

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**WARREN COUNTY,
NORTH CAROLINA**

**FOR THE FISCAL YEAR
ENDING JUNE 30, 2020**



Prepared by the Warren County Finance Department

Katherine C. Brafford, Finance Director

County of Warren
548 W. Ridgeway Street
Warrenton, NC 27589

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Warren County Board of Commissioners
P. O. Box 619
Warrenton, NC 27589
Telephone: (252) 257-3115 Fax: (252) 257-5971
www.warrencountync.com

February 24, 2021

The Board of County Commissioners and
The Citizens of Warren County, North Carolina

North Carolina State law requires that each year all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The Comprehensive Annual Financial Report for Warren County, North Carolina for the fiscal year ending June 30, 2020 has been prepared in compliance with these requirements and is hereby submitted.

The Comprehensive Annual Financial Report contains management's representations concerning the finances of the county. Accordingly, we assume full responsibility for the completeness and reliability of all information contained in the report. To provide a reasonable basis for making these representations, management has established a system of internal controls designed to protect the government's assets from loss, theft, or misuse and to develop sufficient reliable information to prepare the county's financial statements in conformity with GAAP, and provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this report is complete and reliable in all material respects.

The county's financial statements have been audited by Winston, Williams, Creech, Evans & Company, LLP, a firm of licensed certified public accountants. The object of the audit is to provide reasonable assurance that the financial statements of Warren County for the fiscal year ended June 30, 2020 are free from material misstatement. During the course of the audit, evidence supporting the amounts and disclosures in the statements were examined on a test basis. Based on the findings in the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the county's financial statements for the fiscal year ended June 30, 2020, present fairly the financial operations of the county, and are prepared in conformity with GAAP. The independent auditor's report is the first component of the financial section of the report.

The independent audit of the financial statements of Warren County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements required the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliances with legal requirements involving the administration of federal awards. Information related to the Single Audit, including a schedule of expenditures of federal financial and state awards, with the auditor's reports on internal controls and compliance with

applicable laws and regulations, and a schedule of questioned costs is included in the compliance section of this report.

As required by GAAP, the Management Discussion and Analysis (MD&A) is presented in narrative form to introduce the basic financial statements and to provide an overview and analysis of the financial operations for the fiscal year ended June 30, 2020. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A is located immediately following the report of the independent auditor.

Financial Reporting Entity

The financial reporting entity includes all funds and account groups of Warren County as well as its component units. Component units are legally separate entities for which Warren County is not legally responsible, but financially accountable. Component units of Warren County include the ABC Board, the Warren County Public Facilities Board, and the Warren County Industrial Facilities and Pollution Control Financing Authority.

In addition to the General Fund activities of the county, this report also includes information on other governmental funds of the county and enterprise funds. Enterprise funds account for ongoing business-type activities such as solid waste disposal/recycling and the water and sewer districts of the county. These funds are to be self-supporting with fee structures designed to cover the costs of the operations.

Profile of Warren County

Warren County, North Carolina is located in the eastern piedmont approximately sixty miles northeast of the Raleigh-Durham-Chapel Hill metropolitan area. Warren County was formed in 1779 when Bute County was abolished and divided into Warren and Franklin counties. Warren County borders the state of Virginia to the north, the counties of Northampton and Halifax to the east, Nash and Franklin counties to the south and southeast and Vance County to the west. Warren County has a landmass of 429 square miles with a population of approximately 20,033.

The county operates under the County Manager form of government. Policy making and legislative authority are vested in a five-person governing Board of Commissioners (the “Board”) elected at large on a partisan basis from five districts with four year staggered terms. The Board takes office on the first Monday in December following each election, at which time the Board elects a chair and vice-chair from its members.

The Board is responsible for governing the county by adopting local ordinances, adopting an annual budget and establishing annual property tax rates. The Board also hires the County Manager and appoints members of various Boards and Commissions. The Board may also call bond referendums, enter into contracts and establish new programs.

The County Manager is the chief administrative officer of the county and serves at the pleasure of the Board. The major responsibilities of the Manager include the day-to-day general supervision of the operations of the county’s departments/agencies, attendance at Board meetings, making

recommendations on matters of business and policy, and preparing and recommending the annual budget and Capital Improvement Program.

The county offers a wide range of services to its citizens including public safety, health and social services, solid waste disposal/recycling, water and sewer, library, veterans services, senior center services and recreational activities. This report includes financial information on all of these services.

The county also provides financial support to certain other boards and agencies in their efforts toward serving citizens. Among those are the Warren County Board of Education and Vance-Granville Community College.

The annual budget provides the foundation for the county's financial planning and control. The budget is a legally adopted ordinance, the development of which receives input from citizens, county departments, and all agencies in the county. The Manager uses funding requests from all departments and agencies to develop a proposed budget that is presented to the Board for review. At least one public hearing is held before the Board adopts the budget prior to July 1st each year.

The budget is adopted on a departmental basis, but for internal purposes, accounting records are maintained on an object, or line item basis. The budget shown in these financial statements is the budget ordinance as amended through June 30, 2020.

Factors Affecting Financial Condition

Over the past few years improvements in the housing market and the overall economy of the State and Nation have resulted in an improved economy for Warren County. The County continues to see increased activity in the home building industry, and industries/businesses currently located within the County remain stable. However, in March 2020, COVID-19 pandemic restrictions began and have impacted unemployment rates in Warren County. From June 2019 to November 2020, Warren County's unemployment rate increased 2.6% to 9.4% as compared to the State of North Carolina's rate of 6.2% during the same period.

Major Initiatives

Warren County continues to be actively involved in an innovative four-county regional economic development initiative dubbed Triangle North with Franklin, Granville and Vance counties. The driving premise behind this initiative is that by taking a regional approach to economic development, the resources of each county can be shared in an effort to attract higher quality industrial and business investments. Each of the four counties has certified industrial sites with Warren County's potential mega site of 1,000 acres, located near two major highways, Interstate 85 and US Highway 1, being the largest in the region.

Warren County EDC actively participated in the development of the current 2017-2022 Comprehensive Economic Development Strategy (CEDS) with the partner counties of the Kerr-Tar Council of Government. The purpose of the CEDS plan is to help guide the leadership of the community in identifying priorities within the region and help us to define a plan to encourage

economic development growth and prosperity within the region. This strategy was adopted in January 2018 it serves as the blueprint for Warren County to develop a long-range strategy for the future.

The County's investment in water and sewer infrastructure has expanded into the northeastern and southeastern sections of the county. The County has constructed approximately 600 miles of waterline throughout the county serving approximately 4,400 customers with potable drinking water. The availability and abundance of water in the county's jurisdictional boundaries is an important economic development tool. The County is currently working with Kerr Lake Regional Water System partners on an update and expansion of the water plant that will increase Warren County's capacity from 2 million gallons per day (MGD) to 4 MGD. The County is moving toward completing sewer expansion at the I-85 Wise Interchange by the end of calendar year 2020, to open the area to economic development.

Natural gas has become available in various parts of the County serving two of the four I-85 interchanges along with the industrial corridor along U.S. Highway 1 and Interstate 85 in the northern area of the County near the Wise community and the Town of Norlina. Natural gas service is also available to residents in the Town of Warrenton. The County will continue our efforts to expand the availability of the service.

The County has continued to expand its involvement in the renewable energy industry with three new solar array installations (solar farms encompassing five large, separate parcels being developed by three companies) approved with conditional use permits. In 2018 there were six solar projects completed in the County, including four ground mounted arrays (solar farms) and two rooftop arrays totaling \$65 million in capital investment. Site plans and permits are on file for the noted locations, including three 50 MW locations in the northern areas of the County (one currently under construction). Typically projects of this size are estimated to cost approximately \$70 million including land, construction and materials with the 2019 sites adding to these investments for the County.

Tourism has become a major focus area for the county due in large part to the 2 lakes located in the county and the many events and festivals that take place throughout the year. Warren County has access to approximately 70,000 acres of freshwater lakes which provide a wide assortment of recreational opportunities. The Kerr Lake State Recreational Area, with two parks located in the County, is one of six State recreation areas that attracted over one million visitors in 2018. The North Carolina Welcome Center, located on I-85, attracts over one million visitors annually. Although Lake Gaston has limited public access points, home rental records show visitors from all along the eastern seaboard. Some of those events are the annual Haliwa-Saponi tribal PowWow, Springfest, Battle of the BBQ at Lake Gaston, Kerr Lake Backwoods Bash, Ridgeway Cantaloupe Festival, and African-American Cultural Festival to name a few. The 2019 statistics show that tourism in Warren County was approximately \$31 million. This is an increase of 16.6% from 2018 (\$26.5 million). This was the highest increase seen of all 100 counties in North Carolina from 2018 to 2019.

The County completed the construction of a new Emergency Services facility in FY 2019. The facility was occupied in the summer of 2019. The project came in on time and within the

established budget that had been adopted by the Board of Commissioners. The facility allows emergency response from a central location. It is located at 890 US Highway 158 Bypass.

Cash Management

The county's investment practices emphasize strict compliance with North Carolina General Statutes and stress safety and liquidity at all times. To maximize investment of funds, all cash is combined in a single central depository. Investments utilized by the county include the North Carolina Capital Management Trust. All investments with the Trust are approved by North Carolina General Statutes and adhere to strict oversight by the Local Government Commission (LGC) and the Securities and Exchange Commission (SEC). Deposits with the North Carolina Capital Management Trust Company are collateralized which means the Trust Company has deposit insurance, surety bonds, letters of credit or investment securities in a sufficient amount to protect the local government from failure due to default or insolvency of the depository. All county funds on deposit are FDIC insured. This insurance is backed by United States government securities.

Risk Management

The County protects itself from loss with general liability and property insurance coverage and workers' compensation coverage, both purchased through the North Carolina Association of County Commissioners Risk Management Pools.

The County further protects itself with internal policies, procedures and practices to minimize the risk of loss. Key officials are bonded and all County employees are made aware of County policies and procedures that help deter fraud, waste and abuse. Professional liability bonds are purchased with Western Surety Company through Warrenton Insurance Agency, Inc.

Long Term Financial Planning

Warren County's five-year Capital Improvement Program (CIP) is a statement of the county's policy regarding long-range physical development. CIP projects represent, generally, major non-recurring capital expenditures of \$50,000 or more with a useful life of greater than 10 years. Long-range capital planning eliminates or reduces the need for emergency/unplanned expenditures, assures that capital projects are well thought out in advance of construction, establishes priorities in a comprehensive framework, and aids in stabilizing the tax rate. It also serves as a financial management tool to identify and set aside funds for future capital needs. The CIP is vital to the county because it is the principal planning tool designed to achieve growth and development. By providing a planned schedule, cost estimates, and location of public sector improvements, the CIP also provides private sector decision-makers with valuable information upon which to base important investment decisions.

Other Information and Acknowledgements

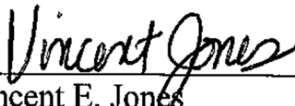
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Warren County, NC for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 15th

consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

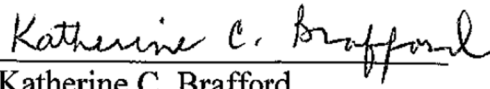
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We appreciate the dedication of employees in all departments who carry out the services and programs approved and funded by the Board of County Commissioners. Preparation of this report would not have been possible without the dedicated efforts of the entire Finance Department staff. We also express our thanks to the members of the Board of County Commissioners for their continued support of the financial management of Warren County.

Respectfully Submitted,



Vincent E. Jones
County Manager

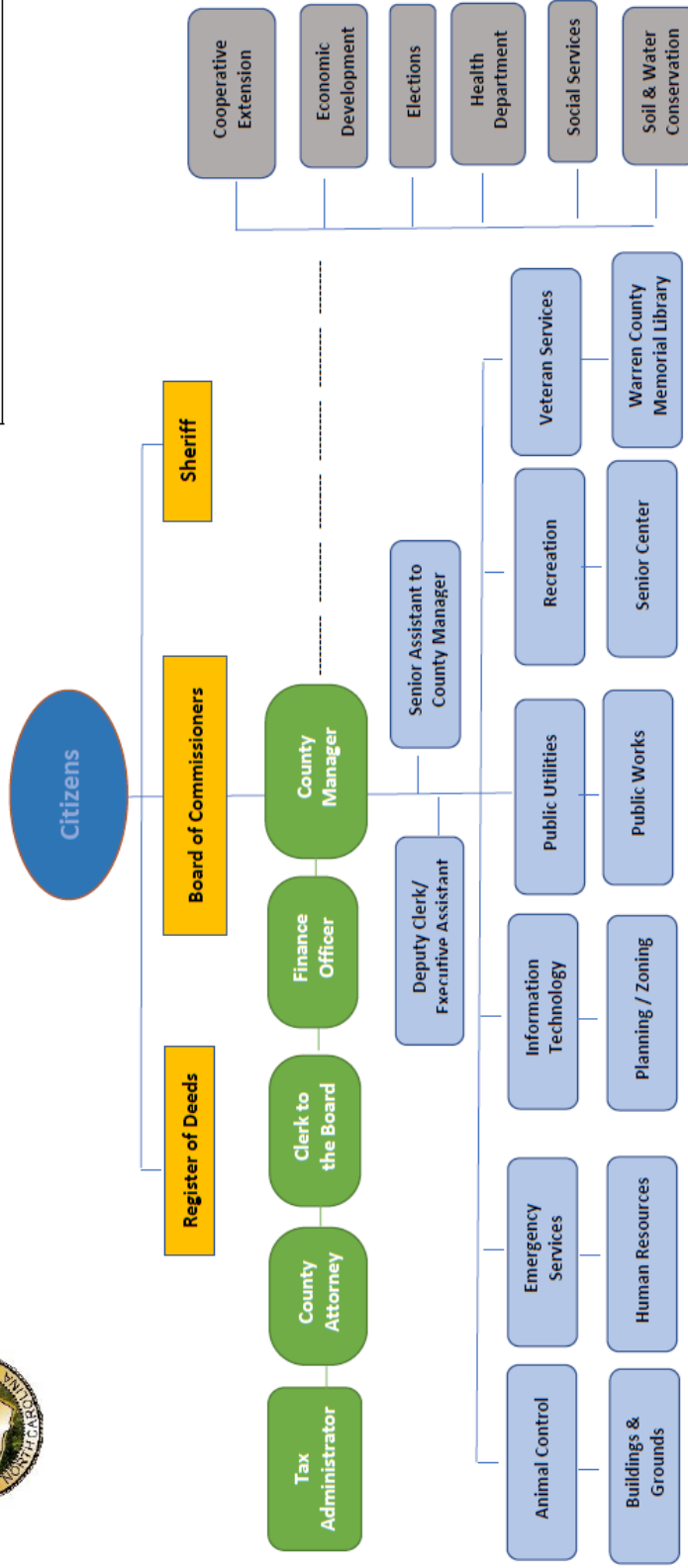


Katherine C. Brafford
Finance Director



Warren County Government

Elected Officials
Officials Appointed by Board of Commissioners
Reports to respective Boards, Co. Manager
provides administrative oversight



WARREN COUNTY, NORTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2020

**Board of County
Commissioners**

Tare Davis, Chairperson
Victor Hunt, Vice-Chairperson
Bertadean Baker
Jennifer Jordan Pierce
Walter Powell, Sr.

