gas System Fund

The Net Position of the Natural Gas System Fund at June 30, 2020 was \$20.5 million, representing an increase of \$558 thousand or 2.8% over fiscal year 2019. Both total operating revenues and total operating expenses experienced a decrease for the reporting period. From a year-over-year perspective, total operating revenues decreased \$4.6 million or 19.9% while total operating expenses decreased \$4.1 million or 20.9%. The decrease in both revenues and expenses were attributed to the decreases in volumes of natural gas sold, which is again due to the unseasonal warm winter realized during fiscal year 2020.

Water and Sewer System Fund

The Net Position of the Water and Sewer System Fund remained relatively steady for fiscal year 2020. At June 30, 2020 the net position was \$57.3 million, representing a decrease of \$816 thousand or 1.4% in comparison to fiscal year 2019. From a year-over-year perspective, total operating revenues realized a nominal increase of \$189 thousand or 1.1% while total operating expenses also realized an increase of \$615 thousand or 3.9%. Increased cost of operations as reflected in the operating expenses line item grew \$542 thousand, accounting for much of the increase in total operating expenditures.

Storm Water Drainage Fund

The Net Position of the Storm Water Drainage Fund at June 30, 2020 was \$19.3 million, representing an increase of \$864 thousand or 4.7% in comparison to fiscal year 2019. From a year-over-year perspective, total operating revenues realized a modest increase of \$248 thousand or 9% while total operating expenses realized a decrease of \$403 thousand or 11.8%. The addition of two hundred new customers in the storm water customer base resulted in an increase in operating revenues of \$300 thousand. In addition, the reorganization of the department where staff were shifted from storm water as result of the new departmental focus resulted in a decline in personnel services costs of \$503 thousand or 24.2%.

Sanitation Fund

The Net Position of the Sanitation Fund at June 30, 2020 was \$55 thousand, representing a decrease of \$399 thousand or 87.9% in comparison to fiscal year 2019. From a year-over-year perspective, total operating revenues were up \$83 thousand or 1.1% while total operating expenses realized a decrease of \$96 thousand or 1.2%. For the Sanitation Fund, operating revenues continue to consistently fall short of operating expenses, resulting in a downward pull on remaining funds available for operations.

Internal Service Funds

The City's Group Health Internal Service Fund, which is the primary internal service fund representing 96.4% and 96.6% of total operating revenues and total operating expenses, respectively, reported a negative net position of \$781 thousand at June 30, 2020. This represented

an increase of \$194 thousand or 19.9% from the prior fiscal year end. Contributions to the fund were not sufficient to cover the deficit realized at the beginning of the fiscal year in addition to the current year's operating expenses. The Worker's Compensation Internal Service Fund reported a net position of \$1.2 million at June 30, 2020, which was \$53 thousand or 4.6% over the previous fiscal year end. Overall, the combined net position for the City's Internal Service Funds at June 30, 2020 was \$421 thousand, representing an increase of \$246 thousand or 141.1% over FY 2019.

BUDGETARY HIGHLIGHTS

Over the course of the fiscal year, the Mayor and Council of the City of Warner Robins amended the budget to align with funding needs that occurred throughout the fiscal year. These budget amendments were supplemental appropriations to primarily address operational and capital projects funding shortfalls, which included funding for both routine and non-routine expenditures that occurred in the overall operation of the City. Budget amendments were also prepared to prevent any budget overruns. The variances between the original and final budget, or between the final and actual budget, are not expected to have a significant effect on the City's overall financial liquidity and most of all the level of services provided to the citizens of Warner Robins.

For the General Fund, the final amended budget of \$49.8 million (excluding other financing sources and uses) was \$3.2 million or 6.96% over the original appropriated budget through fiscal year end. This difference was primarily attributed to allocations from the unrestricted fund balance for the prior year's encumbrances of \$2.2 million, which increased the final total budgeted expenditures amount for FY 2020. In addition, the occurrence of legally adopted budget amendments of \$1 million worked to increase the final revised budget amount. Additional information regarding the General Fund budget variances may be found on Note 2 – Stewardship, Compliance and Accountability on pages 48-49 and on the Budgetary Comparison Schedule in the Required Supplementary Information (RSI) section on page 79.

CAPITAL PROJECTS FUNDS

Various roadway and walkway projects, building projects, recreation facility improvement projects as well as distribution system capital projects are funded from the 2006, 2012 and 2018 one-cent Special Purpose Local Option Sales Tax (SPLOST) funds. Amounts expended from the 2006 SPLOST Fund for capital projects for fiscal year 2020 totaled \$5 thousand and was dedicated for road, street and sidewalk. As for the 2012 SPLOST, general capital obligations totaled \$1.5 million and included the following: road, street and sidewalk \$590 thousand, public safety \$207 thousand, water and sewer system \$125 thousand, general government \$95 thousand, city development \$106 thousand, and recreation facilities \$354 thousand. Given that the 2018 SPLOST is currently the active SPLOST for the City of Warner Robins, much of the SPLOST capital projects through fiscal year end were financed from this fund. At June 30, 2020 the 2018 SPLOST Fund expended \$10.8 million for capital projects, as referenced below:

- \$10,000,000: Recreation facilities, state of the arts sports complex
- \$750,000: Public safety facilities

- \$78,000: Water and sewer distribution improvements
- \$7,000: General capital obligation

In addition to the above referenced SPLOST capital projects, the Warner Robins Public Facilities Authority Capital Projects Fund financed numerous capital projects around the city through fiscal year end. A total of \$588 thousand was expended, which included the following:

- \$364,000: Municipal court facility renovations
- \$164,000: Economic development facilities
- \$55,000: Recreation facilities
- \$5,000: Public safety facilities

CAPITAL ASSETS

The City of Warner Robins' investment in capital assets for its governmental and business-type activities as of June 30, 2020 totaled \$267.2 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, parks and recreation facilities, and a network of distribution systems (natural gas, water and sewer, storm water drainage, and sanitation). The year-over-year changes in capital assets for the City are reflected in the chart below.

Capital Assets	FY 2020 ¹	FY 2019 ¹	Dollar Difference	Percent Difference
Land	\$22,669,767	\$22,311,783	\$357,984	1.6%
Construction in progress	17,327,615	18,374,340	(1,046,725)	-5.70%
Buildings and improvements	19,312,792	18,237,305	1,075,487	5.90%
Machinery and equipment	6,325,156	7,322,222	(997,066)	-13.62%
Infrastructure	102,148,538	102,649,741	(501,203)	-0.49%
Distribution Systems	99,405,463	99,341,597	63,866	0.06%
Total	\$267,189,331	\$268,236,988	\$(1,047,657)	-0.39%

Note¹: Excludes accumulated depreciation

Overall, for the fiscal year end, capital assets declined \$1 million or .39% in comparison to FY 2019.

Capital assets additions strictly for the City's Governmental funds for fiscal year 2020 are as follows:

Capital Asset	Amount
Land*	\$322,984
Construction in progress	2,403,132
Total Non-depreciable Assets	\$2,726,116
Buildings and improvements	1,924,953
Machinery and equipment	578,090
Infrastructure	3,548,725
Total Depreciable Assets	\$6,051,768
Total Capital Assets - All	\$8,777,884

*Land additions include property donated to the City.

More detailed information on capital assets may be found in Note 3 to the Basic Financial Statements.

DEBT ADMINISTRATION

As of June 30, 2020, the City reported a total long-term obligations balance, exclusive of Net Pension, OPEB Liability and accrued interest, of \$67 million. This represented a decrease of \$1.9 million or 2.83% in comparison to the previous fiscal year end. The current portion of the long-term obligations totals \$6.7 million and is comprised of the following: Claims Payable (\$123 thousand), Compensated Absences (\$1.5 million), Capital Leases (\$363 thousand), Contracts Payable (\$108 thousand), and Bonds and Notes Payable (\$4.6 million). The noncurrent portion is comprised of Compensated Absences (\$573 thousand), Capital Leases (\$1.7 million), Contracts Payable (\$2.1 million) and Bonds and Notes Payable (\$55.9 million).

Article 9, Section 5, Paragraph I (a) of the Constitution of the state of Georgia states that no county, municipality, or other political subdivision may incur long-term obligations (other than refunding obligations) payable out of general property taxes without the approval of a majority of the qualified voters of such county, municipality, or other political subdivision voting at an election called to approve the obligations. In addition, the article also indicates that no county, municipality, or other political subdivision may incur long-term obligations payable out of the general property taxes in excess of 10% of the assessed value of all taxable property within the district. Temporary loans or short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation, and intergovernmental

obligations are not subject to the legal limitations described above.

As of June 30, 2020, as reflected on the chart below, the City's net assessed value was 1.8 billion. The legal debt limit for the City's long-term debt is \$176 million, which represents 10 percent of the net assessed value of property taxable for ad valorem tax purposes. For the City, this means that 100 percent of the legal debt limit is available for the issuance of additional GO bonds should the need arise. This is a highly favorable position given that some local governments in the state of Georgia are operating at double-digit limits in regard to their debt capacity. This favorable position has all been made possible by the City's continued effort to adhere to sound fiscal policies regarding the issuance of long-term debt.

As of June 30, 2020, the City had not issued any direct general obligation bonds. As shown, the City also has not issued any general obligation bonded debt for all prior fiscal years referenced below.

June 30,					
	2016	2017	2018	2019	2020
Assessed Value	\$1,628,128,676	\$1,632,480,496	\$1,637,343,799	\$1,713,488,603	\$1,756,692,934
Legal Debt Margin					
Debt limit (10% of assessed value)	\$ 162,812,868	\$ 163,248,050	\$ 163,734,380	\$ 171,348,860	\$ 175,669,293
Debt applicable to limit:					
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Amount reserved for repayment of general obligation debt					
Total debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 162,812,868	\$ 163,248,050	\$ 163,734,380	\$ 171,348,860	\$ 175,669,293
Total net debt applicable to the limit as a % of the debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

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

ECONOMIC OUTLOOK

The City of Warner Robins, GA was again positioned to realize an overall strengthened year-end financial position. The City as in prior years has continued to operate from a fiscally responsible position.

On March 14, 2020, Governor Kemp declared a Public Health State of Emergency due to the outbreak of a new coronavirus called SARS-CoV-2 that was declared earlier in the month by the World Health Organization (WHO) as the Coronavirus (COVID-19) Pandemic. This executive

order was necessitated by the President's declaration on March 13th that the outbreak of COVID-19 was a national emergency. The City's operations were brought almost to a standstill. To stop the spread of COVID-19 around the state, businesses, governments and schools were later instructed to close, residents and visitors were required to "shelter in place" within their homes, and basically only those deemed as front-line and essential workers were allowed to work outside the home. This meant immediate closure of the City Hall and temporary reduction in the level of services provided as the Mayor and City Council complied with the Governor's directive while simultaneously working to keep our employees and the community safe. The needs of the citizens and community of Warner Robins remained at the forefront, which included assurance that the level of services required to efficiently and effectively run the City would still be provided. As of this writing, this COVID-19 pandemic that worldwide has infected over 141 million and taken the lives of over 3.01 million, has in the U.S. alone infected over 31.5 million and claimed the lives of 564,292. The state of Georgia has experienced 869,590 confirmed positive COVID-19 cases and 17,241 deaths. The county of Houston County, which is the county seat of the City of Warner Robins, reported 9,901 confirmed positive cases and 188 deaths due to the COVID-19 Pandemic.

Given that this was the first major pandemic in the lifetime of many (the last being in 1918), it required the health care industry and all levels of governments to aggressively race to get to the front of it, while new cases and death tolls continued to rise. However, the City of Warner Robins, especially the public safety personnel, stepped up to the challenge. Through it all, we became stronger as a city and validated why we are known as the "International City". Individuals from all walks of life stepped up to assist and continued to assist others when needed. We have learned that we are resilient, innovative, resourceful, and more determined than ever to ensure the safety and welfare of our city.

In response to the pandemic, Congress on March 27, 2020 passed a \$2.2 trillion-dollar economic stimulus bill known as the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Relief Fund (CRF), which at this time is the largest relief package in the history of the United States. This new Act provided funding to states that was then passed down to local, city, and county governments to provide federal assistance to address those needs directly resulting from the COVID-19 Pandemic. Governments were allowed to use the funding for the following:

- personal protective equipment,
- COVID testing,
- overtime for staff working in direct response to the COVID-19 pandemic,
- sanitization supplies or cleanings in excess of routine purchases
- regular pay and benefits costs for employees who are substantially dedicated to COVID-19 mitigation,
- costs associated with purchasing or deploying equipment to enable telework or online instruction as part of social distancing, or
- increased risk pool or health care costs associated with pandemic response.

The City of Warner Robins received a total of \$4.1 million in CARES Act funding in the first quarter of fiscal year 2021.

With the emergency approval of three COVID-19 vaccines in the winter of 2020, many states across the U.S. began to experience a decline in the number of confirmed positive cases and deaths. This has resulted in a slow and cautious reopening of businesses, schools, churches, and other establishments. With the rollout of the vaccine, the Mayor and City Council continue to monitor the progress as we strive to work toward a new level of normalcy while keeping the City safe.

Due to the Coronavirus Pandemic effecting the entire nation, unemployment rates in the Warner Robins Metropolitan Statistical Area reached a peak level of 10.1% in April of 2020. At June 30, 2020, the unemployment rate was 6.2%, which had risen from 3.8% for the prior fiscal year ending June 30, 2019. This 63.2% increase in the unemployment rate was directly due to the unprecedented pandemic experienced nationwide. A downward trend in the unemployment rate has continued during fiscal year 2021.

The City's Calendar Year (CY) 2019, Fiscal Year 2020 net taxable digest experienced an increase of 2.5% over the net taxable digest for CY 2018, FY 2019. As reflected in the tables below, the City has realized a year-over-year increase in the net tax digest for ad valorem tax purposes for each of the years reported.

**Ad Valorem Tax Digest
Houston County**

Fiscal Year	Tax Year	Real	Personal	Public	Motor Vehicles	Heavy Duty Equipment	Gross	Exemptions	Net
2016	2015	1,401,689,615	146,014,821	38,993,650	91,185,230	-0-	1,677,883,316	(70,623,639)	1,607,259,677
2017	2016	1,446,677,132	133,210,827	39,279,060	68,182,500	29,977	1,687,379,496	(77,379,870)	1,609,999,626
2018	2017	1,450,287,423	152,313,158	39,224,025	50,123,800	16,580	1,691,964,986	(82,386,562)	1,609,578,424
2019	2018	1,490,403,565	153,427,513	38,828,676	37,600,970	-0-	1,720,260,724	(36,142,866)	1,684,117,858
2020	2019	1,590,236,418	161,435,641	39,184,961	30,433,080	19,356	1,821,309,456	(93,289,210)	1,728,020,246

**Ad Valorem Tax Digest
Peach County**

Fiscal Year	Tax Year	Real	Personal	Public	Motor Vehicles	Heavy Duty Equipment	Gross	Exemptions	Net
2016	2015	18,567,818	1,192,995	684,647	577,570	-0-	21,023,030	(154,031)	20,868,999
2017	2016	20,280,888	1,121,947	684,647	422,750	-0-	22,510,232	(29,362)	22,480,870
2018	2017	25,343,948	1,183,161	1,286,952	289,670	-0-	28,103,731	(338,356)	27,765,375
2019	2018	25,054,636	1,382,774	3,350,594	235,170	-0-	30,023,174	(652,429)	29,370,745
2020	2019	26,059,930	1,476,858	1,548,023	199,720	-0-	29,284,531	(611,843)	28,672,688

To maintain the current level of service, the governing body enacted the mill levy for CY 2019, FY 2020 of 9.980 mills for property located in Houston County and 8.550 mills for property located in Peach County. The millage rate for property in Peach County includes a LOST rollback of 1.43 mills. The millage rates for the City and overlapping governments for fiscal years 2016 – 2020 are reflected in the following two (2) tables below:

Property Tax Rates¹
Last Five Fiscal Years

(For Portion of City in Houston County and Houston County School District)

Fiscal Year	Tax Year	State	City	Houston County	School District	Combined
2016	2015	0.050	9.979	9.950	13.340	33.319
2017	2016	0.000	9.979	9.950	13.340	33.269
2018	2017	0.000	9.983	9.935	13.320	33.238
2019	2018	0.000	9.980	9.935	13.297	33.212
2020	2019	0.000	9.980	9.935	13.297	33.212

¹ The millage rate is the rate applied per \$1,000 of assessed property value.

