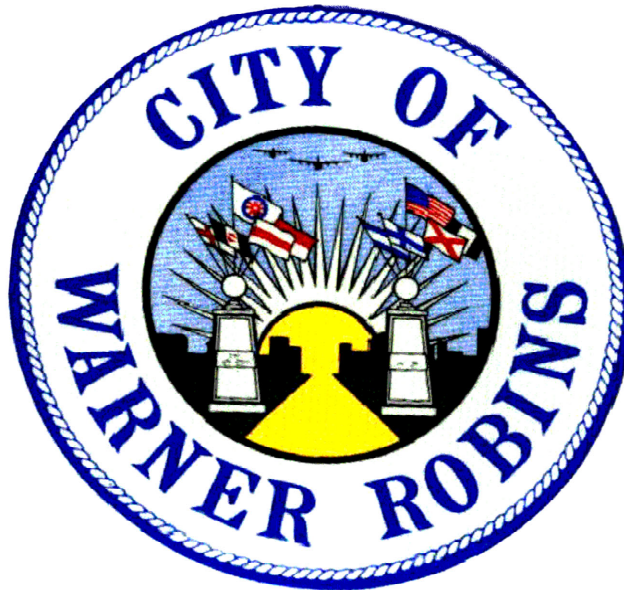


CITY OF WARNER ROBINS, GEORGIA
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021



CITY OF WARNER ROBINS, GEORGIA

TABLE OF CONTENTS

JUNE 30, 2021

| | |
|---|------------------|
| Independent Auditor's Report..... | 1-3 |
| Management's Discussion and Analysis (Unaudited)..... | 4-23 |
| Basic Financial Statements | |
| <u>Government-wide Financial Statements</u> | |
| Statement of Net Position | 24 |
| Statement of Activities..... | 25 |
| Fund Financial Statements | |
| <u>Governmental Funds</u> | |
| Balance Sheet | 26 |
| Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position | 27 |
| Statement of Revenues, Expenditures and Changes in Fund Balances | 28 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities | 29 |
| <u>Proprietary Funds</u> | |
| Statement of Net Position | 30-31 |
| Statement of Revenues, Expenses and Changes in Fund Net Position..... | 32 |
| Statement of Cash Flows | 33-34 |
| Notes to Financial Statements..... | 35-77 |
| Required Supplementary Information | |
| Budgetary Comparison Schedule – General Fund | 78 |
| Note to the Required Supplementary Information..... | 79 |
| Schedule of Changes in the City's Net Pension Liability and Related Ratios | 80 |
| Schedule of Pension Contributions..... | 81 |
| Schedule of Changes in the City's Total OPEB Liability and Related Ratios | 82 |
| Other Supplementary Information | |
| <u>Nonmajor Governmental Funds</u> | |
| Combining Balance Sheet | 83 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 84 |
| <u>Bureau of Civic Affairs</u> | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget And Actual | 85 |

CITY OF WARNER ROBINS, GEORGIA

TABLE OF CONTENTS

JUNE 30, 2021

| | |
|---|---------|
| <u>Hotel – Motel Tourism Allocation Board Fund (TAB)</u> | |
| Schedule of Revenues, Expenditures and Changes in | |
| Fund Balance – Budget And Actual | 86 |
| <u>Motor Vehicle Rental Tax Fund</u> | |
| Schedule of Revenues, Expenditures and Changes in | |
| Fund Balance – Budget And Actual | 87 |
| <u>Community Development Special Revenue Fund</u> | |
| Schedule of Revenues, Expenditures and Changes in | |
| Fund Balance – Budget and Actual | 88 |
| <u>Law Enforcement Special Revenue Fund</u> | |
| Schedule of Revenues, Expenditures and Changes in | |
| Fund Balance – Budget and Actual | 89 |
| <u>Recreation Special Revenue Fund</u> | |
| Schedule of Revenues, Expenditures and Changes in | |
| Fund Balance – Budget and Actual | 90 |
| <u>Redevelopment Agency Special Revenue Fund</u> | |
| Schedule of Revenues, Expenditures and Changes in | |
| Fund Balance – Budget and Actual | 91 |
| <u>Tax Allocation District Special Revenue Fund</u> | |
| Schedule of Revenues, Expenditures and Changes in | |
| Fund Balance – Budget and Actual | 92 |
| <u>Georgia Industrial Park Capital Project Fund</u> | |
| Schedule of Revenues, Expenditures and Changes in | |
| Fund Balance – Budget and Actual | 93 |
| <u>SPLOST 2006 Capital Projects Fund</u> | |
| Schedule of Revenues, Expenditures and Changes in | |
| Fund Balance – Budget and Actual | 94 |
| <u>SPLOST 2012 Capital Projects Fund</u> | |
| Schedule of Revenues, Expenditures and Changes in | |
| Fund Balance – Budget and Actual | 95 |
| <u>Parks and Recreation Capital Projects Fund</u> | |
| Schedule of Revenues, Expenditures and Changes in | |
| Fund Balance – Budget and Actual | 96 |
| <u>Visitor Center Capital Project Fund</u> | |
| Schedule of Revenues, Expenditures and Changes in | |
| Fund Balance – Budget and Actual | 97 |
| <u>Internal Service Funds</u> | |
| Combining Statement of Net Position | 98 |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Position..... | 99 |
| Combining Statement of Cash Flows | 100 |
| <u>Water and Sewer System</u> | |
| Schedule of Bonds Payable with Interest..... | 101 |
| Schedule of State Requirements | 102-104 |

CITY OF WARNER ROBINS, GEORGIA

TABLE OF CONTENTS

JUNE 30, 2021

Compliance Section

| | |
|--|---------|
| 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 | 105-106 |
| Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance | 108-109 |
| Schedule of Expenditures of Federal Awards..... | 110 |
| Notes to the Schedule of Expenditures of Federal Awards | 111 |
| Schedule of Findings and Questioned Costs..... | 112-114 |



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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, 2021, 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 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, 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, 2021, 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 23, and pages 78 through 82, 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 September 15, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Nichols, Cauley + Associates, LLC

Warner Robins, Georgia
September 15, 2022



**CITY OF WARNER ROBINS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

The City of Warner Robins' basic financial statements are presented for the fiscal year ended June 30, 2021. 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 2021, 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, 2021 by \$243 million. Of this amount, the unrestricted net position was a negative \$10 million.
- The City's total net position increased by \$2.5 million or 1.03% in relation to the prior fiscal year end. Net position of governmental activities decreased by \$764 thousand, while the net position of business-type activities increased by \$3.2 million.
- On a government-wide basis, the City's total assets and deferred outflow of resources increased by \$30.2 million and total liabilities and deferred inflows of resources increased by \$28.4 million.
- The business-type activities or enterprise funds closed the fiscal year with operating revenues exceeding operating expenses by \$3.2 million, representing an increase of \$3 million from FY 2020.
- As of June 30, 2021, the City's governmental funds reported a combined ending fund balances of \$50.7 million, representing a decrease of \$15.2 million or -23.0% in comparison to the previous fiscal year end. Of this amount, \$17.8 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 \$19.9 million, which increased \$2.7 million or 10.1% from fiscal year 2020 restated fund balance.
- The sales tax collections remitted to the City of Warner Robins for the 2018 Special Purpose Local Option Sales Tax (SPLOST), which continues through September 2024, totaled \$8.2 million for fiscal year 2021. This represented an increase of \$1.2 million over FY 2020 deposits. Total collections of 2018 SPLOST as of June 30, 2021 are 21% above projected revenues since inception of the tax.

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 2021?" 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 24 and 25 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, American Rescue Plan 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 26 through 29 and the proprietary fund financial statements can be found on pages 30 through 34 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 35 through 77 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 governmental funds, based on the ending fund balance at June 30, 2021, include the following:

- Bureau of Civic Affairs
- Community Development
- Law Enforcement
- Redevelopment Agency of the City of Warner Robins
- 2012 SPLOST Capital Projects
- Visitor Center Capital Projects

The associated combining and individual statements may be found on pages 83-97.

Internal Service Funds' combining statements, which include the Workers Compensation and Group Health Insurance special revenue funds may be found on pages 98-100.

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, 2021 and 2020, 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 | |
|---|----------------------------|------------|-----------------------------|-----------|------------|------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Assets and Deferred Outflows | | | | | | |
| Current assets | \$ 66,882 | \$ 73,895 | \$ 49,145 | \$ 24,073 | \$ 116,027 | \$ 97,968 |
| Other assets | - | - | 1,873 | 2,727 | 1,873 | 2,726 |
| Capital assets | 172,852 | 159,200 | 108,397 | 107,989 | 281,249 | 267,189 |
| Total assets | 239,734 | 233,095 | 159,415 | 134,789 | 399,149 | 367,883 |
| Deferred outflows | 13,764 | 14,608 | 2,401 | 2,661 | 16,165 | 17,269 |
| Total assets and deferred outflows | 253,498 | 247,703 | 161,816 | 137,450 | 415,314 | 385,152 |
| Liabilities and Deferred Inflows | | | | | | |
| Current liabilities | 23,149 | 11,000 | 4,603 | 3,381 | 27,752 | 14,381 |
| Long-term liabilities | 83,796 | 88,427 | 55,006 | 36,117 | 138,802 | 124,544 |
| Total liabilities | 106,945 | 99,427 | 59,609 | 39,498 | 166,554 | 138,925 |
| Deferred inflows | 3,923 | 4,095 | 1,802 | 791 | 5,725 | 4,886 |
| Total liabilities and deferred inflows | 110,868 | 103,522 | 61,411 | 40,289 | 172,279 | 143,811 |
| Net Position | | | | | | |
| Net investment in | | | | | | |
| Capital assets | 138,576 | 122,876 | 60,569 | 81,679 | 199,145 | 204,555 |
| Restricted | 30,800 | 47,819 | 3,118 | 1,402 | 33,918 | 49,221 |
| Unrestricted | (26,746) | (26,514) | 36,718 | 14,079 | 9,972 | (12,435) |
| Total net position | \$ 142,630 | \$ 144,181 | \$ 100,405 | \$ 97,160 | \$ 243,035 | \$ 241,341 |

By far the largest portion (\$199.1 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 surplus of \$10 million as of June 30, 2021. Restricted net position of \$33.9 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 regarding unrestricted net position, governmental activities reflect a negative unrestricted net position of \$26.7 million as of June 30, 2021. Business-type activities, however, reflect a positive unrestricted net position of \$36.7 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, 2021 and 2020, as derived from the government-wide Statement of Activities on page 25. 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 \$763 thousand and the net position of the business-type activities increased by \$3.2 million.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|-------------------|-----------------------------|------------------|-------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 4,898 | \$ 5,810 | \$ 52,046 | \$ 46,144 | \$ 56,944 | \$ 51,954 |
| Operating grants and contributions | 6,236 | 1,372 | - | - | 6,236 | 1,372 |
| Capital grants and contributions | 9,431 | 10,589 | 1,777 | 2,040 | 11,208 | 12,629 |
| General revenues | | | | | | |
| Property and other taxes | 37,161 | 30,013 | - | - | 37,161 | 30,013 |
| Sale of assets | 143 | (14) | 2 | 2 | 145 | (12) |
| Other | 128 | 5,545 | 15 | 293 | 143 | 5,838 |
| Total revenues | <u>57,997</u> | <u>53,315</u> | <u>53,840</u> | <u>48,479</u> | <u>111,837</u> | <u>101,794</u> |
| Expense | | | | | | |
| General government | 9,097 | 7,652 | - | - | 9,097 | 7,652 |
| Judicial | 3,230 | 963 | - | - | 3,230 | 963 |
| Public safety | 29,939 | 28,407 | - | - | 29,939 | 28,407 |
| Recreation | 1,408 | 14,230 | - | - | 1,408 | 14,230 |
| Public works (Streets) | 9,769 | 8,774 | - | - | 9,769 | 8,774 |
| City development | 4,802 | 4,646 | - | - | 4,802 | 4,646 |
| Downtown Development | 44 | 95 | - | - | 44 | 95 |
| Other | 1,183 | 1,543 | - | - | 1,183 | 1,543 |
| Natural gas system | - | - | 19,320 | 15,642 | 19,320 | 15,642 |
| Water and sewer system | - | - | 18,659 | 17,009 | 18,659 | 17,009 |
| Storm water drainage | - | - | 3,219 | 3,014 | 3,219 | 3,014 |
| Sanitation | - | - | 8,685 | 8,045 | 8,685 | 8,045 |
| Total expenses | <u>59,472</u> | <u>66,310</u> | <u>49,883</u> | <u>43,710</u> | <u>109,355</u> | <u>110,020</u> |
| Increase (decrease) in net position before transfers | (1,475) | (12,995) | 3,957 | 4,769 | 2,482 | (8,226) |
| Transfers | 712 | 4,561 | (712) | (4,561) | - | - |
| Increase (decrease) in net position | (763) | (8,434) | 3,245 | 208 | 2,482 | (8,226) |
| Net position - beginning | 143,393 | 152,615 | 97,160 | 96,952 | 240,553 | 249,567 |
| Net position - ending | <u>\$ 142,630</u> | <u>\$ 144,181</u> | <u>\$ 100,405</u> | <u>\$ 97,160</u> | <u>\$ 243,035</u> | <u>\$ 241,341</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 increased 7.8% for governmental activities from fiscal year 2020 to fiscal year 2021.

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

| Function/Program | Program Expenses | Less Program Revenues | Net Program Costs (Revenue) | | Program Revenues as a Percentage of Program Expenses | |
|-------------------------|-------------------------|------------------------------|------------------------------------|------------------|---|---------------|
| | 2021 | | 2021 | 2020 | 2021 | 2020 |
| General government | \$ 9,097 | \$ 9,210 | \$ (113) | \$ 3,189 | 101.24% | 58.32% |
| Judicial | 3,230 | 1,177 | 2,053 | (155) | 36.44% | 116.10% |
| Public safety | 29,939 | 2,324 | 27,615 | 26,754 | 7.76% | 5.82% |
| Recreation | 1,408 | 4,854 | (3,446) | 7,049 | 344.74% | 50.46% |
| Public works | 9,769 | 1,816 | 7,953 | 5,579 | 18.59% | 36.41% |
| City development | 4,802 | 1,168 | 3,634 | 4,511 | 24.32% | 2.91% |
| Downtown development | 44 | 13 | 31 | 67 | 29.55% | 28.72% |
| Other | 1,183 | - | 1,183 | 1,543 | 0.00% | 0.00% |
| Total | <u>\$ 59,472</u> | <u>\$ 20,562</u> | <u>\$ 38,910</u> | <u>\$ 48,537</u> | <u>34.57%</u> | <u>26.80%</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 increased 2% for business-type activities from fiscal year 2020 to fiscal year 2021.

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

| Function/Program | Program Revenues | Less Program Expenses | Net Program Revenue (Costs) | | Program Expenses as a Percentage of Program Revenues | |
|-------------------------|-------------------------|------------------------------|------------------------------------|-------------------|---|---------------|
| | 2021 | | 2021 | 2020 | 2021 | 2020 |
| Natural gas system | \$ 21,393 | \$ 19,320 | \$ 2,073 | \$ (2,935) | 90.31% | 84.20% |
| Water and sewer system | 20,860 | 18,659 | 2,201 | (1,087) | 89.45% | 93.99% |
| Storm water drainage | 3,712 | 3,219 | 493 | (864) | 86.72% | 77.72% |
| Sanitation | 7,859 | 8,685 | (826) | 412 | 110.51% | 105.40% |
| Total | <u>\$ 53,824</u> | <u>\$ 49,883</u> | <u>\$ 3,941</u> | <u>\$ (4,474)</u> | <u>92.68%</u> | <u>90.72%</u> |

OVERALL FINANCIAL ANALYSIS

Financial highlights for the City as a whole for the fiscal year ended June 30, 2021, include the following:

In accordance to the Statement of Net Position at June 30, 2021, 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 \$142.6 million for the governmental activities and by \$100.4 million for the business-type activities.

The City's total net position increased during the year by \$2.4 million or 1.03 % in comparison to the previous fiscal year. Net position of governmental activities decreased by \$763 thousand, while the net position of business-type activities increased by \$3.2 million. The decrease in the net position for the City's governmental activities has improved over the prior year's decrease by \$7.7 million. The improved change in net position from 2021 is primarily attributed to a decrease of 12.9 million or -90.1% in recreation expenditures. This decrease in expenditures is due to reduced recreation activities due to the continuance of the COVID-19 pandemic, and also the completion of significant recreation capital projects. The decrease in expenditures combined with a \$4.9 million increase in operating grants, primarily sourced from Corona Virus Relief programs, contributed to the improved financial performance of the City's governmental activities.

Operating revenues in the City's business-type or enterprise funds increased by \$5.9 million or 12.8% from FY 2020 to FY 2021, with a corresponding increase in operating expenses of \$7 million or 16.2% for the identical reporting period. The increases in operating revenues is primarily attributable to rate increases implemented during the year for City Water & Sewer services. The increases in operating expenses are largely due to increases in the cost of the City's supply of natural gas and significant cost increases in the City's Sanitation fund.

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

| Enterprise Funds Operating Revenues | FY 2021 | FY 2020 | Dollar Change | Percent Change |
|--|---------------------|---------------------|--------------------------|---------------------------|
| Natural Gas System | \$21,392,758 | \$18,577,772 | \$2,814,986 | 15.15% |
| Water and Sewer System | 19,742,915 | 16,923,200 | 2,819,715 | 16.66% |
| Storm Water Drainage | 3,051,840 | 3,011,091 | 40,749 | 1.35% |
| Sanitation | 7,858,552 | 7,632,373 | 226,179 | 2.96% |
| Total | \$52,046,065 | \$46,144,436 | \$5,901,629 | 12.79% |

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

| Enterprise Funds Operating Expenses | FY 2021 | FY 2020 | Dollar Change | Percent Change |
|--|---------------------|---------------------|--------------------|-------------------|
| Natural Gas System | \$19,320,092 | \$15,642,933 | \$3,677,159 | 23.51% |
| Water and Sewer System | 18,659,178 | 16,228,822 | 2,430,356 | 14.98% |
| Storm Water Drainage | 3,219,060 | 3,013,682 | 205,378 | 6.81% |
| Sanitation | 8,685,152 | 8,044,801 | 640,351 | 7.96% |
| Total | \$49,883,482 | \$42,930,238 | \$6,953,244 | 16.20% |

Year-over-year changes realized in the enterprise funds' overall results of operations are as reflected below. As was the case in FY2020, the Natural Gas System Fund, was responsible for the majority of the net operating income by closing the fiscal year at \$2.1 million or 96% of total enterprise funds' operating income. As shown, at June 30, 2021, operating revenues for the City's business-type activities or enterprise funds exceeded operating expenses by \$2.2 million.

| Enterprise Funds Operating Income (Loss) | FY 2021 | FY 2020 | Dollar Change | Percent Change |
|---|--------------------|--------------------|----------------------|-------------------|
| Natural Gas System | \$2,072,666 | \$2,934,839 | (\$862,173) | -29.38% |
| Water and Sewer System | 1,083,737 | 694,378 | 389,359 | 56.07% |
| Storm Water Drainage | -167,220 | -2,591 | -164,629 | 6353.88% |
| Sanitation | -826,600 | -412,428 | -414,172 | 100.42% |
| Total | \$2,162,583 | \$3,214,198 | (\$1,051,615) | -32.72% |

The City's Funds

Funds (governmental, enterprise and internal service) that experienced significant changes during the fiscal year ended June 30, 2021, 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 \$50.7 million, which represented a decrease of \$16 million or -24.0% from FY 2020. Total revenues were \$57.3 million and total expenditures were \$74.4 million for all governmental funds, representing a year-over-year increase of \$7.2 million in total revenues and an increase of \$14.3 million in total expenditures. The increase in revenues is attributable to increased general property taxes and a substantial increase in intergovernmental revenues offset by a decrease in other taxes. The increase in total expenditures is the result of increased capital outlay in the Public Facilities Authority Capital Projects Fund of \$11.2 million coupled with increased spending in the General Fund. Beginning with the June 30, 2021 year-end, the American Rescue Plan Fund was

created and classified as a major governmental fund to account for funds received from the American Rescue Plan Act of 2021 (ARP).