Angela Kearney-Dunlap, Clerk to the Board
Paula L. Pulley, Deputy Clerk to the Board

County Officials

Vincent Jones
Katherine Brafford
John Preston
Yvonne Alston
Johnny M. Williams
Marshall Brothers
Debbie Formyduval
Macon Robertson
Dennis Paschall
Larry West
Ryan Whitson
Jamytta Bell
Cheryl Reddish
Crystal Smith
Terrance Williams
Danielle Bowen
Ken Krulik
Charla Duncan
Dr. Margaret Brake
Cindy Davis
Charles Burwell
Richard Williams
Vicky Stokes

County Manager
Finance Director
Tax Administrator
Register of Deeds
Sheriff
Public Works Director
Board of Elections Director
Interim Public Utilities Director
Emergency Services Director
Soil & Water Conservation Director
Social Services Director
Veterans Administrator
Library Director
Cooperative Extension Director
Building & Grounds Maintenance Manager
Animal Control Director
Planning/Zoning
Interim Economic Development Director
Health Director
Interim Human Resources Manager
Information Technology/GIS Administrator
Recreation Director
Senior Center Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Warren County
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants



America Counts on CPAs

Gary L. Williams, CPA
Carleen P. Evans, CPA
Jennifer T. Reese, CPA
Tara H. Roberson, CPA

Curtis G. Van Horne, CPA

Independent Auditor's Report

To the Board of County Commissioners
Warren County, North Carolina

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Warren County Public Facilities Company and Warren County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Warren County Public Facilities Company and Warren County ABC Board, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Warren County Public Facilities Company and Warren County ABC Board were not audited in accordance with *Government Auditing Standards*.

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

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www.wwcecpa.com



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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, North Carolina as of June 30, 2020, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund 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 Management's Discussion and Analysis, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and County Contributions, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Other postemployment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios, on Exhibits A-1 thru A-7, 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 and other auditors 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Warren County, North Carolina. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section, as well as the accompanying Schedule of Expenditures of Federal and State 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 and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State 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, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and the statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2021, on our consideration of Warren County'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 Warren County's internal control over financial reporting and compliance.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP

Certified Public Accountants

Oxford, North Carolina

February 24, 2021

Management's Discussion and Analysis

As management of the County, we offer readers of Warren County's financial statements this narrative overview and analysis of the financial activities of Warren County for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

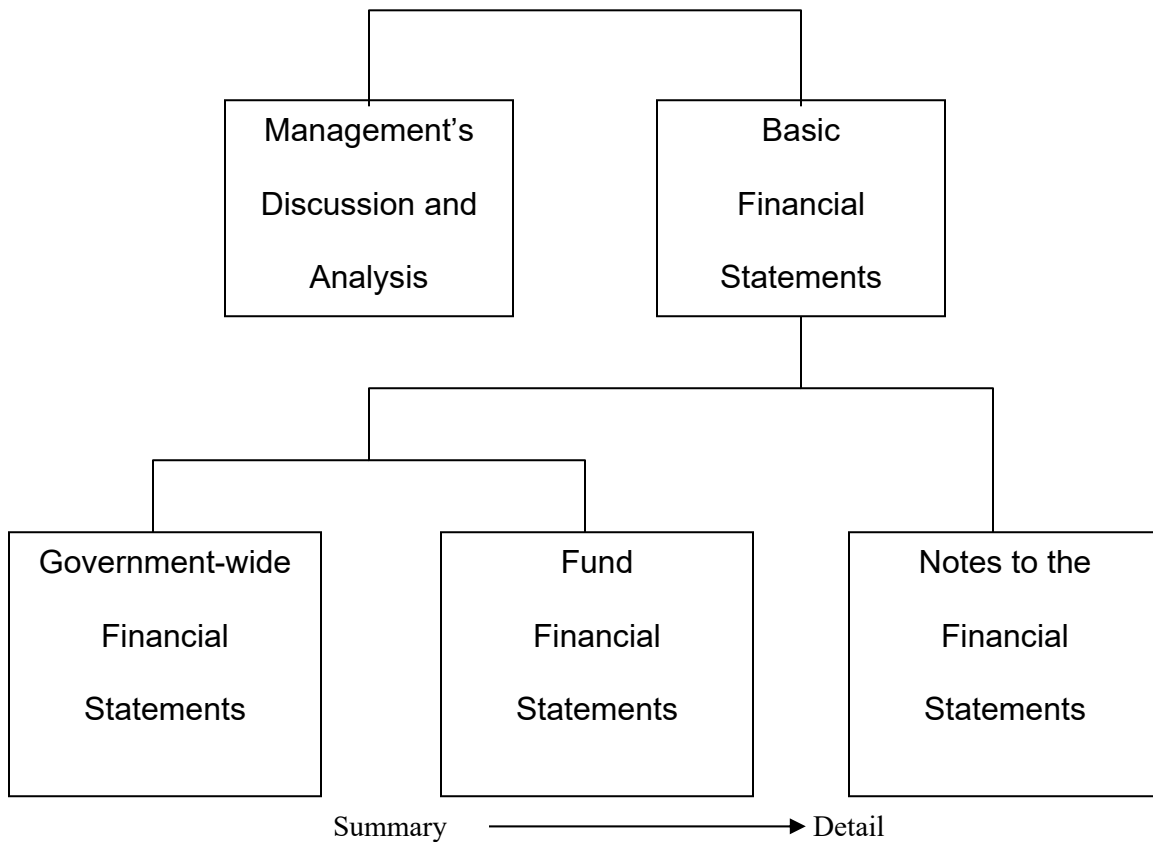
- The assets and deferred outflows of resources of Warren County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$52,946,265(*net position*).
- The government's total net position increased by \$1,942,374 primarily due to increased net position in the General Fund.
- As of the close of the current fiscal year, Warren County's governmental funds reported combined ending fund balances of \$17,043,283, an increase of \$2,299,138 in comparison with the prior year. Approximately 60.16 percent of this total amount or \$10,252,424 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,275,627 or 36.88% of total general fund expenditures for the fiscal year.
- Warren County's total debt decreased by \$248,820 (.98%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Warren County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Warren County.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes can also be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how they have changed. Net position is the difference between the County's total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and solid waste services offered by Warren County. The final category is the component units. The Warren County Public Facilities Company, Inc. is a non-profit corporation formed to promote economic development by serving as an entity to hold title to real property and to construct buildings for lease to companies wishing to locate or expand in Warren County. Although legally separate from the County, the Board of Directors of the Public Facilities Company is appointed by the Board of Commissioners. A second component unit is the ABC Board. Though a separate legal entity, the County's Board appoints the ABC Board members, and ABC profits are distributed to the County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Warren County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Warren County can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. *This method also has a current financial resources focus.* As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Warren County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the

management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – Warren County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Warren County uses enterprise funds to account for its water and sewer activity and for its solid waste operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Warren County has three fiduciary funds: the Social Services Fund for benefit of certain individuals; the Fines and Forfeitures Fund for funds collected by the County and remitted to the Warren County Board of Education; and the Municipal Tax Fund which accounts for taxes on registered motor vehicles collected by the County for the municipalities and special districts located within the county.

Notes to the Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 38 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Warren County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 82 of the report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$52,946,265 as of June 30, 2020, one of the largest portions (60.57%) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), and less any related debt still outstanding that was issued to acquire those items. Warren County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Warren County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. Warren County has restricted net position of \$5,124,820. The balance of \$15,752,502 is unrestricted.

Warren County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 19,769,347	\$ 16,905,926	\$ 7,620,205	\$ 6,646,678	\$ 27,389,552	\$ 23,552,604
Capital Assets	20,867,326	21,087,559	29,806,741	30,577,928	50,674,067	51,665,487
Total Assets	40,636,673	37,993,485	37,426,946	37,324,606	78,063,619	75,218,091
Deferred Outflows of Resources	2,529,225	3,065,865	107,695	134,729	2,636,920	3,200,033
Long-term liabilities outstanding	11,945,363	11,878,874	13,211,213	13,526,522	25,156,576	25,405,396
Other liabilities	1,279,009	879,646	836,397	722,062	2,115,406	1,651,708
Total Liabilities	13,224,372	12,758,520	14,047,610	14,298,584	27,273,363	27,057,104
Deferred Inflows of Resources	468,856	350,585	13,436	7,105	482,292	357,690
Net position:						
Net investment in capital assets	14,939,866	14,904,504	17,129,077	17,546,670	32,068,943	32,451,174
Restricted	5,117,050	4,683,581	7,770	34,954	5,124,820	4,718,535
Unrestricted	9,415,754	8,362,160	6,336,748	5,472,022	15,752,502	13,834,182
Total net position	\$ 29,472,670	\$ 27,950,245	\$ 23,473,595	\$ 23,053,646	\$ 52,946,265	\$ 51,003,891

Warren County Changes in Net Position
Figure 3

	Governmental Activities		Business-like Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 1,889,200	\$ 2,224,598	\$ 5,074,984	\$ 5,103,074	\$ 6,964,184	\$ 7,327,672
Operating grants and contributions	4,725,906	4,661,324	-	-	4,725,906	4,661,324
Capital grants and contributions	-	39,570	499,658	80,654	499,658	120,224
Property taxes	20,636,890	20,211,965	-	-	20,636,890	20,211,965
Other taxes	4,101,481	3,846,578	-	-	4,101,481	3,846,965
Investment Earnings	180,241	230,257	65,333	103,104	245,574	333,361
Grants and contributions not restricted	100,000	-	-	-	100,000	-
Miscellaneous	95,694	161,357	83,153	84,185	178,847	245,542
Total Revenues	31,729,412	31,375,649	5,723,128	5,371,017	37,452,540	36,746,666
Expenses:						
General government	3,987,409	3,643,903	-	-	3,987,409	3,643,903
Public safety	10,032,349	9,825,009	-	-	10,032,349	9,825,009
Economic and physical development	740,540	821,608	-	-	740,540	821,608
Environmental protection	407,462	311,475	1,688,292	1,610,002	2,095,754	1,921,477
Human services	8,681,126	8,645,087	-	-	8,681,126	8,645,087
Cultural and recreation	1,051,327	1,082,439	-	-	1,051,327	1,082,439
Education	5,139,956	5,145,759	-	-	5,139,956	5,145,759
Interest on long-term debt	161,751	189,065	-	-	161,751	189,065
Water and sewer	-	-	3,619,954	3,554,242	3,619,954	3,554,242
Total Expenses	30,201,920	29,664,345	5,308,246	5,164,244	53,510,166	34,828,589

	Governmental Activities		Business-like Activities		Total	
	2020	2019	2020	2019	2020	2019
Increase in net position before transfers	1,527,492	1,711,304	414,882	206,773	1,942,374	1,918,077
Transfers	(5,067)	-	5,067	-	-	-
Increase in net position	1,522,425	1,711,304	419,949	206,773	1,942,374	1,918,077
Net position, July 1	27,950,245	26,238,941	23,053,646	22,846,873	51,003,891	49,085,814
Net position, June 30	\$ 29,472,670	\$ 27,950,245	\$ 23,473,595	\$ 23,053,646	\$ 52,946,265	\$ 51,003,891

Governmental activities. Governmental activities increased the County's net position by \$1,522,425 accounting for 78.38 percent of the total increase in the net position of Warren County. The current tax rate remained the same at 79 cents per \$100 in valuation.

Revenue increases included an increase in property tax collections of \$424,925 over the previous fiscal year, an increase in sales tax collections of \$247,122, and an increase in ABC profit distribution of \$100,000.

The information in Figure 3 provides more information related to governmental activities for the past two years.

Business-type activities. Business-type activities increased Warren County's net position by \$419,949 or 21.66% compared to the prior year. The key elements for the increase are the net increases in the District I Water and Sewer Enterprise Fund, the District III Water and Sewer Enterprise Fund and the Solid Waste Enterprise Fund.

Financial Analysis of the County's Funds

As noted earlier, Warren County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Warren County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Warren County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Warren County. At the end of the current fiscal year, unassigned fund balance in the General Fund was \$10,275,627 while total fund balance reached \$16,135,835. The remainder of fund balance, \$5,860,208 is either nonspendable, restricted, committed, or assigned and is not available for general appropriation. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 36.88 percent of total General Fund expenditures, while total fund balance represents 57.91 percent of that same amount,

Portions of Article 40 and Article 42 sales tax distributions are reserved for capital needs of Warren County Schools. In FY 2020, no capital requests were submitted for reimbursement, resulting in an increase of \$733,933 in fund balance reserved for education.

Several departments had substantial savings in their salary and benefit line items due to turnover and vacant positions. The Sheriff's Department, Emergency Medical Services, the Health Department, and the Department of Social Services had a combined total of over \$600,000 in unspent salaries – and this does not include the unspent funds in the associated benefit line items.

At June 30, 2020, the governmental funds of Warren County reported a combined fund balance of \$17,043,283, a 15.59% increase over last year. This increase was primarily due to an increase in several key revenues, including property taxes and sales taxes, as well as a decrease in expenditures for several departments within the General Fund.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased the budget by \$397,010 or 1.3 percent.

Several public safety departments, including the Sheriff's Department, Central Communications, and Emergency Medical Services, had excess funds in their budgets, primarily as a result of excess salary and benefits due to turnover and vacant positions in those departments. The same was true of other departments as well, including Agriculture Extension, the Health Department, and the Department of Social Services.

There was a significant amount of funds remaining in the Recreation Department as a result of having been awarded a Parks & Recreation Trust Fund (PARTF) Grant during the fiscal year but, due to several circumstances, one of which was the COVID pandemic, spending the grant funds was delayed and those expenditures will be re-budgeted in FY 2021.

Proprietary Funds. Warren County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the fiscal year amounted to \$407,865 and those for the Water and Sewer Districts equaled \$5,928,883. Other factors concerning the finances of these funds have already been addressed in the discussion of Warren County's business-type activities.

Capital Asset and Debt Administration

Capital assets. Warren County's capital assets for its governmental and business-type activities as of June 30, 2020 totals \$50,674,067 (net of accumulated depreciation). These assets include buildings, water lines, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- Purchases of vehicles throughout various departments
- Purchase of voting equipment for the Board of Elections
- Building renovations and improvements
- \$199,315 in construction in progress for the Emergency Services Headquarters

**Warren County's Capital Assets
(net of depreciation)**

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,036,529	\$ 1,010,799	\$ 233,570	\$ 233,570	\$ 1,270,099	\$ 1,244,369
Buildings	11,712,385	12,235,273	-	-	11,712,385	12,235,273
Improvements other than buildings	685,168	659,220	732,598	753,529	1,417,766	1,412,749
Land Improvements	88,310	109,999	-	-	88,310	109,999
Equipment and furniture	1,061,054	842,367	260,606	234,734	1,321,660	1,077,101
Water Lines/Elevated Tanks	-	-	28,027,728	29,221,777	28,027,728	29,221,777
Vehicles and motorized Equipment	719,047	864,383	46,271	31,233	765,318	895,616
Construction in progress	5,564,833	5,365,518	505,968	103,085	6,070,801	5,468,603
Total	\$ 20,867,326	\$ 21,087,559	\$ 29,806,741	\$ 30,577,928	\$ 50,674,067	\$ 51,665,487

Additional information on the County's capital assets can be found in Note III A-5 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2020, Warren County had total bonded debt outstanding of \$11,884,245, all of which is debt backed by the full faith and credit of the County.

Warren County's Outstanding Debt

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Bonds	\$ -	\$ 18,000	\$ 11,573,000	\$ 11,867,000	\$ 11,573,000	\$ 11,885,000
Bond Premiums	-	-	311,245	325,153	311,245	325,153
Total Bonds	-	18,000	11,884,245	12,192,153	11,884,245	12,210,153
Capital leases	61,018	123,144	-	-	61,018	123,144
Installment Purchases	6,069,775	6,285,911	793,419	839,105	6,863,194	7,125,016
Other Obligations	5,814,570	5,451,819	533,549	495,264	6,348,119	5,947,083
Total Long-Term Debt	\$ 11,945,363	\$ 11,878,874	\$ 13,211,213	\$ 13,526,522	\$ 25,156,576	\$ 25,405,396

During the past fiscal year, Warren County's total debt decreased by \$248,820, a decrease of .98 percent. Bonded debt of \$312,000 was retired in governmental activities and business-type activities.