Property Tax Rates¹
Last Five Fiscal Years

(For Portion of City in Peach County and Peach County School District)

Fiscal Year	Tax Year	State	City	Houston County	School District	Combined
2016	2015	0.050	9.990	14.555	17.000	41.595
2017	2016	0.000	8.492	14.555	17.000	40.047
2018	2017	0.000	8.825	14.616	17.073	40.514
2019	2018	0.000	8.845	14.546	16.989	40.380
2020	2019	0.000	8.550	14.473	16.902	39.925

¹ The millage rate is the rate applied per \$1,000 of assessed property value.

For the most part, the City has realized an increase in total property tax collections, particularly for the last three years. These gains are anticipated to continue as the City realizes year-over-year population growths. This includes increases in new permits for commercial and residential construction. The property tax digest levies, revenue collections and ending receivables for the last five fiscal years are reflected below:

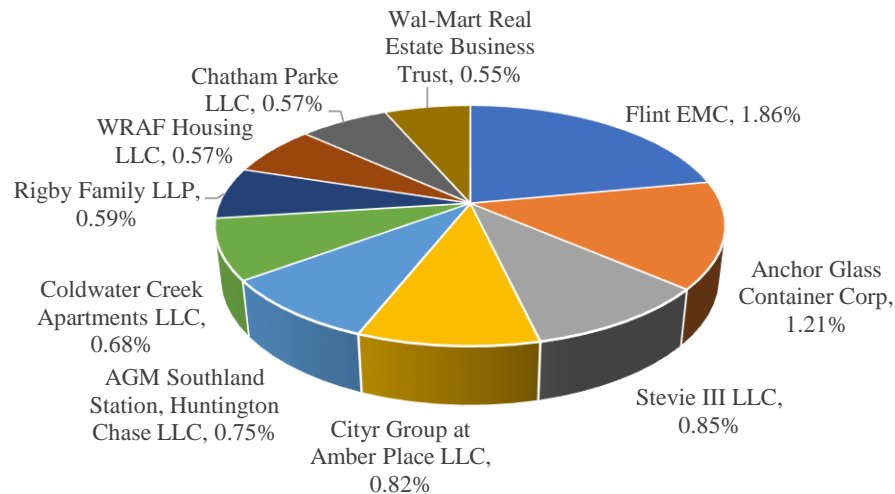


Property Tax Digest Levies, Revenue Collections and Ending Receivables
Actual FY 2016 - FY 2020

Fiscal Year	Warner Robins, Houston County Net M&O Tax Digest Levy	Warner Robins, Peach County Net M&O Tax Digest Levy	Total Net M&O Tax Digest Levy	Levy Year Tax Collections	Prior Years Tax Collections	Total Tax Collections	Percent Levy Year Tax Collections to Tax Digest Levy	Percent Total Tax Collections to Tax Digest Levy	Fiscal Year Ending Receivable
2016	16,038,844	208,481	16,247,326	\$16,616,198	\$288,024	\$16,904,222	102.27%	104.04%	\$302,083
2017	16,066,186	190,908	16,257,094	\$16,871,909	\$336,988	\$17,208,897	103.78%	105.85%	\$294,675
2018	16,068,421	245,029	16,313,451	\$15,067,539	\$261,378	\$15,328,917	92.36%	93.96%	\$332,728
2019	16,807,496	259,784	17,067,280	\$15,999,734	\$303,553	\$16,303,287	93.75%	95.52%	\$275,361
2020	17,245,642	245,151	17,490,794	\$16,788,580	\$205,623	\$16,994,203	95.99%	97.16%	\$570,450

The City's Principal Taxpayers, Top 10, for fiscal year 2020 are reflected below. As in prior fiscal years, rental property continues to dominate the tax digest in relation to overall assessed valuations. This is attributed to the continued growth recognized throughout the City.

Principal Taxpayers - Top 10



Name	Type of Business	Assessed Value	% of Gross	
			Rank	Assessed Value
Flint EMC	Utility	\$ 32,607,523	1	1.86%
Anchor Glass Container Corp	Manufacturing	21,198,164	2	1.21%
Stevie III LLC	Rental Property	14,869,760	3	0.85%
Cityr Group at Amber Place LLC	Rental Property	14,347,200	4	0.82%
AGM Southland Station, Huntington Chase LLC	Rental Property	13,149,816	5	0.75%
Coldwater Creek Apartments LLC	Rental Property	12,013,400	6	0.68%
Rigby Family LLP	Rental Property	10,317,320	7	0.59%
WRAF Housing LLC	Rental Property	10,080,840	8	0.57%
Chatham Parke LLC	Rental Property	10,022,880	9	0.57%
Wal-Mart Real Estate Business Trust	Retail	9,632,760	10	0.55%
Total		\$ 148,239,663		8.44%

Low rates of return for United States Treasury investments continue to have an effect on the City's budgeted investment revenues. This low rate of return is expected to continue as the government strives to stabilize the economy in the wake of the COVID-19 Pandemic.

In accordance to U.S. statistics, the population of the City has increased 11.5% since the 2010 census. Per the U. S. Census Bureau, the 2010 census for the City reflects a population of 66,588. The estimated population at July 1, 2019 is 77,617.

The 2018 SPLOST Referendum, which was passed by voters on March 21, 2017 allowed for the special district of Houston County, GA over a period of six years to raise up to \$145 million for the

purpose of funding the cost of transportation, public safety, recreation, general capital obligations, public buildings, water and sewer improvements, economic development, and debt service capital outlay projects. This one-percent sales tax collection associated with the 2018 SPLOST commenced October 1, 2018.

For the City of Warner Robins, GA the Monthly Revenues are projected at \$519,019, which represents 25.772% of the 2018 SPLOST Total Projected Monthly Revenues of \$2,013,889. Since the 2018 SPLOST inception, *for all reporting fiscal years*, the City has received a total of \$12.3 million through June 2020 in actual revenue collections, which represent an increase of \$1.4 million or 12.51% over projected revenues for all reported periods. These positive gains continued for the City even in the midst of the COVID-19 Pandemic.



City of Warner Robins, GA
Special Purpose Local Option Sales Tax (SPLOST) 2018 Revenues
Actual vs. Forecast Comparison

FY 2020



In the building of the annual General Fund budget for fiscal year 2021, City officials considered these overall factors discussed above. On July 6, 2020 the City approved a budget appropriation for the General fund for Fiscal Year 2021 in the amount of \$47.8 million, a modest increase of one (1) percent above the 2020 original budget of \$47.4 million. Conservative revenue projections were used in developing the FY 2021 budget due to the economic uncertainty related to the COVID-19 health crisis. Tax revenues are projected to provide 55% of this appropriation. Selective sales and use tax revenues are budgeted to fund 18% and other financing revenues are projected to cover 12%

of the remaining 45% of appropriations. The City will use these revenues to finance programs currently offered and to finance increased program costs due to the City's growth.

The City's business-type activities are experiencing some moderate inflationary pressures on its operational expenses. Gross revenues of the Sanitation Fund, Natural Gas Fund and Storm Water Drainage fund are expected to remain comparable to results of FY 2020. The City's Water & Sewer Fund is expected to see a 2% increase in gross revenues during fiscal year 2021 due to scheduled and incremental rate increases adopted at the beginning of the fiscal year.

ACKNOWLEDGMENT

Special appreciation is given to the entire staff of the finance department for their hard work and dedication, which made this document possible. A special thank you is also extended to the many persons across the City that assisted with this endeavor.

Thanks is also extended to the certified public accounting firm of Nichols, Cauley & Associates, LLC for their consummate efforts throughout this process.

Finally, we would also like to thank the Honorable Mayor Thomas "Randy" Toms and the City Council for their leadership, commitment and contributions to this endeavor.

To the citizens of the City of Warner Robins, we thank you for the opportunity and are honored to serve you.

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, investors, creditors as well as others with an interest in the finances of the City of Warner Robins a general overview of the fiscal operations for the respective reporting period. Details regarding the City's accountability for the various financial resources that it receives in carrying out the day-to-day operations of the City of Warner Robins are provided. Please direct questions about this report to:

Theresa Y. Thornton, MBA, CPA
Chief Financial Officer
City of Warner Robins
700 Watson Blvd.
P.O. Box 8629
Warner Robins, GA 31095
Email: tthornton@wrga.gov

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Development Authority
<u>ASSETS</u>					
Current assets					
Cash and cash equivalents	\$63,590,624	\$17,456,746	\$81,047,370	\$ -	\$ 117,608
Accounts receivable, net	1,311,078	4,857,394	6,168,472	-	-
Internal balances	(11,404)	11,404	-	-	-
Due from other governments	2,583,756	-	2,583,756	-	-
Due from component unit	10,326	-	10,326	-	-
Inventories, at cost	61,053	304,745	365,798	-	-
Real estate-held for investment/resale	1,237,439	-	1,237,439	-	-
Prepaid items	1,542,046	41,505	1,583,551	3,646	3,647
Restricted assets					
Cash and cash equivalents	3,570,335	1,401,684	4,972,019	-	-
Total current assets	<u>73,895,253</u>	<u>24,073,478</u>	<u>97,968,731</u>	<u>3,646</u>	<u>121,255</u>
Non-current assets					
Receivables	-	907,309	907,309	-	-
Investment in Jointly-Owned Natural Gas Transmission Line	-	1,818,972	1,818,972	-	-
Land and other non-depreciable assets	32,993,109	7,004,273	39,997,382	-	-
Capital assets, net of accumulated depreciation	<u>126,207,031</u>	<u>100,984,918</u>	<u>227,191,949</u>	<u>-</u>	<u>-</u>
Total non-current assets	<u>159,200,140</u>	<u>110,715,472</u>	<u>269,915,612</u>	<u>-</u>	<u>-</u>
Total assets	<u>233,095,393</u>	<u>134,788,950</u>	<u>367,884,343</u>	<u>3,646</u>	<u>121,255</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Related to pension	8,534,176	1,366,260	9,900,436	-	-
Related to OPEB	6,073,706	1,294,614	7,368,320	-	-
Total deferred outflows of resources	<u>14,607,882</u>	<u>2,660,874</u>	<u>17,268,756</u>	<u>-</u>	<u>-</u>

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Development Authority
<u>LIABILITIES</u>					
Current liabilities					
Accounts payable	4,465,932	613,226	5,079,158	-	-
Accrued payroll/related liabilities	966,205	207,159	1,173,364	-	-
Due to primary government	-	-	-	10,326	-
Claims and judgements	122,576	-	122,576	-	-
Compensated absences	1,274,733	236,659	1,511,392	-	-
Unearned revenue	210,733	-	210,733	22,267	-
Capital lease obligations	32,850	330,514	363,364	-	-
Accrued interest payable	770,325	434,111	1,204,436	-	-
Contract payable	108,000	-	108,000	-	-
Bonds, notes and loans payable	3,048,771	1,559,726	4,608,497	-	-
Total current liabilities	11,000,125	3,381,395	14,381,520	32,593	-
Non-current liabilities					
Compensated absences	522,076	51,110	573,186	-	-
Capital lease obligations	110,337	1,625,000	1,735,337	-	-
Accrued interest	-	1,347,961	1,347,961	-	-
Net pension liability	17,130,340	2,742,444	19,872,784	-	-
Total OPEB liability	35,449,809	7,556,146	43,005,955	-	-
Contract payable	2,082,000	-	2,082,000	-	-
Bonds, notes and loans payable	33,131,725	22,794,115	55,925,840	-	-
Total non-current liabilities	88,426,287	36,116,776	124,543,063	-	-
Total liabilities	99,426,412	39,498,171	138,924,583	32,593	-
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Related to pension	1,534,695	245,695	1,780,390	-	-
Related to OPEB	2,560,728	545,822	3,106,550	-	-
Total deferred inflows of resources	4,095,423	791,517	4,886,940	-	-
<u>NET POSITION</u>					
Net investment in capital assets	122,876,457	81,679,836	204,556,293	-	-
Restricted for economic development	711,415	-	711,415	-	-
Restricted for special programs	2,931,766	-	2,931,766	-	-
Restricted for capital projects	40,605,475	1,401,684	42,007,159	-	-
Restricted for debt service	3,570,335	-	3,570,335	-	-
Unrestricted	(26,514,008)	14,078,616	(12,435,392)	(28,947)	121,255
Total net position	\$ 144,181,440	\$ 97,160,136	\$ 241,341,576	\$ (28,947)	\$ 121,255

The accompanying notes to financial statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

<u>Functions/Programs</u>		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Primary Government				
Governmental activities				
General government	\$ 7,651,317	\$ 2,957,673	\$ 1,159,111	\$ 345,260
Judicial	963,216	1,117,702	-	-
Public safety	28,407,296	1,077,239	98,360	477,803
Recreation	14,230,227	587,382	100	6,593,439
Public works	8,773,566	21,994	-	3,172,515
City development	4,646,248	21,061	114,303	-
Downtown development	94,490	26,575	-	-
Interest on long-term debt	1,542,661	-	-	-
Total governmental activities	<u>66,309,021</u>	<u>5,809,626</u>	<u>1,371,874</u>	<u>10,589,017</u>
Business-type activities				
Natural Gas System	15,642,933	18,577,772	-	-
Water and Sewer System	17,009,117	16,923,200	-	1,173,208
Storm Water Drainage	3,013,682	3,011,091	-	866,393
Sanitation	8,044,801	7,632,373	-	-
Total business-type activities	<u>43,710,533</u>	<u>46,144,436</u>	<u>-</u>	<u>2,039,601</u>
Total primary government	<u>\$ 110,019,554</u>	<u>\$ 51,954,062</u>	<u>\$ 1,371,874</u>	<u>\$ 12,628,618</u>
Component Units				
Downtown Development Authority	\$ 44,738	\$ -	\$ -	\$ -
Development Authority	121,648	-	115,966	-
	<u>\$ 166,386</u>	<u>\$ -</u>	<u>\$ 115,966</u>	<u>\$ -</u>
General revenues				
Property taxes				
Other taxes				
Franchise fees				
Interest income				
Gain(loss) on sale of capital assets				
Miscellaneous				
Total general revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Downtown Development Agency	Development Authority
\$ (3,189,273)	\$ -	\$ (3,189,273)		
154,486		154,486		
(26,753,894)	-	(26,753,894)		
(7,049,306)	-	(7,049,306)		
(5,579,057)	-	(5,579,057)		
(4,510,884)	-	(4,510,884)		
(67,915)	-	(67,915)		
(1,542,661)	-	(1,542,661)		
<u>(48,538,504)</u>	<u>-</u>	<u>(48,538,504)</u>		
-	2,934,839	2,934,839		
-	1,087,291	1,087,291		
-	863,802	863,802		
-	(412,428)	(412,428)		
<u>-</u>	<u>4,473,504</u>	<u>4,473,504</u>		
<u>(48,538,504)</u>	<u>4,473,504</u>	<u>(44,065,000)</u>		
			\$ (44,738)	\$ -
			<u>-</u>	<u>(5,682)</u>
			<u>\$ (44,738)</u>	<u>\$ (5,682)</u>
17,563,577	-	17,563,577	-	-
12,448,961	-	12,448,961	-	-
4,739,309	-	4,739,309	-	-
748,355	301,903	1,050,258	-	-
(13,666)	1,500	(12,166)	-	-
57,036	(8,804)	48,232	-	-
<u>35,543,572</u>	<u>294,599</u>	<u>35,838,171</u>	<u>-</u>	<u>-</u>
4,561,200	(4,561,200)	-	-	-
<u>40,104,772</u>	<u>(4,266,601)</u>	<u>35,838,171</u>	<u>-</u>	<u>-</u>
(8,433,732)	206,903	(8,226,829)	(44,738)	(5,682)
152,615,172	96,953,233	249,568,405	15,791	126,937
<u>\$ 144,181,440</u>	<u>\$ 97,160,136</u>	<u>\$ 241,341,576</u>	<u>\$ (28,947)</u>	<u>\$ 121,255</u>