General Fund

The General Fund's total fund balance as of June 30, 2021 was \$19.9 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, \$151 thousand is nonspendable, \$1.9 million is committed, and \$17.8 million is unassigned. The year-over-year increase in the General Fund's unassigned fund balance of \$2.2 million or 14.1% is largely due to the receipt of \$1 million in capital lease proceeds, which reimbursed the City's general fund for capital outlays made in FY2020 and the increase in Intergovernmental revenues provided by CARES Act funding. The total fund balance for the General Fund increased by \$2.7 million or 15.8% from the previous fiscal year end as restated. This increase is due to an increase in revenues of \$6.3 million or 16.3% and an increase in other financing sources of \$1.1 million or 24.6%, offset in part by an increase in expenditures of \$4.5 million or 10.4%. Gains realized in general property revenues was primarily responsible for much of the increase combined with an increase in intergovernmental revenues from CARES Act Funding. An increase in public safety spending accounts for the majority of the increase in General Fund expenditures.

American Rescue Plan Fund

The American Rescue Plan Fund was created and classified as a major governmental fund to account for funds received from the American Rescue Plan Act of 2021 (ARP). The ending fund balance at June 30, 2021 was \$0 due to cash received being offset by a deferred inflow of resources. The City currently plans to utilize the \$10 million standard allowance for Revenue Loss and plans to use the remainder on various Community Initiatives.

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 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, 2021 was \$12.1 million, representing a year-over-year decrease of \$2 million or -14.3%. Total revenues and total expenditures were \$8.5 million and \$10.5 million, respectively, for the 2018 SPLOST Capital Projects Fund. Year-over-year revenues increased by \$1.2 million, while expenditures decreased slightly by \$709 thousand. 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 three of the six-year 2018 SPLOST receipts that commenced October 2018. Sales tax collections associated with the 2018 SPLOST will 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 \$4.7 million at June 30, 2021 year-end. This represented a decrease of \$11.2 million or -70.4% over FY 2020. Total

revenues and total expenditures were \$2 thousand and \$12.2 million, respectively, for the WRPFA Capital Projects Fund. Year-over-year revenues decreased by \$170 thousand or -99% while year-over-year expenditures increased by \$11.2 million or 11.1%. The significant increase in expenditures was attributed an increase in capital outlay expenditures as projects progressed toward completion.

Enterprise Funds

The City's Enterprise Funds reported a total net position of \$100.4 million at June 30, 2021, an increase of \$3.3 million or 3.4% from June 30, 2020. Total operating revenues were \$52 million, representing a year-over-year increase of \$5.9 million or 12.8%. Total operating expenses were \$46.3 million, representing a year-over-year increase of \$5.4 million or 12.5%.

Natural Gas System Fund

The Net Position of the Natural Gas System Fund at June 30, 2021 was \$20.1 million, representing a small decrease of \$490 thousand or -2.4% from fiscal year 2020. Both total operating revenues and total operating expenses experienced an increase for the reporting period. From a year-over-year perspective, total operating revenues increased \$2.8 million or 15.2% while total operating expenses increased \$3.7 million or 23.2%. The increase in both revenues and expenses are both attributed primarily to the increases in volumes of natural gas sold although there were also some increases in fixed operating costs.

Water and Sewer System Fund

The Net Position of the Water and Sewer System Fund increased during fiscal year 2021. At June 30, 2021 the net position was \$61.4 million, representing an increase of \$4 million or 7% in comparison to fiscal year 2020. From a year-over-year perspective, total operating revenues realized an increase of \$2.8 million or 16.7% while total operating expenses also realized an increase of \$858 thousand or 5.3%. Increased charges for services reflected in the operating revenues line item grew \$2.3 million, accounting for much of the increase in total operating revenues. This was due to rate increases implemented during fiscal year 2021.

Storm Water Drainage Fund

The Net Position of the Storm Water Drainage Fund remained relatively steady for fiscal year 2021. At June 30, 2021 the net position was \$19.8 million, representing an increase of \$493 thousand or 2.3% in comparison to fiscal year 2020. From a year-over-year perspective, total operating revenues realized a modest increase of \$41 thousand or 1.4% while total operating expenses realized an increase of \$205 thousand or 6.8%.

Sanitation Fund

The Net Position of the Sanitation Fund at June 30, 2021 was a deficit of \$736 thousand, representing a decrease of \$791 thousand or -1,438% in comparison to fiscal year 2020. From a year-over-year perspective, total operating revenues were up \$226 thousand or 3% while total operating expenses realized an increase of \$640 thousand or 8%. 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 95% and 95.5% of total operating revenues and total operating expenses, respectively, reported a negative net position of \$1.1 million at June 30, 2021. This represented a decrease of \$341 thousand or -43.6% from the prior fiscal year end. Contributions to the fund were not sufficient to cover the deficit realized at the beginning of the two prior fiscal years in addition to the current year's operating expenses. The Worker's Compensation Internal Service Fund reported a net position of \$1.3 million at June 30, 2021, which was \$74 thousand or 6.2% over the previous fiscal year end. Overall, the combined net position for the City's Internal Service Funds at June 30, 2021 was \$155 thousand, representing a decrease of \$267 thousand or -63.3% over FY 2020.

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 project 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 budget and actual expenditures, are not expected to have a significant effect on the City's overall financial liquidity or the level of services provided to the citizens of Warner Robins.

For the General Fund, the final amended budget of \$52.6 million (excluding other financing sources and uses) was \$4.8 million or 10% over the original appropriated budget. \$1.7 million of this difference can be attributed to allocations from the unrestricted fund balance for the prior year's encumbrances. In addition, the occurrence of legally adopted budget amendments of \$3.1 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 and on the Budgetary Comparison Schedule in the Required Supplementary Information (RSI) section on page 78.

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 2021 totaled \$22 thousand, all expended for road, street and sidewalk projects. As for the 2012 SPLOST, capital outlay expenditures totaled \$367 thousand and included the following: road, street and sidewalks- \$181 thousand; public safety- \$27 thousand; water and sewer system- \$98 thousand, general government- \$8 thousand, and recreation facilities \$52 thousand. Given that the 2018 SPLOST is currently the active SPLOST for the City of Warner Robins, much of the SPLOST capital project expenditures during fiscal year 2021 were made from this fund. During the fiscal year ending June 30, 2021 the 2018 SPLOST Fund expended \$7.2 million for capital projects, as referenced below:

- \$3,575,484: Recreation facilities, state of the arts sports complex
- \$1,296,212: Roads, streets, and sidewalks
- \$1,516,740: Public safety facilities
- \$392,930: Water and sewer distribution improvements
- \$465,131: General capital obligations

In addition to the above referenced SPLOST capital projects, the Warner Robins Public Facilities Authority Capital Projects Fund also financed numerous capital projects around the city during fiscal year 2021. A total of \$11.2 million was expended from this fund during the year, which included the following:

- \$2,463,039: Municipal court facility renovations
- \$7,032,811: Municipal Recreation Complex and Park improvements
- \$1,686,507 Tennis Complex as part of a joint effort with Houston County

CAPITAL ASSETS

The City of Warner Robins' investment in capital assets for its governmental and business-type activities as of June 30, 2021 totaled \$281.2 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 2021 ¹ | FY 2020 ¹ | Dollar Difference | Percent Difference |
|----------------------------|----------------------|----------------------|---------------------|--------------------|
| Land | \$22,947,631 | \$22,669,767 | \$277,864 | 1.23% |
| Construction in progress | 11,241,039 | 17,327,615 | -6,086,576 | -35.13% |
| Buildings and improvements | 46,236,595 | 28,877,250 | 17,359,345 | 60.11% |
| Machinery and equipment | 40,181,146 | 37,458,981 | 2,722,165 | 7.27% |
| Infrastructure | 187,768,717 | 185,678,565 | 2,090,152 | 1.13% |
| Distribution Systems | 178,590,096 | 170,884,961 | 7,705,135 | 4.51% |
| Total | \$486,965,224 | \$462,897,139 | \$24,068,085 | 5.20% |

Note¹: Excludes accumulated depreciation

Overall, for the fiscal year end, capital assets increased \$24.1 million or 5.2% in comparison to fiscal year 2020.

Capital assets additions strictly for the City's Governmental funds for fiscal year 2021 are as follows:

| Capital Asset | Amount |
|--|---------------------|
| Land | \$277,864 |
| Construction in progress | 13,656,769 |
| Total Non-depreciable Asset Additions | \$13,934,633 |
| Buildings and improvements | 1,719,307 |
| Machinery and equipment | 2,981,334 |
| Infrastructure | 1,170,028 |
| Total Depreciable Asset Additions | \$5,870,669 |
| Total Capital Asset Additions- All | \$19,805,302 |

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

DEBT ADMINISTRATION

As of June 30, 2021, the City reported a total long-term obligations balance, exclusive of Net Pension, OPEB Liability and accrued interest, of \$86.3 million. This represented a increase of \$19.3 million or 28.8% in comparison to the previous fiscal year end. The current portion of the long-term obligations totals \$9.7 million and is comprised of the following: Claims Payable (\$141 thousand), Compensated Absences (\$1.5 million), Capital Leases (\$131 thousand), Contracts Payable (\$117 thousand), and Bonds and Notes Payable (\$7.8 million). The noncurrent portion is comprised of Compensated Absences (\$629 thousand), Capital Leases (\$2.6 million), Contracts Payable (\$1.8 million) and Bonds and Notes Payable (\$71.5 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, 2021, as reflected on the chart below, the City's net assessed value was 1.9 billion. The legal debt limit for the City's long-term debt is \$191 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 regarding 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, 2021, 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, | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | 2017 | 2018 | 2019 | 2020 | 2021 |
| Assessed Value | \$ 1,632,480,496 | \$ 1,637,343,799 | \$ 1,713,488,603 | \$ 1,756,692,934 | \$ 1,911,943,368 |
| Legal Debt Margin | | | | | |
| Debt limit (10% of assessed value) | \$ 163,248,050 | \$ 163,734,380 | \$ 171,348,860 | \$ 175,669,293 | \$ 191,194,337 |
| Debt applicable to limit: | | | | | |
| General obligation bonds | \$ - | \$ - | \$ - | \$ - | \$ - |
| Less: Amount reserved for repayment of general obligation debt | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total debt applicable to limit | \$ - | \$ - | \$ - | \$ - | \$ - |
| Legal Debt Margin | \$ 163,248,050 | \$ 163,734,380 | \$ 171,348,860 | \$ 175,669,293 | \$ 191,194,337 |
| 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 3 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 despite the continuance of the COVID-19 pandemic. 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.

Due to the Coronavirus Pandemic continuing to effect the entire nation, unemployment rates in the Warner Robins Metropolitan Statistical Area reached a peak level in prior fiscal year 2020 but has steadily decreased during fiscal year 2021 to 5.9% at June 30, 2021. A downward trend in the unemployment rate has continued into fiscal year 2022.

The City's Calendar Year (CY) 2020, Fiscal Year 2021 net taxable digest experienced an increase of 8% over the net taxable digest for CY 2019, FY 2020. 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 Utilities | Motor Vehicles | Heavy Duty Equipment | Gross | Exemptions | Net |
|-------------|----------|---------------|-------------|------------------|----------------|----------------------|---------------|--------------|---------------|
| 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 |
| 2021 | 2020 | 1,749,166,827 | 166,040,884 | 41,179,726 | 20,258,660 | 4,550 | 1,976,650,647 | -110,538,817 | 1,866,111,830 |

Ad Valorem Tax Digest

Peach County

| Fiscal Year | Tax Year | Real | Personal | Public Utilities | Motor Vehicles | Heavy Duty Equipment | Gross | Exemptions | Net |
|-------------|----------|------------|-----------|------------------|----------------|----------------------|------------|------------|------------|
| 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 |
| 2021 | 2020 | 40,978,279 | 3,927,992 | 1,649,320 | 150,990 | 0 | 46,706,581 | -875,043 | 45,831,538 |

To maintain the current level of service, the governing body enacted the mill levy for CY 2020, FY 2021 of 9.980 mills for property located in Houston County and 8.9260 mills for property located in Peach County. The millage rate for property in Peach County includes a LOST rollback of 1.054 mills. The millage rates for the City and overlapping governments for fiscal years 2017 – 2021 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 |
|-------------|----------|-------|-------|----------------|-----------------|----------|
| 2017 | 2016 | 0 | 9.979 | 9.95 | 13.34 | 33.269 |
| 2018 | 2017 | 0 | 9.983 | 9.935 | 13.32 | 33.238 |
| 2019 | 2018 | 0 | 9.98 | 9.935 | 13.297 | 33.212 |
| 2020 | 2019 | 0 | 9.98 | 9.935 | 13.297 | 33.212 |
| 2021 | 2020 | 0 | 9.98 | 9.935 | 13.183 | 33.098 |

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 | Peach County | School District | Combined |
|-------------|----------|-------|-------|--------------|-----------------|----------|
| 2017 | 2016 | 0 | 8.492 | 14.555 | 17 | 40.047 |
| 2018 | 2017 | 0 | 8.825 | 14.616 | 17.073 | 40.514 |
| 2019 | 2018 | 0 | 8.845 | 14.546 | 16.989 | 40.38 |
| 2020 | 2019 | 0 | 8.55 | 14.473 | 16.902 | 39.925 |
| 2021 | 2020 | 0 | 8.926 | 14.403 | 16.819 | 40.148 |

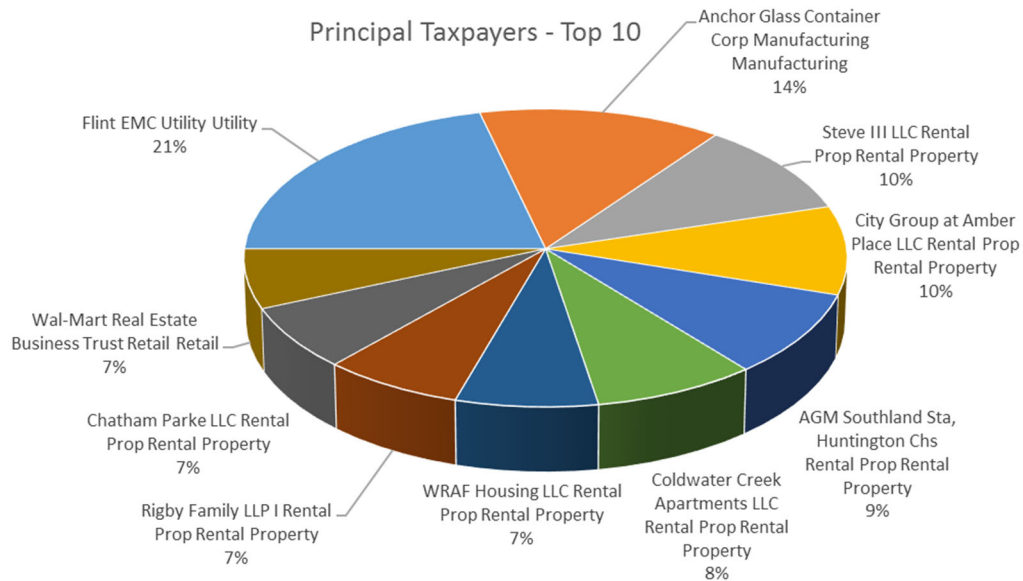
¹ The millage rate is the rate applied per \$1,000 of assessed property value.

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 FY2017-FY2021

| 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 Year 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 |
|-------------|---|---|-------------------------------|---------------------------|----------------------------|-----------------------|--|--|-------------------------------|
| 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 | 16,313,450 | 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 | 17,490,793 | 16,788,580 | 205,623 | 16,994,203 | 95.99% | 97.16% | 570,450 |
| 2021 | 18,623,796 | 409,092 | 19,032,888 | 17,273,379 | 280,557 | 17,553,936 | 90.76% | 92.23% | 594,345 |

The City's Principal Taxpayers, Top 10, for fiscal year 2021 are reflected in the following pie chart. 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.