Warren County has an issuer credit rating from Moody's Investors Services of Aa3 and the County's Limited Obligation Bonds are rated A1. According to the Moody's Investor's Service Annual Comment on Warren County from August 31, 2020, "(k)ey credit factors include a healthy financial position, low debt burden and sizeable tax base offset by a mid-ranged pension liability and somewhat weak wealth and income profile".

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt limit for Warren County is \$186,381,304. The County sold \$11,395,000 of General Obligation Bonds in 2015 for its Water & Sewer Districts. Of that amount, \$10,165,000

were outstanding at June 30, 2020. There were \$1,408,000 outstanding of additional bonds that were issued in FY 2012 with USDA for another Water & Sewer project.

Additional information regarding Warren County's long-term debt can be found in Note III B-8 beginning on page 73 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the current conditions of the County.

- The County's unemployment rate increased from 6.8% in June 2019 to 9.4% in June 2020.
- Per Capita annual income in Warren County is approximately \$30,377.
- Industries and businesses currently located in the County remain stable.
- The County received \$571,030 in Coronavirus Relief Funds (CRF) to help relieve the economic impact of the COVID pandemic and to address the safety of its employees and citizens, as well as the towns and municipalities within the County. The County will be receiving an additional installment of CRF funds in the amount of \$382,938 in August of 2020.
- Various departments also received grants pertaining to the COVID pandemic.

Governmental Activities: The County adopted a budget for fiscal year 2021 with a 5.4% increase in General Fund expenditures. The tax rate increased from the previous year rate of 79 cents per \$100 in valuation to 81 cents per \$100 in valuation.

Business-type Activities: The County has five Enterprise Funds, the Regional Water System Fund, Districts I, II, and III Water & Sewer Funds, and a Solid Waste Fund. The Regional Water System Fund and Districts I & II Water & Sewer Funds experienced slight increases over the previous year's budgets. District III Water & Sewer Fund's budget experienced a 16.5% growth over the previous year and the Solid Waste Fund's budget experienced a slight decrease over the previous year.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Warren County, 548 West Ridgeway Street, Warrenton, NC 27589. Questions concerning the Warren County ABC Board and the Warren County Public Facilities Corporation should be directed to the offices of the Warren County ABC Board, 1230 US Hwy. 158 Bus. W., Norlina, NC 27563 and the Warren County Public Facilities Corporation, 501 US Hwy. 158 Bus. E., Warrenton, NC 27589.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

WARREN COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2020

				Component Units	
	Governmental	Business-type		Warren County	
	Activities	Activities	Total	Public Facilities	Warren County
				Co.	ABC Board
<u>ASSETS</u>					
Cash and cash equivalents	\$ 13,713,064	\$ 6,788,946	\$ 20,502,010	\$ 186,757	\$ 408,405
Restricted cash	2,941,025	7,770	2,948,795	-	-
Receivables (net)	1,677,674	823,489	2,501,163	-	6,520
Taxes receivable	1,249,189	-	1,249,189	-	-
Accrued interest receivable on taxes	143,692	-	143,692	-	-
Inventory	16,965	-	16,965	-	490,072
Prepaid expenses	-	-	-	-	11,576
Net pension asset-ROD	27,738	-	27,738	-	-
Capital assets					
Land, improvements, and construction in progress	6,601,362	739,539	7,340,901	48,087	195,500
Other capital assets, net of depreciation	14,265,964	29,067,202	43,333,166	3,022,963	1,353,831
Total capital assets	20,867,326	29,806,741	50,674,067	3,071,050	1,549,331
Total Assets	40,636,673	37,426,946	78,063,619	3,257,807	2,465,904
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	2,529,225	107,695	2,636,920	-	32,619
<u>LIABILITIES</u>					
Accounts payable & accrued expenses	1,232,424	346,464	1,578,888	-	151,761
Accrued interest payable	46,585	39,610	86,195	6,793	-
Customer deposits	-	450,323	450,323	-	-
Long-term liabilities:					
Due within one year					
Landfill closure payable	-	69,100	69,100	-	-
Capital leases payable	46,643	-	46,643	-	-
Bonds payable	-	305,000	305,000	-	-
Installment purchases payable	1,020,529	70,457	1,090,986	275,624	80,385
Compensated absences payable	218,946	13,876	232,822	-	-
Due in more than one year					
Accrued landfill closure cost	-	208,586	208,586	-	-
Compensated absences payable	656,838	41,628	698,466	-	-
Capital leases payable	14,375	-	14,375	-	-
Installment purchases payable	5,049,246	722,962	5,772,208	1,788,107	1,076,338
Bonds payable	-	11,579,245	11,579,245	-	-
Total pension liability-LEO	378,263	-	378,263	-	-
Net pension liability-LGERS	4,213,364	181,509	4,394,873	-	20,755
Other postemployment benefits	347,159	18,850	366,009	-	-
Total long-term liabilities	11,945,363	13,211,213	25,156,576	2,063,731	1,177,478
Total Liabilities	13,224,372	14,047,610	27,271,982	2,070,524	1,329,239
<u>DEFERRED INFLOWS OF RESOURCES</u>	468,856	13,436	482,292	30,813	-
<u>NET POSITION</u>					
Net investment in capital assets	14,939,866	17,129,077	32,068,943	1,007,319	392,608
Restricted for:					
Stabilization by State Statute	1,694,462	-	1,694,462	-	-
Public Safety	743,614	-	743,614	-	-
Economic Development	151,046	-	151,046	-	-
Recreation	1,054	-	1,054	-	-
Education	2,526,874	-	2,526,874	-	-
Working Capital	-	-	-	-	98,381
Debt Service	-	7,770	7,770	-	-
Unrestricted	9,415,754	6,336,748	15,752,502	149,151	678,295
Total Net Position	\$ 29,472,670	\$ 23,473,595	\$ 52,946,265	\$ 1,156,470	\$ 1,169,284

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-Type Activities	Total	Warren County Public Facilities Co.	Warren County ABC Board	
Primary Government:										
Governmental Activities:										
General government	\$ 3,987,409	\$ 153,085	\$ 107,872	\$ -	\$ (3,726,452)	\$ -	\$ (3,726,452)	\$ -	\$ -	
Public safety	10,032,349	253,527	223,500	-	(9,555,322)	-	(9,555,322)	-	-	
Economic and physical development	740,540	37,957	29,774	-	(672,809)	-	(672,809)	-	-	
Environmental protection	407,462	-	-	-	(407,462)	-	(407,462)	-	-	
Human services	8,681,126	1,418,363	4,271,022	-	(2,991,741)	-	(2,991,741)	-	-	
Cultural and recreation	1,051,327	26,268	93,738	-	(931,321)	-	(931,321)	-	-	
Education	5,139,956	-	-	-	(5,139,956)	-	(5,139,956)	-	-	
Interest on long-term debt	161,751	-	-	-	(161,751)	-	(161,751)	-	-	
Total governmental activities	30,201,920	1,889,200	4,725,906	-	(23,586,814)	-	(23,586,814)	-	-	
Business-type activities:										
Solid Waste	1,688,292	1,750,498	-	58,312	-	120,518	120,518	-	-	
Water and Sewer	3,619,954	3,324,486	-	441,346	-	145,878	145,878	-	-	
Total business-type activities	5,308,246	5,074,984	-	499,658	-	266,396	266,396	-	-	
Total primary government	\$ 35,510,166	\$ 6,964,184	\$ 4,725,906	\$ 499,658	(23,586,814)	266,396	(23,320,418)	-	-	
Component units:										
Warren County Public Facilities Co.	\$ 191,658	\$ 369,756	\$ -	\$ -	-	-	-	178,098	-	
Warren County ABC Board	3,120,951	3,305,954	-	-	-	-	-	-	185,003	
Total component units	\$ 3,312,609	\$ 3,675,710	\$ -	\$ -	-	-	-	178,098	185,003	
General revenues:										
Taxes:										
Property taxes, levied for general purpose					20,636,890	-	20,636,890	-	-	
Local option sales tax					3,901,650	-	3,901,650	-	-	
Other taxes and licenses					199,831	-	199,831	-	-	
Grants and contributions not restricted to specific programs					100,000	-	100,000	-	-	
Investment earnings, unrestricted					180,241	65,333	245,574	140	1,883	
Miscellaneous, unrestricted					95,694	83,153	178,847	-	-	
Transfers					(5,067)	5,067	-	-	-	
Total general revenues, special items and transfers					25,109,239	153,553	25,262,792	140	1,883	
Change in net position					1,522,425	419,949	1,942,374	178,238	186,886	
Net position - beginning					27,950,245	23,053,646	51,003,891	978,232	982,398	
Net position - ending					\$ 29,472,670	\$ 23,473,595	\$ 52,946,265	\$ 1,156,470	\$ 1,169,284	

The notes to the financial statements are an integral part of this statement.

**FUND
FINANCIAL STATEMENTS**

WARREN COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	Major	Non-Major	
	General	Other	Total
	Fund	Governmental	Governmental
		Funds	Funds
ASSETS			
Cash and cash equivalents	\$ 12,499,323	\$ 1,213,741	\$ 13,713,064
Restricted cash	2,728,800	212,225	2,941,025
Accounts receivable (net)	1,642,737	34,937	1,677,674
Taxes receivable (net)	1,140,453	108,736	1,249,189
Due from other funds	16,788	-	16,788
Inventory	16,965	-	16,965
	<u>18,045,066</u>	<u>1,569,639</u>	<u>19,614,705</u>
Total Assets	<u>\$ 18,045,066</u>	<u>\$ 1,569,639</u>	<u>\$ 19,614,705</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable & accrued liabilities	\$ 695,757	\$ 536,667	\$ 1,232,424
Due to other funds	-	16,788	16,788
	<u>695,757</u>	<u>553,455</u>	<u>1,249,212</u>
Total Liabilities	<u>695,757</u>	<u>553,455</u>	<u>1,249,212</u>
Deferred Inflows of Resources	<u>1,213,474</u>	<u>108,736</u>	<u>1,322,210</u>
Fund balances:			
Nonspendable:			
Inventories	16,965	-	16,965
Restricted:			
Stabilization by State Statute	1,659,525	34,937	1,694,462
Public Safety	-	743,614	743,614
Economic Development	-	151,046	151,046
Recreation	-	1,054	1,054
Education	2,526,874	-	2,526,874
Committed:			
Revaluation	201,926	-	201,926
Assigned:			
Subsequent year's expenditures	1,454,918	-	1,454,918
Unassigned	<u>10,275,627</u>	<u>(23,203)</u>	<u>10,252,424</u>
Total Equity	<u>16,135,835</u>	<u>907,448</u>	<u>17,043,283</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,045,066</u>	<u>\$ 1,569,639</u>	<u>\$ 19,614,705</u>

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY, NORTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2020

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total equity (Exhibit 3)	\$ 17,043,283
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	20,867,326
Net pension asset	27,738
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	959,437
Benefit payments for LEOSSA are deferred outflows of resources on the Statement of Net Position	4,513
Contributions for OPEB are deferred outflows of resources on the Statement of Net Position	21,531
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements	143,692
Deferred inflows of resources for taxes receivable	1,249,189
Pension related deferrals	1,255,754
OPEB related deferrals	(107,845)
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the fund statements	(11,991,948)
Net position of governmental activities (Exhibit 1)	\$ 29,472,670

**WARREN COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Major	Non-Major	
	General	Other	Total
	Fund	Governmental	Governmental
	Funds	Funds	Funds
REVENUES			
Ad valorem taxes	\$ 19,464,117	\$ 1,028,802	\$ 20,492,919
Local option sales taxes	3,901,650	-	3,901,650
Other taxes and licenses	117,026	-	117,026
Unrestricted intergovernmental	213,890	-	213,890
Restricted intergovernmental	4,471,779	235,596	4,707,375
Permits and fees	281,449	-	281,449
Sales and services	1,585,494	-	1,585,494
Investment earnings	173,985	6,256	180,241
Miscellaneous	105,397	-	105,397
Total Revenues	30,314,787	1,270,654	31,585,441
EXPENDITURES			
Current:			
General government	3,991,554	54,963	4,046,517
Public safety	8,131,646	1,172,955	9,304,601
Environmental protection	391,143	-	391,143
Economic and physical development	774,183	-	774,183
Human services	8,166,198	-	8,166,198
Cultural and recreational	864,272	-	864,272
Intergovernmental:			
Education	5,139,956	-	5,139,956
Capital outlay	-	199,315	199,315
Debt service:			
Principal	859,607	-	859,607
Interest and other charges	160,915	-	160,915
Total Expenditures	28,479,474	1,427,233	29,906,707
Revenues Over (Under) Expenditures	1,835,313	(156,579)	1,678,734
OTHER FINANCING SOURCES (USES)			
Transfers in from other funds	-	2,915	2,915
Transfers out to other funds	(7,982)	-	(7,982)
Debt issued	625,471	-	625,471
Total Other Financing Sources (Uses)	617,489	2,915	620,404
Net Change in Fund Balances	2,452,802	(153,664)	2,299,138
Fund Balance - July 1	13,683,033	1,061,112	14,744,145
Fund Balance - June 30	\$ 16,135,835	\$ 907,448	\$ 17,043,283

The notes to the financial statements are an integral part of this statement.

**WARREN COUNTY, NORTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Amounts reported for governmental activities in the statement of activities on Exhibit 2 are different because:

Net change in fund balances - total governmental funds (Exhibit 4)	\$ 2,299,138
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over the life of the asset.	961,685
Cost of disposed capital asset not recorded in fund statements	(17,195)
The allocation of the costs of assets over the life of the assets through depreciation is not a current financial use in the funds; therefore, depreciation expense is not recorded in these statements.	(1,164,723)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	959,437
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	4,513
Benefit payments for OPEB are deferred outflows of resources on the Statement of Net Position	21,531
Some revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements	143,971
The issuance of long-term debt (e.g., bonds and installment 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 these differences in the treatment of long-term debt.	296,262
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	(1,982,194)
Total changes in net position of governmental activities (Exhibit 2)	<u>\$ 1,522,425</u>

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund			Variance with Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>REVENUES</u>				
Ad valorem taxes	\$ 19,172,500	\$ 19,172,500	\$ 19,464,117	\$ 291,617
Local option sales taxes	3,463,000	3,463,000	3,901,650	438,650
Other taxes and licenses	88,000	88,000	117,026	29,026
Unrestricted intergovernmental	218,300	218,300	213,890	(4,410)
Restricted intergovernmental	4,846,827	5,221,983	4,471,779	(750,204)
Permits and fees	340,400	340,400	281,449	(58,951)
Sales and services	1,752,785	1,752,785	1,585,494	(167,291)
Investment earnings	195,000	195,000	172,666	(22,334)
Miscellaneous	256,846	22,581	105,397	82,816
Total revenues	30,333,658	30,474,549	30,313,468	(161,081)
<u>EXPENDITURES</u>				
Current:				
General government	4,091,069	4,299,745	3,991,554	308,191
Public safety	9,066,660	9,333,503	8,131,646	1,201,857
Environmental protection	430,867	432,225	391,143	41,082
Economic and physical development	892,256	936,937	774,183	162,754
Human services	8,953,981	9,206,530	8,166,198	1,040,332
Cultural and recreational	918,015	1,228,849	864,272	364,577
Intergovernmental:				
Education	5,664,641	5,664,641	5,139,956	524,685
Debt service	1,697,791	1,020,078	1,020,522	(444)
Contingency	30,000	11,800	-	11,800
Total Expenditures	31,745,280	32,134,308	28,479,474	3,654,834
Revenues Over (Under) Expenditures	(1,411,622)	(1,659,759)	1,833,994	3,493,753
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers to other funds	(50,000)	(57,982)	(57,982)	-
Transfers from other funds	674,513	-	-	-
Debt issued	-	601,181	625,471	24,290
Appropriated fund balance	787,109	1,116,560	-	(1,116,560)
Total Other Financing Sources (Uses)	1,411,622	1,659,759	567,489	(1,092,270)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ -	2,401,483	\$ 2,401,483
Fund Balance - July 1			13,532,426	
Fund Balance - June 30			15,933,909	
A legally budgeted Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			1,319	
Transfer in from General Fund			50,000	
Fund Balance, Beginning (Revaluation Fund)			150,607	
Fund Balance, Ending (Revaluation Fund)			201,926	
Fund Balance, Ending			\$ 16,135,835	