The accompanying notes to financial statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	SPLOST 2018 Capital Projects Fund	WRPFA Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 17,985,379	\$ 10,331,195	\$ 15,612,660	\$ 17,316,441	\$ 61,245,675
Receivables, net	694,342	102	146	396,922	1,091,512
Due from other funds	30,262	-	-	-	30,262
Due from other governments	970,651	1,603,795	-	9,310	2,583,756
Due from component unit	10,326	-	-	-	10,326
Inventory of gas, oil, and supplies	61,053	-	-	-	61,053
Real estate-held for investment/resale	-	-	-	1,237,439	1,237,439
Prepaid items	1,442,077	-	-	9,468	1,451,545
Restricted assets					
cash and cash equivalents	-	2,941,250	629,085	-	3,570,335
Total assets	<u>\$ 21,194,090</u>	<u>\$ 14,876,342</u>	<u>\$ 16,241,891</u>	<u>\$ 18,969,580</u>	<u>\$ 71,281,903</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
LIABILITIES					
Accounts payable and accrued costs	\$ 516,818	\$ 1,264,892	\$ 358,315	\$ 134,959	\$ 2,274,984
Accrued payroll/related expenditures	957,252	-	-	7,386	964,638
Unearned revenue	59,152	-	-	151,906	211,058
Total liabilities	<u>1,533,222</u>	<u>1,264,892</u>	<u>358,315</u>	<u>294,251</u>	<u>3,450,680</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	544,426	-	-	-	544,426
Unavailable revenue-sale taxes-correction	-	341,896	-	-	341,896
Unavailable revenue-fines	318,053	-	-	-	318,053
Total deferred inflows	<u>862,479</u>	<u>341,896</u>	<u>-</u>	<u>-</u>	<u>1,204,375</u>
FUND BALANCES					
Nonspendable, inventories	61,053	-	-	-	61,053
Nonspendable, prepaid items	1,442,077	-	-	9,468	1,451,545
Restricted, capital projects	-	10,328,304	15,254,491	15,022,680	40,605,475
Restricted, debt service	-	2,941,250	629,085	-	3,570,335
Restricted, economic development	-	-	-	711,415	711,415
Restricted, special programs	-	-	-	2,931,766	2,931,766
Committed, general government	355,728	-	-	-	355,728
Committed, public safety	663,886	-	-	-	663,886
Committed, public works	181,586	-	-	-	181,586
Committed, recreation	259,494	-	-	-	259,494
Committed, economic development	252,757	-	-	-	252,757
Unassigned, general fund	15,581,808	-	-	-	15,581,808
Total fund balances	<u>18,798,389</u>	<u>13,269,554</u>	<u>15,883,576</u>	<u>18,675,329</u>	<u>66,626,848</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,194,090</u>	<u>\$ 14,876,342</u>	<u>\$ 16,241,891</u>	<u>\$ 18,969,580</u>	<u>\$ 71,281,903</u>

The accompanying notes to financial statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total fund balance, governmental funds		\$ 66,626,848
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Cost	\$ 273,704,448	
Less accumulated depreciation	<u>(114,504,308)</u>	159,200,140
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
Property taxes	544,426	
Sales tax-correction	341,896	
Intergovernmental	<u>318,053</u>	1,204,375
The net pension liability and the related deferred outflows and inflows of resources are not expected to be liquidated with current available financial resources and, therefore, are not reported in the governmental funds.		
Deferred outflows of resources - pension related items	8,534,176	
Net pension liability	(17,130,340)	
Deferred inflows of resources - pension related items	<u>(1,534,695)</u>	(10,130,859)
The total OPEB liability and the related deferred outflows and inflows of resources are not expected to be liquidated with current available financial resources and, therefore, are not reported in the governmental funds.		
Deferred outflows of resources - OPEB related items	6,073,706	
Total OPEB liability	(35,449,809)	
Deferred inflows of resources - OPEB related items	<u>(2,560,728)</u>	(31,936,831)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Claims and judgments	(122,576)	
Capital lease obligations	(143,187)	
Accrued Interest	(770,325)	
Bonds payable	(32,745,000)	
Unamortized bond premium	(3,435,496)	
Contract payable	(2,190,000)	
Compensated absences	<u>(1,796,809)</u>	(41,203,393)
Internal service funds are used by management to charge the cost of certain activities such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		421,160
Net Position of Governmental Activities in the Statement of Net Position		<u><u>\$ 144,181,440</u></u>

The accompanying notes to financial statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	SPLOST 2018 Capital Projects Fund	WRPFA Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
General property taxes	\$17,634,364	\$ -	\$ -	\$ -	\$17,634,364
Other taxes	15,061,565	-	-	2,126,705	17,188,270
Licenses and permits	394,444	-	-	-	394,444
Fines and forfeitures	1,117,702	-	-	817,494	1,935,196
Intergovernmental	1,236,309	7,125,518	-	564,803	8,926,630
Other revenue	3,322,144	158,129	171,671	337,298	3,989,242
Total revenues	<u>38,766,528</u>	<u>7,283,647</u>	<u>171,671</u>	<u>3,846,300</u>	<u>50,068,146</u>
EXPENDITURES					
Current					
General government	7,766,815	-	-	-	7,766,815
Public safety	24,723,021	-	-	570,179	25,293,200
Recreation	3,484,216	-	-	42,133	3,526,349
Public works	5,315,802	-	-	-	5,315,802
City development	2,224,341	-	-	1,849,208	4,073,549
Downtown development	-	-	-	77,703	77,703
Debt service					
Principal	32,093	-	-	-	32,093
Interest	6,958	351,250	419,086	-	777,294
Issuance costs	-	-	2,000	-	2,000
Capital outlay	-	10,832,003	587,990	1,777,999	13,197,992
Total expenditures	<u>43,553,246</u>	<u>11,183,253</u>	<u>1,009,076</u>	<u>4,317,222</u>	<u>60,062,797</u>
EXCESS OF REVENUES					
OVER/(UNDER) EXPENDITURES	<u>(4,786,718)</u>	<u>(3,899,606)</u>	<u>(837,405)</u>	<u>(470,922)</u>	<u>(9,994,651)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from capital lease	175,280	-	-	-	175,280
Sale of assets	4,510	-	-	-	4,510
Transfer in	5,213,127	-	1,048,161	741,169	7,002,457
Transfer out	(785,000)	-	-	(1,656,257)	(2,441,257)
Total other financing sources (uses), net	<u>4,607,917</u>	<u>-</u>	<u>1,048,161</u>	<u>(915,088)</u>	<u>4,740,990</u>
NET CHANGE IN FUND BALANCES	<u>(178,801)</u>	<u>(3,899,606)</u>	<u>210,756</u>	<u>(1,386,010)</u>	<u>(5,253,661)</u>
FUND BALANCES, beginning	<u>18,977,190</u>	<u>17,169,160</u>	<u>15,672,820</u>	<u>20,061,339</u>	<u>71,880,509</u>
FUND BALANCES, ending	<u>\$18,798,389</u>	<u>\$ 13,269,554</u>	<u>\$ 15,883,576</u>	<u>\$18,675,329</u>	<u>\$66,626,848</u>

The accompanying notes to financial statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds	\$	(5,253,661)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Depreciation expense	\$	(6,149,285)	
Capital outlay		2,325,812	(3,823,473)

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

Net book value of capital assets disposed	(18,176)		
Donations of capital assets		3,121,603	3,103,427

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

Property taxes	139,708		
Sales tax		341,896	
Fines		(8,743)	472,861

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

Proceeds from capital lease	(175,280)		
Interest expense		(770,325)	
Principal payments on capital leases		32,093	
Amortization of premium		161,728	(751,784)

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

Change in compensated absences	(154,225)		
Change in claims		22,545	
Pension expense		(588,998)	
OPEB expense		(1,706,883)	(2,427,561)

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

		246,459
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Change in net position of Governmental Activities	\$	(8,433,732)
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The accompanying notes to financial statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities - Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 10,548,442	\$ 4,666,961	\$ 2,241,343
Accounts receivable, net	2,033,562	1,555,341	350,554
Due from other funds	1,336	899,510	6,080
Inventories, at cost	-	304,745	-
Prepaid items	17,652	17,829	6,024
Restricted			
Cash and cash equivalents	901,684	500,000	-
Total current assets	<u>13,502,676</u>	<u>7,944,386</u>	<u>2,604,001</u>
NON CURRENT ASSETS			
Receivable	907,309	-	-
Investment in Jointly-Owned Natural Gas Transmission Line	1,818,972	-	-
Land and other non depreciable assets	781,728	5,476,289	711,256
Capital assets, net of accumulated depreciation	<u>9,186,122</u>	<u>73,805,660</u>	<u>17,993,136</u>
Total non current assets	<u>12,694,131</u>	<u>79,281,949</u>	<u>18,704,392</u>
Total assets	<u>26,196,807</u>	<u>87,226,335</u>	<u>21,308,393</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	243,551	825,696	297,013
OPEB	<u>261,575</u>	<u>730,201</u>	<u>302,838</u>
Total deferred outflows of resources	<u>505,126</u>	<u>1,555,897</u>	<u>599,851</u>

Business-type Activities - Enterprise Funds		Governmental Activities
Major Sanitation System	Total	Internal Service Funds
\$ -	\$ 17,456,746	\$ 2,344,949
917,937	4,857,394	219,566
-	906,926	-
-	304,745	-
-	41,505	90,501
-	1,401,684	-
<u>917,937</u>	<u>24,969,000</u>	<u>2,655,016</u>
-	907,309	-
-	1,818,972	-
35,000	7,004,273	-
-	100,984,918	-
<u>35,000</u>	<u>110,715,472</u>	<u>-</u>
<u>952,937</u>	<u>135,684,472</u>	<u>2,655,016</u>
-	1,366,260	-
-	1,294,614	-
<u>-</u>	<u>2,660,874</u>	<u>-</u>

The accompanying notes to financial statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities - Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
<u>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</u>			
CURRENT LIABILITIES			
Accounts payable	530,947	65,003	14,888
Accrued payroll/related liabilities	44,208	122,393	40,558
Due to other funds	-	-	-
Compensated absences	5,962	188,076	42,621
Capital lease payable	330,514	-	-
Accrued interest	40,625	393,486	-
Bonds, notes, and loans payable	-	1,559,726	-
Total current liabilities	<u>952,256</u>	<u>2,328,684</u>	<u>98,067</u>
NON CURRENT LIABILITIES			
Compensated absences	-	51,110	-
Capital lease obligations	1,625,000	-	-
Accrued interest	1,347,961	-	-
Net pension liability	488,870	1,657,390	596,184
Total OPEB liability	1,526,711	4,261,890	1,767,545
Bonds, notes and loans payable	87,533	22,706,582	-
Total non current liabilities	<u>5,076,075</u>	<u>28,676,972</u>	<u>2,363,729</u>
Total liabilities	<u>6,028,331</u>	<u>31,005,656</u>	<u>2,461,796</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension	43,798	148,485	53,412
Related to OPEB	110,283	307,860	127,679
Total deferred inflows of resources	<u>154,081</u>	<u>456,345</u>	<u>181,091</u>
NET POSITION			
Net investment in capital assets	7,924,803	55,015,641	18,704,392
Restricted for capital projects	901,684	500,000	-
Unrestricted	11,693,034	1,804,590	560,965
Total net position	<u>\$ 20,519,521</u>	<u>\$ 57,320,231</u>	<u>\$ 19,265,357</u>

Business-type Activities - Enterprise Funds		Governmental Activities
Major Sanitation System	Total	Internal Service Funds
2,388	613,226	2,192,190
-	207,159	-
895,522	895,522	41,666
-	236,659	-
-	330,514	-
-	434,111	-
-	1,559,726	-
897,910	4,276,917	2,233,856
-	51,110	-
-	1,625,000	-
-	1,347,961	-
-	2,742,444	-
-	7,556,146	-
-	22,794,115	-
-	36,116,776	-
897,910	40,393,693	2,233,856
-	245,695	-
-	545,822	-
-	791,517	-
35,000	81,679,836	-
-	1,401,684	-
20,027	14,078,616	421,160
\$ 55,027	\$ 97,160,136	\$ 421,160

The accompanying notes to financial statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
OPERATING REVENUES			
Charges for services	\$ 16,734,313	\$ 14,722,652	\$ 2,935,412
Connection charges	-	737,043	-
Penalties and cut-on fees	133,168	287,331	38,291
Miscellaneous	256,058	1,176,174	37,388
Refund-Southern Natural Gas	714,560	-	-
Distribution line income	739,673	-	-
Total operating revenues	<u>18,577,772</u>	<u>16,923,200</u>	<u>3,011,091</u>
OPERATING EXPENSES			
Purchases/cost of sales	11,747,042	-	-
Personnel services	1,640,066	4,963,806	1,577,591
Operating expenses	774,114	5,669,395	391,574
Repairs and maintenance	73,906	251,800	49,702
Supplies	115,117	1,498,190	98,158
Distribution line expense	718,383	-	-
Bad debt expense	188,950	415,873	76,293
Depreciation	372,461	3,301,866	813,013
Insurance	12,894	127,892	7,351
Total operating expenses	<u>15,642,933</u>	<u>16,228,822</u>	<u>3,013,682</u>
Operating income (loss)	<u>2,934,839</u>	<u>694,378</u>	<u>(2,591)</u>
NON-OPERATING REVENUES (EXPENSES)			
Net loss from joint venture	(70,900)	-	-
Interest earned	204,811	83,674	-
Interest expense and fees	-	(780,295)	-
Rental income	-	62,096	-
Gain (loss) on sale/disposal of capital assets	-	1,500	-
Total non-operating revenues (expenses), net	<u>133,911</u>	<u>(633,025)</u>	<u>-</u>
Income (loss) before capital contributions and transfer	<u>3,068,750</u>	<u>61,353</u>	<u>(2,591)</u>
CONTRIBUTIONS AND TRANSFERS			
Capital contribution - developers	-	1,173,208	866,393
Transfers out	(2,510,600)	(2,050,600)	-
Total contributions and transfers	<u>(2,510,600)</u>	<u>(877,392)</u>	<u>866,393</u>
CHANGE IN NET POSITION	<u>558,150</u>	<u>(816,039)</u>	<u>863,802</u>
NET POSITION, beginning	<u>19,961,371</u>	<u>58,136,270</u>	<u>18,401,555</u>
NET POSITION, ending	<u>\$ 20,519,521</u>	<u>\$ 57,320,231</u>	<u>\$ 19,265,357</u>

Business-type Activities - Enterprise Funds		Governmental Activities
Major Sanitation System	Total	Internal Service Funds
\$ 7,489,277	\$ 41,881,654	\$ 12,829,736
-	737,043	-
143,096	601,886	-
-	1,469,620	-
-	714,560	-
-	739,673	-
<u>7,632,373</u>	<u>46,144,436</u>	<u>12,829,736</u>
-	11,747,042	-
-	8,181,463	-
7,839,543	14,674,626	12,609,096
2,470	377,878	-
-	1,711,465	-
-	718,383	-
202,788	883,904	-
-	4,487,340	-
-	148,137	-
<u>8,044,801</u>	<u>42,930,238</u>	<u>12,609,096</u>
<u>(412,428)</u>	<u>3,214,198</u>	<u>220,640</u>
-	(70,900)	-
13,418	301,903	25,819
-	(780,295)	-
-	62,096	-
-	1,500	-
<u>13,418</u>	<u>(485,696)</u>	<u>25,819</u>
<u>(399,010)</u>	<u>2,728,502</u>	<u>246,459</u>
-	2,039,601	-
-	(4,561,200)	-
-	(2,521,599)	-
<u>(399,010)</u>	<u>206,903</u>	<u>246,459</u>
454,037	96,953,233	174,701
<u>\$ 55,027</u>	<u>\$ 97,160,136</u>	<u>\$ 421,160</u>

The accompanying notes to financial statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$18,495,977	\$15,425,770	\$ 2,883,549
Cash paid to suppliers for goods and services and claims paid	(14,117,557)	(8,726,454)	(560,621)
Cash received from other funds for goods and services	-	-	-
Cash received from miscellaneous services	970,618	1,176,174	37,388
Cash received for claims reimbursement	-	-	-
Cash paid to employees for services	(1,617,919)	(4,874,159)	(1,484,964)
Net cash provided(used) by operating activities	3,731,119	3,001,331	875,352
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	(2,510,600)	(2,050,600)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments			
Bonds, notes, and loans payable	(15,677)	(1,492,283)	-
Capital leases	(592,168)	-	-
Acquisition and construction of capital assets	(550,092)	(1,212,099)	(321,437)
Interest and fees paid on revenue bonds payable and notes payable	(1,276,250)	(816,753)	-
Net cash used for capital and related financing activities	(2,434,187)	(3,521,135)	(321,437)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income on investments	204,811	83,674	-
Rental income	-	62,096	-
Net cash provided(used) by investing activities	204,811	145,770	-
NET INCREASE (DECREASE) IN CASH	(1,008,857)	(2,424,634)	553,915
CASH, beginning	12,458,983	7,591,595	1,687,428
CASH, ending	\$11,450,126	\$ 5,166,961	\$ 2,241,343