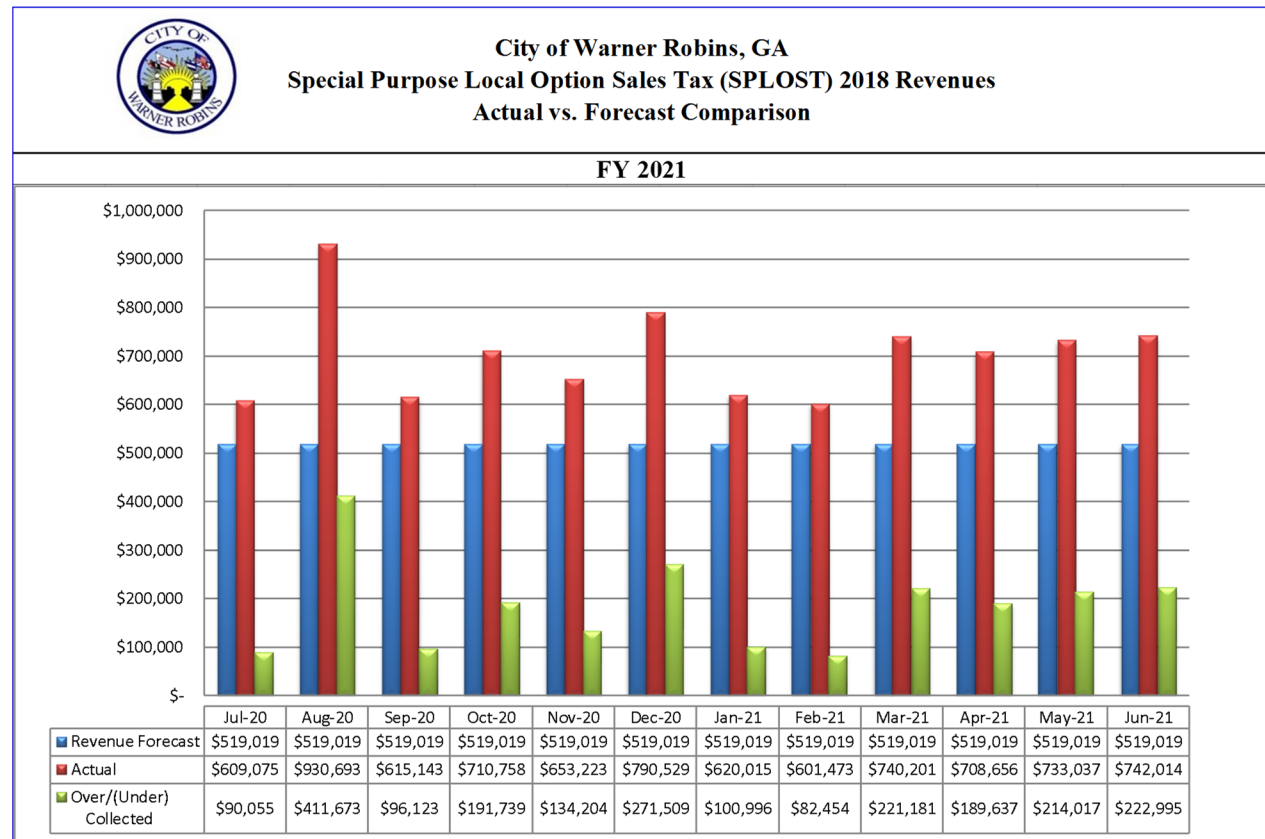
| Principal Taxpayers - Top 10 | | | | |
|---|------------------|----------------|------|---------------------------|
| Name | Type of Business | Assessed Value | Rank | % of Gross Assessed Value |
| Flint EMC Utility | Utility | \$30,936,138 | 1 | 1.53% |
| Anchor Glass Container Corp Manufacturing | Manufacturing | \$20,092,993 | 2 | 0.99% |
| Steve III LLC Rental Prop | Rental Property | \$14,869,760 | 3 | 0.73% |
| City Group at Amber Place LLC Rental Prop | Rental Property | \$14,000,000 | 4 | 0.69% |
| AGM Southland Sta, Huntington Chs Rental Prop | Rental Property | \$13,284,250 | 5 | 0.66% |
| Coldwater Creek Apartments LLC Rental Prop | Rental Property | \$12,013,400 | 6 | 0.59% |
| WRAF Housing LLC Rental Prop | Rental Property | \$10,478,800 | 7 | 0.52% |
| Rigby Family LLP I Rental Prop | Rental Property | \$10,317,320 | 8 | 0.51% |
| Chatham Parke LLC Rental Prop | Rental Property | \$10,022,880 | 9 | 0.50% |
| Wal-Mart Real Estate Business Trust Retail | Retail | \$9,385,880 | 10 | 0.46% |
| Total | | \$145,401,421 | | 7.19% |

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 approximately 21% since the 2010 census. Per the U. S. Census Bureau, the 2020 census for the City reflects a population of 80,308. The estimated population at July 1, 2021 is 81,446.

The 2018 SPLOST Referendum, which was passed by voters on March 21, 2017 allowed for the district of Houston County, GA to raise up to \$145 million over a period of six years 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 through June 30, 2021*, the City has received a total of \$20.7 million in revenue collections, which represent an increase of \$3.5 million or 20.3% over projected revenues for all reported periods. These positive gains continued for the City even in the midst of the COVID-19 Pandemic.



In the building of the annual General Fund budget for fiscal year 2022, City officials considered the factors discussed above. On July 8, 2021 the City approved a budget appropriation for the General fund for Fiscal Year 2022 in the amount of \$51.4 million, a modest decrease of -0.46 percent from the 2021 original budget of \$51.6 million. Conservative revenue projections were used in developing the FY 2022 budget due to the economic uncertainty related to the continued COVID-19 health crisis. Tax revenues are projected to provide 52.6% of this appropriation. Selective sales and use tax revenues are budgeted to fund 17.4% and other financing revenues are projected to cover 19.7% of the remaining 30% 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 2021.

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 LaRhonda Patrick 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:

Holly V. Gross
Assistant Finance Director
City of Warner Robins
700 Watson Blvd.
P.O. Box 8629
Warner Robins, GA 31095
Email: Finance_Office@wrga.gov

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2021

| | Primary Government | | | Component Units | |
|---|----------------------------|-----------------------------|--------------------|--------------------------------------|--------------------------|
| | Governmental Activities | Business-type Activities | Total | Downtown Development Authority | Development Authority |
| <u>ASSETS</u> | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | \$ 57,723,033 | \$ 39,657,647 | \$ 97,380,680 | \$ - | \$ 97,513 |
| Accounts receivable, net | 1,142,320 | 5,667,441 | 6,809,761 | - | - |
| Due from other governments | 2,870,320 | - | 2,870,320 | - | - |
| Due from component unit | 34,334 | - | 34,334 | - | - |
| Inventories, at cost | 60,054 | 384,182 | 444,236 | - | - |
| Real estate-held for investment/resale | 1,231,726 | - | 1,231,726 | - | - |
| Prepaid items | 184,832 | 317,784 | 502,616 | - | - |
| Restricted assets | | | | | |
| Cash and cash equivalents | 3,635,334 | 3,118,155 | 6,753,489 | - | - |
| Total current assets | <u>66,881,953</u> | <u>49,145,209</u> | <u>116,027,162</u> | <u>-</u> | <u>97,513</u> |
| Non-current assets | | | | | |
| Receivables | - | 113,414 | 113,414 | - | - |
| Investment in Mid-State Energy | | | | | |
| Transmission Line | - | 1,759,130 | 1,759,130 | - | - |
| Land and other non-depreciable assets | 30,367,580 | 3,821,090 | 34,188,670 | - | - |
| Capital assets, net of accumulated depreciation | <u>142,484,245</u> | <u>104,576,020</u> | <u>247,060,265</u> | <u>-</u> | <u>-</u> |
| Total non-current assets | <u>172,851,825</u> | <u>110,269,654</u> | <u>283,121,479</u> | <u>-</u> | <u>-</u> |
| Total assets | <u>239,733,778</u> | <u>159,414,863</u> | <u>399,148,641</u> | <u>-</u> | <u>97,513</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | | | |
| Related to pension | 6,970,031 | 1,209,798 | 8,179,829 | - | - |
| Related to OPEB | <u>6,793,839</u> | <u>1,191,445</u> | <u>7,985,284</u> | <u>-</u> | <u>-</u> |
| Total deferred outflows of resources | <u>13,763,870</u> | <u>2,401,243</u> | <u>16,165,113</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 | 5,877,030 | 1,315,279 | 7,192,309 | - | 3,900 |
| Accrued payroll/related liabilities | 1,131,048 | 173,284 | 1,304,332 | - | - |
| Due to primary government | - | - | - | 34,334 | - |
| Claims and judgements | 141,117 | - | 141,117 | - | - |
| Compensated absences | 1,274,195 | 206,223 | 1,480,418 | - | - |
| Unearned revenue | 7,973,109 | - | 7,973,109 | 22,267 | - |
| Security deposits | 34,419 | - | 34,419 | - | - |
| Capital lease obligations | 131,304 | - | 131,304 | - | - |
| Accrued interest payable | 700,325 | 863,756 | 1,564,081 | - | - |
| Contract payable | 117,000 | - | 117,000 | - | - |
| Bonds, notes and loans payable | 3,286,779 | 2,044,411 | 5,331,190 | - | - |
| Total current liabilities | 20,666,326 | 4,602,953 | 25,269,279 | 56,601 | 3,900 |
| Non-current liabilities | | | | | |
| Compensated absences | 578,700 | 50,689 | 629,389 | - | - |
| Capital lease obligations | 1,012,824 | 1,625,000 | 2,637,824 | - | - |
| Net pension liability | 14,872,992 | 2,581,523 | 17,454,515 | - | - |
| Total OPEB liability | 38,117,169 | 6,589,808 | 44,706,977 | - | - |
| Contract payable | 1,852,500 | - | 1,852,500 | - | - |
| Bonds, notes and loans payable | 29,844,946 | 44,158,890 | 74,003,836 | - | - |
| Total non-current liabilities | 86,279,131 | 55,005,910 | 141,285,041 | - | - |
| Total liabilities | 106,945,457 | 59,608,863 | 166,554,320 | 56,601 | 3,900 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | |
| Related to pension | 1,534,373 | 266,323 | 1,800,696 | - | - |
| Related to OPEB | 2,388,238 | 1,535,744 | 3,923,982 | - | - |
| Total deferred inflows of resources | 3,922,611 | 1,802,067 | 5,724,678 | - | - |
| <u>NET POSITION</u> | | | | | |
| Net investment in capital assets | 138,575,972 | 60,568,809 | 199,144,781 | - | - |
| Restricted for economic development | 793,500 | - | 793,500 | - | - |
| Restricted for special programs | 4,081,642 | - | 4,081,642 | - | - |
| Restricted for capital projects | 22,289,023 | 3,118,155 | 25,407,178 | - | - |
| Restricted for debt service | 3,635,334 | - | 3,635,334 | - | - |
| Unrestricted | (26,745,891) | 36,718,212 | 9,972,321 | (56,601) | 93,613 |
| Total net position | \$ 142,629,580 | \$ 100,405,176 | \$ 243,034,756 | \$ (56,601) | \$ 93,613 |

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, 2021

| Functions/Programs | | Program Revenues | | |
|---------------------------------------|-----------------------|----------------------|---------------------|----------------------|
| | | Charges for | Operating | Capital |
| | Expenses | Services | Grants and | Grants and |
| | | | Contributions | Contributions |
| Primary Government | | | | |
| Governmental activities | | | | |
| General government | \$ 9,097,109 | \$ 2,533,470 | \$ 4,964,041 | \$ 1,713,143 |
| Judicial | 3,229,885 | 1,177,401 | - | - |
| Public safety | 29,939,125 | 450,445 | 125,241 | 1,748,954 |
| Recreation | 1,407,627 | 682,267 | - | 4,171,680 |
| Public works | 9,768,716 | 19,291 | - | 1,797,329 |
| City development | 4,801,880 | 22,103 | 1,146,289 | - |
| Downtown development | 43,868 | 12,525 | - | - |
| Interest on long-term debt | 1,182,835 | - | - | - |
| Total governmental activities | <u>59,471,045</u> | <u>4,897,502</u> | <u>6,235,571</u> | <u>9,431,106</u> |
| Business-type activities | | | | |
| Natural Gas System | 19,320,092 | 21,392,758 | - | - |
| Water and Sewer System | 18,659,178 | 19,742,915 | - | 1,117,455 |
| Storm Water Drainage | 3,219,060 | 3,051,840 | - | 659,777 |
| Sanitation | 8,685,152 | 7,858,552 | - | - |
| Total business-type activities | <u>49,883,482</u> | <u>52,046,065</u> | <u>-</u> | <u>1,777,232</u> |
| Total primary government | <u>\$ 109,354,527</u> | <u>\$ 56,943,567</u> | <u>\$ 6,235,571</u> | <u>\$ 11,208,338</u> |
| Component Units | | | | |
| Downtown Development Authority | \$ 27,654 | \$ - | \$ - | \$ - |
| Development Authority | 27,748 | - | - | - |
| | <u>\$ 55,402</u> | <u>\$ -</u> | <u>\$ -</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, as restated | | | | |
| 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 |
| \$ 113,545 | \$ - | \$ 113,545 | | |
| (2,052,484) | - | (2,052,484) | | |
| (27,614,485) | - | (27,614,485) | | |
| 3,446,320 | - | 3,446,320 | | |
| (7,952,096) | - | (7,952,096) | | |
| (3,633,488) | - | (3,633,488) | | |
| (31,343) | - | (31,343) | | |
| (1,182,835) | - | (1,182,835) | | |
| <u>(38,906,866)</u> | <u>-</u> | <u>(38,906,866)</u> | | |
| - | 2,072,666 | 2,072,666 | | |
| - | 2,201,192 | 2,201,192 | | |
| - | 492,557 | 492,557 | | |
| - | (826,600) | (826,600) | | |
| <u>-</u> | <u>3,939,815</u> | <u>3,939,815</u> | | |
| <u>(38,906,866)</u> | <u>3,939,815</u> | <u>(34,967,051)</u> | | |
| | | | \$ (27,654) | \$ - |
| | | | <u>-</u> | <u>(27,748)</u> |
| | | | <u>\$ (27,654)</u> | <u>\$ (27,748)</u> |
| 20,997,566 | - | 20,997,566 | - | - |
| 11,327,065 | - | 11,327,065 | - | - |
| 4,835,925 | - | 4,835,925 | - | - |
| 25,312 | 13,604 | 38,916 | - | 106 |
| 142,915 | 2,500 | 145,415 | - | - |
| 102,558 | 1,063 | 103,621 | - | - |
| 37,431,341 | 17,167 | 37,448,508 | - | 106 |
| 711,942 | (711,942) | - | - | - |
| 38,143,283 | (694,775) | 37,448,508 | - | 106 |
| (763,583) | 3,245,040 | 2,481,457 | (27,654) | (27,642) |
| 143,393,163 | 97,160,136 | 240,553,299 | (28,947) | 121,255 |
| <u>\$ 142,629,580</u> | <u>\$ 100,405,176</u> | <u>\$ 243,034,756</u> | <u>\$ (56,601)</u> | <u>\$ 93,613</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, 2021

| | General | American | SPLOST |
|---|----------------------|---------------------|----------------------|
| | Fund | Rescue Plan | 2018 |
| | Fund | Fund | Capital Projects |
| | Fund | Fund | Fund |
| ASSETS | | | |
| Cash and cash equivalents | \$ 22,053,181 | \$ 7,513,248 | \$ 7,939,853 |
| Receivables, net | 662,605 | - | 93 |
| Due from other funds | - | - | - |
| Due from other governments | 1,074,006 | - | 1,475,051 |
| Due from component unit | 34,334 | - | - |
| Inventory of gas, oil, and supplies | 60,054 | - | - |
| Real estate-held for investment/resale | - | - | - |
| Prepaid items | 91,406 | - | - |
| Restricted assets | | | |
| Cash and cash equivalents | - | - | 3,006,500 |
| Total assets | <u>\$ 23,975,586</u> | <u>\$ 7,513,248</u> | <u>\$ 12,421,497</u> |
| LIABILITIES, DEFERRED INFLOWS OF | | | |
| RESOURCES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable and accrued costs | \$ 1,806,188 | \$ - | \$ 314,551 |
| Accrued payroll/related expenditures | 1,121,205 | - | - |
| Unearned revenue | 91,901 | 7,513,248 | - |
| Due to other funds | 45,000 | - | - |
| Escrow funds | - | - | - |
| Total liabilities | <u>3,064,294</u> | <u>7,513,248</u> | <u>314,551</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue-property taxes | 580,908 | - | - |
| Unavailable revenue-fines | 468,358 | - | - |
| Total deferred inflows | <u>1,049,266</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | |
| Nonspendable, inventories | 60,054 | - | - |
| Nonspendable, prepaid items | 91,406 | - | - |
| Restricted, capital projects | - | - | 9,100,446 |
| Restricted, debt service | - | - | 3,006,500 |
| Restricted, economic development | - | - | - |
| Restricted, special programs | - | - | - |
| Committed, general government | 497,650 | - | - |
| Committed, public safety | 204,467 | - | - |
| Committed, public works | 855,042 | - | - |
| Committed, recreation | 222,409 | - | - |
| Committed, economic development | 154,332 | - | - |
| Unassigned, general fund | 17,776,666 | - | - |
| Total fund balances | <u>19,862,026</u> | <u>-</u> | <u>12,106,946</u> |
| Total liabilities, deferred inflows of | | | |
| resources, and fund balances | <u>\$ 23,975,586</u> | <u>\$ 7,513,248</u> | <u>\$ 12,421,497</u> |

| WRPFA Capital Projects Fund | Non-Major Governmental Funds | Total Governmental Funds |
|-----------------------------------|------------------------------------|--------------------------------|
| \$ 4,080,270 | \$ 13,049,759 | \$ 54,636,311 |
| 134 | 355,558 | 1,018,390 |
| - | 45,000 | 45,000 |
| - | 321,263 | 2,870,320 |
| - | - | 34,334 |
| - | - | 60,054 |
| - | 1,231,726 | 1,231,726 |
| - | 1,025 | 92,431 |
| 628,834 | - | 3,635,334 |
| <u>\$ 4,709,238</u> | <u>\$ 15,004,331</u> | <u>\$ 63,623,900</u> |
| \$ 8,592 | \$ 600,059 | \$ 2,729,390 |
| - | 8,276 | 1,129,481 |
| - | 368,645 | 7,973,794 |
| - | - | 45,000 |
| - | 34,419 | 34,419 |
| <u>8,592</u> | <u>1,011,399</u> | <u>11,912,084</u> |
| - | - | 580,908 |
| - | - | 468,358 |
| - | - | 1,049,266 |
| - | - | 60,054 |
| - | 1,025 | 92,431 |
| 4,071,812 | 9,116,765 | 22,289,023 |
| 628,834 | - | 3,635,334 |
| - | 793,500 | 793,500 |
| - | 4,081,642 | 4,081,642 |
| - | - | 497,650 |
| - | - | 204,467 |
| - | - | 855,042 |
| - | - | 222,409 |
| - | - | 154,332 |
| - | - | 17,776,666 |
| <u>4,700,646</u> | <u>13,992,932</u> | <u>50,662,550</u> |
| <u>\$ 4,709,238</u> | <u>\$ 15,004,331</u> | <u>\$ 63,623,900</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, 2021

| | | |
|--|----------------------|-----------------------|
| Total fund balance, governmental funds | | \$ 50,662,550 |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. | | |
| Cost | \$ 292,888,493 | |
| Less accumulated depreciation | <u>(120,036,668)</u> | 172,851,825 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. | | |
| Property taxes | 580,908 | |
| Intergovernmental | <u>468,358</u> | 1,049,266 |
| 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 | 6,970,031 | |
| Net pension liability | (14,872,992) | |
| Deferred inflows of resources - pension related items | <u>(1,534,373)</u> | (9,437,334) |
| 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 | 6,793,839 | |
| Total OPEB liability | (38,117,169) | |
| Deferred inflows of resources - OPEB related items | <u>(2,388,238)</u> | (33,711,568) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. | | |
| Claims and judgments | (141,117) | |
| Capital lease obligations | (1,144,128) | |
| Accrued interest | (700,325) | |
| Bonds payable | (29,945,000) | |
| Unamortized bond premium | (3,186,725) | |
| Contract payable | (1,969,500) | |
| Compensated absences | <u>(1,852,895)</u> | (38,939,690) |
| 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. | | 154,531 |
| Net Position of Governmental Activities in the Statement of Net Position | | <u>\$ 142,629,580</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, 2021