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY, NORTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Proprietary Funds					
	Major Funds				Non-Major	Total
	Regional Water System Fund	District I Enterprise Fund	District II Enterprise Fund	District III Enterprise Fund	Solid Waste Fund	
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 1,327,246	\$ 2,113,602	\$ 1,845,014	\$ 1,013,497	\$ 489,587	\$ 6,788,946
Restricted cash	-	-	-	7,770	-	7,770
Receivables (net)	93,245	59,031	88,016	118,542	464,655	823,489
Total Current Assets	1,420,491	2,172,633	1,933,030	1,139,809	954,242	7,620,205
Noncurrent Assets:						
Capital assets:						
Land, improvements, and construction in progress	48,265	-	105,176	471,518	114,580	739,539
Other capital assets, net of depreciation	2,623,742	2,719,961	6,980,861	16,674,838	67,800	29,067,202
Total Capital Assets	2,672,007	2,719,961	7,086,037	17,146,356	182,380	29,806,741
Total Assets	4,092,498	4,892,594	9,019,067	18,286,165	1,136,622	37,426,946
DEFERRED OUTFLOWS OF RESOURCES	10,785	24,468	19,875	8,961	43,606	107,695
LIABILITIES						
Current Liabilities:						
Accounts payable and accrued liabilities	112,095	9,163	17,975	7,756	199,475	346,464
Accrued interest payable	1,877	3,605	6,581	27,547	-	39,610
Customer deposits	18,555	122,618	94,895	214,255	-	450,323
Accrued landfill closure	-	-	-	-	69,100	69,100
Compensated absences	1,421	2,700	2,131	853	6,771	13,876
Installment obligations	39,650	11,955	16,463	2,389	-	70,457
General obligation bonds payable	-	40,000	65,000	200,000	-	305,000
Total Current Liabilities	173,598	190,041	203,045	452,800	275,346	1,294,830
Noncurrent Liabilities:						
Accrued landfill closure	-	-	-	-	208,586	208,586
Compensated absences	4,263	8,099	6,394	2,558	20,314	41,628
Net pension liability	18,019	41,312	33,401	14,943	73,834	181,509
OPEB obligation	2,423	4,604	3,634	1,454	6,735	18,850
Installment obligations	450,921	93,381	173,774	4,886	-	722,962
General obligation bonds payable	-	1,065,159	1,973,965	8,540,121	-	11,579,245
Total Noncurrent Liabilities	475,626	1,212,555	2,191,168	8,563,962	309,469	12,752,780
Total Liabilities	649,224	1,402,596	2,394,213	9,016,762	584,815	14,047,610
DEFERRED INFLOWS OF RESOURCES	1,510	3,158	2,525	1,075	5,168	13,436
NET POSITION						
Net investment in capital assets	2,181,436	1,509,466	4,856,835	8,398,960	182,380	17,129,077
Restricted	-	-	-	7,770	-	7,770
Debt Service	-	-	-	-	-	-
Unrestricted	1,271,113	2,001,842	1,785,369	870,559	407,865	6,336,748
Total Net Position	\$ 3,452,549	\$ 3,511,308	\$ 6,642,204	\$ 9,277,289	\$ 590,245	\$ 23,473,595

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Proprietary Funds					Total
	Major Funds				Non-Major	
	Regional Water System Fund	District I Enterprise Fund	District II Enterprise Fund	District III Enterprise Fund	Solid Waste Fund	
OPERATING REVENUES						
Charges for services	\$ 947,632	\$ 638,254	\$ 708,063	\$ 1,030,537	\$ 1,750,498	\$ 5,074,984
Miscellaneous	34,770	2,252	28,055	1,348	2,819	69,244
Total Operating Revenues	982,402	640,506	736,118	1,031,885	1,753,317	5,144,228
OPERATING EXPENSES						
Salaries and employee benefits	71,783	161,579	131,452	59,160	274,653	698,627
Water purchases	440,183	123,277	108,970	152,779	-	825,209
Contracted services	-	-	-	25,045	1,215,333	1,240,378
Other operating expenses	279,028	110,745	168,850	89,131	154,166	801,920
Landfill closure/postclosure costs	-	-	-	-	28,332	28,332
Depreciation	277,184	146,414	319,801	498,314	15,808	1,257,521
Total Operating Expenses	1,068,178	542,015	729,073	824,429	1,688,292	4,851,987
OPERATING INCOME (LOSS)	(85,776)	98,491	7,045	207,456	65,025	292,241
NONOPERATING REVENUES (EXPENSES)						
Interest earnings	12,963	22,681	19,408	9,098	1,183	65,333
Amortization of refunding bond premium	-	3,064	3,760	7,085	-	13,909
Interest expense	(12,549)	(43,721)	(80,202)	(319,733)	(54)	(456,259)
Total Nonoperating Revenues (Expenses) - Net	414	(17,976)	(57,034)	(303,550)	1,129	(377,017)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	(85,362)	80,515	(49,989)	(96,094)	66,154	(84,776)
Capital Contributions	-	-	9,250	432,096	58,312	499,658
Transfers in (out)						
General Fund	637	1,423	1,161	524	1,322	5,067
TOTAL CONTRIBUTIONS AND TRANSFERS	637	1,423	10,411	432,620	59,634	504,725
CHANGE IN NET POSITION	(84,725)	81,938	(39,578)	336,526	125,788	419,949
TOTAL NET POSITION-BEGINNING	3,537,274	3,429,370	6,681,782	8,940,763	464,457	23,053,646
TOTAL NET POSITION-ENDING	\$ 3,452,549	\$ 3,511,308	\$ 6,642,204	\$ 9,277,289	\$ 590,245	\$ 23,473,595

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Proprietary Funds					Total
	Major Funds				Non-Major	
	Regional Water System Fund	District I Enterprise Fund	District II Enterprise Fund	District III Enterprise Fund	Solid Waste Fund	
Cash flows from operating activities:						
Cash received from customers	\$ 963,564	\$ 676,432	\$ 715,928	\$ 1,028,881	\$ 1,718,423	\$ 5,103,228
Cash paid for goods and services	(705,910)	(215,501)	(265,214)	(277,305)	(1,295,925)	(2,759,855)
Cash paid to employees for services	(71,783)	(161,579)	(131,452)	(59,160)	(274,653)	(698,627)
Miscellaneous operating revenue	34,770	2,252	28,055	1,348	2,819	69,244
Net cash provided by operating activities	220,641	301,604	347,317	693,764	150,664	1,713,990
Cash flows from noncapital financing activities:						
Transfers in	637	1,423	1,161	524	1,322	5,067
Transfers out	-	-	-	-	-	-
Net cash provided by noncapital and financing activities	637	1,423	1,161	524	1,322	5,067
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(9,942)	(9,942)	(33,293)	(389,475)	(43,680)	(486,332)
Installment obligations issued	7,275	7,275	7,275	7,275	-	29,100
Principal paid on debt	(38,901)	(51,206)	(75,715)	(195,641)	(7,323)	(368,786)
Interest paid on debt	(12,549)	(43,721)	(80,202)	(319,733)	(54)	(456,259)
State grants	-	-	9,250	432,096	58,312	499,658
Net cash provided by capital and related financing activities	(54,117)	(97,594)	(172,685)	(465,478)	7,255	(782,619)
Cash flows from investing activities:						
Interest on investments	12,963	22,681	19,408	9,098	1,183	65,333
Net cash provided by investing activities	12,963	22,681	19,408	9,098	1,183	65,333
Net increase in cash and cash equivalents	180,124	228,114	195,201	237,908	160,424	1,001,771
Cash and cash equivalents, July 1	1,147,122	1,885,488	1,649,813	783,359	329,163	5,794,945
Cash and cash equivalents, June 30	\$ 1,327,246	\$ 2,113,602	\$ 1,845,014	\$ 1,021,267	\$ 489,587	\$ 6,796,716
Reconciliation of operating income to net cash provided by operating activities:						
Operating income (loss)	\$ (85,776)	\$ 98,491	\$ 7,045	\$ 207,456	\$ 65,025	\$ 292,241
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	277,184	146,414	319,801	498,314	15,808	1,257,521
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	15,932	38,178	7,865	(1,656)	(32,075)	28,244
Increase (decrease) in accounts payable and accrued liabilities	5,378	3,547	(689)	(13,483)	57,184	51,937
Increase (decrease) in accrued interest payable	(144)	(142)	(211)	(18,542)	-	(19,039)
Increase (decrease) in customer deposits	4,050	4,300	5,030	18,060	-	31,440
(Increase) decrease in deferred outflows of resources-pensions	4,765	5,674	4,863	2,128	9,605	27,035
Increase in net pension liability	(2,020)	2,460	1,502	629	5,127	7,698
Increase (decrease) in deferred inflows of resources - pensions	670	1,538	1,207	497	2,417	6,329
Increase (decrease) in accrued landfill closure	-	-	-	-	28,332	28,332
Increase (decrease) in compensated absences	1,015	1,928	1,523	609	393	5,468
Increase (decrease) in OPEB obligation	(413)	(784)	(619)	(248)	(1,152)	(3,216)
Total adjustments	306,417	203,113	340,272	486,308	85,639	1,421,749
Net cash provided by operating activities	\$ 220,641	\$ 301,604	\$ 347,317	\$ 693,764	\$ 150,664	\$ 1,713,990

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Agency Funds
ASSETS	
Cash and investments	\$ 82,921
Accounts receivable	3,486
Total Assets	<u>\$ 86,407</u>
LIABILITIES AND NET POSITION	
Liabilities:	
Miscellaneous liabilities	<u>\$ 86,407</u>
Total Liabilities	<u>\$ 86,407</u>

The notes to the financial statements are an integral part of this statement.

**NOTES TO THE BASIC FINANCIAL
STATEMENTS**

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

I. Summary of Significant Accounting Policies

The accounting policies of Warren County and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable.

Discretely Presented Component Units

Warren County ABC Board

The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund.

Complete financial statements for the ABC Board may be obtained at the administrative office of that entity.

Warren County ABC Board
1230 US Hwy 158 Bus. W
Norlina, North Carolina 27563

Warren County Industrial Facility and Pollution Control Financing Authority

The Authority exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member board of commissioners, all of whom are appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause. The County is able to impose its will upon the Authority. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Authority does not issue separate financial statements.

Warren County Public Facilities Company

The Company exists to promote economic development in Warren County by serving as an entity to hold title to real property and to construct buildings for lease to companies that have agreed to locate and/or expand in the County. The Company is governed by a seven-member board of directors, all of whom are appointed by the County Commissioners. The County can remove any director with or without cause. The Company, which has a June 30 year-end, is presented as if it were a proprietary fund.

Complete financial statements for the Company may be obtained at the administrative office of company.

Warren County Public Facilities Company
501 US Hwy 158 Bus. E
Warrenton, North Carolina 27589

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B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Warren County has five enterprise funds, four of which are major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental funds:

General Fund. This is the County'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 Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

The County reports the following major enterprise funds. These funds are used to account for water and sewer and solid waste operations in the County.

Regional Water System Enterprise Fund. This fund is used to account for the operations of the regional water and sewer district within the County.

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District One Enterprise Fund. This fund is used to account for the operations of the district one water and sewer district within the County.

District Two Enterprise Fund. This fund is used to account for the operations of the district two water and sewer district within the County.

District Three Enterprise Fund. This fund is used to account for the operations of the district three water and sewer district within the County.

The County reports the following fund types:

Agency Funds – Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Warren County Board of Education; the Municipal Tax Fund, which accounts for funds that are billed and collected by the county for various municipalities and special districts within the County but that are not revenues to the County.

Non-major Funds – The County maintains four legally budgeted special revenue funds and five legally budgeted capital projects funds. The Special Fire Districts Fund, the Emergency Telephone System Fund, the CDBG George Davis Project Fund, the Green-Duke House Conditions Assessment Project, and the CARES Act Funding Project Fund are reported as non-major special revenue funds. The Buck Springs Leadership Center, Simulcast System Upgrade, Recreation Complex Phase III, Emergency Service Headquarters and Road Improvements Project Fund are reported as capital projects funds. The Solid Waste Fund is reported as a non-major proprietary fund.

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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 non-operating 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

**WARREN COUNTY, NORTH CAROLINA
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revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds 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 non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and three of the Special Revenue Funds; the Special Fire Districts Fund, the Emergency Telephone System Fund, and the Revaluation Fund. An annual budget is also adopted for the five Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the CDBG George Davis Project Fund, the Green-Duke House Conditions Assessment Project Fund, the CARES Act Funding Fund, the Capital Projects Funds, and

**WARREN COUNTY, NORTH CAROLINA
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the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change departmental appropriations. The governing board must approve all amendments. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

D. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity

1. Deposits and Investments

All deposits of the County, the ABC Board, and the Public Facilities Company are made in board-designated official depositories and are secured as required by G. S. 159-31. The County, the ABC Board, and the Public Facilities Company may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the ABC Board, and the Public Facilities Company may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State Law [G.S. 159-30(c)] authorizes the County, the ABC Board, and the Public Facilities Company to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The majority of the County and the ABC Board's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost.

- The NC Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

2. Cash and Cash Equivalents

The County pools money from several funds, except the Social Services Fund, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board and the Public Facilities Company consider demand deposits and investments purchased with an original maturity of three months or less and which are not limited as to use to be cash and cash equivalents.

3. Restricted Cash

Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

**WARREN COUNTY, NORTH CAROLINA
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<u>Warren County Restricted Cash</u>		
Governmental Activities		
General Fund	Tax Revaluation	\$ 201,926
General Fund	School Capital Reserve	2,526,874
Emergency Service Headquarters	Debt proceeds	212,225
Business-type Activities		
District III Enterprise Fund	RD Reserve for USDA loans	<u>7,770</u>
Total		<u>\$ 2,948,795</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Inventory

The inventories of the County and the ABC Board are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of gasoline used by county vehicles and is recorded as an expenditure when consumed. The inventory of the ABC Board consists of goods held for sale. The cost of the inventory carried at the ABC Board is recorded as an expense as it is sold.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are as follows: \$50,000 for buildings and building improvements; and \$5,000 for equipment, vehicles, computer software, and furniture. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Warren County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education after restrictions of the financing agreements and all sales tax reimbursement

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requirements have been met. The properties are reflected as capital assets in the financial statements of the Warren County Board of Education.

Capital Assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Useful Life</u>
Buildings	40 years
Equipment	5-10 years
Vehicles	5-10 years
Computer Software	5 years
Water and sewer lines	40 years
Elevated tanks	40 years

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Buildings	20 years
Furniture/equipment	5-10 years
Vehicles	5 years
Leasehold Improvements	5-10 years

Property, plant and equipment of the Public Facilities Company are depreciated over their useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Buildings	40 years
Land improvements	15 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – pension and OPEB related deferrals, and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category – prepaid taxes and other pension related and OPEB deferrals.

9. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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10. Compensated Absences

The vacation policies of the County and the ABC Board provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide, proprietary fund. For the County's government-wide and proprietary funds and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The county's liability for accumulated earned vacation and the salary-related payments as of June 30, 2020 is recorded in the government-wide and proprietary fund financial statements on a LIFO basis.

The sick leave policies of the County and the ABC Board provide for an unlimited 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 neither the County nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance- This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories-portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Restricted Fund Balance-This classification includes revenue sources that are restricted to specific purposes externally imposed or imposed by law.

Restricted for Stabilization by State Statute-North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in*

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any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation.” RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted net position and Restricted fund balance on the face of the balance sheet.

Restricted for Public Safety-portion of fund balance that is restricted by revenue source for public safety purposes.