Business-type Activities - Enterprise Funds		Governmental Activities
Major Sanitation System	Total	Internal Service Funds
\$ 7,419,452	\$44,224,748	\$ 864,499
(8,286,052)	(31,690,684)	(12,880,332)
-	-	11,891,812
-	2,184,180	-
-	-	341,016
-	(7,977,042)	-
(866,600)	6,741,202	216,995
-	(4,561,200)	-
-	(1,507,960)	-
-	(592,168)	-
(35,000)	(2,118,628)	-
-	(2,093,003)	-
(35,000)	(6,311,759)	-
13,418	301,903	25,819
-	62,096	-
13,418	363,999	25,819
(888,182)	(3,767,758)	242,814
888,182	22,626,188	2,102,135
\$ -	\$18,858,430	\$ 2,344,949

The accompanying notes to financial statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds		
	Major		
	Natural Gas System	Water and Sewer System	Storm Water Drainage
RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET			
Cash, beginning			
Current	\$11,430,843	\$ 7,091,595	\$ 1,687,428
Restricted	1,028,140	500,000	-
Total	<u>12,458,983</u>	<u>7,591,595</u>	<u>1,687,428</u>
Net increase (decrease)			
Current	(882,401)	(2,424,634)	553,915
Restricted	(126,456)	-	-
Total	<u>(1,008,857)</u>	<u>(2,424,634)</u>	<u>553,915</u>
Cash, ending			
Current	10,548,442	4,666,961	2,241,343
Restricted	901,684	500,000	-
Total	<u>\$11,450,126</u>	<u>\$ 5,166,961</u>	<u>\$ 2,241,343</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	<u>\$ 2,934,839</u>	<u>\$ 694,378</u>	<u>\$ (2,591)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization	372,461	3,301,866	813,013
Decrease (increase) in assets and deferred outflows			
Accounts receivable	1,077,773	54,546	(13,861)
Due from other governments	-	40,071	-
Due from other funds	(1,336)	(899,510)	(6,080)
Inventory	-	(32,665)	-
Prepaid items	11,329	24,714	(2,350)
Deferred outflows	(295,777)	(1,004,864)	(395,452)
Increase (decrease) in liabilities and deferred inflows			
Accounts payable	(686,094)	(269,662)	(11,356)
Accrued payroll and related liabilities	44,208	(2,044)	5,950
Due to other funds	-	(10)	-
Compensated absences payable	5,962	3,301	23,627
Pension liability	209,298	933,580	332,898
OPEB liability	165,661	383,829	201,405
Deferred inflows	(107,205)	(226,199)	(69,851)
Total adjustments	<u>796,280</u>	<u>2,306,953</u>	<u>877,943</u>
Net cash provided(used) by operating activities	<u>\$ 3,731,119</u>	<u>\$ 3,001,331</u>	<u>\$ 875,352</u>
Noncash capital financing activities			
Contributions from developers	<u>\$ -</u>	<u>\$ 1,173,208</u>	<u>\$ 866,393</u>
Noncash investing activities			
Change in investment in JOTL	<u>\$ (70,900)</u>	<u>\$ -</u>	<u>\$ -</u>

Business-type Activities - Enterprise Funds		Governmental Activities
Major Sanitation System	Total	Internal Service Funds
\$ 888,182	\$21,098,048	\$ 2,102,135
-	1,528,140	-
<u>888,182</u>	<u>22,626,188</u>	<u>2,102,135</u>
(888,182)	(3,641,302)	242,814
-	(126,456)	-
<u>(888,182)</u>	<u>(3,767,758)</u>	<u>242,814</u>
-	17,456,746	2,344,949
-	1,401,684	-
<u>\$ -</u>	<u>\$18,858,430</u>	<u>\$ 2,344,949</u>
 <u>\$ (412,428)</u>	 <u>\$ 3,214,198</u>	 <u>\$ 220,640</u>
-	4,487,340	-
(10,133)	1,108,325	(115,091)
-	40,071	-
-	(906,926)	-
-	(32,665)	-
-	33,693	(509)
-	(1,696,093)	
(1,339,561)	(2,306,673)	70,289
-	48,114	-
895,522	895,512	41,666
-	32,890	-
-	1,475,776	-
-	750,895	-
-	(403,255)	-
<u>(454,172)</u>	<u>3,527,004</u>	<u>(3,645)</u>
<u>\$ (866,600)</u>	<u>\$ 6,741,202</u>	<u>\$ 216,995</u>
 <u>\$ -</u>	 <u>\$ 2,039,601</u>	 <u>\$ -</u>
 <u>\$ -</u>	 <u>\$ (70,900)</u>	 <u>\$ -</u>

The accompanying notes to financial statements are an integral part of these statements.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Warner Robins, Georgia (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

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

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Discretely Presented Component Units

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

The Downtown Development Authority of The City of Warner Robins, Georgia's purpose is to promote trade, commerce, industry, and employment within the City. The DDA is a legally separate entity for which the City is financially accountable and is reported as a discretely presented component unit. The Mayor and Council of the City of Warner Robins appoint its Board of Directors.

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

The Development Authority of The City of Warner Robins, Georgia's purpose is to promote trade, commerce, industry, and employment within the City. The DAWR is a legally separate entity for which the City is financially accountable and is reported as a discretely presented component unit. The Mayor and Council of the City of Warner Robins appoint its Board of Directors. The DAWR is reported on a June 30, 2020 fiscal year. Complete financial statements for the DAWR may be obtained from:

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

Blended Component Units

The Warner Robins Redevelopment Agency (RDA)

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

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

The Warner Robins Public Facilities Authority (WRPFA)

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Joint Ventures

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

Jointly Owned Natural Gas (JONG)

The JONG operates a natural gas transmission line for the benefit of its member cities. The City owns a 40.16% interest and appoints one member to its board. Additional information is located at Note 4.

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, 2020, the City paid \$160,782 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.

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.

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.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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. 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.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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) 2018 Capital Projects Fund* accounts for 1% sales tax proceeds required to be used for capital outlay for enhancement and rehabilitation purposes as authorized by local referendum.

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

The City reports the following major proprietary funds:

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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.

Budgets

The City follows certain accounting principles for general fund budgetary reporting purposes that differ from GAAP, the most significant of which are encumbrances being treated as expenditures and appropriations of prior year fund balances being treated as revenue for budgetary purposes, and interfund and interdepartmental transfers under accounting principles generally accepted in the United States of America being treated as revenues and/or expenditures for budgetary reporting purposes.

In addition, the City's budgetary reporting for insurance claims, compensated absences, and investment income is done in accordance with the cash basis method of accounting, as opposed to the modified accrual method required by accounting principles generally accepted in the United States of America. Also, capital leases are not budgeted.

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

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Assets, Liabilities and Equity

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

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

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

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

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

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

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

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

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

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.

Restricted Assets - These assets included the debt service, debt service reserves, renewal and extension, construction, and customer deposit funds. The debt service and debt service reserve funds were maintained in compliance with their respective bond resolutions. Expenditures from the construction funds require written approval of the City's consulting engineers. Details of the transactions are presented on the various pages as indicated in the table of contents of this report. Interest earned on the investments is included in each of their respective funds.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the time of donation and disposals are removed at recorded cost.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Deferred Outflows/Inflows of Resources - In addition to assets, the Statement of Net Position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net position or fund balance that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The items relate to the City's Pension and OPEB Plans and are reported in the government-wide and proprietary fund Statements of Net Position. These relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category, one of which arises only under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from fines, property taxes and sales taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other two items relate to the deferred amounts in the City's Pension and OPEB Plans and are reported in the government-wide and proprietary fund Statements of Net Position.

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

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. As of June 30, 2020, the classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified inventories and prepaid items as being nonspendable because they are assets that are not in a spendable form.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified forfeitures as being restricted because their use is restricted by State Statute for police investigative expenditures.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

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

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.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

In accordance with the City Charter, six weeks prior to the start of the City's year, the Mayor submits to the City Council a proposed operating budget for the upcoming year. The operating budget includes proposed expenditures and means of financing them for the upcoming year.

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

Prior to the first day of the new year, the budget is legally enacted through passage of an ordinance for the General Fund, each Special Revenue Fund and for all Enterprise Funds except for the Building Authority of Warner Robins and the Development Authority of Warner Robins.

Budgetary control is legally maintained at the expenditures level for each department and formal budgetary integration is employed as a management control device during the year.

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

The Capital Project Funds utilize annual budgets or project length budgets depending on the project timelines.

Unencumbered appropriations lapse at the end of each year.

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

There were no material violations of finance-related legal or contractual provisions in connection with the basic financial statements and to other governmental funds for which annual budgets are required.

Budget/Appropriated-Governmental Fund Type 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	\$ 46,526,216
Prior year encumbrances carry forward	2,158,382
Legally adopted budget amendments	<u>1,081,241</u>
Final revised budget	<u><u>\$ 49,765,839</u></u>

Excess of Expenditures over Appropriations

The Hotel-Motel Tourism Allocation Board Fund expenditures exceeded budgeted amounts in the civic affairs department by \$30,737.

Deficit Fund Equity

At June 30, 2020, the Group Health Insurance Fund, an internal service fund, has a deficit fund balance of \$781,235.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Deposits and Investments

A summary of the City's deposits and investments at June 30, 2020 follows:

<u>Account Balances</u>	
Petty cash	\$ 5,748
Demand deposits	38,020,978
Investments (cash equivalents)	48,110,271
	<u>\$ 86,136,997</u>
<u>Ownership of Funds</u>	
<u>Primary Government</u>	
Governmental funds	
Cash and cash equivalents	\$ 61,245,675
Restricted cash and cash equivalents	3,570,335
Proprietary funds	
Cash and cash equivalents	17,456,746
Restricted cash and cash equivalents	1,401,684
Internal service funds	
Cash and cash equivalents	2,344,949
Total primary government	<u>86,019,389</u>
<u>Discretely Presented Component Unit</u>	
Development Authority of the City of Warner Robins	117,608
Total component unit	<u>117,608</u>
Total Government	<u>\$ 86,136,997</u>

As of June 30, 2020, the City had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Georgia Fund 1 (investment pool)	10 day weighted average	<u>\$ 48,110,271</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

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 1. As of June 30, 2020, the City's investments in Georgia Fund I was rated AA+ by Standard and Poor's.

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

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

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

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

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

The City had no recurring financial measurements as of June 30, 2020.

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, 2020, real estate held for investment and/or resale in the Community Development Fund was \$51,750.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

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, 2020, real estate held for investment and/or resale in the Redevelopment Agency Fund was \$1,185,689.

Receivables

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

Major Governmental Funds	
General Fund	
Property taxes (net)	\$ 488,419
Business licenses (net)	80,209
Other	125,714
Total General Fund	<u>694,342</u>
 SPLOST 2018	 102
WRPFA	146
Total Major Governmental Funds	<u>694,590</u>
 Non-Major Governmental Funds	
Accounts receivable (net)	396,922
Total Governmental Funds	<u>\$ 1,091,512</u>
 Major Proprietary Funds	
Accounts receivable (net)	
Natural Gas Fund	\$ 2,033,562
Water and Sewer System Fund	1,555,341
Storm Water Drainage Fund	350,554
Sanitation System Fund	917,937
Total Business type Funds	<u>\$ 4,857,394</u>
 Accounts receivable (net)	 \$ 219,566
Total Internal Service Fund	<u>\$ 219,566</u>

In addition, the Natural Gas Fund has a non-current receivable of \$907,309 related to a facility charge associated with the lease more fully detailed in the capital leases section of this note.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

The following is a brief description of the receivable amounts:

Major Governmental Fund-General Fund:

Unpaid property taxes for all years totaled \$572,114 at June 30, 2020, of which \$83,695 are estimated uncollectible.

Unpaid business licenses for the year ended June 30, 2020 totaled \$249,335 of which \$169,126 are estimated uncollectible.

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

Non-Major Governmental Fund-Special Revenue Fund:

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

Major Proprietary Funds:

Accounts receivable represented amounts owed to the Utility Department by its gas, water and sanitation customers for user charges. After accounts become three months past due, they are written off and turned over to the Credit Bureau for collection. Subsequent collections by the Credit Bureau, less their fee, are recorded as recovery of bad debts on the income statement. The estimated uncollectible amount of these accounts at June 30, 2020 was \$1,025,641.

Internal Service Funds:

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Interfund Receivables, Payables and Transfers

Interfund receivables and payables were as follows:

Due to	Due From		
	Sanitation	Workers Compensation	Total
General Fund	\$ -	\$ 30,262	\$ 30,262
Natural Gas	-	1,336	1,336
Water and Sewer System	895,522	3,988	899,510
Storm Water Drainage	-	6,080	6,080
	<u>\$ 895,522</u>	<u>\$ 41,666</u>	<u>\$ 937,188</u>

Interfund receivables and payables result from timing issues between funds from payroll and providing operating funds. These amounts are considered timing differences and are expected to be paid immediately after year end. The \$895,522 due to the Water and Sewer System from the Sanitation Fund is due to a negative cash balance in the City's pooled cash account.

Interfund transfers were as follows:

Transfer to	Transfer From				Total
	General Fund	Nonmajor Governmental	Natural Gas	Water and Sewer System	
General Fund	\$ -	\$ 651,927	\$ 2,510,600	\$ 2,050,600	\$ 5,213,127
WRPFA	785,000	263,161	-	-	1,048,161
Nonmajor Governmental	-	741,169	-	-	741,169
	<u>\$ 785,000</u>	<u>\$ 1,656,257</u>	<u>\$ 2,510,600</u>	<u>\$ 2,050,600</u>	<u>\$ 7,002,457</u>

The above listed transfers represent the total transfers to/from other funds at June 30, 2020 and were used for the purpose of supplementing the various fund sources as well as complete budgeted capital projects. Interfund transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type group.