| | General | American | SPLOST |
|---|--------------|-------------|------------------|
| | Fund | Rescue Plan | 2018 |
| | Fund | Fund | Capital Projects |
| | Fund | Fund | Fund |
| REVENUES | | | |
| General property taxes | \$26,182,372 | \$ - | \$ - |
| Other taxes | 8,904,194 | - | - |
| Licenses and permits | 431,445 | - | - |
| Fines and forfeitures | 1,177,401 | - | - |
| Intergovernmental | 5,079,574 | - | 8,454,817 |
| Other revenue | 3,319,009 | - | 1,559 |
| Total revenues | 45,093,995 | - | 8,456,376 |
| EXPENDITURES | | | |
| Current | | | |
| General government | 9,640,079 | - | - |
| Public safety | 28,511,533 | - | - |
| Recreation | 3,076,135 | - | - |
| Public works | 4,871,751 | - | - |
| City development | 1,971,859 | - | - |
| Downtown development | - | - | - |
| Debt service | | | |
| Principal | 49,059 | - | 2,590,000 |
| Interest | 9,655 | - | 637,750 |
| Issuance costs | - | - | - |
| Capital outlay | - | - | 7,246,497 |
| Total expenditures | 48,130,071 | - | 10,474,247 |
| EXCESS OF REVENUES | | | |
| OVER/(UNDER) EXPENDITURES | (3,036,076) | - | (2,017,871) |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from capital lease | 1,050,000 | - | - |
| Sale of assets | 143,643 | - | - |
| Transfer in | 5,364,610 | - | - |
| Transfer out | (815,000) | - | - |
| Total other financing sources (uses), net | 5,743,253 | - | - |
| NET CHANGE IN FUND BALANCES | 2,707,177 | - | (2,017,871) |
| FUND BALANCES, beginning as restated | 17,154,849 | - | 14,124,817 |
| FUND BALANCES, ending | \$19,862,026 | \$ - | \$12,106,946 |

| WRPFA Capital Projects Fund | Non-Major Governmental Funds | Total Governmental Funds |
|-----------------------------------|------------------------------------|--------------------------------|
| \$ - | \$ - | \$ 26,182,372 |
| - | 2,168,056 | 11,072,250 |
| - | - | 431,445 |
| - | 209,712 | 1,387,113 |
| - | 1,303,015 | 14,837,406 |
| 1,676 | 70,935 | 3,393,179 |
| <u>1,676</u> | <u>3,751,718</u> | <u>57,303,765</u> |
| - | - | 9,640,079 |
| - | 533,238 | 29,044,771 |
| - | 23,030 | 3,099,165 |
| - | - | 4,871,751 |
| - | 2,474,674 | 4,446,533 |
| - | 42,901 | 42,901 |
| 210,000 | - | 2,849,059 |
| 832,900 | - | 1,480,305 |
| 2,000 | - | 2,000 |
| 11,182,357 | 479,953 | 18,908,807 |
| <u>12,227,257</u> | <u>3,553,796</u> | <u>74,385,371</u> |
| (12,225,581) | 197,922 | (17,081,606) |
| - | - | 1,050,000 |
| - | - | 143,643 |
| 1,042,651 | 744,353 | 7,151,614 |
| - | (5,624,672) | (6,439,672) |
| <u>1,042,651</u> | <u>(4,880,319)</u> | <u>1,905,585</u> |
| (11,182,930) | (4,682,397) | (15,176,021) |
| <u>15,883,576</u> | <u>18,675,329</u> | <u>65,838,571</u> |
| <u>\$ 4,700,646</u> | <u>\$ 13,992,932</u> | <u>\$ 50,662,550</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, 2021

| | | |
|--|----|--------------|
| Net change in fund balances - total governmental funds | \$ | (15,176,021) |
|--|----|--------------|

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

| | | | |
|----------------------|----|-------------|------------|
| Depreciation expense | \$ | (6,148,600) | |
| Capital outlay | | 18,466,421 | 12,317,821 |

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 | (5,017) | |
| Donations of capital assets | 1,338,881 | 1,333,864 |

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

| | | |
|----------------|-----------|-----------|
| Property taxes | 36,482 | |
| Sales tax | (341,896) | |
| Fines | 150,305 | (155,109) |

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 | (1,050,000) | |
| Interest expense | 70,000 | |
| Principal payments on capital leases | 49,059 | |
| Payments on contracts | 220,500 | |
| Principal payments on bonds | 2,800,000 | |
| Amortization of premium | 248,771 | 2,338,330 |

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 | (56,086) | |
| Change in claims | (18,541) | |
| Pension expense | 693,525 | |
| OPEB expense | (1,774,737) | (1,155,839) |

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.

(266,629)

| | | |
|---|----|-----------|
| Change in net position of Governmental Activities | \$ | (763,583) |
|---|----|-----------|

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, 2021

| | 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 | \$ 8,014,073 | \$ 29,362,315 | \$ 2,281,259 |
| Receivables, net | 2,454,724 | 1,875,214 | 405,259 |
| Due from other funds | 1,698,129 | - | - |
| Inventories, at cost | - | 384,182 | - |
| Prepaid items | 14,444 | 302,543 | 797 |
| Restricted | | | |
| Cash and cash equivalents | 40,602 | 3,077,553 | - |
| Total current assets | <u>12,221,972</u> | <u>35,001,807</u> | <u>2,687,315</u> |
| NON CURRENT ASSETS | | | |
| Receivable | 113,414 | - | - |
| Investment in Mid-State Energy (MSEC) | | | |
| Commission transmission line | 1,759,130 | - | - |
| Land and other non depreciable assets | 26,151 | 3,025,742 | 734,197 |
| Capital assets, net of accumulated depreciation | 9,820,115 | 76,190,459 | 18,565,446 |
| Total non current assets | <u>11,718,810</u> | <u>79,216,201</u> | <u>19,299,643</u> |
| Total assets | <u>23,940,782</u> | <u>114,218,008</u> | <u>21,986,958</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Related to pension | 247,849 | 697,740 | 264,209 |
| OPEB | 38,430 | 897,047 | 255,968 |
| Total deferred outflows of resources | <u>286,279</u> | <u>1,594,787</u> | <u>520,177</u> |

| Business-type Activities - Enterprise Funds | | Governmental Activities |
|--|---------------|----------------------------|
| Major Sanitation System | Total | Internal Service Funds |
| \$ - | \$ 39,657,647 | \$ 3,086,722 |
| 932,244 | 5,667,441 | 123,930 |
| - | 1,698,129 | - |
| - | 384,182 | - |
| - | 317,784 | 92,401 |
| - | 3,118,155 | - |
| 932,244 | 50,843,338 | 3,303,053 |
| - | 113,414 | - |
| - | 1,759,130 | - |
| 35,000 | 3,821,090 | - |
| - | 104,576,020 | - |
| 35,000 | 110,269,654 | - |
| 967,244 | 161,112,992 | 3,303,053 |
| - | 1,209,798 | - |
| - | 1,191,445 | - |
| - | 2,401,243 | - |

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, 2021

| | 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 | 591,725 | 572,054 | 146,065 |
| Accrued payroll/related liabilities | 19,630 | 111,046 | 42,608 |
| Due to other funds | - | - | - |
| Compensated absences | 2,421 | 163,863 | 39,939 |
| Accrued interest | 40,625 | 823,131 | - |
| Bonds, notes, and loans payable | - | 2,044,411 | - |
| Total current liabilities | <u>654,401</u> | <u>3,714,505</u> | <u>228,612</u> |
| NON CURRENT LIABILITIES | | | |
| Compensated absences | - | 50,689 | - |
| Capital lease obligations | 1,625,000 | - | - |
| Net pension liability | 528,872 | 1,488,870 | 563,781 |
| Total OPEB liability | 250,359 | 4,671,879 | 1,667,570 |
| Bonds, notes and loans payable | 71,855 | 44,087,035 | - |
| Total non current liabilities | <u>2,476,086</u> | <u>50,298,473</u> | <u>2,231,351</u> |
| Total liabilities | <u>3,130,487</u> | <u>54,012,978</u> | <u>2,459,963</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Related to pension | 54,561 | 153,599 | 58,163 |
| Related to OPEB | 1,011,932 | 292,717 | 231,095 |
| Total deferred inflows of resources | <u>1,066,493</u> | <u>446,316</u> | <u>289,258</u> |
| NET POSITION | | | |
| Net investment in capital assets | 8,149,411 | 33,084,755 | 19,299,643 |
| Restricted for capital projects | 40,602 | 3,077,553 | - |
| Unrestricted | 11,840,068 | 25,191,193 | 458,271 |
| Total net position | <u>\$ 20,030,081</u> | <u>\$ 61,353,501</u> | <u>\$ 19,757,914</u> |

| Business-type Activities - Enterprise Funds | | Governmental Activities |
|--|-----------------------|----------------------------|
| Major Sanitation System | Total | Internal Service Funds |
| 5,435 | 1,315,279 | 3,148,522 |
| - | 173,284 | - |
| 1,698,129 | 1,698,129 | - |
| - | 206,223 | - |
| - | 863,756 | - |
| - | 2,044,411 | - |
| <u>1,703,564</u> | <u>6,301,082</u> | <u>3,148,522</u> |
| - | 50,689 | - |
| - | 1,625,000 | - |
| - | 2,581,523 | - |
| - | 6,589,808 | - |
| - | 44,158,890 | - |
| - | <u>55,005,910</u> | - |
| <u>1,703,564</u> | <u>61,306,992</u> | <u>3,148,522</u> |
| - | 266,323 | - |
| - | 1,535,744 | - |
| - | <u>1,802,067</u> | - |
| 35,000 | 60,568,809 | - |
| - | 3,118,155 | - |
| (771,320) | 36,718,212 | 154,531 |
| <u>\$ (736,320)</u> | <u>\$ 100,405,176</u> | <u>\$ 154,531</u> |

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

CITY OF WARNER ROBINS, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | Business-type Activities - Enterprise Funds | | |
|--|--|---------------------------|-------------------------|
| | Major | | |
| | Natural Gas System | Water and Sewer System | Storm Water Drainage |
| OPERATING REVENUES | | | |
| Charges for services | \$ 19,541,725 | \$ 17,011,490 | \$ 2,984,164 |
| Connection charges | - | 1,001,333 | - |
| Penalties and cut-on fees | 176,040 | 327,971 | 46,920 |
| Miscellaneous | 221,017 | 1,402,121 | 20,756 |
| Refund-Southern Natural Gas | 714,303 | - | - |
| Distribution line income | 739,673 | - | - |
| Total operating revenues | <u>21,392,758</u> | <u>19,742,915</u> | <u>3,051,840</u> |
| OPERATING EXPENSES | | | |
| Purchases/cost of sales | 14,967,379 | - | - |
| Personnel services | 1,602,918 | 5,099,626 | 1,933,547 |
| Operating expenses | 1,313,521 | 6,592,273 | 241,226 |
| Repairs and maintenance | 155,269 | 297,171 | 74,790 |
| Supplies | 94,621 | 1,599,086 | 88,576 |
| Distribution line expense | 748,167 | - | - |
| Bad debt expense | 43,600 | 152,771 | 19,462 |
| Depreciation | 385,237 | 3,254,008 | 857,342 |
| Insurance | 9,380 | 91,982 | 4,117 |
| Total operating expenses | <u>19,320,092</u> | <u>17,086,917</u> | <u>3,219,060</u> |
| Operating income (loss) | <u>2,072,666</u> | <u>2,655,998</u> | <u>(167,220)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Net loss from joint venture | (59,842) | - | - |
| Interest earned | 8,336 | 5,015 | - |
| Interest expense and fees | - | (1,169,169) | - |
| Cost of issuance | - | (403,092) | - |
| Rental income | - | 60,905 | - |
| Gain (loss) on sale/disposal of capital assets | - | 2,500 | - |
| Total non-operating revenues (expenses), net | <u>(51,506)</u> | <u>(1,503,841)</u> | <u>-</u> |
| Income (loss) before capital contributions and transfers | <u>2,021,160</u> | <u>1,152,157</u> | <u>(167,220)</u> |
| CONTRIBUTIONS AND TRANSFERS | | | |
| Capital contribution - developers | - | 1,117,455 | 659,777 |
| Transfers in | - | 3,814,258 | - |
| Transfers out | (2,510,600) | (2,050,600) | - |
| Total contributions and transfers | <u>(2,510,600)</u> | <u>2,881,113</u> | <u>659,777</u> |
| CHANGE IN NET POSITION | <u>(489,440)</u> | <u>4,033,270</u> | <u>492,557</u> |
| NET POSITION, beginning | 20,519,521 | 57,320,231 | 19,265,357 |
| NET POSITION, ending | <u>\$ 20,030,081</u> | <u>\$ 61,353,501</u> | <u>\$ 19,757,914</u> |

| Business-type Activities - Enterprise Funds | | Governmental Activities |
|--|-----------------------|----------------------------|
| Major Sanitation System | Total | Internal Service Funds |
| \$ 7,711,038 | \$ 47,248,417 | \$ 13,863,987 |
| - | 1,001,333 | - |
| 147,514 | 698,445 | - |
| - | 1,643,894 | - |
| - | 714,303 | - |
| - | 739,673 | - |
| <u>7,858,552</u> | <u>52,046,065</u> | <u>13,863,987</u> |
| - | 14,967,379 | - |
| - | 8,636,091 | - |
| 8,663,645 | 16,810,665 | 14,132,391 |
| 3,906 | 531,136 | - |
| - | 1,782,283 | - |
| - | 748,167 | - |
| 17,601 | 233,434 | - |
| - | 4,496,587 | - |
| - | 105,479 | - |
| <u>8,685,152</u> | <u>48,311,221</u> | <u>14,132,391</u> |
| <u>(826,600)</u> | <u>3,734,844</u> | <u>(268,404)</u> |
| - | (59,842) | - |
| 253 | 13,604 | 1,775 |
| - | (1,169,169) | - |
| - | (403,092) | - |
| - | 60,905 | - |
| - | 2,500 | - |
| <u>253</u> | <u>(1,555,094)</u> | <u>1,775</u> |
| <u>(826,347)</u> | <u>2,179,750</u> | <u>(266,629)</u> |
| - | 1,777,232 | - |
| 35,000 | 3,849,258 | - |
| - | (4,561,200) | - |
| <u>35,000</u> | <u>1,065,290</u> | <u>-</u> |
| <u>(791,347)</u> | <u>3,245,040</u> | <u>(266,629)</u> |
| 55,027 | 97,160,136 | 421,160 |
| <u>\$ (736,320)</u> | <u>\$ 100,405,176</u> | <u>\$ 154,531</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, 2021

| | 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 | \$ 20,786,571 | \$ 17,868,150 | \$ 2,956,917 |
| Cash paid to suppliers for goods and services and claims paid | (18,921,144) | (7,549,447) | (264,175) |
| Cash received from other funds for goods and services | - | - | - |
| Cash received from miscellaneous services | 935,320 | 1,402,121 | 20,756 |
| Cash received for claims reimbursement | - | - | - |
| Cash paid to employees for services | (1,736,128) | (4,931,710) | (1,880,766) |
| Net cash provided (used) by operating activities | <u>1,064,619</u> | <u>6,789,114</u> | <u>832,732</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers in (out) | <u>(2,510,600)</u> | <u>1,763,658</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Principal payments | | | |
| Bonds, notes, and loans payable | (15,678) | (1,240,000) | - |
| Capital leases | (330,514) | - | - |
| Bond issuance costs | - | (403,092) | - |
| Acquisition and construction of capital assets | (263,653) | (2,068,305) | (792,816) |
| Interest and fees paid on revenue bonds payable and notes payable | (1,347,961) | (739,524) | - |
| Proceeds from bond issuance | - | 23,105,138 | - |
| Net cash used for capital and related financing activities | <u>(1,957,806)</u> | <u>18,654,217</u> | <u>(792,816)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest income on investments | 8,336 | 5,013 | - |
| Rental income | - | 60,905 | - |
| Net cash provided (used) by investing activities | <u>8,336</u> | <u>65,918</u> | <u>-</u> |
| NET INCREASE (DECREASE) IN CASH | <u>(3,395,451)</u> | <u>27,272,907</u> | <u>39,916</u> |
| CASH, beginning | <u>11,450,126</u> | <u>5,166,961</u> | <u>2,241,343</u> |
| CASH, ending | <u><u>\$ 8,054,675</u></u> | <u><u>\$ 32,439,868</u></u> | <u><u>\$ 2,281,259</u></u> |

| Business-type Activities - Enterprise Funds | | Governmental Activities |
|--|---------------|----------------------------|
| Major Sanitation System | Total | Internal Service Funds |
| \$ 7,826,644 | \$ 49,438,282 | \$ 853,657 |
| (7,861,897) | (34,596,663) | (13,925,559) |
| - | - | 13,064,300 |
| - | 2,358,197 | - |
| - | - | 747,600 |
| - | (8,548,604) | - |
| (35,253) | 8,651,212 | 739,998 |
| 35,000 | (711,942) | - |
| - | (1,255,678) | - |
| - | (330,514) | - |
| - | (403,092) | - |
| - | (3,124,774) | - |
| - | (2,087,485) | - |
| - | 23,105,138 | - |
| - | 15,903,595 | - |
| 253 | 13,602 | 1,775 |
| - | 60,905 | - |
| 253 | 74,507 | 1,775 |
| - | 23,917,372 | 741,773 |
| - | 18,858,430 | 2,344,949 |
| \$ - | \$ 42,775,802 | \$ 3,086,722 |

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, 2021

| | 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 | \$ 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> |
| Net increase (decrease) | | | |
| Current | (2,534,369) | 24,695,354 | 39,916 |
| Restricted | (861,082) | 2,577,553 | - |
| Total | <u>(3,395,451)</u> | <u>27,272,907</u> | <u>39,916</u> |
| Cash, ending | | | |
| Current | 8,014,073 | 29,362,315 | 2,281,259 |
| Restricted | 40,602 | 3,077,553 | - |
| Total | <u>\$ 8,054,675</u> | <u>\$ 32,439,868</u> | <u>\$ 2,281,259</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating income (loss) | <u>\$ 2,072,666</u> | <u>\$ 2,655,998</u> | <u>\$ (167,220)</u> |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | | | |
| Depreciation and amortization | 385,237 | 3,254,008 | 857,342 |
| Decrease (increase) in assets and deferred outflows | | | |
| Accounts receivable | 372,733 | (319,873) | (54,705) |
| Due from other governments | - | - | - |
| Due from other funds | (1,696,793) | 899,510 | 6,080 |
| Inventory | - | (79,435) | - |
| Prepaid items | 3,208 | (284,714) | 5,227 |
| Deferred outflows | 218,847 | (38,890) | 79,674 |
| Increase (decrease) in liabilities and deferred inflows | | | |
| Accounts payable | 60,778 | 507,051 | 131,177 |
| Accrued payroll and related liabilities | (24,578) | (11,347) | 2,050 |
| Due to other funds | - | - | - |
| Compensated absences payable | (3,541) | (24,634) | (2,682) |
| Pension liability | 40,002 | (168,520) | (32,403) |
| OPEB liability | (1,276,352) | 409,989 | (99,975) |
| Deferred inflows | 912,412 | (10,029) | 108,167 |
| Total adjustments | <u>(1,008,047)</u> | <u>4,133,116</u> | <u>999,952</u> |
| Net cash provided (used) by operating activities | <u>\$ 1,064,619</u> | <u>\$ 6,789,114</u> | <u>\$ 832,732</u> |
| Noncash capital financing activities | | | |
| Contributions from developers | <u>\$ -</u> | <u>\$ 1,117,455</u> | <u>\$ 659,777</u> |
| Noncash investing activities | | | |
| Change in investment in MSE | <u>\$ (59,842)</u> | <u>\$ -</u> | <u>\$ -</u> |

| Business-type Activities - Enterprise Funds | | Governmental Activities |
|--|----------------------|----------------------------|
| Major Sanitation System | Total | Internal Service Funds |
| \$ - | \$ 17,456,746 | \$ 2,344,949 |
| - | 1,401,684 | - |
| - | 18,858,430 | 2,344,949 |
| - | 22,200,901 | 741,773 |
| - | 1,716,471 | - |
| - | 23,917,372 | 741,773 |
| - | 39,657,647 | 3,086,722 |
| - | 3,118,155 | - |
| <u>\$ -</u> | <u>\$ 42,775,802</u> | <u>\$ 3,086,722</u> |
| <u>\$ (826,600)</u> | <u>\$ 3,734,844</u> | <u>\$ (268,404)</u> |
| - | 4,496,587 | - |
| (14,307) | (16,152) | 95,636 |
| - | - | - |
| - | (791,203) | - |
| - | (79,435) | - |
| - | (276,279) | (1,900) |
| - | 259,631 | - |
| 3,047 | 702,053 | 956,332 |
| - | (33,875) | - |
| 802,607 | 802,607 | (41,666) |
| - | (30,857) | - |
| - | (160,921) | - |
| - | (966,338) | - |
| - | 1,010,550 | - |
| <u>791,347</u> | <u>4,916,368</u> | <u>1,008,402</u> |
| <u>\$ (35,253)</u> | <u>\$ 8,651,212</u> | <u>\$ 739,998</u> |
| <u>\$ -</u> | <u>\$ 1,777,232</u> | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ (59,842)</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, 2021

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, 2021

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.