Restricted for Economic Development-portion of fund balance that is restricted by revenue source for fire protection expenditures.

Restricted for Recreation-portion of fund balance that is restricted by revenue source for recreation purposes.

Restricted for Education- portion of fund balance that is restricted by revenue source for school capital reserve purposes.

Committed Fund Balance-Portion of fund balance that can only be used for specific purposes imposed by resolution of Warren County’s Board of Commissioners (highest level of decision-making authority). Any changes or removal of specific purposes requires resolution by the Board of Commissioners.

Committed for Revaluation - portion of fund balance that can only be used for Tax Revaluation.

Assigned Fund Balance-portion of fund balance that the County’s governing board has budgeted.

Subsequent year’s expenditures-portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing body approves the appropriation.

Unassigned Fund Balance-Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only governmental fund that reports a positive unassigned fund balance. Other governmental funds will only report an unassigned fund balance if their expenditures exceed the amounts that are restricted, committed or assigned for specific purposes which will cause a negative unassigned fund balance.

Warren County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-county funds, county funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it’s in the best interest of the County.

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

12. Defined Benefit Pension and OPEB Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF), the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"), and one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. For purposes of measuring the total OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the additions to/deductions from the HCB's total liability have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all are reported at fair value.

E. Reconciliation of Government-Wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$12,429,387 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 37,495,839
Less Accumulated Depreciation	<u>(16,628,513)</u>
Net capital assets	<u>20,867,326</u>
Net pension asset	27,738
Contributions and adjustments to the pension plan in the current fiscal year	959,437
Benefit payments and pension administration costs for LEOSSA	4,513
Contributions to OPEB plan in the current fiscal year	21,531

**WARREN COUNTY, NORTH CAROLINA
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Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements.	143,692
Deferred inflows of resources for taxes receivable	1,249,189
Pension related deferrals	1,255,754
OPEB related deferrals	(107,845)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Bonds, leases, and installment financing	(6,130,793)
Compensated absences	(875,784)
Other postemployment benefits	(347,159)
Net pension liability-LEOSSA	(378,263)
Net pension liability-LGERS	(4,213,364)
Accrued interest payable	<u>(46,585)</u>
Total adjustment	<u>\$ 12,429,387</u>

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The government fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$ (776,713) as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 961,685
Cost of capital assets sold not recorded in fund statements	(17,195)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities – it affects only the government-wide statement of net position	(625,471)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(1,164,723)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	921,733

**WARREN COUNTY, NORTH CAROLINA
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Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	959,437
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	4,513
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	21,531
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	4,682
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(88,219)
OPEB expense	(28,462)
County's portion of collective pension expense	(1,870,195)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements	
Increase in deferred inflows of resources – taxes receivable – at end of year	131,792
Increase in accrued taxes receivable at end of year	<u>12,179</u>
Total adjustment	<u>\$ (776,713)</u>

II. Stewardship, Compliance, and Accountability

A. Excess of Expenditures Over Appropriation

In Exhibit B-1, the General Fund expenditures for the area mental health district, youth and family programs, and debt service exceeded the budgeted amounts by \$81, \$56 and \$444, respectively. In Exhibit D-6, the District Three/Phase III Capital Project Fund had a transfer to the District III Enterprise Fund that exceeded the budgeted amounts by \$5,956. The County will strive to do a better job in the future of anticipating overages such as these.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's, the ABC Board's, and the Public Facilities Company's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agents in the County's, the Board's, and the Company's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's

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agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by their agents in the entities' names. The amount of the depository that collateralizes public deposits under the Pooling Method, pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for under collateralization, and its risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County, the ABC Board and the Public Facilities Company do not have policies regarding custodial credit risk for deposits.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the County's deposits had a carrying amount of \$3,128,076 and a bank balance of \$3,267,036. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$2,767,036 in interest bearing deposits was covered by collateral held under the Pooling Method. At June 30, 2020, Warren County had \$1,907 cash on hand.

At June 30, 2020, the ABC Board's deposits had a carrying amount of \$408,405 and a bank balance of \$500,873. All of the bank balance was covered by federal depository insurance and collateralized using the Pooling Method.

2. Investments

As of June 30, 2020, the County had the following investments and maturities.

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Less Than</u>	
		<u>Fair Value</u>	<u>6 months</u>
NC Capital Management Trust-Government Portfolio	Fair Value-Level I	\$20,403,743	\$20,403,743

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of Fair Value Hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to

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maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organization (NRSROs). The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020. The County has no policy on credit risk.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

3. Property Tax-Use-Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Year Levied</u>	<u>Total Taxes</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 978,188	\$ 320,357	\$ 1,298,545
2018	905,720	215,109	1,120,829
2019	892,752	131,681	1,024,433
2020	942,557	54,197	996,754
Totals	<u>\$ 3,719,217</u>	<u>\$ 721,344</u>	<u>\$ 4,440,561</u>

4. Receivables

Receivables at the government-wide level at June 30, 2020, were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 3,558,297	\$ 1,784,145	\$ 794,904	\$ 6,137,346
Other Governmental	22,471	113,736	12,466	148,673
Total Receivables	3,580,768	1,897,881	807,370	6,286,019
Allowance for Doubtful Accounts	(2,710,464)	(505,000)	-	(3,215,464)
Total-Governmental Activities	<u>\$ 870,304</u>	<u>\$ 1,392,881</u>	<u>\$ 807,370</u>	<u>\$ 3,070,555</u>
Business-Type Activities:				
Solid Waste	\$ 618,650	\$ -	\$ 14,283	\$ 632,933
Water & Sewer	392,488	-	13,682	406,170
Total Receivables	1,011,138	-	27,965	1,039,103
Allowance for Doubtful Accounts	(215,614)	-	-	(215,614)
Total-Business-Type Activities	<u>\$ 795,524</u>	<u>\$ -</u>	<u>\$ 27,965</u>	<u>\$ 823,489</u>

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Due from other governments that is owed to the County consists of the following:

Sales tax refund	\$ 139,719
Sales tax	680,618
Video programming	2,480
White goods	2,332
Scrap tire	6,097
Solid waste	4,089
Total	<u>\$ 835,335</u>

5. Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,010,799	\$ 42,925	\$ (17,195)	\$ 1,036,529
Construction in Progress	<u>5,365,518</u>	<u>199,315</u>	<u>-</u>	<u>5,564,833</u>
Total capital assets not being depreciated	<u>6,376,317</u>	<u>242,240</u>	<u>(17,195)</u>	<u>6,601,362</u>
Capital assets being depreciated:				
Buildings	22,030,766	-	-	22,030,766
Land Improvements	190,578	-	-	190,578
Improvements	876,313	80,836	-	957,149
Equipment	3,745,776	455,357	-	4,201,133
Vehicles	<u>3,423,946</u>	<u>183,252</u>	<u>(92,347)</u>	<u>3,514,851</u>
Total capital assets being depreciated	<u>30,267,379</u>	<u>719,445</u>	<u>(92,347)</u>	<u>30,894,477</u>
Less accumulated depreciation for:				
Buildings	9,795,493	522,888	-	10,318,381
Land Improvements	80,579	21,689	-	102,268
Improvements	217,093	54,888	-	271,981
Equipment	2,903,409	236,670	-	3,140,079
Vehicles	<u>2,559,563</u>	<u>328,588</u>	<u>(92,347)</u>	<u>2,795,804</u>
Total accumulated depreciation	<u>15,556,137</u>	<u>\$ 1,164,723</u>	<u>\$ (92,347)</u>	<u>16,628,513</u>
Total capital assets being depreciated, net	<u>14,711,242</u>			<u>14,265,964</u>
Governmental activity capital assets, net	<u>\$ 21,087,559</u>			<u>\$ 20,867,326</u>
Business-type activities:				
Solid Waste-Fund 66				
Capital assets not being depreciated:				
Land	\$ 114,580	\$ -	\$ -	\$ 114,580
Total capital assets not being depreciated	<u>114,580</u>	<u>-</u>	<u>-</u>	<u>114,580</u>
Capital assets being depreciated:				
Buildings	215,824	-	-	215,824
Land improvements	17,743	-	-	17,743
Equipment	199,681	43,680	-	243,361
Vehicles	<u>157,455</u>	<u>-</u>	<u>-</u>	<u>157,455</u>
Total capital assets being depreciated	<u>590,703</u>	<u>43,680</u>	<u>-</u>	<u>634,383</u>

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	Beginning Balances	Increases	Decreases	Ending Balances
Less accumulated depreciation for:				
Buildings	215,824	-	-	215,824
Land improvements	17,743	-	-	17,743
Equipment	176,099	9,269	-	185,368
Vehicles	141,109	6,539	-	147,648
Total accumulated depreciation	<u>550,773</u>	<u>\$ 15,808</u>	<u>\$ -</u>	<u>566,583</u>
Total capital assets being depreciated, net	<u>39,928</u>			<u>67,800</u>
Solid Waste capital assets, net	<u>\$ 154,508</u>			<u>\$ 182,380</u>
Regional Water-Fund 62				
Capital assets not being depreciated:				
Land	<u>\$ 48,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,265</u>
Total capital assets not being depreciated	<u>48,265</u>	<u>-</u>	<u>-</u>	<u>48,265</u>
Capital assets being depreciated:				
Equipment	67,323	2,668	-	69,991
Improvements	837,254	-	-	837,254
Vehicles	48,269	7,275	-	55,544
Water distribution lines	<u>7,735,881</u>	<u>-</u>	<u>-</u>	<u>7,735,881</u>
Total capital assets being Depreciated	<u>8,688,727</u>	<u>9,943</u>	<u>-</u>	<u>8,698,670</u>
Less accumulated depreciation for:				
Equipment	45,383	1,328	-	46,711
Improvements	83,725	20,931	-	104,656
Vehicles	44,548	1,880	-	46,428
Water distribution lines	<u>5,624,089</u>	<u>253,044</u>	<u>-</u>	<u>5,877,133</u>
Total accumulated depreciation	<u>5,797,743</u>	<u>\$ 277,183</u>	<u>\$ -</u>	<u>6,074,928</u>
Total capital assets being depreciated, net	<u>2,890,984</u>			<u>2,623,742</u>
Regional water capital assets, net	<u>\$ 2,939,249</u>			<u>\$ 2,672,007</u>
Water District One-Fund 65				
Capital assets not being depreciated:				
Construction in progress	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets being depreciated:				
Equipment	33,976	2,668	-	36,644
Vehicles	90,396	7,275	-	97,671
Water distribution lines	<u>5,761,577</u>	<u>-</u>	<u>-</u>	<u>5,761,577</u>
Total capital assets being depreciated	<u>5,885,949</u>	<u>9,943</u>	<u>-</u>	<u>5,895,892</u>
Less accumulated depreciation for:				
Equipment	31,560	494	-	32,054
Vehicles	86,675	1,880	-	88,555
Water distribution lines	<u>2,911,283</u>	<u>144,039</u>	<u>-</u>	<u>3,055,322</u>
Total accumulated depreciation	<u>3,029,516</u>	<u>\$ 146,413</u>	<u>\$ -</u>	<u>3,175,931</u>
Total capital assets being depreciated, net	<u>2,856,433</u>			<u>2,719,961</u>
Water District One capital assets, net	<u>\$ 2,856,433</u>			<u>\$ 2,719,961</u>

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	Beginning Balances	Increases	Decreases	Ending Balances
Water District Two-Fund 69				
Capital assets not being depreciated:				
Land	\$ 70,725	\$ -	\$ -	\$ 70,725
Construction in progress	<u>11,100</u>	<u>23,351</u>	<u>-</u>	<u>34,451</u>
Total capital assets not being depreciated	<u>81,825</u>	<u>23,351</u>	<u>-</u>	<u>105,176</u>
Capital assets being depreciated:				
Equipment	267,330	2,668	-	269,998
Vehicles	25,175	7,275	-	32,450
Elevated tanks	950,447	-	-	950,447
Water distribution lines	<u>11,124,320</u>	<u>-</u>	<u>-</u>	<u>11,124,320</u>
Total capital assets being depreciated	<u>12,367,272</u>	<u>9,943</u>	<u>-</u>	<u>12,377,215</u>
Less accumulated depreciation for:				
Equipment	93,786	16,051	-	109,837
Vehicles	21,454	1,880	-	23,334
Elevated tanks	415,820	23,761	-	439,581
Water distribution lines	<u>4,545,494</u>	<u>278,108</u>	<u>-</u>	<u>4,823,602</u>
Total accumulated depreciation	<u>5,076,553</u>	<u>\$ 320,647</u>	<u>\$ -</u>	<u>5,396,354</u>
Total capital assets being depreciated, net	<u>7,290,719</u>			<u>6,980,861</u>
Water District Two capital assets, net	<u>\$ 7,372,544</u>			<u>\$ 7,086,037</u>
Water District Three-Fund 73				
Capital assets not being depreciated:				
Construction in progress	\$ 91,985	\$ 379,532	\$ -	\$ 471,517
Total capital assets not being depreciated	<u>91,985</u>	<u>379,532</u>	<u>-</u>	<u>471,517</u>
Capital assets being depreciated:				
Equipment	81,339	2,668	-	84,007
Vehicles	84,892	7,275	-	92,167
Water distribution lines	<u>19,803,800</u>	<u>-</u>	<u>-</u>	<u>19,803,800</u>
Total capital assets being depreciated	<u>19,970,030</u>	<u>9,943</u>	<u>-</u>	<u>19,979,974</u>
Less accumulated depreciation for:				
Equipment	68,087	1,338	-	69,425
Vehicles	81,170	1,881	-	83,051
Water distribution lines	<u>2,657,564</u>	<u>495,095</u>	<u>-</u>	<u>3,152,659</u>
Total accumulated depreciation	<u>2,806,821</u>	<u>\$ 498,314</u>	<u>\$ -</u>	<u>3,305,135</u>
Capital assets being depreciated, net	<u>17,163,209</u>			<u>16,674,839</u>
Water District Three capital assets, net	<u>\$ 17,255,194</u>			<u>\$ 17,146,356</u>
Business-type activities capital assets, net	<u>\$ 30,577,930</u>			<u>\$ 29,806,741</u>

Depreciation Expense

Depreciation expense was charged to functions/program of governmental activity capital assets as follows:

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General Government	\$ 203,314
Public Safety	567,767
Economic and Physical Development	2,838
Environmental Protection	6,816
Human Services	211,055
Cultural and Recreational	<u>172,933</u>
Total Depreciation Expense	<u>\$ 1,164,723</u>

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2020, was as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Amount</u>
Land	\$ 195,500	\$ -	\$ 195,500
Building	1,335,848	103,111	1,232,737
Furniture/Equipment	313,638	192,544	121,094
Leasehold improvements	<u>47,125</u>	<u>47,125</u>	<u>-</u>
	<u>\$ 1,892,111</u>	<u>\$ 342,780</u>	<u>\$ 1,549,331</u>

Activity for the Warren County Public Facilities Company for the year ended June 30, 2020, was as follows:

	<u>Cost</u>
Land	\$ 48,087
Land improvements	14,400
Building	<u>3,861,429</u>
Property and equipment, total	3,923,916
Less: Accumulated depreciation	<u>(852,866)</u>
Property and equipment, net	<u>\$ 3,071,050</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2020, were as follows:

	<u>Vendors</u>
Governmental Activities:	
General	\$ 695,757
Other governmental	<u>536,667</u>
Total-governmental activities	<u>\$ 1,232,424</u>
Business-type Activities:	
Solid Waste	\$ 199,475
Water & Sewer Fund	<u>146,989</u>
Total-business-type activities	<u>\$ 346,464</u>

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of

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general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 9.03% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$992,654 for the year ended June 30, 2020.