Internal Balances Component Unit

The General Fund reports a Due from Component Unit in the amount of \$10,326. This amount due to the Primary Government from the Downtown Development Authority (Discretely Presented Component Unit) is due to a negative cash balance in the City's pooled cash account.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Due From Other Governments

Amounts due from other governments at June 30, 2020, have been included in revenues of the various funds as follows:

Major Governmental Fund - General Fund

Federal Government

Department of Justice \$ 76,618

State of Georgia

Department of Transportation 56,056

Department of Human Services 13,372

Houston County

Motor vehicle, mobile home and intangible taxes 715,924

Jointly Owned Transmission Lines

Reimbursable expenses 108,681

Total General Fund 970,651

Major Governmental Fund - SPLOST 2018

Houston County

Special Local Option Sales Tax 1,603,795

Total Major Governmental Funds 2,574,446

Non-Major Governmental Fund

Federal Government

9,310

Total Non-Major Governmental Fund 9,310

Total Governmental Funds \$ 2,583,756

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Governmental Activities					
Nondepreciable assets					
Land	\$ 21,574,375	\$ 322,984	\$ -	\$ -	\$ 21,897,359
Construction in progress	12,023,087	2,403,132	(3,330,469)	-	11,095,750
Total nondepreciable assets	<u>33,597,462</u>	<u>2,726,116</u>	<u>(3,330,469)</u>	<u>-</u>	<u>32,993,109</u>
Depreciable assets					
Buildings and improvements	26,504,141	1,924,953	-	-	28,429,094
Machinery and equipment	26,057,449	578,090	(31,859)	-	26,603,680
Infrastructure	182,129,840	3,548,725	-	-	185,678,565
Total depreciable assets	<u>234,691,430</u>	<u>6,051,768</u>	<u>(31,859)</u>	<u>-</u>	<u>240,711,339</u>
Less accumulated depreciation					
Buildings and improvements	8,412,484	792,354	-	(1)	9,204,837
Machinery and equipment	20,476,123	1,302,224	(13,683)	4,780	21,769,444
Infrastructure	79,480,099	4,054,707	-	(4,779)	83,530,027
Total accumulated depreciation	<u>108,368,706</u>	<u>6,149,285</u>	<u>(13,683)</u>	<u>-</u>	<u>114,504,308</u>
Total depreciable assets, net	<u>126,322,724</u>	<u>(97,517)</u>	<u>(18,176)</u>	<u>-</u>	<u>126,207,031</u>
Governmental activities capital assets, net	<u>\$ 159,920,186</u>	<u>\$ 2,628,599</u>	<u>\$ (3,348,645)</u>	<u>\$ -</u>	<u>\$ 159,200,140</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Primary Government

	Beginning Balance	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Business-Type Activities					
Nondepreciable assets					
Land	\$ 737,408	\$ 35,000	\$ -	\$ -	\$ 772,408
Construction in progress	6,351,253	424,683	(544,071)	-	6,231,865
Total nondepreciable assets	7,088,661	459,683	(544,071)	-	7,004,273
Depreciable assets					
Buildings and improvements	431,474	16,682	-	-	448,156
Machinery and equipment	10,739,854	108,997	-	6,450	10,855,301
Distribution systems	166,772,436	4,118,438	-	(5,913)	170,884,961
Total depreciable assets	177,943,764	4,244,117	-	537	182,188,418
Less accumulated depreciation					
Buildings and improvements	285,826	4,901	-	68,894	359,621
Machinery and equipment	8,998,958	434,230	-	(68,807)	9,364,381
Distribution systems	67,430,839	4,048,209	-	450	71,479,498
Total accumulated depreciation	76,715,623	4,487,340	-	537	81,203,500
Total depreciable assets, net	101,228,141	(243,223)	-	-	100,984,918
Business-type activities capital assets, net	\$ 108,316,802	\$ 216,460	\$ (544,071)	\$ -	\$ 107,989,191

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

Governmental Activities	
General government	\$ 261,810
Public safety	1,119,269
Recreation	440,978
Public works	4,029,145
City development	21,959
Downtown development	276,124
Total depreciation expense-governmental activities	<u>\$ 6,149,285</u>
Business-type Activities	
Natural Gas System	\$ 372,461
Water and Sewer System	3,301,866
Storm Water Drainage	813,013
Total depreciation expense-business-type activities	<u>\$ 4,487,340</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Commitments

Construction Commitments. The government has active construction projects outstanding as of June 30, 2020. The projects include street construction and construction of additional water plant facilities. At year end the government's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Governmental Activities		
Sports complex	\$ 3,215,412	\$ 21,699,208
Annex Bldg roof renovation	5,280	119,720
Elberta road	362,239	7,337,761
Industrial park complex	15,000	85,000
Sidewalks	1,325,860	846,262
Fire dept training center	1,167,609	761,391
Municipal court renovations	1,122,300	2,337,700
Simpson park	30,422	171,313
Wall street development	819,954	46
Wan network project	2,589,500	60,500
Visitor center (I75)	5,360	255,040
Watson streetscape	204,300	1,085,700
Armed forces blvd - infrastructure improv	232,513	15,487
	\$ 11,095,749	\$ 34,775,128
Business-Type Activities		
New sewer service lines	\$ 2,127,755	\$ 723,903
New water service lines	1,832,784	164,496
Gas meter project	755,577	1,744,424
WWTP improvements	843,154	919,846
Water treatment plant	103,346	1,767,654
Groundwater supply well	43,514	748,486
Elevated water tank	125,103	2,107,897
Wastewater Plant #1	400,631	889,369
Total busisness-type activities	\$ 6,231,864	\$ 9,066,075

The Wall Street project noted above is administered by Houston County Board of Commissioners.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Encumbrances. As discussed in Note 1, 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	\$ 1,713,451
SPLOST 2018 Capital Projects Fund	2,141,633
WRPFA Capital Projects Fund	8,501,310
Nonmajor Governmental Funds	1,631,152
Total	<u>\$ 13,987,546</u>

Long Term Obligations

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

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Capital leases	\$ -	\$ 175,280	\$ (32,093)	\$ 143,187	\$ 32,850
Compensated absences	1,642,584	1,023,818	(869,593)	1,796,809	1,274,733
Claims and judgments	145,121	122,576	(145,121)	122,576	122,576
Contracts payable	2,190,000	-	-	2,190,000	108,000
Bonds payable, net	36,342,224	-	(161,728)	36,180,496	3,048,771
Total governmental activities	<u>40,319,929</u>	<u>1,321,674</u>	<u>(1,208,535)</u>	<u>40,433,068</u>	<u>4,586,930</u>
Business-Type Activities					
Revenue bonds, net	23,040,104	-	(1,271,592)	21,768,512	1,315,915
Notes payable	2,821,697	-	(236,368)	2,585,329	243,811
Capital leases	2,547,682	-	(592,168)	1,955,514	330,514
Compensated absences	254,879	208,330	(175,440)	287,769	236,659
Total business-type activities	<u>28,664,362</u>	<u>208,330</u>	<u>(2,275,568)</u>	<u>26,597,124</u>	<u>2,126,899</u>
Total long-term liabilities	<u>\$ 68,984,291</u>	<u>\$ 1,530,004</u>	<u>\$ (3,484,103)</u>	<u>\$ 67,030,192</u>	<u>\$ 6,713,829</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Claims and judgments are classified as short term debt. For the governmental activities, contracts payable, claims and judgments and compensated absences are generally liquidated by the General Fund. Bonds payable are paid by the 2018 SPLOST Fund, the Hotel/Motel Tax Fund, and the General Fund through transfers to the WRPFA capital projects 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.

Contracts Payable

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

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

The annual requirements to amortize contracts payable as of June 30, 2020 are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 108,000	\$ 99,570	\$ 207,570
2022	112,500	95,250	207,750
2023	117,000	90,750	207,750
2024	121,500	86,070	207,570
2025	126,000	81,210	207,210
2026-2030	709,500	324,960	1,034,460
2031-2034	895,500	138,600	1,034,100
	<u>\$ 2,190,000</u>	<u>\$ 916,410</u>	<u>\$ 3,106,410</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

REVENUE BONDS:

Warner Robins Public Facilities Authority

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

The total annual debt service requirements for the WRPFA revenue bonds outstanding at June 30, 2020, are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 2,800,000	\$ 1,470,650	\$ 4,270,650
2022	2,935,000	1,327,275	4,262,275
2023	3,230,000	1,173,150	4,403,150
2024	3,525,000	1,004,275	4,529,275
2025	3,835,000	827,025	4,662,025
2026-2030	4,690,000	3,126,250	7,816,250
2031-2035	5,975,000	1,822,700	7,797,700
2036-2038	5,755,000	471,700	6,226,700
	\$ 32,745,000	\$ 11,223,025	\$ 43,968,025

Also included in revenue bonds payable presented in the statement of net position is a bond premium of \$3,435,496 related to the \$34,980,000 – Series 2018 Revenue Bond to be amortized over the life of the bond.

Water and Sewer

\$28,220,000-Series 2012 Warner Robins Public Facilities Authority Revenue Bonds (Water And Sewer Projects) due in annual installments of \$579,815 to \$2,010,012 thru July 2032; Interest at .550% to 3.250%. Bonds are pledged by the full faith and credit of the City. Proceeds will be used to finance the acquiring, constructing, equipping, and installing of upgrades to the Sandy Run Creek Wastewater Treatment Plant. Proceeds were also used to repay interest and principal of notes payable to Georgia Environmental Facilities Authority (GEFA). \$ 20,770,000

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

The total annual debt service requirements for the water and sewer revenue bonds outstanding at June 30, 2020, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,240,000	\$ 749,312	\$ 1,989,312
2022	1,305,000	685,688	1,990,688
2023	1,370,000	618,812	1,988,812
2024	1,435,000	562,500	1,997,500
2025	1,480,000	503,437	1,983,437
2026-2030	8,280,000	1,690,344	9,970,344
2031-2033	5,660,000	301,526	5,961,526
	<u>\$ 20,770,000</u>	<u>\$ 5,111,619</u>	<u>\$ 25,881,619</u>

Also included in revenue bonds payable presented in the statement of net position are bond premium of \$910,979 related to the \$28,220,000 – Series 2012 Revenue Bond to be amortized over the life of the bond, and \$87,533 premium recognized in conjunction with the series 2011 revenue bonds issued by MGAG for distribution lines, to be amortized over the life of the lease. (See Capital Leases below.)

NOTES PAYABLE:

Water and Sewer

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

\$2,585,329

The total annual debt service requirements for the Water and Sewer Fund outstanding at June 30, 2020, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 243,811	\$ 74,111	\$ 317,922
2022	251,103	66,819	317,922
2023	258,741	59,182	317,923
2024	266,529	51,393	317,922
2025	274,791	43,132	317,923
2026-2030	1,290,354	87,343	1,377,697
	<u>\$ 2,585,329</u>	<u>\$ 381,980</u>	<u>\$ 2,967,309</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Capital Leases

The General fund entered into a lease purchase agreement for golf carts in the recreation department.

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

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

Current portion	
Golf Carts	\$ 32,850
Long-term portion	
Golf Carts	110,337
Total capital lease	<u>\$ 143,187</u>

The following is a summary of capital lease agreements for the Business-Type Activities:

Current Portion	
MGAG - Distribution line (payable from restricted assets)	\$ 330,514
Long-term portion	
MGAG - Distribution line (payable from restricted assets)	1,625,000
	<u>\$ 1,955,514</u>

Future minimum lease payments under the leases, along with the present value of the minimum lease payments as of June 30, 2020, are as follows:

Year Ending June 30th	Governmental Activities	Business-Type Activities
2021	\$ 39,050	\$ 1,867,500
2022	39,050	162,500
2023	39,050	162,500
2024	39,050	162,500
2025	3,134	162,500
2026	-	1,706,250
Total minimum lease payment	<u>159,334</u>	<u>4,223,750</u>
Less amount representing interest	16,147	2,268,236
Present value of lease payment	<u>\$ 143,187</u>	<u>\$ 1,955,514</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Following is an analysis of capital assets leased under capital leases at June 30, 2020:

	Governmental Activities	Business-Type Activities
Capital assets	\$ 143,187	\$ 4,994,770
Less: Accumulated depreciation	(28,637)	(2,718,064)
Carrying value	<u>\$ 114,550</u>	<u>\$ 2,276,706</u>

Total depreciation expense related to capital leases for the year ended June 30, 2020 was \$23,637 and \$103,732 for the Governmental Activities and Business-Type Activities, respectively.

Unearned Revenue

Unearned revenue at June 30, 2020 were comprised of the following balances:

General Fund	
Houston County - Transportation Planning	\$ 23,814
Grants	2,374
Other government	27,120
Keep WR Beautiful	5,647
City of Character Program	197
Total general fund	<u>59,152</u>
Nonmajor Governmental Funds	
Confiscations in advance of verdict	146,581
Other	5,325
Total nonmajor governmental funds	<u>151,906</u>
Total governmental funds	<u>\$ 211,058</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.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Deferred Inflows/Outflows of Resources

Deferred inflows of resources at June 30, 2020, consisted of unavailable revenue, which is presented in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes \$544,426, sales taxes \$341,896, and fines \$318,053 for a total of \$1,204,375. Please refer to the pension section of this note for more detail on the deferred inflows/outflows of resources related to the City pension plan reported on the government-wide statements. Please refer to the OPEB section of this note for more detail on the deferred inflows/outflows of resources related to the City OPEB plan reported on the government-wide statements.

Risk Management

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

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

- The City of Warner Robins must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:
- To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.
- To select a person to serve as a Member representative.
- To allow GIRMA and its agent's reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.
- To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund or Funds established by GIRMA.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

- To assist and cooperate in the defense and settlement of claims against the City.
- To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purposes of GIRMA.
- To furnish to GIRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates.

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

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

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

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

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

	General Fund	Internal Service Funds		
	Property and Casualty Insurance	Group Health Insurance	Workers Compensation Insurance	Total
Unpaid claims as of June 30, 2019	\$ 145,121	\$ 2,080,235	\$ 41,666	\$ 2,267,022
Incurring claims	122,576	9,979,610	-	9,979,610
Payments	(145,121)	(9,867,655)	(41,666)	(9,909,321)
Unpaid claims as of June 30, 2020	<u>\$ 122,576</u>	<u>\$ 2,192,190</u>	<u>\$ -</u>	<u>\$ 2,337,311</u>

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

Legal and Contractual Matters, 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, 2020.

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.

Coronavirus Pandemic

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

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.

Pension Plan

Plan Description, Contribution Information, and Funding Policies

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

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

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

Inactive employees or beneficiaries currently receiving benefits	347
Inactive employees entitled to but not yet receiving benefits	67
Active employees	528
	<u>942</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Contributions

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

The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The contribution amount is determined using the actuarial methods and assumptions approved by the GMEBS Board of Trustees. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by City Council. For the year ended June 30, 2020, the City's contribution rate was 12.8% of annual payroll. City contributions to the Plan were \$2,800,710 for the year ended June 30, 2020.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	2.25 percent, average, including inflation
Investment rate of return	7.375 percent, net pension plan investment expense, including inflation

Mortality rates were based on the sex-distinct Pri-2012 head count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2019.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

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

The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.41%
International equity	20%	6.96%
Real estate	10%	4.76%
Global fixed income	5%	3.06%
Domestic fixed income	20%	1.96%
Cash	-	-
Total	<u>100%</u>	

Discount rate - The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

	Schedule of Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance June 30, 2019	\$ 122,453,170	\$ 11,345,542	\$ 9,047,628
Changes for the year			
Service cost	1,210,188	-	1,210,188
Interest	9,035,294	-	9,035,294
Difference between expected and actual experience	3,905,853	-	3,905,853
Contributions - City	-	2,445,454	(2,445,454)
Net investment income	-	3,233,494	(3,233,494)
Benefit payments	(6,385,554)	(6,385,554)	-
Administrative expense	-	(135,231)	135,231
Other	2,217,538	-	2,217,538
Net changes	9,983,319	(841,837)	10,825,156
Balance June 30, 2020	\$ 132,436,489	\$ 10,503,705	\$ 19,872,784

The following presents the net pension liability of the City, calculated using the discount rate of 7.375 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.375%) or 1 percentage point higher (8.375%) than the current rate:

	1% Decrease 6.375%	Current Discount Rate 7.375%	1% Increase 8.375%
City's Net Pension Liability	\$ 36,396,374	\$ 19,872,784	\$ 6,096,714

Pension Plan Fiduciary Net Position

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020 the City recognized pension expense of \$3,627,965. As of June 30, 2020 the City reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made subsequent to measurement date	\$ 2,100,535	\$ -
Difference between expected and actual experience	6,025,869	-
Changes in assumptions	1,774,032	968,356
Net difference between projected and actual earnings on pension plan investments	-	812,034
Total	<u>\$ 9,900,436</u>	<u>\$ 1,780,390</u>

City contributions subsequent to the measurement date of \$2,100,535 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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

Year Ended June 30,	Amount
2021	\$ 268,523
2022	856,743
2023	2,645,747
2024	2,248,498

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

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

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

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

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

Employees covered by benefit terms. At June 30, 2020, the following employees were covered by the benefit terms:

Retired employees or beneficiaries currently receiving benefits	211
Vested terminated employees entitled to but not yet receiving benefits	112
Active employees	434
	<u>757</u>

City Contributions. The City has not elected to advance fund the OPEB Plan, but rather maintains the OPEB Plan on a "pay-as-you-go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds.

Total OPEB Liability

The City's total OPEB liability of \$43,005,955 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2020.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Actuarial assumptions. The Total OPEB liability was measured as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent
Salary increases	3.0 percent
Discount rate	2.21%
Healthcare cost trend rates	6.5 percent for 2020, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2024 and beyond
Mortality rates	Pub-2010 generational table scaled using MP-2019 and applied on a gender-specific basis.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to June 30, 2014.

Discount rate. Since the City funds this Plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. Specifically, the chosen rate is 2.21%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2020.