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.

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, 2021

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:

Mid-State Energy Commission (MSEC)

The MSEC 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, 2021, the City paid \$182,708 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, 2021

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. 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, 2021

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 *American Rescue Plan Fund* accounts for funds received from the American Rescue Plan (ARP) Act of 2021.

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, 2021

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, 2021

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.

The Official Code of Georgia (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 Security and Exchange Commission (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, 2021

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 3, 2020. 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, 2021

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, 2021

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, 2021

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, 2021, 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, 2021

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, 2021

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, 2021

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 | \$ 47,836,985 |
| Prior year encumbrances carry forward | 2,158,382 |
| Legally adopted budget amendments | <u>2,667,766</u> |
| Final revised budget | <u><u>\$ 52,663,133</u></u> |

Excess of Expenditures over Appropriations

General Fund expenditures exceeded budgeted amounts in the Public Safety – Fire Department by \$4,448 and the Recreation Department by \$3,284.

Deficit Fund Equity

At June 30, 2021, the Group Health Insurance Fund, an internal service fund, has a deficit fund balance of \$1,121,900.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Deposits and Investments

A summary of the City's deposits and investments at June 30, 2021 follows:

| <u>Account Balances</u> | |
|--|-----------------------|
| Petty cash | \$ 6,748 |
| Demand deposits | 65,037,606 |
| Investments (cash equivalents) | 39,187,328 |
| | <u>\$ 104,231,682</u> |
| <u>Ownership of Funds</u> | |
| <u>Primary Government</u> | |
| Governmental funds | |
| Cash and cash equivalents | \$ 54,636,311 |
| Restricted cash and cash equivalents | 3,635,334 |
| Proprietary funds | |
| Cash and cash equivalents | 39,657,647 |
| Restricted cash and cash equivalents | 3,118,155 |
| Internal service funds | |
| Cash and cash equivalents | 3,086,722 |
| Total primary government | <u>104,134,169</u> |
| <u>Discretely Presented Component Unit</u> | |
| Development Authority of the City of Warner Robins | 97,513 |
| Total component unit | <u>97,513</u> |
| Total Government | <u>\$ 104,231,682</u> |

As of June 30, 2021, 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>\$ 39,025,379</u> |

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, the City's investments in Georgia Fund I was rated AAf by Standard and Poor's.

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

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

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

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

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

The City had no recurring financial measurements as of June 30, 2021.

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, 2021, 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, 2021

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, 2021, real estate held for investment and/or resale in the Redevelopment Agency Fund was \$1,179,976.

Receivables

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

| | |
|----------------------------------|----------------------------|
| Major Governmental Funds | |
| General Fund | |
| Property taxes (net) | \$ 480,179 |
| Business licenses (net) | 30,893 |
| Other | <u>151,533</u> |
| Total General Fund | 662,605 |
| SPLOST 2018 | 93 |
| WRPFA | <u>134</u> |
| Total Major Governmental Funds | 662,832 |
| Non-Major Governmental Funds | |
| Accounts receivable (net) | <u>355,558</u> |
| Total Governmental Funds | <u><u>\$ 1,018,390</u></u> |
| Major Proprietary Funds | |
| Accounts receivable (net) | |
| Natural Gas Fund | \$ 2,454,724 |
| Water and Sewer System Fund | 1,875,214 |
| Storm Water Drainage Fund | 405,259 |
| Sanitation System Fund | <u>932,244</u> |
| Total Business type Funds | <u><u>\$ 5,667,441</u></u> |
| Accounts receivable (net) | <u>\$ 123,930</u> |
| Total Internal Service Fund | <u><u>\$ 123,930</u></u> |

In addition, the Natural Gas Fund has a non-current receivable of \$113,414 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, 2021

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 \$594,505 at June 30, 2021, of which \$114,326 are estimated uncollectible.

Unpaid business licenses for the year ended June 30, 2021 totaled \$62,046 of which \$31,153 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, 2021 was \$438,172.

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, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Interfund Receivables, Payables and Transfers

Interfund receivables and payables were as follows:

| Due to | Due From | | |
|-----------------------------|------------------|---------------------|---------------------|
| | General Fund | Sanitation Fund | Total |
| Nonmajor Governmental Funds | \$ 45,000 | \$ - | \$ 45,000 |
| Natural Gas Fund | - | 1,698,129 | 1,698,129 |
| | <u>\$ 45,000</u> | <u>\$ 1,698,129</u> | <u>\$ 1,743,129</u> |

Interfund receivables and payables result from timing issues between funds. These amounts are considered timing differences and are expected to be paid immediately after year end. The \$1,698,129 due to the Natural Gas system from the Sanitation Fund is due to a negative cash balance in the City's pooled cash account. The \$45,000 due to the Community Development Fund from the General Fund is due to reimbursement for losses in the Community Development Fund.

Interfund transfers were as follows:

| Transfer to | Transfer From | | | | Total |
|-----------------------|-------------------|-----------------------|---------------------|------------------------|----------------------|
| | General Fund | Nonmajor Governmental | Natural Gas System | Water and Sewer System | |
| General Fund | \$ - | \$ 803,410 | \$ 2,510,600 | \$ 2,050,600 | \$ 5,364,610 |
| WRPFA | 780,000 | 262,651 | - | - | 1,042,651 |
| Nonmajor Governmental | - | 744,353 | - | - | 744,353 |
| Water & Sewer | - | 3,814,258 | - | - | 3,814,258 |
| Sanitation | 35,000 | - | - | - | 35,000 |
| | <u>\$ 815,000</u> | <u>\$ 5,624,672</u> | <u>\$ 2,510,600</u> | <u>\$ 2,050,600</u> | <u>\$ 11,000,872</u> |

The above listed transfers represent the total transfers to/from other funds at June 30, 2021 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 \$34,334. 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, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Due From Other Governments

Amounts due from other governments at June 30, 2021, have been included in revenues of the various funds as follows:

Major Governmental Fund - General Fund

Federal Government

Department of Justice \$ 35,844

State of Georgia

Department of Transportation 32,346

Department of Human Services 10,433

Houston County

Motor vehicle, mobile home and intangible taxes 814,959

Mid-State Energy Transmission Lines

Reimbursable expenses 180,424

Total General Fund 1,074,006

Major Governmental Fund - SPLOST 2018

Houston County

Special Local Option Sales Tax 1,475,051

Total Major Governmental Funds 2,549,057

Non-Major Governmental Fund

Federal Government

321,263

Total Non-Major Governmental Fund 321,263

Total Governmental Funds \$ 2,870,320

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

Primary Government

| | Beginning Balance | Increases | Decreases | Transfers/ Reclassifications | Ending Balance |
|--|----------------------|---------------|------------|---------------------------------|-------------------|
| Governmental Activities | | | | | |
| Nondepreciable assets | | | | | |
| Land | \$ 21,897,359 | \$ 277,864 | \$ - | \$ - | \$ 22,175,223 |
| Construction in progress | 11,095,750 | 13,656,769 | - | (16,560,162) | 8,192,357 |
| Total nondepreciable assets | 32,993,109 | 13,934,633 | - | (16,560,162) | 30,367,580 |
| Depreciable assets | | | | | |
| Buildings and improvements | 28,429,094 | 1,719,307 | - | 15,640,038 | 45,788,439 |
| Machinery and equipment | 26,603,680 | 2,981,334 | (621,257) | - | 28,963,757 |
| Infrastructure | 185,678,565 | 1,170,028 | - | 920,124 | 187,768,717 |
| Total depreciable assets | 240,711,339 | 5,870,669 | (621,257) | 16,560,162 | 262,520,913 |
| Less accumulated depreciation | | | | | |
| Buildings and improvements | 9,204,837 | 1,063,807 | - | - | 10,268,644 |
| Machinery and equipment | 21,769,444 | 1,197,280 | (616,240) | - | 22,350,484 |
| Infrastructure | 83,530,027 | 3,887,513 | - | - | 87,417,540 |
| Total accumulated depreciation | 114,504,308 | 6,148,600 | (616,240) | - | 120,036,668 |
| Total depreciable assets, net | 126,207,031 | (277,931) | (5,017) | 16,560,162 | 142,484,245 |
| Governmental activities capital assets, net | \$ 159,200,140 | \$ 13,656,702 | \$ (5,017) | \$ - | \$ 172,851,825 |

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Primary Government

| | Beginning Balance | Increases | Decreases | Transfers/ Reclassifications | Ending Balance |
|---|-----------------------|--------------------|-----------------|---------------------------------|-----------------------|
| Business-Type Activities | | | | | |
| Nondepreciable assets | | | | | |
| Land | \$ 772,408 | \$ - | \$ - | \$ - | \$ 772,408 |
| Construction in progress | 6,231,865 | 1,562,217 | - | (4,745,400) | 3,048,682 |
| Total nondepreciable assets | <u>7,004,273</u> | <u>1,562,217</u> | <u>-</u> | <u>(4,745,400)</u> | <u>3,821,090</u> |
| Depreciable assets | | | | | |
| Buildings and improvements | 448,156 | - | - | - | 448,156 |
| Machinery and equipment | 10,855,301 | 382,554 | (20,466) | - | 11,217,389 |
| Distribution systems | 170,884,961 | 2,959,735 | - | 4,745,400 | 178,590,096 |
| Total depreciable assets | <u>182,188,418</u> | <u>3,342,289</u> | <u>(20,466)</u> | <u>4,745,400</u> | <u>190,255,641</u> |
| Less accumulated depreciation | | | | | |
| Buildings and improvements | 359,621 | 5,494 | - | - | 365,115 |
| Machinery and equipment | 9,364,381 | 409,303 | (20,466) | - | 9,753,218 |
| Distribution systems | 71,479,498 | 4,081,790 | - | - | 75,561,288 |
| Total accumulated depreciation | <u>81,203,500</u> | <u>4,496,587</u> | <u>(20,466)</u> | <u>-</u> | <u>85,679,621</u> |
| Total depreciable assets, net | <u>100,984,918</u> | <u>(1,154,298)</u> | <u>-</u> | <u>4,745,400</u> | <u>104,576,020</u> |
| Business-type activities capital assets, net | <u>\$ 107,989,191</u> | <u>\$ 407,919</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 108,397,110</u> |

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

| | |
|---|---------------------|
| Governmental Activities | |
| General government | \$ 264,946 |
| Public safety | 1,132,080 |
| Recreation | 625,878 |
| Public works | 3,804,691 |
| City development | 318,306 |
| Downtown development | 2,699 |
| Total depreciation expense-governmental activities | <u>\$ 6,148,600</u> |
| Business-type Activities | |
| Natural Gas System | \$ 385,237 |
| Water and Sewer System | 3,254,008 |
| Storm Water Drainage | 857,342 |
| Total depreciation expense-business-type activities | <u>\$ 4,496,587</u> |

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Commitments

Construction Commitments. The government has active construction projects outstanding as of June 30, 2021. 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 | \$ 673,542 | \$ 1,230,866 |
| Elberta Rd @ N. Houston to 247 (Widen) | 443,452 | 6,166,548 |
| Pleasant Hill road | 4,137 | 5,495,863 |
| Carl Vinson street lights | 10,437 | 4,563 |
| Bus stop lighting Houston Lake Rd | 1,500 | 8,500 |
| International Industrial Park Infrastructure | 15,000 | 85,000 |
| Sidewalks | 1,325,860 | 867,050 |
| Fire Dept Training Center | 1,282,207 | 1,081,793 |
| Simpson Park | 30,422 | 171,313 |
| Wall Street Development | 819,954 | 10,370 |
| Wan Network Project | 2,589,500 | 400,000 |
| Visitor Center (I-75) | 5,360 | 625,585 |
| Watson Streetscape | 326,740 | 1,173,260 |
| Armed Forced Blvd - Infrastructure Improv | 232,513 | 15,487 |
| New IT Data Center | 27,246 | 452,970 |
| New Central Stores Bldg | 303,356 | 167,380 |
| Ted Wright Park | 101,130 | 120,000 |
| | \$ 8,192,356 | \$ 18,076,548 |
| Business-Type Activities | | |
| WWTP Improvements | \$ 882,847 | \$ 880,153 |
| Water Treatment Plant | 696,160 | 1,174,840 |
| Groundwater Supply Well | 291,395 | 500,605 |
| Elevated Water Tank | 325,483 | 2,044,577 |
| Wastewater Plant #1 | 829,856 | 478,606 |
| SW Tenant Improvements | 22,941 | 327,480 |
| Total busisness-type activities | \$ 3,048,682 | \$ 5,406,261 |

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, 2021

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 | \$ 1,933,900 |
| SPLOST 2018 Capital Projects Fund | 1,170,983 |
| WRPFA Capital Projects Fund | 1,165,682 |
| Nonmajor Governmental Funds | 7,290,553 |
| Total | <u>\$ 11,561,118</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 | \$ 143,187 | \$ 1,050,000 | \$ (49,059) | \$ 1,144,128 | \$ 131,304 |
| Compensated absences | 1,796,809 | 1,330,819 | (1,274,733) | 1,852,895 | 1,274,195 |
| Claims and judgments | 122,576 | 141,117 | (122,576) | 141,117 | 141,117 |
| Contracts payable | 2,190,000 | - | (220,500) | 1,969,500 | 117,000 |
| Bonds payable, net | 36,180,496 | - | (3,048,771) | 33,131,725 | 3,286,779 |
| Total governmental activities | <u>40,433,068</u> | <u>2,521,936</u> | <u>(4,715,639)</u> | <u>38,239,365</u> | <u>4,950,395</u> |
| Business-Type Activities | | | | | |
| Revenue bonds, net | 21,768,512 | 25,894,878 | (1,460,089) | 46,203,301 | 2,044,411 |
| Notes payable | 2,585,329 | - | (2,585,329) | - | - |
| Capital leases | 1,955,514 | - | (330,514) | 1,625,000 | - |
| Compensated absences | 287,769 | 205,802 | (236,659) | 256,912 | 206,223 |
| Total business-type activities | <u>26,597,124</u> | <u>26,100,680</u> | <u>(4,612,591)</u> | <u>48,085,213</u> | <u>2,250,634</u> |
| Total long-term liabilities | <u>\$ 67,030,192</u> | <u>\$ 28,622,616</u> | <u>\$ (9,328,230)</u> | <u>\$ 86,324,578</u> | <u>\$ 7,201,029</u> |

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021 are as follows:

| Fiscal Year | Principal | Interest | Total |
|-------------|---------------------|-------------------|---------------------|
| 2022 | \$ 117,000 | \$ 90,750 | \$ 207,750 |
| 2023 | 121,500 | 86,070 | 207,570 |
| 2024 | 126,000 | 81,210 | 207,210 |
| 2025 | 130,500 | 76,170 | 206,670 |
| 2026 | 136,500 | 70,950 | 207,450 |
| 2027-2031 | 775,500 | 259,290 | 1,034,790 |
| 2032-2034 | 562,500 | 57,150 | 619,650 |
| | <u>\$ 1,969,500</u> | <u>\$ 721,590</u> | <u>\$ 2,691,090</u> |

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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. \$ 29,945,000

The total annual debt service requirements for the WRPFA revenue bonds outstanding at June 30, 2021, are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|----------------------|---------------------|----------------------|
| 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 | 845,000 | 716,775 | 1,561,775 |
| 2027-2031 | 4,930,000 | 2,885,750 | 7,815,750 |
| 2032-2036 | 6,245,000 | 1,549,525 | 7,794,525 |
| 2037-2038 | 4,400,000 | 268,600 | 4,668,600 |
| | <u>\$ 29,945,000</u> | <u>\$ 9,752,375</u> | <u>\$ 39,697,375</u> |

Also included in revenue bonds payable presented in the statement of net position is a bond premium of \$3,186,725 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 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 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). \$ 19,530,000

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

\$22,040,000- Water and Sewer Revenue Refunding and Improvement Bonds Series 2020 (Series 2020 Bonds) due in annual installments of \$193,3235 to \$1,449,575 thru July 2040; Interest at 3.0% to 5.0%. Bonds are pledged by the full faith and credit of the City. Proceeds will be used to (a) prepaying the GEFA loan (b) acquiring, constructing, equipping, and installing the Series 2020 Project, which is more detailed in the bond documents.

\$ 22,040,000

The total annual debt service requirements for the 2012 and 2020 water and sewer revenue bonds outstanding at June 30, 2021, are as follows:

| Fiscal Year | Principal | Interest | Total |
|-------------|----------------------|----------------------|----------------------|
| 2022 | \$ 1,840,000 | \$ 1,600,263 | \$ 3,440,263 |
| 2023 | 1,930,000 | 1,506,012 | 3,436,012 |
| 2024 | 2,025,000 | 1,420,950 | 3,445,950 |
| 2025 | 2,100,000 | 1,331,637 | 3,431,637 |
| 2026 | 2,205,000 | 1,239,563 | 3,444,563 |
| 2027-2031 | 11,960,000 | 4,871,394 | 16,831,394 |
| 2032-2036 | 6,740,000 | 2,857,538 | 9,597,538 |
| 2037-2041 | 3,490,000 | 2,138,175 | 5,628,175 |
| 2042-2046 | 4,175,000 | 1,451,900 | 5,626,900 |
| 2047-2051 | 5,105,000 | 526,900 | 5,631,900 |
| | <u>\$ 41,570,000</u> | <u>\$ 18,944,332</u> | <u>\$ 60,514,332</u> |

Also included in revenue bonds payable presented in the statement of net position are the bond premium of \$835,064 related to the \$28,220,000 – Series 2012 Revenue Bond to be amortized over the life of the bond, the bond premium of 3,726,382 related to the \$22,040,000 – Series 2020 Revenue Bond to be amortized over the life of the bond, and \$71,855 premium recognized in conjunction with the series 2011 revenue bonds issued by MGAG for distribution lines, to be amortized over the life of the lease. (See Capital Leases below.)