Refunds of Contributions – County employees, who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law,

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refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2020, the County reported a liability of \$4,394,873 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019 (measurement date), the County's proportion was .16093%, which was a decrease of .01146% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$1,919,755. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 752,514	\$ -
Changes of assumptions	716,291	-
Net difference between projected and actual earnings on pension plan investments	107,197	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	179,811
County contributions subsequent to the measurement date	999,330	-
Total	<u>\$ 2,575,332</u>	<u>\$ 179,811</u>

\$999,330 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 728,351
2022	186,040
2023	385,350
2024	96,450

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Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections 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 estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 10,51,878	\$ 4,394,873	\$ (307,244)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

b. Law Enforcement Officer's Special Separation Allowance

1. Plan Description

Warren County administers a public employee retirement system (*the Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. This retirement system is a part of the Local Government Retirement System which is addressed in the footnotes above. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County chooses to fund this plan on a pay-as-you-go basis. Actuarial valuations are obtained to help the County plan for the future needs of the retirement plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>33</u>
Total	<u>34</u>

**WARREN COUNTY, NORTH CAROLINA
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2. Summary of Significant Accounting Policies:

Basis of Accounting – The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance does not have assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

3. Actuarial Assumptions:

The entry age actuarial cost method was used in the December 31, 2018 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent per annum.
Salary increases	3.50%-7.35% per annum
Discount rate	3.26 percent per annum, compounded annually

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018.

The actuarial assumptions used in the December 31, 2018 valuation were based on results of an experience study completed by the Actuary for the LGERS for the five-year period ending December 31, 2014.

Mortality rates

Deaths After Retirement (Healthy): Mortality rates are based on the RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: Mortality rates are based on the RP-2014 employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths After Retirement (Beneficiary): Mortality rates are based on the RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

Deaths After Retirement (Disabled): Mortality rates are based on the RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

4. Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by the County or by its employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly.

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Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$4,513 as benefits came due for the reporting period.

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

At June 30, 2020, the County reported a total pension liability of \$378,263. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$25,563.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 94,032
Changes of assumptions	31,025	17,391
County benefit payments and plan administrative expense made subsequent to the measurement date	2,256	-
Total	<u>\$ 33,281</u>	<u>\$ 111,423</u>

\$2,256 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ (21,353)
2022	(21,353)
2023	(20,227)
2024	(17,247)
2025	(709)
Thereafter	491

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 2.79 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.79 percent) or 1-percentage-point higher (3.79 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 424,987	\$ 378,263	\$ 336,526

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**Schedule of Changes in Total Pension Liability
Law Enforcement Officer's Special Separation Allowance**

	2019
Beginning balance	\$ 327,383
Service Cost	35,081
Interest on the total pension liability	11,835
Differences between expected and actual experience in the measurement of the total pension liability	(7,951)
Changes of assumptions or other inputs	16,428
Benefit payments	(4,513)
Other changes	-
Ending balance of the total pension liability	<u>\$ 378,263</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2019 to 3.26 percent at June 30, 2020.

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description – The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy – Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2020, were \$223,203, which consisted of \$65,755 from the County and \$157,448 from the law enforcement officers.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description. Warren County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing, multiple-employer, defined benefit pension plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally

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sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$1,341 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$27,738 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2019, the County's proportion was .1405%, which was a decrease of .00425% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$2,775. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,338
Net difference between projected and actual earnings on pension plan investments	284	-
Changes in proportion and differences between County contributions and proportionate share of contributions	984	-
County contributions subsequent to the measurement date	1,341	-
Total	<u>\$ 2,609</u>	<u>\$ 1,338</u>

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\$1,341 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 34
2022	480
2023	(35)
2024	(549)

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections 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 adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2020 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (1,869)	\$ (27,738)	\$ (906)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

e. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for LGERS and ROD was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2019, with an actuarial valuation date of December 31, 2018. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 4,394,873	\$ (27,738)	\$ -	\$ 4,367,135
Proportion of the Net Pension Liability (Asset)	.16093%	(.1405%)	N/A	N/A
Total Pension Liability	-	-	378,263	378,263
Pension Expense	\$ 1,919,755	\$ 2,775	\$ 25,563	\$ 1,948,093

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 752,514	\$ -	\$ -	\$ 752,514
Changes of assumptions	716,291	-	31,025	747,316
Net difference between projected and actual earnings on pension plan investments	107,197	284	-	107,481
Changes in proportion and differences between County contributions and proportionate share of contributions	-	984	-	984
County contributions (LGERS, ROD)/benefit payments (LEOSSA) subsequent to the measurement date	999,330	1,341	2,256	1,002,927
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	-	1,338	94,032	95,370
Changes of assumptions	-	-	17,391	17,391
Changes in proportion and differences between County contributions and proportionate share of contributions	179,811	-	-	179,811

f. Other Postemployment Benefits

Plan Description

Plan Description –Under a County resolution, Warren County administers the Healthcare Benefits Plan (HCB), a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all retirees of the County who participate in the North Carolina Local Governmental Employees’ Retirement System (System) and were employed with the County at retirement are eligible to participate in the HCB Plan if they meet one of the following retirement conditions:

- Age 60 or older with at least twenty years of service with Warren County.
- Age 55 or older with at least thirty years of service with LGERS and at least twenty years of service with Warren County.

Retirees meeting the years of employment requirement, but who do not meet the age requirements above will be eligible to enroll in the County’s group benefits insurance plan upon reaching the required age. It is assumed that members who retire prior to the required age receive coverage elsewhere.

The plan, which has a June 30, 2019 year end, does not issue a stand-alone report.

Benefits provided: The HCB Plan provides healthcare benefits for retirees. The County will not contribute any of the cost of the health or dental plan. Eligible retirees may pay the cost of a regular employee for health care, prescription drug, vision and dental coverage which are offered under the HCB plan until age 65. The retiree may continue dependent coverage (and pay the full

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cost of this coverage) if enrolled in dependent coverage at the time of retirement. Dependent coverage terminates upon the retiree becoming eligible for Medicare.

Contributions. The Board of Commissioners established the contribution requirements of plan members which may be amended by the Board. For the year ended June 30, 2019, the Non-Medicare monthly premium was \$699.07 per month. The Board of Commissioners may amend the benefit provisions.

Plan membership. Membership of the HCB Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefit payments	4
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>280</u>
Total Membership	<u><u>284</u></u>

Total OPEB Liability

The County's total OPEB liability of \$366,009 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2019.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increase, including wage inflation	
General Employees	3.50 to 7.75 percent
Firefighters	3.50 to 7.75 percent
Law Enforcement Officers	3.50 to 7.35 percent
Discount rate	3.50 percent
Healthcare cost trend rates	
Pre-Medicare	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026

The discount rate is based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements.

The demographic actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014.

The remaining actuarial assumptions used were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

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Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 443,068
Service Cost	24,342
Interest on the total OPEB liability and Cash Flows	16,798
Differences between expected and actual experience	(101,686)
Changes of assumptions or other inputs	6,187
Benefit payments	(22,700)
Other changes	-
Balance at June 30, 2019	<u>\$ 366,009</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

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

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease <u>(2.50%)</u>	Discount <u>Rate (3.50%)</u>	1% Increase <u>(4.50%)</u>
Total OPEB liability	\$ 403,529	\$ 366,009	\$ 332,375

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u></u>	Current <u></u>	1% Increase <u></u>
Total OPEB liability	\$ 323,138	\$ 366,009	\$ 417,158

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$26,613. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,698	\$ 90,388
Changes of assumptions	5,500	26,311
County contributions subsequent to the measurement date	18,500	-
Total	<u>\$ 25,698</u>	<u>\$ 116,699</u>

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\$18,500 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease in the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$(14,527)
2022	(14,527)
2023	(14,527)
2024	(14,527)
2025	(14,527)
Thereafter	(36,866)

f. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

3. Closure and Postclosure Care Costs – Solid Waste Landfill Facility

State and federal laws and regulations require the County to place a final cover on its Solid Waste Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Warren County landfill closed in 1993. The \$277,686 reported as accrued landfill closure liability at June 30, 2020 represents the latest estimate for costs remaining.

The County has met the requirements of a local government financial test that helps determine if a unit is financially able to meet closure and post closure care requirements. The County budgets annually for post closure care. In the event a natural occurrence, inflation or any other unforeseen event occurs, the County would appropriate funds from the Solid Waste fund balance and/or increase charges to future solid waste customers.

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4. Deferred Outflows and Inflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pensions – difference between expected and actual experience		
Pensions	\$ 752,514	\$ 95,370
OPEB	1,698	90,388
Changes of assumptions		
Pensions	747,316	17,391
OPEB	5,500	26,311
Pensions – difference between projected and actual investment earnings		
Pensions	107,481	-
Pensions-changes in proportion and difference between employer contributions and proportionate share of contributions		
Pensions	984	179,811
Contributions to pension plan in 2019-2020 fiscal year		
Pensions	1,002,927	-
Benefit payments for the OPEB plan paid subsequent to measurement date	18,500	-
Prepaid taxes not yet earned (General)	-	73,021
Taxes receivable, net (General)	-	1,140,453
Taxes receivable, net (Special Revenue Fund)	-	108,736
Total	<u>\$ 2,636,920</u>	<u>\$ 1,731,481</u>

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. The County protects itself from loss with general liability coverage, public official's liability coverage, law enforcement liability coverage, cyber liability coverage, automobile liability coverage, automobile physical damage, property coverage, and worker's compensation coverage, all purchased through the NCACC Risk Management Pool. The County obtains liability coverage limits up to \$2,000,000 per occurrence; cyber liability limits up to \$1,000,000 aggregate claims made; automobile liability limits up to \$2,000,000 per occurrence; and automobile physical damage limits are equal to the actual cash value at the time of the loss, unless otherwise specified in the Coverage Document (Deductible Applies). Workers Compensation coverage is up to the statutory limits. The County provided competitive employee health, dental and vision benefits through Blue Cross and Blue Shield of NC during FY 2020. Effective July 1, 2020, the County became a participant in the North Carolina Health Insurance Pool (NCHIP).

The County has made the decision not to purchase flood insurance at this time. The County does not deem the risk of flooding to outweigh the costs of insurance.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond. The Director of Finance, Deputy Director of Finance and tax collector are each individually bonded for \$50,000, \$50,000 and \$20,000, respectively. The Register of Deeds and Sheriff are each bonded for \$10,000 and \$20,000, respectively.

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The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

Warren County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The ABC Board has commercial property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

6. Commitments

The County agreed to take over a contract entered into by Soul City Sanitary District to partner with the City of Henderson and the City of Oxford to sell water to the towns of Norlina and Warrenton. County officials believe this minimum purchase is necessary to attract future industrial development. The contract began in 1973 and is for a period of 40 years. The contract requires the County to purchase a minimum of one million gallons of water per day. The contract was renewed in 2013.

At June 30, 2020, the County was obligated under several operating leases for office space, equipment and solid waste convenience sites. Rent expense for the year ended June 30, 2020 was \$141,259. Future rent payments total:

For Year Ending <u>June 30</u>	General <u>Fund</u>	Enterprise <u>Fund</u>	<u>Total</u>
2021	\$ 86,978	\$ 52,076	\$ 139,054
2022	74,783	42,316	117,099
2023	70,718	29,836	100,554
2024	<u>53,731</u>	<u>25,226</u>	<u>78,957</u>
Total	<u>\$ 286,210</u>	<u>\$ 149,454</u>	<u>\$ 435,664</u>

The County has made and entered into an agreement in July 2018 with Waste Industries, Inc. to operate eight Manned Convenience Center sites at the landfill. The agreement calls for charges on a monthly basis at the following rates:

Monthly charge for all sites \$ 51,104 per month

The County has made and entered into an agreement in July 2018 with Waste Industries, Inc to operate a Transfer Station to transport certain solid waste from the station to a permitted landfill. Compensation is paid monthly at the following rates:

Hauling cost \$ 66.17 per ton

The County has made and entered into an agreement on April 18, 1994 for the collection of bills for emergency medical services provided to individuals. The agreement went into effect on April 18, 1994 for a period of one year and will automatically be renewed unless canceled by either party with a 30-day notice. Compensation will be paid \$9.50 per account billed and 25% of the sum collected if that sum is collected after the initial 90-day period.

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NOTES TO THE FINANCIAL STATEMENTS
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The County has made and entered into an agreement with Waste Industries, Inc. to service a convenience site for Detention Center for \$489 per month.

The County has made and entered into an agreement with Waste Industries, Inc. to service a convenience site for Jack's Landing for \$225-\$405 per month.

7. Contingent Liabilities

At June 30, 2020, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

8. Long-Term Obligations

a. Installment Purchases

On April 28, 2006, the County entered into an installment purchase agreement to finance the construction of the animal control shelter and Phase I of the recreation complex. The installment agreement requires thirty semiannual payments of \$31,666.67, plus interest, beginning October 2006 and ending April 2021. The interest rate is 3.97%.

On September 21, 2006, the County entered into an installment purchase agreement to finance the construction of Phase II of the recreation complex. The installment agreement requires thirty semiannual payments of \$73,808.30, plus interest, beginning March 2007 and ending September 2021. The interest rate is 4.16%.

On October 24, 2007, the County entered into an installment purchase agreement with Branch Banking and Trust Company (BB&T) to finance the construction of the Library and Commissioner Meeting Room Building. The installment requires thirty semiannual payments of \$80,950.67, plus interest of 3.91-2.59%, beginning April 2008 and ending October 2022.

On May 12, 2010, the County entered into an installment agreement with Southern Bank and Trust Company to finance part of the construction of the Tech High School. The installment agreement requires thirty semiannual payments of \$20,333.33, plus interest, beginning October 2010 and ending April 2025. The interest rate is 4.56%.

On May 26, 2010, the County entered into an installment agreement with BB&T to construct two EMS facilities and renovate the Armory and Old Library. The installment agreement requires thirty semiannual payments of \$22,300, plus interest, beginning November 2010 and ending May 2025. The interest rate is 4.76-2.97%.

On May 1, 2011, the County entered into a Federal Revolving Loan through NCDENR with principal in the amount of \$9,128.55 due annually on May 1 through 2030. This is an interest free loan.

On April 13, 2013, the County entered into an installment agreement to finance the Water Meter Project District II. The agreement is a 0.00% interest agreement for \$233,354, annual principal payments are to be made on May 1st of each year of \$11,667.70 through 2033.

On May 24, 2013, the County entered into an installment agreement through DENR for \$802,080 for sewer improvements. The loan requires annual principal payments in the amount of \$40,104

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

and semiannual interest payments at a rate of 2.455%. Loan payments begin in May 2014 and continue through May 2033.

On June 21, 2016, the County entered into an installment agreement to purchase six vehicles and VHF Radio System upgrade. The installment agreement requires monthly payments of \$35,469.71 at an interest rate of 1.88%. Payments begin in December 2016 and continue through June 2026.

On March 1, 2017, the County entered into an installment agreement to purchase an ambulance and other vehicles. The installment agreement requires monthly payments of \$8,493.54 at an interest rate of 1.78%. Payments begin in April 2017 and continue through March 2020.

On September 16, 2016, the County entered into an installment agreement to finance the Buck Springs project. The installment agreement requires semi-annual payments of \$33,746.73 at an interest rate of 1.95%. Payments begin in March 2017 and continue through September 2021.

On September 20, 2017, the County entered into an installment agreement to finance construction of an Emergency Medical Services facility. The installment agreement requires semiannual principal payments ranging from \$42,000 to \$300,000, plus interest at 2.48%. Payments begin in August 2018 and continue through August 2032.

On May 2, 2018, the County entered into an installment agreement to purchase an ambulance and other vehicles. The installment agreement requires monthly payments of \$7,609.42 at an interest rate of 3.0%. Payments begin in June 2018 and continue through May 2021.

On June 23, 2020, the County entered into an installment agreement to purchase vehicles and equipment. The installment agreement requires monthly payments of \$18,603.19 at an interest rate or 1.49%. Payments begin in July 2020 and continue through June 2023.