Changes to Total OPEB Liability

	Total OPEB Liability
Balances at June 30, 2019	\$ 37,289,048
Changes for the year	
Service cost	1,950,714
Interest	1,340,237
Changes in assumptions	7,093,046
Differences between expected and actual experience	(2,772,536)
Benefit payments	(1,894,554)
Plan administrative expenses	-
Net changes	5,716,907
Balances at June 30, 2020	\$ 43,005,955

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1 percentage-point higher (3.21%) than the current discount rate.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS

	1% Decrease (1.21%)	Discount rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 46,729,000	\$ 43,005,955	\$ 39,710,000

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

	1% Decrease (5.5% decreasing to 3.5%)	Healthcare Cost Trend Rates (6.5% decreasing to 4.5%)	1% Increase (7.5% decreasing to 5.5%)
Total OPEB liability	\$ 39,039,000	\$ 43,005,955	\$ 47,656,000

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$3,660,208. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,552,609
Changes of assumptions	7,368,320	553,941
Total	<u>\$ 7,368,320</u>	<u>\$ 3,106,550</u>

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

Year ended June 30:	
2021	\$ 369,257
2022	369,257
2023	369,257
2024	369,257
2025	369,257
Thereafter	2,415,485

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 - JOINT VENTURES

JOINTLY OWNED NATURAL GAS (JONG)

The City's Natural Gas System is a 40.16% participant in Jointly Owned Natural Gas Transmission Line (JONG). The City appoints one member to its Board. The City's capital account as of September 30, 2019 was \$1,818,972. If the Jointly Owned Natural Gas Transmission Line were to be terminated, the available assets would be distributed pro rata based on contribution. JONG issues separate financial statements which are available from the JONG office. Information taken from the audited statements of JONG for the fiscal year ended September 30, 2019 follows:

Total assets	\$ 16,623,946
Less: current liabilities	(383,705)
Long-term liabilities	(11,910,000)
Retained earnings	<u>\$ 4,330,241</u>
Total revenues	\$ 1,959,713
Operating expenses	(2,547,670)
Non-operating revenue	411,412
Net income	<u>\$ (176,545)</u>

JONG member cities bill and collect from their respective customers the charges for natural gas usage each month. The operating and maintenance costs including capital improvements costs incurred by JONG are prorated to each member and are reimbursed to JONG on a monthly basis by the participating cities. Funds held by JONG are invested and the earnings are allocated to each members account. JONG purchases supplies and pays rent, postage, and other administrative costs to the City of Warner Robins.

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

As of June 30, 2020, the City has an approximate 40.16% interest in current operations of JONG. The City's overall equity interest in JONG is approximately 42.01%. This equity interest is recorded in the City's Natural Gas System Fund's statement of net position.

MIDDLE GEORGIA REGIONAL COMMISSION

As more fully described in Note 1 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, 2020

NOTE 5 - SUBSEQUENT EVENTS

The City assessed events that have occurred subsequent to June 30, 2020 through May 14, 2021 for potential recognition in the financial statements. No events, other than below, have occurred that would require adjustment to or disclosure in the financial statements which were available to be issued on May 14, 2021.

Joint Utility Commission

In November 2020, the Mayor and Council of the City of Warner Robins voted to amend the City Charter to provide for the formation of a Joint Utility Commission, the Mid-State Energy Commission. The Mid-State Energy Commission is intended to replace the Jointly Owned Natural Gas partnership of which the City of Warner Robins, along with the Cities of Byron, Cochran, Hawkinsville and Perry, is a member.

The general purpose of the commission is to effect efficient intergovernmental projects among the member cities related to its business as a distribution line for natural gas energy commodities. As a separate body corporate and politic, the Mid-State Energy Commission will have the ability and authority to enter into gas supply and other related agreements independently of such contracts that the cities have. The Commission will also enjoy its own tax-exempt status. This restructuring will improve the efficiency of the decision-making and approval process and simplify routine financial operations.

The oversight of the commission will be accomplished through a Board of Commissioners with each member city selecting and appointing a member of the Board to act on its behalf. The City of Warner Robins has a 40.16% ownership interest in the Jointly Owned Natural Gas Transmission Line, the largest interest of all the member cities. No change in ownership interest occurred upon formation of the Mid-State Energy Commission; however, under the new structure the addition of new members, upon approval of all existing members, will not be prohibited.

2020 Water and Sewer Bonds

On October 16, 2020, the City of Warner Robins issued revenue bonds in the aggregate principal amount of \$22,040,000. The Water and Sewer Revenue Refunding and Improvement Bonds, Series 2020 were issued for two purposes. First, for financing improvements and extensions of the City's Water & Sewer System. These capital improvements were recommended as part of a Capital Improvement Plan, developed for the City's Water and Sewer System with the assistance of a qualified engineering firm. Secondly, a portion of the proceeds of the Series 2020 bonds will be used to refund \$2.6 million of outstanding loans payable to the Georgia Environmental Facilities Authority, resulting in interest cost savings.

In conjunction with the issue of the Series 2020 Water and Sewer Revenue Refunding and Improvement Bonds, \$4 million transferred during fiscal year 2019 from the Water and Sewer Enterprise Fund to a Capital Projects Fund for the benefit of the Georgia International Industrial Park, was transferred back to the Water and Sewer Enterprise Fund on October 5, 2020. Water & Sewer projects benefiting the Georgia International Industrial Park are incorporated in the System's Capital Improvement Plan.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 - SUBSEQUENT EVENTS

Funds for repayment of these Water and Sewer Revenue Refunding and Improvement Bonds will come from Water and Sewer Enterprise fund revenues. In anticipation of these future debt service payments and other long-term goals, on June 15, 2020 the City approved a series of water and wastewater rate increases, the first of which went into effect on July 1, 2020. The new approved rates were determined through a rate and fee study conducted by Raftelis Financial Consultants, Inc.

2022 Revenue Refunding Bonds

On April 6, 2020 the Mayor and Council of the City of Warner passed a resolution authorizing the Warner Robins Public Facility Authority to issue Series 2022 Revenue Refunding Bonds in the Principal amount of \$17,280,000. On May 29, 2020 the Warner Robins Public Facilities Authority entered into a Forward Bond Purchase and Loan Agreement with the City of Warner Robins and DNT Asset Trust, a wholly owned subsidiary of JPMorgan Chase Bank, whereby DNT Asset Trust committed to the purchase of the Series 2022 Revenue Refunding Bonds once issued.

The proceeds from the Series 2022 Bond issue will be used primarily to refund the Warner Robins Public Facilities Authority Series 2012 Bonds issued to finance the cost of Water & Sewer system upgrades. At June 30, 2020 the aggregate outstanding principal balance of the Warner Robins Public Facilities Series 2012 Revenue Bonds was \$20.8 million. The projected amount eligible for refunding, maturing on July 1, 2023 through and including 2032 is \$16.9 million. By establishing the terms of the refunding issue and entering into this commitment now, while market conditions are favorable, the Warner Robins Public Facilities Authority and the City of Warner Robins stand to realize substantial interest savings and lower debt service payments when the Series 2012 bonds are refunded.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WARNER ROBINS, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget
REVENUES		
General property taxes	\$ 16,796,000	\$ 16,796,000
Other taxes	14,597,019	14,597,019
Licenses and permits	358,700	358,700
Fines and forfeitures	1,007,880	1,007,880
Intergovernmental	166,310	169,707
Charges for services	2,997,800	2,997,800
Investment revenue	330,000	330,000
Other revenues	211,000	250,710
Total revenues	<u>36,464,709</u>	<u>36,507,816</u>
EXPENDITURES		
General government		
Legislative	229,153	231,773
Executive	474,075	485,432
Elections	40,536	40,536
General administration	7,546,477	7,921,643
Judicial	593,930	705,457
Public safety		
Police department	16,297,105	16,327,489
Fire department	10,590,631	10,591,531
Recreation	3,029,479	4,566,844
Public works	5,616,210	6,272,701
City development	2,108,620	2,622,433
Total expenditures	<u>46,526,216</u>	<u>49,765,839</u>
Excess of revenues over (under) expenditures	<u>(10,061,507)</u>	<u>(13,258,023)</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from capital lease	-	-
Sale of assets	50,000	50,000
Transfers in	5,261,200	5,261,200
Transfers out	(881,700)	(846,700)
Appropriated fund balance	5,632,007	8,793,523
Total other financing sources (uses)	<u>10,061,507</u>	<u>13,258,023</u>
Excess of revenues and other financing sources (uses) over (under) expenditures and other uses	-	-
Fund balance beginning	<u>18,977,190</u>	<u>18,977,190</u>
Fund balance ending	<u>\$ 18,977,190</u>	<u>\$ 18,977,190</u>

Variance Final Budget With Actual Budgetary Basis Differences	Actual Amounts Budgetary Basis	Budgetary Basis to GAAP Differences	Actual Amounts GAAP Basis
\$ 838,364	\$ 17,634,364	\$ -	\$ 17,634,364
464,546	15,061,565	-	15,061,565
35,744	394,444	-	394,444
109,822	1,117,702	-	1,117,702
1,066,602	1,236,309	-	1,236,309
67,843	3,065,643	-	3,065,643
(182,887)	147,113	-	147,113
(141,322)	109,388	-	109,388
<u>2,258,712</u>	<u>38,766,528</u>	<u>-</u>	<u>38,766,528</u>
18,527	213,246	-	213,246
110,459	374,973	(21,060)	353,913
11,115	29,421	-	29,421
993,937	6,927,706	(332,955)	6,594,751
128,260	577,197	(1,713)	575,484
853,625	15,473,864	(617,743)	14,856,121
678,488	9,913,043	(46,143)	9,866,900
784,083	3,782,761	(259,494)	3,523,267
775,313	5,497,388	(181,586)	5,315,802
145,335	2,477,098	(252,757)	2,224,341
<u>4,499,142</u>	<u>45,266,697</u>	<u>(1,713,451)</u>	<u>43,553,246</u>
<u>6,757,854</u>	<u>(6,500,169)</u>	<u>1,713,451</u>	<u>(4,786,718)</u>
175,280	175,280	-	175,280
(45,490)	4,510	-	4,510
(48,073)	5,213,127	-	5,213,127
61,700	(785,000)	-	(785,000)
(8,793,523)	-	-	-
<u>(8,650,106)</u>	<u>4,607,917</u>	<u>-</u>	<u>4,607,917</u>
(1,892,252)	(1,892,252)	1,713,451	(178,801)
-	18,977,190	-	18,977,190
<u>\$ (1,892,252)</u>	<u>\$ 17,084,938</u>	<u>\$ 1,713,451</u>	<u>\$ 18,798,389</u>

CITY OF WARNER ROBINS, GEORGIA
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 BASIS OF PRESENTATION

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

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total pension liability										
Service cost	\$ 1,210,188	\$ 1,257,080	\$ 1,293,624	\$ 1,289,597	\$ 1,360,714	\$ 1,312,396				
Interest	9,035,294	8,376,185	8,351,270	8,024,157	7,631,089	7,595,446				
Differences between expected and actual experience	3,905,853	4,576,300	357,600	61,825	885,280	758,020	(Historical information prior to implementation of GASB 67/68 is not required)			
Changes of assumptions	2,217,538	-	(2,420,892)	-	-	(4,693,345)				
Changes of benefit terms	-	728,182	670,988	-	489	-				
Benefit payments, including refunds of employee contributions	(6,385,554)	(5,819,940)	(5,351,106)	(4,958,418)	(4,653,041)	(4,372,157)				
Net change in total pension liability	9,983,319	9,117,807	2,901,484	4,417,161	5,224,531	600,360				
Total pension liability-beginning	122,453,170	113,335,363	110,433,879	106,016,718	100,792,187	100,191,827				
Total pension liability-ending (a)	\$132,436,489	\$122,453,170	\$113,335,363	\$110,433,879	\$106,016,718	\$100,792,187				
Plan fiduciary net position										
Contributions-employer	\$ 2,445,454	\$ 2,400,645	\$ 2,351,392	\$ 2,221,849	\$ 2,547,094	\$ 2,639,536				
Contributions-employee	-	-	-	-	-	-				
Net investment income	3,233,494	10,445,566	14,161,578	9,758,065	1,093,965	9,335,936	(Historical information prior to implementation of GASB 67/68 is not required)			
Benefit payments, including refunds of employee contributions	(6,385,554)	(5,819,940)	(5,351,106)	(4,958,418)	(4,653,041)	(4,372,157)				
Administrative expense	(135,231)	(141,004)	(149,967)	(89,047)	(98,976)	(75,992)				
Other	-	-	-	-	-	-				
Net change in plan fiduciary net position	(841,837)	6,885,267	11,011,897	6,932,449	(1,110,958)	7,527,323				
Plan fiduciary net position-beginning	113,405,542	106,520,275	95,508,378	88,575,929	89,686,887	82,159,564				
Plan fiduciary net position-ending (b)	\$112,563,705	\$113,405,542	\$106,520,275	\$ 95,508,378	\$ 88,575,929	\$ 89,686,887				
City's net pension liability-ending (a) - (b)	\$ 19,872,784	\$ 9,047,628	\$ 6,815,088	\$ 14,925,501	\$ 17,440,789	\$ 11,105,300				
Plan fiduciary net position as a percentage of the total pension liability	84.99%	92.61%	93.99%	86.48%	83.55%	88.98%	(Historical information prior to implementation of GASB 67/68 is not required)			
Covered payroll	\$ 22,461,510	\$ 21,590,245	\$ 21,133,852	\$ 20,662,283	\$ 20,434,256	\$ 19,589,572				
City's net pension liability as a percentage of covered payroll	88.47%	41.91%	32.25%	72.24%	85.35%	56.69%				

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 2,327,035	\$ 2,247,439	\$ 2,420,115	\$ 2,328,484	\$ 2,186,304	\$ 2,667,357	(Historical information prior to implementation of GASB 67/68 is not required)			
Contributions in relation to the actuarially determined contribution	2,327,035	2,247,439	2,420,115	2,328,484	2,186,304	2,667,357				
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				

Covered payroll	\$ 21,590,245	\$ 21,399,021	\$ 20,775,749	\$ 21,695,122	\$ 21,237,792	\$ 20,973,869
Contributions as a percentage of covered payroll	10.78%	10.50%	11.65%	10.73%	10.29%	12.72%

* Based on City's fiscal year

Notes to Schedule

Valuation Date:

The Actuarially determined contribution rate was determined as of January 1, 2020, with an interest adjustment to the fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 15 years
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Inflation	2.25%
Salary increases	2.75% plus service based merit increases
Investment rate of return	7.375% net pension plan investment expense, including inflation
Retirement age	65
Mortality	The mortality and economic actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019.