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 | \$ 34,272 |
| Fire truck | 97,032 |
| Total current | <u>131,304</u> |
| Long-term portion | |
| Golf carts | 75,405 |
| Fire truck | 937,419 |
| Total long-term | <u>1,012,824</u> |
| Total capital lease | <u>\$ 1,144,128</u> |

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

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

Future minimum lease payments under the leases, along with the present value of the minimum lease payments as of June 30, 2021, are as follows:

| Year Ending June 30th | Governmental Activities | Business-Type Activities |
|-----------------------------------|----------------------------|-----------------------------|
| 2022 | \$ 157,029 | \$ 81,250 |
| 2023 | 157,029 | 81,250 |
| 2024 | 157,029 | 81,250 |
| 2025 | 120,454 | 81,250 |
| 2026 | 117,980 | 1,706,250 |
| 2027-2031 | 556,343 | - |
| Total minimum lease payment | 1,265,864 | 2,031,250 |
| Less amount representing interest | 121,736 | 406,250 |
| Present value of lease payment | <u>\$ 1,144,128</u> | <u>\$ 1,625,000</u> |

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Following is an analysis of capital assets leased under capital leases at June 30, 2021:

| | Governmental Activities | Business-Type Activities |
|--------------------------------|----------------------------|-----------------------------|
| Capital assets | \$ 1,199,221 | \$ 4,994,770 |
| Less: Accumulated depreciation | (53,677) | (2,821,796) |
| Carrying value | <u>\$ 1,145,544</u> | <u>\$ 2,172,974</u> |

Total depreciation expense related to capital leases for the year ended June 30, 2021 was \$25,040 and \$103,732 for the Governmental Activities and Business-Type Activities, respectively.

Unearned Revenue

Unearned revenue at June 30, 2021 were comprised of the following balances:

| | |
|--|---------------------|
| General Fund | |
| Houston County - Transportation Planning | \$ 25,381 |
| Grants | 1,727 |
| Other government | 58,355 |
| Keep WR Beautiful | 6,241 |
| City of Character Program | 197 |
| Total general fund | <u>91,901</u> |
| American Rescue Plan Fund | <u>7,513,248</u> |
| Total major funds | <u>7,605,149</u> |
| Nonmajor Governmental Funds | |
| Confiscations in advance of verdict | 363,320 |
| Other | 5,325 |
| Total nonmajor governmental funds | <u>368,645</u> |
| Total governmental funds | <u>\$ 7,973,794</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, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Deferred Inflows/Outflows of Resources

Deferred inflows of resources at June 30, 2021, consisted of unavailable revenue, which is presented in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes \$580,908 and fines \$468,358 for a total of \$1,049,266. 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, 2021

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, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

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

| | <u>General Fund</u> | <u>Internal Service Funds</u> | | |
|-----------------------------------|---------------------|-------------------------------|------------------|---------------------|
| | Property and | | Workers | |
| | Casualty | Group Health | Compensation | |
| | Insurance | Insurance | Insurance | Total |
| Unpaid claims as of June 30, 2020 | \$ 122,576 | \$ 2,192,190 | \$ - | \$ 2,314,766 |
| Incurred claims | 141,117 | 13,267,475 | 20,463 | 13,429,055 |
| Payments | (122,576) | (12,331,606) | - | (12,454,182) |
| Unpaid claims as of June 30, 2021 | <u>\$ 141,117</u> | <u>\$ 3,128,059</u> | <u>\$ 20,463</u> | <u>\$ 3,289,639</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, 2021.

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

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 | 359 |
| Inactive employees entitled to but not yet receiving benefits | 67 |
| Active employees | 541 |
| | <u>967</u> |

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, 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, 2021.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

The total pension liability in the January 1, 2021 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, 2021 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, 2021

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% | 6.40% |
| International equity | 20% | 7.05% |
| Real estate | 10% | 4.50% |
| Global fixed income | 5% | 1.25% |
| Domestic fixed income | 20% | 1.15% |
| 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, 2021

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, 2020 | \$ 132,436,489 | \$ 112,563,705 | \$ 19,872,784 |
| Changes for the year | | | |
| Service cost | 1,340,521 | - | 1,340,521 |
| Interest | 9,614,858 | - | 9,614,858 |
| Difference between expected and actual experience | 41,592 | - | 41,592 |
| Contributions - City | - | 2,957,359 | (2,957,359) |
| Net investment income | - | 10,622,856 | (10,622,856) |
| Benefit payments | (6,812,117) | (6,812,117) | - |
| Administrative expense | - | (164,975) | 164,975 |
| Other | - | - | - |
| Net changes | 4,184,854 | 6,603,123 | (2,418,269) |
| Balance June 30, 2021 | \$ 136,621,343 | \$ 119,166,828 | \$ 17,454,515 |

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 | \$ 34,366,693 | \$ 17,454,515 | \$ 3,350,129 |

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, 2021

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, 2021 the City recognized pension expense of \$2,749,949. As of June 30, 2021 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 | \$ 2,570,480 | \$ - |
| Difference between expected and actual experience | 4,278,825 | - |
| Changes in assumptions | 1,330,524 | (484,178) |
| Net difference between projected and actual earnings on pension plan investments | - | (1,316,518) |
| Total | <u>\$ 8,179,829</u> | <u>\$ (1,800,696)</u> |

City contributions subsequent to the measurement date of \$2,570,480 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, 2022.

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 |
|---------------------|------------|
| 2022 | \$ 371,159 |
| 2023 | 2,160,163 |
| 2024 | 1,762,914 |
| 2025 | (485,583) |

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, 2021

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 60 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, 2021, 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 \$44,706,977 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2021.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

Actuarial assumptions. The Total OPEB liability was measured as of June 30, 2021 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 | 2.16% |
| 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, 2021 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, 2021.

Changes to Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|--|-----------------------------|
| Balances at June 30, 2020 | \$ 43,005,955 |
| Changes for the year | |
| Service cost | 2,970,267 |
| Interest | 989,094 |
| Changes in assumptions | 183,331 |
| Differences between expected and actual experience | - |
| Benefit payments | (2,441,670) |
| Plan administrative expenses | - |
| Net changes | <u>1,701,022</u> |
| Balances at June 30, 2021 | <u>\$ 44,706,977</u> |

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 (1.16%) or 1 percentage-point higher (3.16%) than the current discount rate.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

| | 1% Decrease (1.16%) | Discount rate (2.16%) | 1% Increase (3.16%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB liability | \$ 48,577,000 | \$ 44,706,977 | \$ 41,281,000 |

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 | \$ 40,583,000 | \$ 44,706,977 | \$ 49,541,000 |

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$3,660,208. At June 30, 2021, 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 | \$ - | \$ (2,332,682) |
| Changes of assumptions | 6,862,425 | (468,441) |
| Changes in proportion | 1,122,859 | (1,122,859) |
| Total | <u>\$ 7,985,284</u> | <u>\$ (3,923,982)</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: | |
| 2022 | \$ 383,799 |
| 2023 | 383,799 |
| 2024 | 383,799 |
| 2025 | 383,799 |
| 2026 | 383,799 |
| Thereafter | 2,142,307 |

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - JOINT VENTURES

MID-STATE ENERGY COMMISSION (MSEC)

The City's Natural Gas System is a 40.16% participant in Mid-State Energy Commission (MSEC). The City appoints one member to its Board. The City's capital account as of December 31, 2020 was \$1,759,131. If the MSEC were to be terminated, the available assets would be distributed pro rata based on contribution. MSEC issues separate financial statements which are available from the MSEC office. Information taken from the audited statements of MSEC for the fiscal year ended September 30, 2020 follows:

| | |
|---------------------------|---------------------|
| Total assets | \$ 16,443,460 |
| Less: current liabilities | (1,322,227) |
| Long-term liabilities | <u>(10,940,000)</u> |
| Retained earnings | <u>\$ 4,181,233</u> |
| | |
| Total revenues | \$ 2,959,585 |
| Operating expenses | (3,655,031) |
| Non-operating revenue | <u>546,438</u> |
| Net income | <u>\$ (149,008)</u> |

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

Employees of MSEC 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, 2021, the City has an approximate 40.16% interest in current operations of MSEC. The City's overall equity interest in MSEC is approximately 42.07%. 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, 2021

NOTE 5 – PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

During 2021, The City noted that the 2020 LMIG Grant was incorrectly expensed in the 2018 SPLOST Fund and not the General Fund where the associated revenues were recorded. The restatement resulted in changes to beginning fund balance in the General Fund and the 2018 SPLOST Fund.

Also during 2021, The City became aware of a Federal Tax Lien related to prior periods. The restatement resulted in changes to the beginning fund balance in the General Fund and the Government Activities.

| | <u>Governmental Activities</u> | | |
|--|------------------------------------|--|--|
| Beginning net position as previously reported June 30, 2020 | \$144,181,440 | | |
| Prior period adjustment | | | |
| Tax lien | <u>(788,277)</u> | | |
| Beginning balances of net position June 30, 2020, as restated | <u><u>\$ 143,393,163</u></u> | | |

| | <u>General Fund</u> | <u>SPLOST 2018 Fund</u> | <u>Total</u> |
|--|-----------------------------|-----------------------------|-----------------------------|
| Beginning fund balance as previously reported June 30, 2020 | \$ 18,798,389 | \$ 13,269,554 | \$ 32,067,943 |
| Prior period adjustments | | | |
| LMIG expenditure | (855,263) | 855,263 | - |
| Tax lien | <u>(788,277)</u> | <u>-</u> | <u>(788,277)</u> |
| Total prior period adjustments | <u>(1,643,540)</u> | <u>855,263</u> | <u>(788,277)</u> |
| Beginning balances of fund balance June 30, 2020, as restated | <u><u>\$ 17,154,849</u></u> | <u><u>\$ 14,124,817</u></u> | <u><u>\$ 31,279,666</u></u> |

NOTE 6 - SUBSEQUENT EVENTS

The City assessed events that have occurred subsequent to June 30, 2021 through September 15, 2022 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 September 15, 2022.

CITY OF WARNER ROBINS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - SUBSEQUENT EVENTS

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 Series 2022 Revenue Refunding Bonds were issued on April 15, 2022 in the amount of \$17,280,000

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, 2021 the aggregate outstanding principal balance of the Warner Robins Public Facilities Series 2012 Revenue Bonds was \$19.5 million. The projected amount eligible for refunding, maturing on July 1, 2023 through and including 2032 is \$16.9 million.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WARNER ROBINS, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

| | Original Budget | Final Budget |
|---|----------------------|---------------------|
| REVENUES | | |
| General property taxes | \$ 22,911,845 | \$ 22,911,845 |
| Other taxes | 7,545,511 | 7,545,511 |
| Licenses and permits | 265,836 | 265,836 |
| Municipal court fines | 908,443 | 908,443 |
| Intergovernmental | 185,030 | 1,014,037 |
| Charges for services | 2,772,903 | 2,656,438 |
| Investment revenue | 146,719 | - |
| Other revenues | 170,333 | 116,465 |
| Total revenues | <u>34,906,620</u> | <u>35,418,575</u> |
| EXPENDITURES | | |
| General government | | |
| Legislative | 249,243 | 283,753 |
| Executive | 436,387 | 503,377 |
| Elections | - | 60,000 |
| General administration | 8,542,104 | 9,358,363 |
| Judicial | 628,076 | 798,135 |
| Public safety | | |
| Police department | 16,048,784 | 17,539,323 |
| Fire department | 10,768,447 | 11,558,417 |
| Recreation | 2,980,115 | 3,334,311 |
| Public works | 5,339,558 | 6,244,533 |
| City development | 2,844,271 | 2,982,921 |
| Total expenditures | <u>47,836,985</u> | <u>52,663,133</u> |
| Excess of revenues over (under) expenditures | <u>(12,930,365)</u> | <u>(17,244,558)</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Proceeds from capital lease | - | - |
| Sale of assets | 4,496 | 26,663 |
| Transfers in | 5,049,821 | 5,049,821 |
| Transfers out | - | - |
| Appropriated fund balance | 7,876,048 | - |
| Total other financing sources (uses) | <u>12,930,365</u> | <u>5,076,484</u> |
| Excess of revenues and other financing sources (uses) over (under) expenditures and other uses | - | (12,168,074) |
| Fund balance beginning, as restated | <u>17,154,849</u> | <u>17,154,849</u> |
| Fund balance ending | <u>\$ 17,154,849</u> | <u>\$ 4,986,775</u> |

| Variance Final Budget With Actual Budgetary Basis Differences | Actual Amounts Budgetary Basis | Budgetary Basis to GAAP Differences | Actual Amounts GAAP Basis |
|---|---|---|---------------------------------|
| \$ 3,270,527 | \$ 26,182,372 | \$ - | \$ 26,182,372 |
| 1,358,683 | 8,904,194 | - | 8,904,194 |
| 165,609 | 431,445 | - | 431,445 |
| 268,958 | 1,177,401 | - | 1,177,401 |
| 4,065,537 | 5,079,574 | - | 5,079,574 |
| 491,483 | 3,147,921 | - | 3,147,921 |
| 10,164 | 10,164 | - | 10,164 |
| 44,459 | 160,924 | - | 160,924 |
| <u>9,675,420</u> | <u>45,093,995</u> | <u>-</u> | <u>45,093,995</u> |
| 7,401 | 276,352 | (14,000) | 262,352 |
| 26,761 | 476,616 | (13,522) | 463,094 |
| 19,187 | 40,813 | - | 40,813 |
| 761,916 | 8,596,447 | (470,128) | 8,126,319 |
| 50,634 | 747,501 | - | 747,501 |
| 366,525 | 17,172,798 | (124,404) | 17,048,394 |
| (4,448) | 11,562,865 | (80,063) | 11,482,802 |
| (3,284) | 3,337,595 | (222,409) | 3,115,186 |
| 517,740 | 5,726,793 | (855,042) | 4,871,751 |
| 856,730 | 2,126,191 | (154,332) | 1,971,859 |
| <u>2,599,162</u> | <u>50,063,971</u> | <u>(1,933,900)</u> | <u>48,130,071</u> |
| <u>12,274,582</u> | <u>(4,969,976)</u> | <u>1,933,900</u> | <u>(3,036,076)</u> |
| 1,050,000 | 1,050,000 | - | 1,050,000 |
| 116,980 | 143,643 | - | 143,643 |
| 314,789 | 5,364,610 | - | 5,364,610 |
| (815,000) | (815,000) | - | (815,000) |
| - | - | - | - |
| <u>666,769</u> | <u>5,743,253</u> | <u>-</u> | <u>5,743,253</u> |
| 12,941,351 | 773,277 | 1,933,900 | 2,707,177 |
| - | 17,154,849 | - | 17,154,849 |
| <u>\$ 12,941,351</u> | <u>\$ 17,928,126</u> | <u>\$ 1,933,900</u> | <u>\$ 19,862,026</u> |

CITY OF WARNER ROBINS, GEORGIA
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|------|------|
| Total pension liability | | | | | | | | | | |
| Service cost | \$ 1,340,521 | \$ 1,210,188 | \$ 1,257,080 | \$ 1,293,624 | \$ 1,289,597 | \$ 1,360,714 | \$ 1,312,396 | | | |
| Interest | 9,614,858 | 9,035,294 | 8,376,185 | 8,351,270 | 8,024,157 | 7,631,089 | 7,595,446 | | | |
| Differences between expected and actual experience | 41,952 | 3,905,853 | 4,576,300 | 357,600 | 61,825 | 885,280 | 758,020 | | | |
| Changes of assumptions | - | 2,217,538 | - | (2,420,892) | - | - | (4,693,345) | (Historical information prior to implementation of GASB 67/68 is not required) | | |
| Changes of benefit terms | - | - | 728,182 | 670,988 | - | 489 | - | | | |
| Benefit payments, including refunds of employee contributions | (6,812,117) | (6,385,554) | (5,819,940) | (5,351,106) | (4,958,418) | (4,653,041) | (4,372,157) | | | |
| Net change in total pension liability | 4,184,854 | 9,983,319 | 9,117,807 | 2,901,484 | 4,417,161 | 5,224,531 | 600,360 | | | |
| Total pension liability-beginning | 132,436,489 | 122,453,170 | 113,335,363 | 110,433,879 | 106,016,718 | 100,792,187 | 100,191,827 | | | |
| Total pension liability-ending (a) | \$ 136,621,343 | \$ 132,436,489 | \$ 122,453,170 | \$ 113,335,363 | \$ 110,433,879 | \$ 106,016,718 | \$ 100,792,187 | | | |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions-employer | \$ 2,957,359 | \$ 2,445,454 | \$ 2,400,645 | \$ 2,351,392 | \$ 2,221,849 | \$ 2,547,094 | \$ 2,639,536 | | | |
| Contributions-employee | - | - | - | - | - | - | - | | | |
| Net investment income | 10,622,856 | 3,233,494 | 10,445,566 | 14,161,578 | 9,758,065 | 1,093,965 | 9,335,936 | | | |
| Benefit payments, including refunds of employee contributions | (6,812,117) | (6,385,554) | (5,819,940) | (5,351,106) | (4,958,418) | (4,653,041) | (4,372,157) | (Historical information prior to implementation of GASB 67/68 is not required) | | |
| Administrative expense | (164,975) | (135,231) | (141,004) | (149,967) | (89,047) | (98,976) | (75,992) | | | |
| Other | - | - | - | - | - | - | - | | | |
| Net change in plan fiduciary net position | 6,603,123 | (841,837) | 6,885,267 | 11,011,897 | 6,932,449 | (1,110,958) | 7,527,323 | | | |
| Plan fiduciary net position-beginning | 112,563,705 | 113,405,542 | 106,520,275 | 95,508,378 | 88,575,929 | 89,686,887 | 82,159,564 | | | |
| Plan fiduciary net position-ending (b) | \$ 119,166,828 | \$ 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) | \$ 17,454,515 | \$ 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 | 87.22% | 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 | \$ 23,485,402 | \$ 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 | 74.32% | 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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------|------|------|
| Actuarially determined contribution | \$ 2,800,710 | \$ 2,327,035 | \$ 2,247,439 | \$ 2,420,115 | \$ 2,328,484 | \$ 2,186,304 | \$ 2,667,357 | | | |
| Contributions in relation to the actuarially determined contribution | 2,800,710 | 2,327,035 | 2,247,439 | 2,420,115 | 2,328,484 | 2,186,304 | 2,667,357 | | | |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | |
| Covered payroll | \$ 22,461,510 | \$ 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 | 12.47% | 10.78% | 10.50% | 11.65% | 10.73% | 10.29% | 12.72% | | | |

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

* Based on City's fiscal year

Notes to Schedule

Valuation Date:

The Actuarially determined contribution rate was determined as of January 1, 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 14 years |
| Asset valuation method | Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value. |
| Inflation | 2.25% |
| Salary increases | 2.25% 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, 2021 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