For Warren County, the future minimum payments as of 2020, including \$828,486 of interest, are:

Year Ending June 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Installment Purchases</u>		<u>Installment Purchases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,020,529	\$ 142,524	\$ 70,456	\$ 13,168
2022	928,772	114,476	70,599	12,040
2023	743,953	94,430	70,745	10,910
2024	452,649	79,810	60,900	9,845
2025	453,921	67,910	60,900	8,861
2026-2030	1,569,951	205,588	304,502	29,537
2031-2033	900,000	33,480	155,317	5,907
Total	<u>\$ 6,069,775</u>	<u>\$ 738,218</u>	<u>\$ 793,419</u>	<u>\$ 90,268</u>

b. General and Limited Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. Warren County issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the District One Enterprise Fund, the District Two Enterprise Fund, and the District Three Enterprise Fund are collateralized by the full faith, credit, and taxing

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

power of the County's water and sewer operations. Principal and interest payments are appropriated when due.

On November 10, 2015, the County Water Districts issued individual refunding bonds in the amount of \$1,235,000 for District I, \$2,240,000 for District II, and \$7,920,000 for District III. The County then issued Limited Obligation Bonds ("LOBs") to purchase these bonds; the County (and bondholders) have a security interest in the Water District's refunding bonds. When debt service is due, each water district will remit the debt service payments for their respective bonds to the County, who will then remit it to the bondholders. If a district does not pay, the County has the bonds (and the District's ad valorem taxing power for the general obligation bonds) as collateral. The Limited Obligation Bonds are appropriation-backed and require the Board to budget for the debt service annually. The payments will consist of an annual principal payment and bi-annual interest payments between 2.0% and 5.0% over the life of the term. As of June 30, 2020, the balance of the bonds was \$10,165,000.

Bonds payable at June 30, 2020 are comprised of the following individual issues:

General Obligation Bonds

Serviced by the County's General Fund:

\$500,000	Public Improvement serial bonds due on June 1 in installments of \$7,500 to \$40,000 through June 1, 2020 including interest at 6%	\$ <u> -</u>
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Business-type Activity:

Water Bonds

Serviced by the Water and Sewer District One Fund:

\$1,235,000	Refunding bonds issued on November 18, 2015 and due June 1 and December 1 in various installments of \$35,000 - \$70,000 from 2016 to 2038; interest varies from 2.0% to 3.625%.	\$ 1,050,000
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Serviced by the Water and Sewer District Two Fund:

\$2,240,000	Refunding bonds issued on November 18, 2015 and due June 1 and December 1 in various installments of \$50,000 - \$110,000 from 2016 to 2041; interest varies from 2.0% to 3.75%.	1,960,000
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Serviced by the Water and Sewer District Three Fund:

\$1,561,000	Water bonds issued January 25, 2012 and due June 1 in various installments from 2012 to 2051; interest at 3.75%	1,408,000
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\$7,920,000	Refunding bonds issued on November 18, 2015 and due June 1 and December 1 in various installments of \$130,000 - \$370,000 from 2016 to 2045; interest varies from 2.0% to 3.75%.	<u>7,155,000</u>
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Total		<u>\$ 11,573,000</u>
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WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Annual debt service requirements to maturity for the County's and the District's general obligation bonds and water bonds are as follows:

Year Ending <u>June 30,</u>	General Obligation Bonds		Water/Refunding Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ -	\$ -	\$ 305,000	\$ 449,712
2022	-	-	316,000	437,575
2023	-	-	332,000	422,100
2024	-	-	348,000	405,838
2025	-	-	369,000	388,788
2026-2030	-	-	2,113,000	1,663,962
2031-2035	-	-	2,526,000	1,243,769
2036-2040	-	-	2,671,000	774,594
2041-2045	-	-	2,200,000	313,500
2046-2050	-	-	341,000	49,050
2051-2054	-	-	52,000	1,950
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,573,000</u>	<u>\$ 6,150,838</u>

Warren County had a legal debt margin of \$186,381,304.

c. Capital Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

For Warren County, the agreement was executed on June 30, 2016 for the lease of an E911 phone system and requires monthly payments of \$4,831.75 for 60 months. Under the terms of the agreement, title passes to the County at the end of the lease term.

At June 30, 2020, the County leased vehicles and equipment valued at:

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 253,883	\$ 203,106	\$ 50,777

For Warren County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>Year Ending June 30</u>	
2021	\$ 48,318
2022	<u>14,495</u>
Total minimum lease payments	62,813
Less: Amount representing interest	<u>(1,795)</u>
Present value of the minimum lease payments	<u>\$ 61,018</u>

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

d. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2020:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Current Portion
Governmental Activities:					
General obligation bonds	\$ 18,000	\$ -	\$ (18,000)	\$ -	\$ -
Installment purchases	6,285,911	625,471	(841,607)	6,069,775	1,020,529
Capital leases	123,144	-	(62,126)	61,018	46,643
Pension obligation-LEO	327,383	50,880	-	378,263	-
Total OPEB liability	421,003	-	(73,844)	347,159	-
Compensated absences	787,565	875,784	(787,565)	875,784	218,946
Net pension liability (LGERS)	<u>3,915,868</u>	<u>297,496</u>	<u>-</u>	<u>4,213,364</u>	<u>-</u>
Total	<u>\$ 11,878,874</u>	<u>\$ 1,849,631</u>	<u>\$ (1,783,142)</u>	<u>\$ 11,945,363</u>	<u>\$ 1,286,118</u>
Business-type Activities:					
Water Bonds	\$ 11,867,000	\$ -	\$ (294,000)	\$ 11,573,000	\$ 305,000
Premiums	<u>325,153</u>	<u>-</u>	<u>(13,910)</u>	<u>311,245</u>	<u>-</u>
Total Water Bonds	12,192,153	-	(307,910)	11,884,245	305,000
Installment purchases	839,105	29,099	(74,785)	793,419	70,457
Total OPEB liability	22,065	-	(3,215)	18,850	-
Compensated absences	50,033	55,504	(50,033)	55,504	13,876
Net pension liability (LGERS)	173,812	7,697	-	181,509	-
Landfill Closure Cost	<u>249,354</u>	<u>28,332</u>	<u>-</u>	<u>277,686</u>	<u>69,100</u>
Total	<u>\$ 13,526,522</u>	<u>\$ 120,632</u>	<u>\$ (435,943)</u>	<u>\$ 13,211,213</u>	<u>\$ 458,433</u>

Compensated absences, other postemployment benefits, and the net pension obligation for governmental activities are generally liquidated by the General Fund. Compensated absences and other postemployment benefits for business-type activities are generally liquidated by the Solid Waste Fund, Regional Water Enterprise Fund, District I Enterprise Fund, District II Enterprise Fund, and District III Enterprise Fund.

For the Warren County ABC Board, long-term debt consisted of the following:

Installment loan payable – BB&T Governmental Finance Loan amount of \$850,000 payable in semi-annual installments of \$42,682 including interest at a rate of 3.10%, due March 1, 2026. Secured by real estate.

	\$ 464,106
Less: Current portion	<u>(71,527)</u>
Long-Term Debt	<u>\$ 392,579</u>

The following are maturities of long-term debt for each of the next five years and thereafter:

2021	\$ 71,527
2022	73,761
2023	76,065
2024	78,442
2025	80,892
Thereafter	<u>83,419</u>
Total	<u>\$ 464,106</u>

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Installment loan payable – Benchmark Construction Loan in the amount of \$727,410 payable in 27 quarterly installments of \$7,367 including interest at a rate of 2.99%. One final balloon payment of \$675,033 shall be due on the maturity date. Secured by real estate.	\$ 692,617
Less: Current portion	<u>(8,858)</u>
Long-Term Debt	<u>\$ 683,759</u>

The following are maturities of long-term debt for each of the next five years and thereafter:

2021	\$ 8,858
2022	9,125
2023	9,401
2024	9,686
2025	9,978
Thereafter	<u>645,569</u>
Total	<u>\$ 692,617</u>

For the Public Facilities Company, long-term debt consisted of the following:

Bank loan, with 83 monthly consecutive principal and interest payments of \$29,439 each, beginning March 1, 2015, with interest calculated on unpaid principal balances using an interest rate of 3.95%; and one principal and interest payment of entire balance due on February 1, 2022, with unpaid principal balances using an interest rate of 3.95%.	\$ 2,063,731
Less: Current portion	<u>(275,624)</u>
Long-Term Debt	<u>\$ 1,788,107</u>

For the year end June 30, 2020 interest paid was \$88,670.

The following are maturities of long-term debt for each of the next five years and thereafter:

2020	\$ 275,624
2021	284,944
2022	<u>1,503,163</u>
Total	<u>\$ 2,063,731</u>

e. Conduit Debt Obligations

Warren County Industrial Facility and Pollution Control Authority have issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County nor the Authority nor the State nor any political subdivision thereof, is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020, the outstanding balance of the industrial revenue bonds was \$0.

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

C. Interfund Balances and Transfer Activity

Transfers From/To Other Funds:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Revaluation Fund	\$ 50,000	Required annual contributions for revaluation
	Regional Water Enterprise Fund	637	Salary progression payouts
	District I Enterprise Fund	1,423	Salary progression payouts
	District II Enterprise Fund	1,161	Salary progression payouts
	District III Enterprise Fund	524	Salary progression payouts
	Solid Waste Fund	1,322	Salary progression payouts
	Emergency Telephone System Fund	2,915	To adjust beginning balance to PSAP report
		<u>\$ 57,982</u>	

Due To/From Other Funds:

<u>To</u>	<u>From</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Green-Duke House Conditions Assessment Project Fund	\$ 16,788	Central depository overdraft

D. Net Investment in Capital Assets

The following schedule provides information on the calculation of the net investment in capital assets:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net capital assets	\$ 20,867,326	\$ 29,806,741
Capital debt calculation:		
Total debt, gross	6,130,793	12,677,664
Less:		
School debt for assets to which the county does not hold title	<u>(203,333)</u>	<u>-</u>
Total capital debt	<u>5,927,460</u>	<u>12,677,664</u>
Net investment in capital assets	<u>\$ 14,939,866</u>	<u>\$ 17,129,077</u>

E. Fund Balance

The following schedule provides management and citizens with information on the portion of the General fund balance that is available for appropriation:

Total Fund Balance-General Fund	\$ 16,135,835
Less:	
Inventories	16,965
Stabilization by State Statute	1,659,525
Education	2,526,874
Revaluation	201,926
Appropriated fund balance in 2021 budget	1,454,918
Remaining Fund Balance	\$ 10,275,627

IV. Joint Ventures

A. Area Mental Health District

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Warren County participates with Alamance, Cabarrus, Caswell, Chatham, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, and Vance counties in an Area Authority and Managed Care Organization operated by Cardinal Innovations Healthcare Solutions. Each participating government appoints representation on the Oversight Board and has representation on the Board of Directors of Cardinal Innovations. The County contributed \$61,181 to the Area Mental Health during the fiscal year ended June 30, 2020. The County does not retain an equity interest in the program. Complete financial statements for Cardinal Innovations Health Care Solutions may be obtained from their administrative offices located at 4855 Milestone Avenue, Kannapolis, NC 28081.

B. Kerr Area Rural Transportation Authority

The Kerr Area Rural Transportation Authority (K.A.R.T.S.) is an association of five County governments, including Warren County. K.A.R.T.S. is a joint venture of the participating counties for the purpose of providing a safe, adequate and convenient transportation system for the jurisdictional area creating the authority and its immediate environs. The counties served by K.A.R.T.S. in addition to Warren County are Granville, Vance, Franklin, and Person. General support of K.A.R.T.S. is provided by Federal, State and local grants and users' fees. Each county appoints two members of the Authority management body and this governing body determines the budget and financing requirements of the Authority. The County has an ongoing financial responsibility for the joint venture because K.A.R.T.S. continued existence depends on the participant governments' continued findings. The County contributed \$40,581 to K.A.R.T.S. during the fiscal year ended June 30, 2020. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2020. Complete financial statements for K.A.R.T.S. can be obtained from their administrative offices at 943 W. Andrews Avenue, Henderson, N.C. 27536.

C. Vance Granville Community College

The County, in conjunction with the State of North Carolina, Vance County, Granville County, Warren County, Vance County Board of Education, and Warren County Board of Education, participates in a joint venture to operate the Vance Granville Community College. The State, Vance County, Granville County, Vance County Board of Education, and Granville County Board of Education appoint the twelve voting members of the board of trustees. Warren County appoints a nonvoting member of the board of trustees. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$225,625 and \$6,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2020. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2020. Complete financial statements for the community college may be obtained from the community college's administrative offices at P.O. Box 917, Henderson, N.C. 27536.

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

V. Jointly Governed Organization

The Kerr-Tar Council of Government is a voluntary association of five county governments, including Warren County, established to coordinate federal and State projects of a planning nature in the five-county area in Central North Carolina. Each county appoints one member to the Council's governing body and this governing body selects the management and determines the budget and financing requirements of the Council. The County contributed \$12,079 to the Council during the fiscal year ended June 30, 2020.

VI. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

VII. Significant Effects of Subsequent Events

The County has evaluated events and transactions that occurred between June 30, 2020 and February 24, 2021, which is the date that the financial statements were available to be issued for possible recognition or disclosure in the financial statements. There were no events that occurred during this time that were deemed to be significant enough to be disclosed.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- Schedule of County's Proportionate Share of the Net Pension Liability (Asset) – Local Governmental Employees' Retirement System
- Schedule of County Contributions – Local Governmental Employees' Retirement System
- Schedule of County's Proportionate Share of the Net Pension Liability (Asset) – Register of Deeds' Supplemental Pension Fund
- Schedule of County Contributions – Register of Deeds' Supplemental Pension Fund
- Schedule of Changes in Total Pension Liability – Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll – Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in Total OPEB Liability and Related Ratios – Healthcare Benefits Plan

WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.161%	0.172%	0.179%	0.185%	0.179%	0.172%	0.159%
County's proportionate share of the net pension liability (asset)	\$ 4,394,873	\$ 4,089,680	\$ 2,731,502	\$ 3,917,406	\$ 803,476	\$ (1,014,304)	\$ 1,910,534
County's covered payroll	\$ 10,816,771	\$ 10,887,123	\$ 10,785,731	\$ 10,743,157	\$ 10,470,638	\$ 10,049,579	\$ 9,342,823
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	40.63%	37.56%	25.33%	36.46%	7.67%	-10.09%	20.45%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	94.18%	94.17%	98.09%	98.79%	102.64%	94.35%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY CONTRIBUTIONS
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 999,330	\$ 851,841	\$ 835,048	\$ 801,262	\$ 733,181	\$ 754,946	\$ 713,109
Contributions in relation to the contractually required contribution	999,330	851,841	835,048	801,262	733,181	754,946	713,109
Contribution deficiency (excess)	-	-	-	-	-	-	-
County's covered payroll	\$ 10,893,776	\$ 10,816,771	\$ 10,887,123	\$ 10,785,731	\$ 10,743,157	\$ 10,470,638	\$ 10,049,579
Contributions as a percentage of covered payroll	9.17%	7.88%	7.67%	7.43%	6.82%	7.21%	7.10%

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
LAST SEVEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.141%	0.145%	0.150%	0.161%	0.141%	0.154%	0.159%
County's proportionate share of the net pension liability (asset)	\$ (27,738)	\$ (23,975)	\$ (25,573)	\$ (30,069)	\$ (32,629)	\$ (34,990)	\$ (33,962)
County's covered payroll	\$ 54,268	\$ 53,291	\$ 53,204	\$ 51,222	\$ 50,465	\$ 49,120	\$ 49,120
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-51.11%	-44.99%	-48.07%	-58.70%	-64.66%	-71.23%	-69.14%
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%	188.75%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY CONTRIBUTIONS
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
LAST SEVEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,341	\$ 1,335	\$ 1,239	\$ 1,302	\$ 1,314	\$ 1,127	\$ 1,260
Contributions in relation to the contractually required contribution	1,341	1,335	1,239	1,302	1,314	1,127	1,260
Contribution deficiency (excess)	-	-	-	-	-	-	-
County's covered payroll	\$ 54,268	\$ 53,291	\$ 53,204	\$ 51,222	\$ 51,222	\$ 50,465	\$ 49,120
Contributions as a percentage of covered payroll	2.47%	2.51%	2.33%	2.54%	2.57%	2.23%	2.57%