Other Information:

Changes of assumptions

The investment return assumption was decreased from 7.50% to 7.375%
The inflation assumption was decreased from 2.75% to 2.25%
The cost-of-living assumption was decreased from 2.75% to 2.25%
The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB liability										
Service cost	\$ 1,950,714	\$ 1,769,587	\$ 1,703,655							
Interest	1,340,237	1,386,700	1,365,912							
Differences between expected and actual experience	(2,772,536)	-	-			(Historical information prior to implementation of GASB 74/75 is not required)				
Changes of assumptions	7,093,046	1,061,996	(810,440)							
Changes of benefit terms	-	-	-							
Benefit payments, including refunds of employee contributions	(1,894,554)	(1,983,370)	(1,592,209)							
Net change in total OPEB liability	<u>5,716,907</u>	<u>2,234,913</u>	<u>666,918</u>							
Total OPEB liability-beginning	<u>37,289,048</u>	<u>35,054,135</u>	<u>34,387,217</u>							
Total OPEB liability-ending	<u><u>\$ 43,005,955</u></u>	<u><u>\$ 37,289,048</u></u>	<u><u>\$ 35,054,135</u></u>							
Covered payroll	\$ 23,076,391	\$ 21,399,021	\$ 20,775,749							
City's net pension liability as a percentage of covered payroll	186.36%	174.26%	168.73%			(Historical information prior to implementation of GASB 74/75 is not required)				

OTHER SUPPLEMENTARY INFORMATION

CITY OF WARNER ROBINS, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds							Tax Allocation District
	Bureau of Civic Affairs	Hotel - Motel Tourism Allocation Board	Motor Vehicle Rental Tax	Community Development	Law Enforcement	Recreation	Redevelopment Agency	
ASSETS								
Cash and cash equivalents	\$ 1,177,336	\$ 30,737	\$ -	\$ 305,923	\$ 1,838,535	\$ 76,568	\$ 372,996	\$ 9,125
Accounts receivable								
net of uncollectible accounts	-	-	-	352,520	-	-	44,402	-
Due from other governments	-	-	-	9,310	-	-	-	-
Real estate held for investment	-	-	-	51,750	-	-	1,185,689	-
Prepaid items	153	-	-	5,545	-	-	3,770	-
Total assets	<u>\$1,177,489</u>	<u>\$ 30,737</u>	<u>\$ -</u>	<u>\$ 725,048</u>	<u>\$1,838,535</u>	<u>\$ 76,568</u>	<u>\$ 1,606,857</u>	<u>\$ 9,125</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable and accrued costs	\$ 10,446	\$ 30,737	\$ -	\$ 8,088	\$ 60	\$ -	\$ 91	\$ -
Accrued payroll/related expenses	7,386	-	-	-	-	-	-	-
Unearned revenue	5,000	-	-	-	146,581	325	-	-
Total liabilities	<u>22,832</u>	<u>30,737</u>	<u>-</u>	<u>8,088</u>	<u>146,641</u>	<u>325</u>	<u>91</u>	<u>-</u>
FUND BALANCES								
Nonspendable - prepaid items	153	-	-	5,545	-	-	3,770	-
Restricted - capital projects	-	-	-	-	-	-	1,602,996	-
Restricted - economic development	-	-	-	711,415	-	-	-	-
Restricted - special programs	1,154,504	-	-	-	1,691,894	76,243	-	9,125
Total fund balance	<u>1,154,657</u>	<u>-</u>	<u>-</u>	<u>716,960</u>	<u>1,691,894</u>	<u>76,243</u>	<u>1,606,766</u>	<u>9,125</u>
Total liabilities and fund balances	<u>\$1,177,489</u>	<u>\$ 30,737</u>	<u>\$ -</u>	<u>\$ 725,048</u>	<u>\$1,838,535</u>	<u>\$ 76,568</u>	<u>\$ 1,606,857</u>	<u>\$ 9,125</u>

Special Revenue	Capital Projects Funds						Total Nonmajor Government Funds
Subtotal	Georgia Industrial Park	SPLOST 2006	SPLOST 2012	Parks and Recreation	Visitor Center	Subtotal	
\$ 3,811,220	\$ 3,838,068	\$ 46,784	\$ 7,827,403	\$ 456,149	\$1,336,817	\$ 13,505,221	\$ 17,316,441
396,922	-	-	-	-	-	-	396,922
9,310	-	-	-	-	-	-	9,310
1,237,439	-	-	-	-	-	-	1,237,439
9,468	-	-	-	-	-	-	9,468
<u>\$ 5,464,359</u>	<u>\$ 3,838,068</u>	<u>\$ 46,784</u>	<u>\$ 7,827,403</u>	<u>\$ 456,149</u>	<u>\$1,336,817</u>	<u>\$ 13,505,221</u>	<u>\$ 18,969,580</u>
\$ 49,422	\$ 23,810	\$ -	\$ 61,727	\$ -	\$ -	\$ 85,537	\$ 134,959
7,386	-	-	-	-	-	-	7,386
151,906	-	-	-	-	-	-	151,906
<u>208,714</u>	<u>23,810</u>	<u>-</u>	<u>61,727</u>	<u>-</u>	<u>-</u>	<u>85,537</u>	<u>294,251</u>
9,468	-	-	-	-	-	-	9,468
1,602,996	3,814,258	46,784	7,765,676	456,149	1,336,817	13,419,684	15,022,680
711,415	-	-	-	-	-	-	711,415
2,931,766	-	-	-	-	-	-	2,931,766
<u>5,255,645</u>	<u>3,814,258</u>	<u>46,784</u>	<u>7,765,676</u>	<u>456,149</u>	<u>1,336,817</u>	<u>13,419,684</u>	<u>18,675,329</u>
<u>\$ 5,464,359</u>	<u>\$ 3,838,068</u>	<u>\$ 46,784</u>	<u>\$ 7,827,403</u>	<u>\$ 456,149</u>	<u>\$1,336,817</u>	<u>\$ 13,505,221</u>	<u>\$ 18,969,580</u>

CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds							
	Bureau of Civic Affairs	Hotel - Motel Tourism Allocation Board	Motor Vehicle Rental Tax	Community Development	Law Enforcement	Recreation	Redevelopment Agency	Tax Allocation District
REVENUES								
Other taxes	\$ -	\$ 1,976,454	\$ 150,251	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	817,494	-	-	-
Intergovernmental	-	-	-	564,803	-	-	-	-
Contributions	-	-	-	-	15,183	-	-	-
Other revenue	19,083	-	-	2,072	24,185	49,917	33,170	-
Total revenues	19,083	1,976,454	150,251	566,875	856,862	49,917	33,170	-
EXPENDITURES								
Current								
Public safety	-	-	-	-	570,179	-	-	-
Recreation	-	-	-	-	-	42,133	-	-
Civic affairs (city development)	495,790	617,643	-	-	-	-	-	-
Economic development (city development)	-	-	115,966	619,809	-	-	-	-
Downtown development	-	-	-	-	-	-	77,703	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	495,790	617,643	115,966	619,809	570,179	42,133	77,703	-
Excess of revenues over (under) expenditures	(476,707)	1,358,811	34,285	(52,934)	286,683	7,784	(44,533)	-
OTHER FINANCING SOURCES (USES)								
Transfer in	494,113	-	-	-	-	-	-	-
Transfer out	-	(1,358,811)	(34,285)	-	-	-	-	-
Total other financing sources (uses)	494,113	(1,358,811)	(34,285)	-	-	-	-	-
Net change in fund balances	17,406	-	-	(52,934)	286,683	7,784	(44,533)	-
FUND BALANCES, beginning	1,137,251	-	-	769,894	1,405,211	68,459	1,651,299	9,125
FUND BALANCES, ending	\$ 1,154,657	\$ -	\$ -	\$ 716,960	\$ 1,691,894	\$ 76,243	\$ 1,606,766	\$ 9,125

Special Revenue Funds		Capital Projects Funds					Total Nonmajor Government Funds
Subtotal	Georgia Industrial Park	SPLOST 2006	SPLOST 2012	Parks and Recreation	Visitor Center	Subtotal	
\$ 2,126,705	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,126,705
817,494	-	-	-	-	-	-	817,494
564,803	-	-	-	-	-	-	564,803
15,183	-	-	-	-	-	-	15,183
128,427	-	769	173,436	2,219	17,264	193,688	322,115
3,652,612	-	769	173,436	2,219	17,264	193,688	3,846,300
570,179	-	-	-	-	-	-	570,179
42,133	-	-	-	-	-	-	42,133
1,113,433	-	-	-	-	-	-	1,113,433
735,775	-	-	-	-	-	-	735,775
77,703	-	-	-	-	-	-	77,703
-	271,963	5,292	1,476,140	23,000	1,604	1,777,999	1,777,999
2,539,223	271,963	5,292	1,476,140	23,000	1,604	1,777,999	4,317,222
1,113,389	(271,963)	(4,523)	(1,302,704)	(20,781)	15,660	(1,584,311)	(470,922)
494,113	-	-	-	247,056	-	247,056	741,169
(1,393,096)	-	-	-	(263,161)	-	(263,161)	(1,656,257)
(898,983)	-	-	-	(16,105)	-	(16,105)	(915,088)
214,406	(271,963)	(4,523)	(1,302,704)	(36,886)	15,660	(1,600,416)	(1,386,010)
5,041,239	4,086,221	51,307	9,068,380	493,035	1,321,157	15,020,100	20,061,339
\$ 5,255,645	\$ 3,814,258	\$ 46,784	\$ 7,765,676	\$ 456,149	\$ 1,336,817	\$ 13,419,684	\$ 18,675,329

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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Other revenue				
Interest	\$ 3,800	\$ 3,800	\$ 19,083	\$ 15,283
Total revenues	<u>3,800</u>	<u>3,800</u>	<u>19,083</u>	<u>15,283</u>
EXPENDITURES				
Current				
Civic affairs	682,421	832,571	495,790	336,781
Downtown development	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>687,421</u>	<u>837,571</u>	<u>495,790</u>	<u>341,781</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(683,621)</u>	<u>(833,771)</u>	<u>(476,707)</u>	<u>357,064</u>
OTHER FINANCING SOURCES				
Transfer in	<u>500,000</u>	<u>500,000</u>	<u>494,113</u>	<u>(5,887)</u>
Net change in fund balance	<u>\$ (183,621)</u>	<u>\$ (333,771)</u>	17,406	<u>\$ 351,177</u>
FUND BALANCE, beginning			<u>1,137,251</u>	
FUND BALANCE, ending			<u>\$ 1,154,657</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Other taxes				
Hotel/Motel tax	\$ 2,150,000	\$ 1,976,454	\$ 1,976,454	\$ -
EXPENDITURES				
Current				
Civic affairs	671,875	586,906	617,643	(30,737)
Economic development	-	-	-	-
Total expenditures	671,875	586,906	617,643	(30,737)
Excess of revenues over expenditures	1,478,125	1,389,548	1,358,811	(30,737)
OTHER FINANCING USES				
Transfer out	(1,478,125)	(1,358,811)	(1,358,811)	-
Net change in fund balance	\$ -	\$ 30,737	-	\$ (30,737)
FUND BALANCE, beginning			-	
FUND BALANCE, ending			\$ -	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MOTOR VEHICLE RENTAL TAX FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Other taxes				
Motor vehicle rental tax	\$ 140,000	\$ 150,251	\$ 150,251	\$ -
EXPENDITURES				
Current				
Economic development	140,000	115,966	115,966	-
Total expenditures	140,000	115,966	115,966	-
Excess of revenues over expenditures	\$ -	\$ 34,285	\$ 34,285	\$ -
OTHER FINANCING USES				
Transfer out	-	(34,285)	(34,285)	-
Total other financing uses	-	(34,285)	(34,285)	-
Net change in fund balance	\$ -	\$ -	-	\$ -
FUND BALANCE, beginning			-	
FUND BALANCE, ending			\$ -	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental				
Grants - federal - CDBG	\$ -	\$ 661,419	\$ 564,803	\$ (96,616)
Other revenue				
Program income	-	-	2,072	2,072
Total revenues	-	661,419	566,875	(94,544)
EXPENDITURES				
Economic development				
Administration	188,739	188,680	123,195	65,485
Housing	513,989	514,278	358,025	156,253
Public services	94,866	94,868	72,083	22,785
Public facility	60,000	63,924	23,916	40,008
Code enforcement	38,667	49,964	42,590	7,374
Clearance	50,000	22,747	-	22,747
Total expenditures	946,261	934,461	619,809	314,652
Excess (deficiency) of revenues over (under)				
expenditures	\$ (946,261)	\$ (273,042)	(52,934)	\$ 220,108
FUND BALANCE, beginning			769,894	
FUND BALANCE, ending			\$ 716,960	

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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines and forfeitures				
Condemnation	\$ 100,000	\$ 817,494	\$ 817,494	\$ -
Contributions	10,000	10,977	15,183	4,206
Interest	-	24,185	24,185	-
Total revenues	<u>110,000</u>	<u>852,656</u>	<u>856,862</u>	<u>4,206</u>
EXPENDITURES				
Current				
Public safety	<u>526,700</u>	<u>574,777</u>	<u>570,179</u>	<u>4,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (416,700)</u>	<u>\$ 277,879</u>	286,683	<u>\$ 8,804</u>
FUND BALANCE, beginning			<u>1,405,211</u>	
FUND BALANCE, ending			<u>\$1,691,894</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Other revenue				
Recreation fee	<u>\$ 61,400</u>	<u>\$ 47,831</u>	<u>\$ 49,917</u>	<u>\$ 2,086</u>
EXPENDITURES				
Current				
Recreation	<u>49,700</u>	<u>42,666</u>	<u>42,133</u>	<u>533</u>
Excess of revenues over expenditures	<u>\$ 11,700</u>	<u>\$ 5,165</u>	<u>7,784</u>	<u>\$ 2,619</u>
FUND BALANCE, beginning			<u>68,459</u>	
FUND BALANCE, ending			<u><u>\$ 76,243</u></u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Other revenue				
Rental revenue	\$ 23,200	\$ 35,000	\$ 26,575	\$ (8,425)
Interest revenue	6,525	-	6,595	6,595
Total revenues	<u>29,725</u>	<u>35,000</u>	<u>33,170</u>	<u>(1,830)</u>
EXPENDITURES				
Current				
Downtown development	<u>189,417</u>	<u>216,150</u>	<u>77,703</u>	<u>138,447</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$(159,692)</u>	<u>\$(181,150)</u>	<u>(44,533)</u>	<u>\$ 136,617</u>
FUND BALANCE, beginning			<u>1,651,299</u>	
FUND BALANCE, ending			<u><u>\$1,606,766</u></u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TAX ALLOCATION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Other revenue				
Interest revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
Economic development	<u>-</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(19,000)</u>	<u>-</u>	<u>(19,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (19,000)</u>	<u>-</u>	<u>\$ 19,000</u>
FUND BALANCE, beginning			<u>9,125</u>	
FUND BALANCE, ending			<u>\$ 9,125</u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GEORGIA INDUSTRIAL PARK CAPITAL PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	Prior Years	Current Year	Total to Date	Revised Projected Costs
REVENUES				
Other revenue				
Interest	\$ -	\$ -	\$ -	\$ 10,000
Total revenues	-	-	-	10,000
EXPENDITURES				
Capital outlay				
Water tower	13,779	271,963	285,742	1,000,000
New road	-	-	-	1,000,000
Water extension	-	-	-	1,000,000
Sewer extension	-	-	-	1,000,000
Professional services	-	-	-	100,000
Total expenditures	13,779	271,963	285,742	4,100,000
Excess (deficiency) of revenues over (under) expenditures	(13,779)	(271,963)	(285,742)	(4,090,000)
OTHER FINANCING USES				
Transfer in	4,100,000	-	4,100,000	4,100,000
Total other financing uses	4,100,000	-	4,100,000	4,100,000
Net change in fund balance	\$ 4,086,221	(271,963)	\$ 3,814,258	\$ 10,000
FUND BALANCE, beginning		4,086,221		
FUND BALANCE, ending		\$ 3,814,258		

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPLOST 2006 CAPITAL PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	Prior Years	Current Year	Total to Date	Revised Projected Costs
REVENUES				
Other revenue				
Special purpose local option sales tax	\$15,208,866	\$ -	\$ 15,208,866	\$15,208,866
Interest	158,007	769	158,776	115,781
Total revenues	<u>15,366,873</u>	<u>769</u>	<u>15,367,642</u>	<u>15,324,647</u>
EXPENDITURES				
Capital outlay				
Public safety	6,115,857	-	6,115,857	6,150,000
Water and sewer system	3,988,937	-	3,988,937	4,000,000
Road, street and sidewalk	5,220,733	5,292	5,226,025	5,515,000
Total expenditures	<u>15,325,527</u>	<u>5,292</u>	<u>15,330,819</u>	<u>15,665,000</u>
Excess (deficiency) of revenues over (under)				
expenditures	<u>41,346</u>	<u>(4,523)</u>	<u>36,823</u>	<u>(340,353)</u>
OTHER FINANCING USES				
Transfer out	<u>(854,754)</u>	<u>-</u>	<u>(854,754)</u>	<u>-</u>
Net change in fund balance	<u>\$ (813,408)</u>	<u>(4,523)</u>	<u>\$ (817,931)</u>	<u>\$ (340,353)</u>
FUND BALANCE, beginning		51,307		
FUND BALANCE, ending		<u>\$ 46,784</u>		

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPLOST 2012 CAPITAL PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	Prior Years	Current Year	Total to Date	Revised Projected Costs
REVENUES				
Other revenue				
Special purpose local option sales tax	\$ 38,136,826	\$ -	\$ 38,136,826	\$ 44,421,000
Interest	397,537	173,436	570,973	-
Total revenues	<u>38,534,363</u>	<u>173,436</u>	<u>38,707,799</u>	<u>44,421,000</u>
EXPENDITURES				
Capital outlay				
Road, street and sidewalk	4,458,633	589,980	5,048,613	8,363,787
Public safety	8,318,203	206,707	8,524,910	8,613,760
Water and sewer system	3,523,015	125,019	3,648,034	5,676,000
General government	7,699,005	94,620	7,793,625	8,101,200
City development	124,847	105,590	230,437	1,121,376
Recreation facilities	5,728,203	354,224	6,082,427	7,145,100
Debt service				
Principal retirement	1,841,500	-	1,841,500	1,841,500
Interest and fiscal charges	64,077	-	64,077	64,077
Total expenditures	<u>31,757,483</u>	<u>1,476,140</u>	<u>33,233,623</u>	<u>40,926,800</u>
Excess of revenues over (under) expenditures	<u>6,776,880</u>	<u>(1,302,704)</u>	<u>5,474,176</u>	<u>3,494,200</u>
OTHER FINANCING SOURCES				
Proceeds from capital lease	1,841,500	-	1,841,500	1,841,500
Transfers in	450,000	-	450,000	450,000
Total other financing sources	<u>2,291,500</u>	<u>-</u>	<u>2,291,500</u>	<u>2,291,500</u>
Net change in fund balance	<u>\$ 9,068,380</u>	<u>(1,302,704)</u>	<u>\$ 7,765,676</u>	<u>\$ 5,785,700</u>
 FUND BALANCE, Beginning		<u>9,068,380</u>		
FUND BALANCE, Ending		<u><u>\$ 7,765,676</u></u>		