There have been no changes in methods or assumptions since the last valuation

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------|------|------|------|------|------|
| Total OPEB liability | | | | | | | | | | |
| Service cost | \$ 2,970,267 | \$ 1,950,714 | \$ 1,769,587 | \$ 1,703,655 | | | | | | |
| Interest | 989,094 | 1,340,237 | 1,386,700 | 1,365,912 | | | | | | |
| Differences between expected and actual experience | - | (2,772,536) | - | - | | | | | | |
| Changes of assumptions | 183,331 | 7,093,046 | 1,061,996 | (810,440) | | | | | | |
| Changes of benefit terms | - | - | - | - | | | | | | |
| Benefit payments, including refunds of employee contributions | (2,441,670) | (1,894,554) | (1,983,370) | (1,592,209) | | | | | | |
| Net change in total OPEB liability | <u>1,701,022</u> | <u>5,716,907</u> | <u>2,234,913</u> | <u>666,918</u> | | | | | | |
| Total OPEB liability-beginning | <u>43,005,955</u> | <u>37,289,048</u> | <u>35,054,135</u> | <u>34,387,217</u> | | | | | | |
| Total OPEB liability-ending | <u><u>\$ 44,706,977</u></u> | <u><u>\$ 43,005,955</u></u> | <u><u>\$ 37,289,048</u></u> | <u><u>\$ 35,054,135</u></u> | | | | | | |
| Covered payroll | \$ 23,884,000 | \$ 23,076,391 | \$ 21,399,021 | \$ 20,775,749 | | | | | | |
| City's net pension liability as a percentage of covered payroll | 187.18% | 186.36% | 174.26% | 168.73% | | | | | | |

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

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF WARNER ROBINS, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

| | 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 |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 1,255,628 | \$ 70,547 | \$ - | \$ 179,839 | \$ 1,766,719 | \$ 84,071 | \$ 367,854 | \$ 9,125 |
| Accounts receivable | | | | | | | | |
| net of uncollectible accounts | - | - | - | 315,958 | - | - | 39,600 | - |
| Due from other funds | - | - | - | 45,000 | - | - | - | - |
| Due from other governments | - | - | - | 321,263 | - | - | - | - |
| Real estate held for investment | - | - | - | 51,750 | - | - | 1,179,976 | - |
| Prepaid items | - | - | - | - | - | 1,025 | - | - |
| Total assets | <u>\$ 1,255,628</u> | <u>\$ 70,547</u> | <u>\$ -</u> | <u>\$ 913,810</u> | <u>\$ 1,766,719</u> | <u>\$ 85,096</u> | <u>\$ 1,587,430</u> | <u>\$ 9,125</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts payable and accrued costs | \$ 217,068 | \$ 70,547 | \$ - | \$ 85,891 | \$ 20,572 | \$ 567 | \$ 6,203 | \$ - |
| Accrued payroll/related expenses | 8,276 | - | - | - | - | - | - | - |
| Unearned revenue | 5,000 | - | - | - | 363,320 | 325 | - | - |
| Escrow funds | - | - | - | 34,419 | - | - | - | - |
| Total liabilities | <u>230,344</u> | <u>70,547</u> | <u>-</u> | <u>120,310</u> | <u>383,892</u> | <u>892</u> | <u>6,203</u> | <u>-</u> |
| FUND BALANCES | | | | | | | | |
| Nonspendable - prepaid items | - | - | - | - | - | 1,025 | - | - |
| Restricted - capital projects | - | - | - | - | - | - | - | - |
| Restricted - economic development | - | - | - | 793,500 | - | - | - | - |
| Restricted - special programs | 1,025,284 | - | - | - | 1,382,827 | 83,179 | 1,581,227 | 9,125 |
| Total fund balance | <u>1,025,284</u> | <u>-</u> | <u>-</u> | <u>793,500</u> | <u>1,382,827</u> | <u>84,204</u> | <u>1,581,227</u> | <u>9,125</u> |
| Total liabilities and fund balances | <u>\$ 1,255,628</u> | <u>\$ 70,547</u> | <u>\$ -</u> | <u>\$ 913,810</u> | <u>\$ 1,766,719</u> | <u>\$ 85,096</u> | <u>\$ 1,587,430</u> | <u>\$ 9,125</u> |

| Special Revenue Funds | Capital Projects Funds | | | | | | Total Nonmajor Government Funds |
|--------------------------|-------------------------------|------------------|---------------------|-------------------------|---------------------|---------------------|--|
| Subtotal | Georgia Industrial Park | SPLOST 2006 | SPLOST 2012 | Parks and Recreation | Visitor Center | Subtotal | |
| \$ 3,733,783 | \$ 119,791 | \$ 37,361 | \$ 7,470,948 | \$ 441,670 | \$ 1,246,206 | \$ 9,315,976 | \$ 13,049,759 |
| 355,558 | - | - | - | - | - | - | 355,558 |
| 45,000 | - | - | - | - | - | - | 45,000 |
| 321,263 | - | - | - | - | - | - | 321,263 |
| 1,231,726 | - | - | - | - | - | - | 1,231,726 |
| 1,025 | - | - | - | - | - | - | 1,025 |
| <u>\$ 5,688,355</u> | <u>\$ 119,791</u> | <u>\$ 37,361</u> | <u>\$ 7,470,948</u> | <u>\$ 441,670</u> | <u>\$ 1,246,206</u> | <u>\$ 9,315,976</u> | <u>\$ 15,004,331</u> |
| | | | | | | | |
| \$ 400,848 | \$ 119,791 | \$ 12,135 | \$ 67,285 | \$ - | \$ - | \$ 199,211 | \$ 600,059 |
| 8,276 | - | - | - | - | - | - | 8,276 |
| 368,645 | - | - | - | - | - | - | 368,645 |
| 34,419 | - | - | - | - | - | - | 34,419 |
| <u>812,188</u> | <u>119,791</u> | <u>12,135</u> | <u>67,285</u> | <u>-</u> | <u>-</u> | <u>199,211</u> | <u>1,011,399</u> |
| 1,025 | - | - | - | - | - | - | 1,025 |
| - | - | 25,226 | 7,403,663 | 441,670 | 1,246,206 | 9,116,765 | 9,116,765 |
| 793,500 | - | - | - | - | - | - | 793,500 |
| 4,081,642 | - | - | - | - | - | - | 4,081,642 |
| <u>4,876,167</u> | <u>-</u> | <u>25,226</u> | <u>7,403,663</u> | <u>441,670</u> | <u>1,246,206</u> | <u>9,116,765</u> | <u>13,992,932</u> |
| <u>\$ 5,688,355</u> | <u>\$ 119,791</u> | <u>\$ 37,361</u> | <u>\$ 7,470,948</u> | <u>\$ 441,670</u> | <u>\$ 1,246,206</u> | <u>\$ 9,315,976</u> | <u>\$ 15,004,331</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, 2021

| | 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 | \$ - | \$ 1,984,939 | \$ 183,117 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - | 209,712 | - | - | - |
| Intergovernmental | 37,000 | - | - | 1,266,015 | - | - | - | - |
| Contributions | - | - | - | - | 12,993 | - | - | - |
| Other revenue | 763 | - | - | 1,535 | 1,466 | 30,991 | 17,362 | - |
| Total revenues | 37,763 | 1,984,939 | 183,117 | 1,267,550 | 224,171 | 30,991 | 17,362 | - |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| Public safety | - | - | - | - | 533,238 | - | - | - |
| Recreation | - | - | - | - | - | 23,030 | - | - |
| Civic affairs (city development) | 663,371 | 620,293 | - | - | - | - | - | - |
| Economic development (city development) | - | - | - | 1,191,010 | - | - | - | - |
| Downtown development | - | - | - | - | - | - | 42,901 | - |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total expenditures | 663,371 | 620,293 | - | 1,191,010 | 533,238 | 23,030 | 42,901 | - |
| Excess of revenues over (under) expenditures | (625,608) | 1,364,646 | 183,117 | 76,540 | (309,067) | 7,961 | (25,539) | - |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfer in | 496,235 | - | - | - | - | - | - | - |
| Transfer out | - | (1,364,646) | (183,117) | - | - | - | - | - |
| Total other financing sources (uses) | 496,235 | (1,364,646) | (183,117) | - | - | - | - | - |
| Net change in fund balances | (129,373) | - | - | 76,540 | (309,067) | 7,961 | (25,539) | - |
| FUND BALANCES, beginning | 1,154,657 | - | - | 716,960 | 1,691,894 | 76,243 | 1,606,766 | 9,125 |
| FUND BALANCES, ending | \$ 1,025,284 | \$ - | \$ - | \$ 793,500 | \$ 1,382,827 | \$ 84,204 | \$ 1,581,227 | \$ 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 | |
| \$ 2,168,056 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,168,056 |
| 209,712 | - | - | - | - | - | - | 209,712 |
| 1,303,015 | - | - | - | - | - | - | 1,303,015 |
| 12,993 | - | - | - | - | - | - | 12,993 |
| 52,117 | - | 40 | 4,512 | 54 | 1,219 | 5,825 | 57,942 |
| 3,745,893 | - | 40 | 4,512 | 54 | 1,219 | 5,825 | 3,751,718 |
| 533,238 | - | - | - | - | - | - | 533,238 |
| 23,030 | - | - | - | - | - | - | 23,030 |
| 1,283,664 | - | - | - | - | - | - | 1,283,664 |
| 1,191,010 | - | - | - | - | - | - | 1,191,010 |
| 42,901 | - | - | - | - | - | - | 42,901 |
| - | - | 21,598 | 366,525 | - | 91,830 | 479,953 | 479,953 |
| 3,073,843 | - | 21,598 | 366,525 | - | 91,830 | 479,953 | 3,553,796 |
| 672,050 | - | (21,558) | (362,013) | 54 | (90,611) | (474,128) | 197,922 |
| 496,235 | - | - | - | 248,118 | - | 248,118 | 744,353 |
| (1,547,763) | (3,814,258) | - | - | (262,651) | - | (4,076,909) | (5,624,672) |
| (1,051,528) | (3,814,258) | - | - | (14,533) | - | (3,828,791) | (4,880,319) |
| (379,478) | (3,814,258) | (21,558) | (362,013) | (14,479) | (90,611) | (4,302,919) | (4,682,397) |
| 5,255,645 | 3,814,258 | 46,784 | 7,765,676 | 456,149 | 1,336,817 | 13,419,684 | 18,675,329 |
| \$ 4,876,167 | \$ - | \$ 25,226 | \$ 7,403,663 | \$ 441,670 | \$ 1,246,206 | \$ 9,116,765 | \$ 13,992,932 |

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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|---------------------|----------------------------|----------------------------------|
| REVENUES | | | | |
| Other revenue | | | | |
| Grant income - local assistance | \$ - | \$ - | \$ 37,000 | \$ 37,000 |
| Interest | 11,560 | 11,560 | 763 | (10,797) |
| Total revenues | <u>11,560</u> | <u>11,560</u> | <u>37,763</u> | <u>26,203</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Civic affairs | <u>890,009</u> | <u>1,005,581</u> | <u>663,371</u> | <u>342,210</u> |
| Excess (deficiency) of revenues over (under) expenditures | (878,449) | (994,021) | (625,608) | 368,413 |
| OTHER FINANCING SOURCES | | | | |
| Transfer in | <u>290,926</u> | <u>290,926</u> | <u>496,235</u> | <u>205,309</u> |
| Net change in fund balance | <u>\$ (587,523)</u> | <u>\$ (703,095)</u> | (129,373) | <u>\$ 573,722</u> |
| FUND BALANCE, beginning | | | 1,154,657 | |
| FUND BALANCE, ending | | | <u><u>\$ 1,025,284</u></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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-----------------|--------------|----------------------------------|
| REVENUES | | | | |
| Other taxes | | | | |
| Hotel/Motel tax | \$ 1,163,706 | \$ 1,984,939 | \$ 1,984,939 | \$ - |
| EXPENDITURES | | | | |
| Current | | | | |
| Civic affairs | 363,658 | 620,293 | 620,293 | - |
| Excess of revenues over expenditures | 800,048 | 1,364,646 | 1,364,646 | - |
| OTHER FINANCING USES | | | | |
| Transfer out | (800,048) | (1,364,646) | (1,364,646) | - |
| Net change in fund balance | \$ - | \$ - | - | \$ - |
| FUND BALANCE, beginning | | | - | |
| FUND BALANCE, ending | | | \$ - | |

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MOTOR VEHICLE RENTAL TAX FUND
FOR THE YEAR ENDED JUNE 30, 2021

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---|
| REVENUES | | | | |
| Other taxes | | | | |
| Motor vehicle rental tax | <u>\$ 112,500</u> | <u>\$ 183,117</u> | <u>\$ 183,117</u> | <u>\$ -</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Economic development | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues over expenditures | 112,500 | 183,117 | 183,117 | - |
| OTHER FINANCING USES | | | | |
| Transfer out | <u>(112,500)</u> | <u>(183,117)</u> | <u>(183,117)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> |
| FUND BALANCE, beginning | | | <u>-</u> | |
| FUND BALANCE, ending | | | <u>\$ -</u> | |

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|------------------|-------------------|----------------------------------|
| REVENUES | | | | |
| Intergovernmental | | | | |
| Grants - federal - CDBG | \$ 485,794 | \$ 1,266,015 | \$ 1,266,015 | \$ - |
| Other revenue | | | | |
| Program income | - | 1,533 | 1,535 | 2 |
| Total revenues | <u>485,794</u> | <u>1,267,548</u> | <u>1,267,550</u> | <u>2</u> |
| EXPENDITURES | | | | |
| Economic development | | | | |
| Administration | 136,186 | 122,508 | 120,192 | 2,316 |
| Housing | 432,150 | 461,325 | 463,641 | (2,316) |
| Public services | 90,000 | 565,992 | 566,001 | (9) |
| Public facility | 10,000 | 10,008 | 10,000 | 8 |
| Code enforcement | 53,015 | 31,176 | 31,176 | - |
| Clearance | 68,044 | - | - | - |
| Total expenditures | <u>789,395</u> | <u>1,191,009</u> | <u>1,191,010</u> | <u>(1)</u> |
| Excess (deficiency) of revenues over (under) | | | | |
| expenditures | <u>\$ (303,601)</u> | <u>\$ 76,539</u> | 76,540 | <u>\$ 1</u> |
| FUND BALANCE, beginning | | | 716,960 | |
| FUND BALANCE, ending | | | <u>\$ 793,500</u> | |

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAW ENFORCEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|---------------------|----------------------------|----------------------------------|
| REVENUES | | | | |
| Fines and forfeitures | | | | |
| Condemnation | \$ 630,000 | \$ 209,712 | \$ 209,712 | \$ - |
| Contributions | 9,770 | 15,993 | 12,993 | (3,000) |
| Interest | - | 1,467 | 1,466 | (1) |
| Total revenues | <u>639,770</u> | <u>227,172</u> | <u>224,171</u> | <u>(3,001)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | <u>67,200</u> | <u>568,415</u> | <u>533,238</u> | <u>35,177</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 572,570</u> | <u>\$ (341,243)</u> | <u>(309,067)</u> | <u>\$ 32,176</u> |
| FUND BALANCE, beginning | | | <u>1,691,894</u> | |
| FUND BALANCE, ending | | | <u><u>\$ 1,382,827</u></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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-----------------|------------------|----------------------------------|
| REVENUES | | | | |
| Other revenue | | | | |
| Recreation fee | \$ 28,460 | \$ 30,992 | \$ 30,991 | \$ (1) |
| EXPENDITURES | | | | |
| Current | | | | |
| Recreation | 49,700 | 25,536 | 23,030 | 2,506 |
| Excess of revenues over expenditures | <u>\$ (21,240)</u> | <u>\$ 5,456</u> | 7,961 | <u>\$ 2,505</u> |
| FUND BALANCE, beginning | | | 76,243 | |
| FUND BALANCE, ending | | | <u>\$ 84,204</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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|----------------------------|----------------------------|----------------------------|----------------------------------|
| REVENUES | | | | |
| Other revenue | | | | |
| Rental revenue | \$ 31,000 | \$ 31,000 | \$ 12,525 | \$ (18,475) |
| Interest revenue | 3,915 | 3,915 | 549 | (3,366) |
| Gain on assets held for resale | - | (31,000) | 4,288 | 35,288 |
| Total revenues | <u>34,915</u> | <u>3,915</u> | <u>17,362</u> | <u>13,447</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Downtown development | <u>188,283</u> | <u>192,369</u> | <u>42,901</u> | <u>149,468</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u><u>\$ (153,368)</u></u> | <u><u>\$ (188,454)</u></u> | <u>(25,539)</u> | <u><u>\$ 162,915</u></u> |
| FUND BALANCE, beginning | | | <u>1,606,766</u> | |
| FUND BALANCE, ending | | | <u><u>\$ 1,581,227</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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|--------------------|-----------------|----------------------------------|
| REVENUES | | | | |
| Other revenue | | | | |
| Interest revenue | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Current | | | | |
| Economic development | - | 19,000 | - | 19,000 |
| Excess (deficiency) of revenues over (under) expenditures | - | (19,000) | - | (19,000) |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (19,000)</u> | - | <u>\$ 19,000</u> |
| FUND BALANCE, beginning | | | 9,125 | |
| 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, 2021

| | 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 | 285,742 | - | 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 | 285,742 | - | 285,742 | 4,100,000 |
| Excess (deficiency) of revenues over (under) expenditures | (285,742) | - | (285,742) | (4,090,000) |
| OTHER FINANCING USES | | | | |
| Transfer in | 4,100,000 | - | 4,100,000 | 4,100,000 |
| Transfer out | - | (3,814,258) | (3,814,258) | - |
| Total other financing uses | 4,100,000 | (3,814,258) | 285,742 | 4,100,000 |
| Net change in fund balance | <u>\$ 3,814,258</u> | (3,814,258) | <u>\$ -</u> | <u>\$ 10,000</u> |
| FUND BALANCE, beginning | | <u>3,814,258</u> | | |
| FUND BALANCE, ending | | <u>\$ -</u> | | |