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS AND RECREATION CAPITAL PROJECT
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Other revenue				
Interest	\$ -	\$ 2,219	\$ 2,219	\$ -
EXPENDITURES				
Current				
Capital outlay				
Buildings/improvements	10,000	29,837	23,000	6,837
Swimming pool equipment	15,500	-	-	-
Playground equipment	5,000	1,544	-	1,544
Sports complex	60,000	-	-	-
Total expenditures	90,500	31,381	23,000	8,381
Excess (deficiency) of revenues over (under) expenditures	(90,500)	(29,162)	(20,781)	8,381
OTHER FINANCING SOURCES				
Transfer in	250,000	247,056	247,056	-
Transfer out	(263,150)	(339,716)	(263,161)	76,555
Total other financing sources	(13,150)	(92,660)	(16,105)	76,555
Net change in fund balance	<u>\$(103,650)</u>	<u>\$(121,822)</u>	(36,886)	<u>\$ 84,936</u>
FUND BALANCE, beginning			493,035	
FUND BALANCE, ending			<u>\$ 456,149</u>	

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
VISITOR CENTER CAPITAL PROJECT
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Interest	\$ 15,000	\$ 15,000	\$ 17,264	\$ 2,264
EXPENDITURES				
Capital outlay				
Building/improvements	1,505,000	2,477,794	1,604	2,476,190
Excess of revenues over (under) expenditures	<u>\$(1,490,000)</u>	<u>\$(2,462,794)</u>	15,660	<u>\$ 2,478,454</u>
FUND BALANCE, beginning			1,321,157	
FUND BALANCE, ending			<u>\$1,336,817</u>	

CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

<u>ASSETS</u>			
	Workers	Group	
	Compensation	Health	
CURRENT ASSETS		Insurance	Total
Cash	\$ 1,149,755	\$ 1,195,194	\$ 2,344,949
Receivables	3,805	215,761	219,566
Prepaid items	90,501	-	90,501
Total assets	<u>1,244,061</u>	<u>1,410,955</u>	<u>2,655,016</u>
 <u>LIABILITIES AND NET POSITION</u>			
CURRENT LIABILITIES			
Accounts payable	-	2,192,190	2,192,190
Due to other funds	41,666	-	41,666
Total liabilities	<u>41,666</u>	<u>2,192,190</u>	<u>2,233,856</u>
 NET POSITION			
Unrestricted	1,202,395	(781,235)	421,160
Total net position	<u>\$ 1,202,395</u>	<u>\$ (781,235)</u>	<u>\$ 421,160</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, 2020

	<u>Workers Compensation</u>	<u>Group Health Insurance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 463,268	\$ 12,366,468	\$ 12,829,736
Total operating revenues	<u>463,268</u>	<u>12,366,468</u>	<u>12,829,736</u>
OPERATING EXPENSES			
Operating expenses	<u>426,488</u>	<u>12,182,608</u>	<u>12,609,096</u>
Total operating expenses	<u>426,488</u>	<u>12,182,608</u>	<u>12,609,096</u>
OPERATING INCOME	<u>36,780</u>	<u>183,860</u>	<u>220,640</u>
NON-OPERATING REVENUES			
Interest earned	<u>16,076</u>	<u>9,743</u>	<u>25,819</u>
Total non-operating revenues, net	<u>16,076</u>	<u>9,743</u>	<u>25,819</u>
CHANGE IN NET POSITION	52,856	193,603	246,459
NET POSITION, beginning	<u>1,149,539</u>	<u>(974,838)</u>	<u>174,701</u>
NET POSITION, ending	<u>\$ 1,202,395</u>	<u>\$ (781,235)</u>	<u>\$ 421,160</u>

CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Workers Compensation	Group Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ -	\$ 864,499	\$ 864,499
Cash paid to suppliers for goods and services	(468,663)	(12,411,669)	(12,880,332)
Cash received from other funds for goods and services	504,934	11,386,878	11,891,812
Cash received for claims reimbursements	-	341,016	341,016
Net cash provided by operating activities	<u>36,271</u>	<u>180,724</u>	<u>216,995</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income on investments	16,076	9,743	25,819
Net cash provided by investing activities	<u>16,076</u>	<u>9,743</u>	<u>25,819</u>
NET INCREASE IN CASH	52,347	190,467	242,814
CASH, beginning	1,097,408	1,004,727	2,102,135
CASH, ending	<u>\$ 1,149,755</u>	<u>\$ 1,195,194</u>	<u>\$ 2,344,949</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</u>			
<u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
Operating income	\$ 36,780	\$ 183,860	\$ 220,640
Adjustments to reconcile operating income to net cash provided by operating activities			
Decrease (increase) in assets			
Accounts receivable	-	(115,091)	(115,091)
Prepaid items	(509)	-	(509)
Increase (decrease) in liabilities			
Accounts payable	(41,666)	111,955	70,289
Due to other funds	41,666	-	41,666
Total adjustments	<u>(509)</u>	<u>(3,136)</u>	<u>(3,645)</u>
Net cash provided by operating activities	<u>\$ 36,271</u>	<u>\$ 180,724</u>	<u>\$ 216,995</u>

CITY OF WARNER ROBINS, GEORGIA
WATER AND SEWER SYSTEM
SCHEDULE OF BONDS PAYABLE WITH INTEREST
WATER AND SEWER REVENUE BONDS
JUNE 30, 2020

SERIES 2012

<u>YEAR OF MATURITY</u>	<u>BONDS</u>	<u>INTEREST RATE</u>	<u>INTEREST</u>
2021	\$ 1,240,000	5.00%	\$ 749,312
2022	1,305,000	5.00%	685,688
2023	1,370,000	5.00%	618,813
2024	1,435,000	3.00%	562,500
2025	1,480,000	4.00%	503,437
2026	1,555,000	5.00%	443,112
2027	1,600,000	4.00%	395,788
2028	1,650,000	4.00%	341,413
2029	1,710,000	4.00%	283,250
2030	1,765,000	4.00%	226,781
2031	1,825,000	4.00%	166,163
2032	1,885,000	4.00%	101,238
2033	1,950,000	4.00%	34,125
	<u>\$ 20,770,000</u>		<u>\$ 5,111,620</u>

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE OF STATE AWARDS EXPENDED

<u>State Program Name</u>		<u>Contract Number</u>	<u>Revenue Received</u>	<u>Expenditure</u>	<u>Amount Due From State</u>
Ga Dept. of Transportation					
WRATS	(1)	PL-000-0013-00(409)	\$ 21,583	\$ 61,451	\$ 39,868
WRATS	(1)	GA-90-2309	143,892	160,080	16,188
LMIG	(1)	PI S014582	855,263	-	-
Total Dept. of Transportation			<u>1,020,738</u>	<u>221,531</u>	<u>56,056</u>
Total state and pass through grant			<u>\$ 1,020,738</u>	<u>\$ 221,531</u>	<u>\$ 56,056</u>
(1) includes Federal pass through					

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

PROJECTS	Original		EXPENDITURES			
	Estimated Cost	Revised Cost	Prior Years	Current Year	Reclassification	Total
2018 Referendum						
Capital outlay						
Transportation	\$ 4,282,000	\$ 4,282,000	\$ -	\$ -	\$ -	\$ -
Public safety	7,280,000	7,280,000	-	749,895	-	749,895
Recreation	15,600,000	15,600,000	4,224,937	9,996,924	(2,894,250)	11,327,611
General government	4,487,000	4,487,000	1,877,800	7,070	-	1,884,870
Water and sewer	3,721,122	3,721,122	-	78,114	-	78,114
Economic development	2,000,000	2,000,000	-	-	-	-
	<u>\$ 37,370,122</u>	<u>\$ 37,370,122</u>	<u>\$ 6,102,737</u>	<u>\$ 10,832,003</u>	<u>\$ (2,894,250)</u>	<u>\$ 14,040,490</u>
Debt service						
Principal	\$ -	\$ -	\$ -	\$ -	\$ 2,235,000	\$ 2,235,000
Interest	-	-	-	351,250	409,229	760,479
Cost of Issuance	-	-	-	-	250,021	250,021
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,250</u>	<u>\$ 2,894,250</u>	<u>\$ 3,245,500</u>

2018 SPLOST reclassification

During fiscal year 2020, the City discovered that debt service payments related to the advanced funding of certain 2018 Special Purpose Local Option Sales Tax (SPLOST) projects were reported as capital outlay under the Recreation Projects category in error. Subsequently, a reclassification was performed to properly reflect these prior year expenditures as debt service expenditures.

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

PROJECTS	Original		EXPENDITURES			
	Estimated Cost	Revised Cost	Prior Years	Current Year	Reclassification	Total
2012 Referendum						
Capital outlay						
Road, street and sidewalk	\$ 8,100,000	\$ 8,100,000	\$ 1,785,441	\$ 589,980	\$ 2,673,222	\$ 5,048,643
Public safety	10,016,000	10,016,000	8,342,483	206,707	(19,200)	8,529,990
Water and sewer system	6,600,000	6,600,000	2,631,498	125,019	891,517	3,648,034
General government	9,420,000	9,420,000	4,875,988	94,620	2,823,017	7,793,625
City development	2,500,000	2,500,000	7,236,595	105,590	(7,111,748)	230,437
Recreation facilities	7,785,000	7,785,000	4,985,011	354,224	743,192	6,082,427
	<u>\$ 44,421,000</u>	<u>\$ 44,421,000</u>	<u>\$ 29,857,016</u>	<u>\$ 1,476,140</u>	<u>\$ -</u>	<u>\$ 31,333,156</u>

2012 SPLOST reclassification

The City recently discovered that the Schedule of SPLOST did not properly categorize all the expenditures associated with the 2012 SPLOST capital projects. This was due to a difference in which the expenditures were internally recorded. Beginning with fiscal year 2020, the required reclassification was performed to correctly state the expenditures. Project expenditures associated with the 2012 SPLOST are then recorded in the proper category as originally established in the City's Intergovernmental Agreement with Houston County, Georgia.

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECTS</u>	<u>Original</u>		<u>EXPENDITURES</u>			
	<u>Estimated Cost</u>	<u>Revised Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Reclassification</u>	<u>Total</u>
2006 Referendum						
capital outlay						
Public safety facilities	\$ 6,000,000	\$ 6,150,000	\$ 6,115,857	\$ -	\$ -	\$ 6,115,857
Water and sewer system	4,000,000	4,000,000	3,988,937	-	-	3,988,937
Road, street and sidewalk	5,515,000	5,515,000	5,220,733	5,292	-	5,226,025
	<u>\$ 15,515,000</u>	<u>\$ 15,665,000</u>	<u>\$ 15,325,527</u>	<u>\$ 5,292</u>	<u>\$ -</u>	<u>\$ 15,330,819</u>

SCHEDULE OF HOTEL/MOTEL TAX REPORT

		<u>8%</u>
Amount of tax collected	\$ 1,976,454	100.00%
Amount expended to promote tourism (General Fund)	\$ 617,642	31.25%
Amount expended to support the Museum of Aviation	\$ 617,642	31.25%
Amount expended for city promotion (Bureau of Civic Affairs)	\$ 494,114	25.00%
Amount expended for recreation capital project (Sports Complex)	\$ 123,528	6.25%
Amount expended for recreation capital project (Parks and Recreation)	\$ 123,528	6.25%

SCHEDULE OF VEHICLE RENTAL TAX REPORT

		<u>3%</u>
Amount of tax collected	\$ 150,251	100.00%
Amount expended to promote commerce and economic development	\$ 115,966	100.00%

COMPLIANCE SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Warner Robins, Georgia (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 14, 2021. Our report includes a reference to other auditors who audited the financial statements of the Redevelopment Agency of the City of Warner Robins, Georgia, the Downtown Development Authority of the City of Warner Robins, Georgia and the Development Authority of the City of Warner Robins, Georgia, as described in our report on the City of Warner Robins, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

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

We noted certain matters that we have reported to management of the City in a separate letter dated May 14, 2021.

The City of Warner Robins' Response to Findings

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

Purpose of this Report

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

Nichols, Cauley + Associates, LLC

Warner Robins, Georgia
May 14, 2021



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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Warner Robins, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. The City'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

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

Nichols, Cauley + Associates, LLC

Warner Robins, Georgia
May 14, 2021

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA/Grant Number</u>	<u>Passed through to Subrecipients</u>	<u>Federal Program Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grants			
Community Development Block Grant			
Entitlement Grant	14.218	\$ 359,541	\$ 619,810
Total U.S. Dept. of Housing and Urban Development		<u>359,541</u>	<u>619,810</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grants			
Police Bullet Proof Vests	16.607	-	4,833
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	15,924
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	18,937
Project Safe Neighborhood	20.600	-	13,563
Teen Maze Equipment Family Connection	20.600	-	7,154
Total U.S. Department of Justice		<u>-</u>	<u>60,411</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Federal Highway Administration			
Passed Through Georgia Department of Transportation:	20.205		
WRATS-Planning	PL000-0012-00(409)	-	61,451
WRATS- GA-90-2309		-	160,080
Total U.S. Department of Transportation		<u>-</u>	<u>221,531</u>
<u>U. S. DEPARTMENT OF HOMELAND SECURITY</u>			
Federal Emergency Management Agency			
Public assistance (Michael)	97.036	-	39,483
Homeland Security Initiative Grant	97.067	-	13,004
Total U. S. Department of Homeland Security		<u>-</u>	<u>52,487</u>
Total Expenditures of Federal Awards		<u>\$ 359,541</u>	<u>\$ 954,239</u>

CITY OF WARNER ROBINS, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Warner Robins, Georgia and is presented on the accrual basis of accounting.

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

NOTE 2. SUBRECIPIENTS

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Community Development Block Grant – Entitlement Grant	14.218	\$ 359,541

NOTE 3. INDIRECT COST RATES

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

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

SECTION I

SUMMARY OF AUDIT RESULTS:

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

Material weakness identified? X yes no

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

Noncompliance material to financial statements
noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness identified? yes X no

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

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
14.218	Community Development Block Grant – Entitlement Grant

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

Auditee qualified as low-risk auditee? No

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

SECTION II

FINANCIAL STATEMENT FINDINGS

Finding 2020-001

Material Weakness in Internal Control Over Financial Reporting and Accounting Functions

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

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

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

Cause: The City does not have adequate technology and human resources, nor do they have an adequate system of internal control over financial reporting. For example, the trial balance obtained from the City for the audit on October 23, 2020 was not final when received. Adjusting entries were made, by management, subsequent to year-end fieldwork starting. The inadequate close out process and procedures caused the start of and the completion of the audit to be significantly delayed. The City continues to grow larger and more complex. The internal controls over financial reporting, have not been continuously modified to account for the growth and complexities occurring over time. Furthermore, the accounting function of the City has not been enhanced to keep pace with the growth and complexities occurring.

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

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

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Responsible Official's Response:

The City concurs with the findings expressed and will continue in its ongoing efforts to implement the necessary policies and procedures to address the concerns. The City remains in the initial phase of implementation of the corrective action plan, which includes making the necessary staffing and reorganization adjustments that would move the department forward. These efforts, however, like similar operations worldwide, have been hampered by shutdowns as a result of the COVID-19 Pandemic. We remain committed to implementing the necessary process improvements to our overall financial operation and based on our efforts since this reporting period is confident that sustainable marked improvement is on the near horizon.

SECTION III

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Reported

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

Finding 2019-001

Significant Deficiency in Internal Control Over Financial Reporting

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

Update: Unresolved. See current year finding 2020-001