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPLOST 2006 CAPITAL PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

| | 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 | 158,776 | 40 | 158,816 | 115,781 |
| Total revenues | <u>15,367,642</u> | <u>40</u> | <u>15,367,682</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 | 11,466 | 4,000,403 | 4,000,000 |
| Road, street and sidewalk | 5,226,025 | 10,132 | 5,236,157 | 5,515,000 |
| Total expenditures | <u>15,330,819</u> | <u>21,598</u> | <u>15,352,417</u> | <u>15,665,000</u> |
| Excess (deficiency) of revenues over (under) expenditures | 36,823 | (21,558) | 15,265 | (340,353) |
| OTHER FINANCING USES | | | | |
| Transfer out | <u>(854,754)</u> | <u>-</u> | <u>(854,754)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (817,931)</u> | <u>(21,558)</u> | <u>\$ (839,489)</u> | <u>\$ (340,353)</u> |
| FUND BALANCE, beginning | | 46,784 | | |
| FUND BALANCE, ending | | <u>\$ 25,226</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, 2021

| | 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 | 570,973 | 4,512 | 575,485 | - |
| Total revenues | <u>38,707,799</u> | <u>4,512</u> | <u>38,712,311</u> | <u>44,421,000</u> |
| EXPENDITURES | | | | |
| Capital outlay | | | | |
| Road, street and sidewalk | 5,048,613 | 181,410 | 5,230,023 | 8,363,787 |
| Public safety | 8,524,910 | 26,877 | 8,551,787 | 8,613,760 |
| Water and sewer system | 3,648,034 | 97,673 | 3,745,707 | 5,676,000 |
| General government | 7,793,625 | 8,348 | 7,801,973 | 8,101,200 |
| City development | 230,437 | - | 230,437 | 1,121,376 |
| Recreation facilities | 6,082,427 | 52,217 | 6,134,644 | 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>33,233,623</u> | <u>366,525</u> | <u>33,600,148</u> | <u>40,926,800</u> |
| Excess of revenues over (under) expenditures | <u>5,474,176</u> | <u>(362,013)</u> | <u>5,112,163</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>\$ 7,765,676</u> | <u>(362,013)</u> | <u>\$ 7,403,663</u> | <u>\$ 5,785,700</u> |
| FUND BALANCE, Beginning | | <u>7,765,676</u> | | |
| FUND BALANCE, Ending | | <u>\$7,403,663</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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---------------------|-------------------|-------------------|----------------------------------|
| REVENUES | | | | |
| Other revenue | | | | |
| Interest | \$ - | \$ 54 | \$ 54 | \$ - |
| EXPENDITURES | | | | |
| Current | | | | |
| Capital outlay | | | | |
| Buildings/improvements | 10,000 | 7,648 | - | 7,648 |
| Swimming pool equipment | 15,500 | 3,503 | - | 3,503 |
| Playground equipment | 5,000 | - | - | - |
| Sports complex | 60,000 | - | - | - |
| Total expenditures | 90,500 | 11,151 | - | 11,151 |
| Excess (deficiency) of revenues over (under) expenditures | (90,500) | (11,097) | 54 | 11,151 |
| OTHER FINANCING SOURCES | | | | |
| Transfer in | 145,464 | 248,118 | 248,118 | - |
| Transfer out | (263,000) | - | (262,651) | (262,651) |
| Total other financing sources | (117,536) | 248,118 | (14,533) | (262,651) |
| Net change in fund balance | <u>\$ (208,036)</u> | <u>\$ 237,021</u> | (14,479) | <u>\$ (251,500)</u> |
| FUND BALANCE, beginning | | | 456,149 | |
| FUND BALANCE, ending | | | <u>\$ 441,670</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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|----------------------|----------------------|---------------------|----------------------------------|
| REVENUES | | | | |
| Interest | \$ 10,380 | \$ 10,380 | \$ 1,219 | \$ (9,161) |
| EXPENDITURES | | | | |
| Capital outlay | | | | |
| Building/improvements | 1,191,555 | 1,829,989 | 91,830 | 1,738,159 |
| Excess of revenues over (under) expenditures | <u>\$(1,181,175)</u> | <u>\$(1,819,609)</u> | (90,611) | <u>\$ 1,728,998</u> |
| FUND BALANCE, beginning | | | 1,336,817 | |
| FUND BALANCE, ending | | | <u>\$ 1,246,206</u> | |

CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

| <u>ASSETS</u> | Workers | Group | |
|---|---------------------|-----------------------|-------------------|
| | Compensation | Health | Total |
| CURRENT ASSETS | | Insurance | |
| Cash | \$ 1,200,688 | \$ 1,886,034 | \$ 3,086,722 |
| Receivables, net | 3,805 | 120,125 | 123,930 |
| Prepaid items | 92,401 | - | 92,401 |
| Total assets | <u>1,296,894</u> | <u>2,006,159</u> | <u>3,303,053</u> |
| <u>LIABILITIES AND NET POSITION</u> | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable | <u>20,463</u> | <u>3,128,059</u> | <u>3,148,522</u> |
| Total liabilities | <u>20,463</u> | <u>3,128,059</u> | <u>3,148,522</u> |
| NET POSITION | | | |
| Unrestricted | <u>1,276,431</u> | <u>(1,121,900)</u> | <u>154,531</u> |
| Total net position | <u>\$ 1,276,431</u> | <u>\$ (1,121,900)</u> | <u>\$ 154,531</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, 2021

| | Workers Compensation | Group Health Insurance | Total |
|-------------------------|----------------------------|------------------------------|--------------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 703,367 | \$ 13,160,620 | \$ 13,863,987 |
| OPERATING EXPENSES | | | |
| Operating expenses | <u>630,289</u> | <u>13,502,102</u> | <u>14,132,391</u> |
| OPERATING INCOME | 73,078 | (341,482) | (268,404) |
| NON-OPERATING REVENUES | | | |
| Interest earned | <u>958</u> | <u>817</u> | <u>1,775</u> |
| CHANGE IN NET POSITION | 74,036 | (340,665) | (266,629) |
| NET POSITION, beginning | <u>1,202,395</u> | <u>(781,235)</u> | <u>421,160</u> |
| NET POSITION, ending | <u><u>\$ 1,276,431</u></u> | <u><u>\$ (1,121,900)</u></u> | <u><u>\$ 154,531</u></u> |

CITY OF WARNER ROBINS, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | Workers Compensation | Group Health Insurance | Total |
|--|-------------------------|------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash received from customers | \$ - | \$ 853,657 | \$ 853,657 |
| Cash paid to suppliers for goods and services | (611,726) | (13,313,833) | (13,925,559) |
| Cash received from other funds for goods and services | 661,701 | 12,402,599 | 13,064,300 |
| Cash received for claims reimbursements | - | 747,600 | 747,600 |
| Net cash provided by operating activities | <u>49,975</u> | <u>690,023</u> | <u>739,998</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest income on investments | 958 | 817 | 1,775 |
| Net cash provided by investing activities | <u>958</u> | <u>817</u> | <u>1,775</u> |
| NET INCREASE IN CASH | 50,933 | 690,840 | 741,773 |
| Cash and cash equivalents, beginning | 1,149,755 | 1,195,194 | 2,344,949 |
| Cash and cash equivalents, ending | <u>\$ 1,200,688</u> | <u>\$ 1,886,034</u> | <u>\$ 3,086,722</u> |
| <u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</u> | | | |
| <u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u> | | | |
| Operating income (loss) | \$ 73,078 | \$ (341,482) | \$ (268,404) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | | | |
| Decrease (increase) in assets | | | |
| Accounts receivable | - | 95,636 | 95,636 |
| Prepaid items | (1,900) | - | (1,900) |
| Increase (decrease) in liabilities | | | |
| Accounts payable | 20,463 | 935,869 | 956,332 |
| Due to other funds | (41,666) | - | (41,666) |
| Total adjustments | <u>(23,103)</u> | <u>1,031,505</u> | <u>1,008,402</u> |
| Net cash provided by operating activities | <u>\$ 49,975</u> | <u>\$ 690,023</u> | <u>\$ 739,998</u> |

CITY OF WARNER ROBINS, GEORGIA
WATER AND SEWER SYSTEM
SCHEDULE OF BONDS PAYABLE WITH INTEREST
WATER AND SEWER REVENUE BONDS
JUNE 30, 2021

SERIES 2012

| <u>YEAR OF MATURITY</u> | <u>BONDS OUTSTANDING</u> | <u>INTEREST RATE</u> | <u>INTEREST</u> |
|-----------------------------|------------------------------|--------------------------|---------------------|
| 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>\$ 19,530,000</u> | | <u>\$ 4,362,308</u> |

SERIES 2020

| <u>YEAR OF MATURITY</u> | <u>BONDS OUTSTANDING</u> | <u>INTEREST RATE</u> | <u>INTEREST</u> |
|-----------------------------|------------------------------|--------------------------|----------------------|
| 2022 | \$ 535,000 | 5.00% | \$ 914,575 |
| 2023 | 560,000 | 5.00% | 887,200 |
| 2024 | 590,000 | 5.00% | 858,450 |
| 2025 | 620,000 | 5.00% | 828,200 |
| 2026 | 650,000 | 5.00% | 796,450 |
| 2027 | 685,000 | 5.00% | 763,075 |
| 2028 | 720,000 | 5.00% | 727,950 |
| 2029 | 755,000 | 5.00% | 691,075 |
| 2030 | 745,000 | 5.00% | 653,575 |
| 2031 | 505,000 | 5.00% | 622,325 |
| 2032 | 530,000 | 5.00% | 596,450 |
| 2033 | 555,000 | 5.00% | 569,325 |
| 2034 | 585,000 | 3.00% | 540,825 |
| 2035 | 610,000 | 3.00% | 517,050 |
| 2036 | 625,000 | 4.00% | 498,525 |
| 2037 | 650,000 | 4.00% | 476,150 |
| 2038 | 675,000 | 3.00% | 449,650 |
| 2039 | 700,000 | 3.00% | 425,650 |
| 2040 | 720,000 | 3.00% | 404,350 |
| 2041 | 745,000 | 4.00% | 382,375 |
| 2042 | 770,000 | 4.00% | 355,800 |
| 2043 | 800,000 | 4.00% | 324,400 |
| 2044 | 835,000 | 4.00% | 291,700 |
| 2045 | 865,000 | 4.00% | 257,700 |
| 2046 | 905,000 | 4.00% | 222,300 |
| 2047 | 940,000 | 4.00% | 185,400 |
| 2048 | 980,000 | 4.00% | 147,000 |
| 2049 | 1,020,000 | 4.00% | 107,000 |
| 2050 | 1,060,000 | 4.00% | 65,400 |
| 2051 | 1,105,000 | 4.00% | 22,100 |
| | <u>\$ 22,040,000</u> | | <u>\$ 14,582,025</u> |

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE OF STATE AWARDS EXPENDED

| <u>State Program Name</u> | | <u>Contract Number</u> | <u>Revenue Received</u> | <u>Expenditures</u> | <u>Amount Due From State</u> |
|------------------------------------|-----|----------------------------|-----------------------------|---------------------|--------------------------------------|
| Ga Dept. of Transportation | | | | | |
| WRATS | (1) | PI-0017165-PLN | \$ 34,771 | \$ 67,117 | \$ 32,346 |
| WRATS | (1) | GA-90-2309 | 19,785 | 19,785 | - |
| LMIG | (1) | PI S014582 | 741,509 | - | - |
| Total Dept. of Transportation | | | <u>796,065</u> | <u>86,902</u> | <u>32,346</u> |
| Total state and pass through grant | | | <u>\$ 796,065</u> | <u>\$ 86,902</u> | <u>\$ 32,346</u> |
| (1) includes Federal pass through | | | | | |

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

| <u>PROJECTS</u> | Original | Revised Cost | EXPENDITURES | | | |
|----------------------|----------------------|----------------------|----------------------|---------------------|------------------|----------------------|
| | Estimated Cost | | Prior Years | Current Year | Reclassification | Total |
| 2018 Referendum | | | | | | |
| Capital outlay | | | | | | |
| Transportation | \$ 4,282,000 | \$ 4,282,000 | \$ - | \$ 1,296,212 | \$ - | \$ 1,296,212 |
| Public safety | 7,280,000 | 7,280,000 | 749,895 | 1,516,740 | - | 2,266,635 |
| Recreation | 15,600,000 | 15,600,000 | 11,327,611 | 3,575,484 | - | 14,903,095 |
| General government | 4,487,000 | 4,487,000 | 1,884,870 | 465,131 | - | 2,350,001 |
| Water and sewer | 3,721,122 | 3,721,122 | 78,114 | 392,930 | - | 471,044 |
| Economic development | 2,000,000 | 2,000,000 | - | - | - | - |
| | <u>\$ 37,370,122</u> | <u>\$ 37,370,122</u> | <u>\$ 14,040,490</u> | <u>\$ 7,246,497</u> | <u>\$ -</u> | <u>\$ 21,286,987</u> |
| Debt service | | | | | | |
| Principal | \$ - | \$ - | \$ 2,235,000 | \$ 2,590,000 | \$ (235,000) | \$ 4,590,000 |
| Interest | - | - | 760,479 | 637,750 | 235,000 | 1,633,229 |
| Cost of issuance | - | - | 250,021 | - | - | 250,021 |
| Total debt service | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,245,500</u> | <u>\$ 3,227,750</u> | <u>\$ -</u> | <u>\$ 6,473,250</u> |

2018 SPLOST reclassification

During fiscal year 2021, the City discovered that a portion of Debt service payments reported in a prior year was incorrectly stated as principal and is properly categorized as interest.

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

| <u>PROJECTS</u> | Original | Revised Cost | EXPENDITURES | | | |
|---------------------------|----------------------|----------------------|----------------------|-------------------|------------------|----------------------|
| | Estimated Cost | | Prior Years | Current Year | Reclassification | Total |
| 2012 Referendum | | | | | | |
| Capital outlay | | | | | | |
| Road, street and sidewalk | \$ 8,100,000 | \$ 8,100,000 | \$ 5,048,643 | \$ 181,410 | \$ (946,874) | \$ 4,283,179 |
| Public safety | 10,016,000 | 10,016,000 | 8,529,990 | 26,877 | (5) | 8,556,862 |
| Water and sewer system | 6,600,000 | 6,600,000 | 3,648,034 | 97,673 | (32,199) | 3,713,508 |
| General government | 9,420,000 | 9,420,000 | 7,793,625 | 8,348 | 7 | 7,801,980 |
| City development | 2,500,000 | 2,500,000 | 230,437 | - | 979,077 | 1,209,514 |
| Recreation facilities | 7,785,000 | 7,785,000 | 6,082,427 | 52,217 | (6) | 6,134,638 |
| | <u>\$ 44,421,000</u> | <u>\$ 44,421,000</u> | <u>\$ 31,333,156</u> | <u>\$ 366,525</u> | <u>\$ -</u> | <u>\$ 31,699,681</u> |

2012 SPLOST reclassification

During fiscal year 2021 the City discovered some of the 2012 SPLOST expenditures previously reported under the category of Road, Streets & Sidewalks were for infrastructure improvements made as part of an Economic Development initiative and are more properly included in the City Development category.

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF STATE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 | 11,466 | - | 4,000,403 |
| Road, street and sidewalk | 5,515,000 | 5,515,000 | 5,226,025 | 10,132 | - | 5,236,157 |
| | <u>\$ 15,515,000</u> | <u>\$ 15,665,000</u> | <u>\$ 15,330,819</u> | <u>\$ 21,598</u> | <u>\$ -</u> | <u>\$ 15,352,417</u> |

SCHEDULE OF HOTEL/MOTEL TAX REPORT

| | | <u>8%</u> |
|---|--------------|-----------|
| Amount of tax collected | \$ 1,984,939 | 100.00% |
| Amount expended to promote tourism (General Fund) | \$ 620,293 | 31.25% |
| Amount expended to support the Museum of Aviation | \$ 620,293 | 31.25% |
| Amount expended for city promotion (Bureau of Civic Affairs) | \$ 496,235 | 25.00% |
| Amount expended for recreation capital project (Sports Complex) | \$ 124,059 | 6.25% |
| Amount expended for recreation capital project (Parks and Recreation) | \$ 124,059 | 6.25% |

SCHEDULE OF VEHICLE RENTAL TAX REPORT

| | | <u>3%</u> |
|--|------------|-----------|
| Amount of tax collected | \$ 183,117 | 100.00% |
| Amount expended to promote commerce and economic development | \$ 183,117 | 100.00% |

COMPLIANCE SECTION



NICHOLS, CAULEY & ASSOCIATES, LLC

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Warner Robins, Georgia (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 15, 2022.

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 have not been identified. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2021-001 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 September 15, 2022.

The City of Warner Robins' Response to Findings

The City's response to the finding identified in our audit is 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.

Richards, Cauley + Associates, LLC

Warner Robins, Georgia
September 15, 2022



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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, 2021. 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, 2021.

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
September 15, 2022

CITY OF WARNER ROBINS, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

| <u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u> | <u>Federal CFDA/Grant Number</u> | <u>Pass-Through Entity Identifying 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 | | \$ 478,817 | \$ 708,319 |
| CDBG - CV Round 1 | 21.019 | | 352,224 | 352,224 |
| CDBG - CV Round 3 | 21.019 | | 120,945 | 120,945 |
| | | | 473,169 | 473,169 |
| Total U.S. Dept. of Housing and Urban Development | | | 951,986 | 1,181,488 |
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | | |
| Direct Grants | | | | |
| Police Bullet Proof Vests | 16.607 | | - | 17,828 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2017-DJ-BX-0225 | - | 2,284 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2018-DJ-BX-0730 | - | 16,217 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2019-DJ-BX-0509 | - | 17,676 |
| | | | - | 36,177 |
| Coronavirus Emergency Supplemental Grant | 16.304 | FY2020 | - | 55,227 |
| Total U.S. Department of Justice | | | - | 109,232 |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | | |
| Federal Highway Administration | | | | |
| Passed Through Georgia Department of Transportation | | | | |
| WRATS-Planning | 20.205 | PL000-0012-00(409) | - | 67,117 |
| WRATS- GA-90-2309 | 20.205 | WRATS-GA-90-2309 | - | 19,785 |
| | | | - | 86,902 |
| Project Safe Neighborhood | 20.600 | M18-8-002 | - | 20,695 |
| Teen Maze Equipment Family Connection | 20.600 | GA-2020-Houston Co -00131 | - | 2,864 |
| | | | - | 23,559 |
| Total U.S. Department of Transportation | | | - | 110,461 |
| <u>U. S. DEPARTMENT OF TREASURY</u> | | | | |
| Direct Grants | | | | |
| Coronavirus Relief Fund | 21.019 | | - | 3,607,507 |
| Total U. S. Department of Treasury | | | - | 3,607,507 |
| Total Expenditures of Federal Awards | | | \$ 951,986 | \$ 5,008,688 |

CITY OF WARNER ROBINS, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

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. 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, 2021

SECTION I

SUMMARY OF AUDIT RESULTS:

Financial Statements

| | | |
|--|-------------------|----------------------------|
| Type of auditor's report issued: | unmodified | |
| Internal control over financial reporting: | | |
| Material weakness identified? | <u> X </u> yes | <u> </u> no |
| Significant deficiency identified not considered to be material weaknesses? | <u> </u> yes | <u> X </u> none reported |
| Noncompliance material to financial statements noted? | <u> </u> yes | <u> X </u> no |

Federal Awards

| | | |
|--|-------------------|----------------------------|
| Internal control over major programs: | | |
| Material weakness identified? | <u> </u> yes | <u> X </u> no |
| Significant deficiency identified not considered to be material weaknesses? | <u> </u> yes | <u> X </u> 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? | <u> </u> yes | <u> X </u> no |

Identification of major programs:

| | |
|--------------------|----------------------------------|
| <u>CFDA Number</u> | <u>Name of Federal Programs</u> |
| 21.019 | COVID-19-Coronavirus Relief Fund |

| | |
|---|-----------|
| 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, 2021

SECTION II

FINANCIAL STATEMENT FINDINGS

Finding 2021-001

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, 2021, was not closed until January of 2022. 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 January 02, 2022 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, 2021

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