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 327,383	\$395,883	\$ 374,671	\$ 350,180
Service Cost	35,081	37,485	30,207	34,418
Interest on the total pension liability	11,835	12,432	14,283	12,304
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(7,951)	(94,293)	(49,789)	(11,178)
Changes of assumptions or other inputs	16,428	(19,215)	35,779	(11,053)
Benefit payments	(4,513)	(4,909)	(9,268)	-
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 378,263</u>	<u>\$327,383</u>	<u>\$395,883</u>	<u>\$ 374,671</u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 378,263	\$ 327,383	\$ 395,883	\$ 374,671
Covered payroll	1,374,126	1,423,457	1,333,539	1,397,694
Total pension liability as a percentage of covered payroll	27.53%	23.00%	29.69%	26.81%

Notes to the schedules:

Warren County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
HEALTHCARE BENEFITS PLAN
FOR THE YEAR ENDED JUNE 30, 2020

Total OPEB Liability	2020	2019	2018
Service Cost	\$ 24,342	\$ 25,133	\$ 27,105
Interest on the total pension liability	16,798	15,238	13,026
Differences between expected and actual experience	(101,686)	578	1,886
Changes of assumptions or other inputs	6,187	(14,025)	(23,289)
Benefit payments	(22,700)	(23,600)	(23,284)
Net change in total OPEB liability	(77,059)	3,324	(4,556)
Total OPEB liability - beginning	443,068	439,744	444,300
Total OPEB liability - ending	<u>\$ 366,009</u>	<u>\$ 443,068</u>	<u>\$ 439,744</u>
Covered payroll	10,280,016	10,218,900	10,218,900
Total OPEB liability as a percentage of covered payroll	3.56%	4.34%	4.30%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal Year	Rate
2020	3.50%
2019	3.89%
2018	3.56%

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

- **General Fund:** This fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

**WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019**

	2020		2019	
	Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad Valorem Taxes:				
Taxes		\$ 19,316,276		\$ 18,978,519
Penalties and interest		147,841		136,327
Total	\$ 19,172,500	19,464,117	\$ 291,617	19,114,846
Local Option Sales Taxes:				
Article 39 one percent		1,129,815		1,025,150
Article 40 one-half of one percent		1,398,983		1,372,712
Article 42 one-half of one percent		609,332		553,874
Article 44		933,308		873,215
Medicaid hold harmless		(169,788)		(170,423)
Total	3,463,000	3,901,650	438,650	3,654,528
Other taxes and licenses:				
Excise tax stamps		117,026		108,481
Total	88,000	117,026	29,026	108,481
Unrestricted intergovernmental:				
Payment in lieu of taxes		5,244		5,012
Beer and wine tax		77,561		78,557
ABC Profits		100,000		-
Other		31,085		34,679
Total	218,300	213,890	(4,410)	118,248
Restricted intergovernmental:				
Federal and State grants		4,309,548		4,303,337
Court facility fees		22,257		23,356
ABC bottles taxes		9,081		7,784
Other		130,893		125,122
Total	5,221,983	4,471,779	(750,204)	4,459,599
Permits and fees:				
Register of Deeds fees		89,434		89,029
Inspection fees		127,501		158,330
Other		64,514		56,475
Total	340,400	281,449	(58,951)	303,834
Sales and services:				
Rents		5,840		8,778
Franchise fees		10,799		11,342
Recreation fees		22,427		23,413
Jail fees		37,287		18,741
Sheriff's fees		14,825		15,980
Ambulance fees		493,199		729,882
Health fees		669,105		664,135
Library fees		3,841		5,235
Animal control fees		19,855		25,520
Other		308,316		394,380
Total	1,752,785	1,585,494	(167,291)	1,897,406

WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020		2019
	Budget	Actual	Variance Positive (Negative) Actual
Investment earnings	195,000	172,666	(22,334)
Micellaneous Revenues			
Donations and private grants		9,703	7,378
Insurance proceeds		24,987	12,964
Other		70,707	99,379
Total	22,581	105,397	82,816
Total Revenues	30,474,549	30,313,468	(161,081)
EXPENDITURES			
<u>General Government</u>			
Governing Body:			
Salaries and employee benefits		93,637	93,859
Other operating expenditures		52,033	55,861
Capital outlay		9,319	-
Insurance other than property		336,367	353,093
Total	514,034	491,356	22,678
Administration:			
Salaries and employee benefits		262,616	219,057
Other operating expenditures		27,857	13,042
Total	318,327	290,473	27,854
Human Resources:			
Salaries and employee benefits		115,444	113,558
Other operating expenditures		52,486	20,084
Total	188,465	167,930	20,535
Fleet Services:			
Salaries and employee benefits		20,631	20,123
Other operating expenditures		2,333	4,054
Total	25,257	22,964	2,293
Elections:			
Salaries and employee benefits		190,971	174,849
Other operating expenditures		154,236	108,302
Capital outlay		356,730	-
Total	711,429	701,937	9,492
Finance:			
Salaries and employee benefits		337,361	275,778
Other operating expenditures		190,220	168,602
Total	570,281	527,581	42,700
Tax Administration:			
Salaries and employee benefits		455,236	442,815
Other operating expenditures		152,138	150,271
Total	700,564	607,374	93,190

WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Legal:				
Salaries and employee benefits		118,585		121,400
Contracted services		15,827		22,255
	151,896	134,412	17,484	143,655
Register of Deeds:				
Salaries and employee benefits		186,754		175,929
Other operating expenditures		58,619		61,916
Total	255,478	245,373	10,105	237,845
Public Buildings:				
Salaries and employee benefits		293,497		231,863
Other operating expenditures		200,971		302,157
Capital outlay		17,699		-
Total	537,591	512,167	25,424	534,020
Data Processing:				
Salaries and employee benefits		124,980		123,458
Other operating expenditures		35,170		53,085
Total	190,464	160,150	30,314	176,543
Court Facilities:				
Operating expenditures		68,784		53,150
Total	73,278	68,784	4,494	53,150
Miscellaneous Appropriations:				
Payments to local organizations	62,681	61,053	1,628	44,122
Total General Government	4,299,745	3,991,554	308,191	3,402,683
Public Safety				
Sheriff:				
Salaries and employee benefits		1,993,013		2,014,196
Other operating expenditures		366,598		349,181
Capital outlay		47,182		50,647
Total	2,643,167	2,406,793	236,374	2,414,024
Child Support Officer:				
Salaries and employee benefits		49,317		48,685
Other operating expenditures		3,758		4,770
Total	53,291	53,075	216	53,455
Jail:				
Salaries and employee benefits		901,562		844,244
Other operating expenditures		343,319		525,518
Capital outlay		13,949		38,002
Total	1,517,687	1,258,830	258,857	1,407,764
Central Communications:				
Salaries and employee benefits		677,808		695,054
Other operating expenditures		35,543		36,509
Total	815,730	713,351	102,379	731,563

**WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Emergency Management:				
Salaries and employee benefits		145,638		141,753
Other operating expenditures		47,849		39,495
Total	242,612	193,487	49,125	181,248
Assistance to local fire departments	526,600	408,839	117,761	408,647
Emergency Medical Services:				
Salaries and employee benefits		1,884,268		1,887,500
Other operating expenditures		453,432		393,944
Capital outlay		134,118		189,198
Total	2,849,351	2,471,818	377,533	2,470,642
Halifax County EMS	105,549	105,549	-	110,303
Code Enforcement:				
Salaries and employee benefits		169,341		165,769
Other operating expenditures		22,301		18,701
Total	192,902	191,642	1,260	184,470
Medical Examiner:				
Contracted Services	14,150	14,660	(510)	13,350
Animal Control:				
Salaries and employee benefits		213,641		216,394
Other operating expenditures		59,380		62,156
Total	329,067	273,021	56,046	278,550
KARTS				
Other operating expenditures	43,397	40,581	2,816	78,931
Total Public Safety	9,333,503	8,131,646	1,201,857	8,332,947
<u>Environmental Protection</u>				
Soil Conservation:				
Salaries and employee benefits		159,724		156,567
Other operating expenditures		26,012		25,594
Total	193,264	185,736	7,528	182,161
Forestry Service	122,961	89,407	33,554	119,274
Lake Gaston Weed Control	116,000	116,000	-	-
Total Environmental Protection	432,225	391,143	41,082	301,435
<u>Economic and Physical Development</u>				
Planning:				
Salaries and employee benefits		151,450		147,801
Other operating expenditures		18,019		24,469
Total	173,302	169,469	3,833	172,270

**WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019**

	2020		2019	
	Budget	Actual	Variance Positive (Negative)	Actual
Economic Development:				
Salaries and employee benefits		134,653		121,003
Other operating expenditures		51,998		57,138
Capital outlay		18,181		-
Total	225,544	204,832	20,712	178,141
Agricultural Extension:				
Salaries and employee benefits		262,655		278,091
Other operating expenditures		55,861		66,142
Capital outlay		39,661		-
Total	494,241	358,177	136,064	344,233
Buck Springs Camp Development:				
Other operating expenditures		5,705		6,044
Total	7,850	5,705	2,145	6,044
Kerr Tar Hub	36,000	36,000	-	36,000
Total Economic and Physical Development	936,937	774,183	162,754	736,688
<u>Human Services</u>				
Health Clinic/Home Health:				
Salaries and employee benefits		2,140,606		2,086,715
Other operating expenditures		939,598		919,825
Capital outlay		12,528		57,303
Total	3,393,977	3,092,732	301,245	3,063,843
Area Mental Health District	61,100	61,181	(81)	59,884
Youth and Family Programs:				
Juvenile Crime Prevention Program		11,141		5,543
Boys and Girls Club		38,820		37,091
Total	49,905	49,961	(56)	42,634
Veteran Services:				
Salaries and employee benefits		99,278		94,335
Other operating expenditures		7,601		9,043
Total	111,095	106,879	4,216	103,378
Senior Citizens Services:				
Salaries and employee benefits		187,353		177,386
Contracted services		245,347		263,400
Total	497,154	432,700	64,454	440,786
Rural Operating Assistance Program:				
Contracted services		66,208		56,109
Other operating expenditures		79,257		67,774
Total	145,465	145,465	-	123,883

**WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Social Services:				
Salaries and employee benefits		2,901,512		2,981,262
Other operating expenditures		665,100		826,204
Total	4,058,638	3,566,612	492,026	3,807,466
Child Day Care		277		(277)
Special Assistance to Adults		187,045		214,404
Other Programs		71,550		70,151
Total	396,905	258,872	138,033	284,278
DSS Child Support				
Salaries and employee benefits		309,802		298,905
Other operating expenditures		105,449		105,941
Total	455,195	415,251	39,944	404,846
Armory				
Other operating expenditures		36,545		26,383
Total	37,096	36,545	551	26,383
Total Human Services	9,206,530	8,166,198	1,040,332	8,357,381
<u>Cultural and Recreational</u>				
Recreation:				
Salaries and employee benefits		210,720		195,186
Other operating expenditures		173,686		241,350
Capital outlay		-		2,800
Total	728,223	384,406	343,817	439,336
Libraries:				
Salaries and employee benefits		386,546		369,676
Other operating expenditures		93,320		91,142
Total	500,626	479,866	20,760	460,818
Total Cultural and Recreational	1,228,849	864,272	364,577	900,154
<u>Education</u>				
Warren County Public Schools				
Current expense		4,908,331		4,678,331
Capital outlay		-		235,803
Total	5,433,016	4,908,331	524,685	4,914,134
Vance Granville Community College				
Current expense		225,625		225,625
Capital outlay/expansion		6,000		6,000
Total	231,625	231,625	-	231,625
Total Education	5,664,641	5,139,956	524,685	5,145,759

WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
<u>Debt Service</u>				
Principal retirement		859,607		935,920
Interest and fees		160,915		220,961
Total Debt Service	1,020,078	1,020,522	(444)	1,156,881
<u>Contingency</u>	11,800	-	11,800	-
Total Expenditures	32,134,308	28,479,474	3,654,834	28,333,928
Revenues Over (Under) Expenditures	(1,659,759)	1,833,994	3,493,753	1,660,641
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out				
Revaluation Fund	(50,000)	(50,000)	-	(50,000)
Regional Water Enterprise Fund	(637)	(637)	-	-
District I Enterprise Fund	(1,423)	(1,423)	-	-
District II Enterprise Fund	(1,161)	(1,161)	-	-
District III Enterprise Fund	(524)	(524)	-	-
Solid Waste Fund	(1,322)	(1,322)	-	-
Emergency Telephone System Fund	(2,915)	(2,915)	-	-
Total	(57,982)	(57,982)	-	(50,000)
Installment purchase obligations issued	601,181	625,471	24,290	-
Appropriated Fund Balance	1,116,560	-	(1,116,560)	-
Total Other Financial Sources (Uses)	1,659,759	567,489	(1,092,270)	(50,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	2,401,483	\$ 2,401,483	1,610,641
Fund Balance-July 1		13,532,426		11,921,785
Fund Balance-June 30		\$ 15,933,909		\$ 13,532,426

WARREN COUNTY, NORTH CAROLINA
REVALUATION FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Investment earnings	\$ 500	\$ 1,319	\$ 819	\$ 2,101
<u>EXPENDITURES</u>				
General government	50,500	-	50,500	-
Revenues Over (Under) Expenditures	(50,000)	1,319	51,319	2,101
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer in (out)				
General Fund	50,000	50,000	-	50,000
Total	50,000	50,000	-	50,000
Excess of Revenues and Other Sources Over (Under) Expenditures	\$ -	51,319	\$ 51,319	52,101
Fund Balance - July 1		150,607		98,506
Fund Balance - June 30		\$ 201,926		\$ 150,607

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specific purposes.

- **Special Fire Districts Fund:** This special revenue fund is used to account for the tax revenues collected by the County on behalf of the various fire districts located within the County.
- **Emergency Telephone System Fund:** This special revenue fund is used to account for the 911 revenues collected by the telephone industry to fund the 911 emergency system.
- **CDBG George Davis Project Fund:** This fund is used to account for revenues and expenditures to rehabilitate substandard rural housing on George Davis Road.
- **Green-Duke House Conditions Assessment Project Fund:** This fund is used to account for revenues and expenditures to assess the conditions of the Green-Duke House.
- **CARES Act Funding Project Fund:** This fund is used to account for revenues and expenditures associated with grant monies received through the CARES Act.

Capital Project Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities and equipment.

- **Buck Springs Leadership Center Fund:** This fund is used to account for funds set aside to construct a leadership center.
- **Simulcast System Upgrade:** This capital project fund is used to account for funds set aside to upgrade the Simulcast system.
- **Recreation Complex Phase III:** This capital project fund is used to account for funds set aside to update the County's recreation complex.
- **Emergency Services Headquarters:** This capital project fund is used to account for funds set aside to construct the emergency services headquarters.
- **Road Improvements Project:** This capital project fund is used to account for funds set aside for road improvements.

**WARREN COUNTY, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020**

	Special Revenue Funds					Capital Projects Funds					
	Special Fire Districts Fund	Emergency Telephone System Fund	CDBG George Davis Project	Green-Duke House Conditions Assessment Project	CARES Act Funding	Buck Springs Leadership Center	Simulcast System Upgrade	Recreation Complex Phase III	Emergency Services Headquarters	Road Improvements Project	Total Nonmajor Governmental Funds
ASSETS											
Current Assets:											
Cash and cash equivalents	\$ 14,046	\$ 365,997	\$ 528	\$ -	\$ 516,206	\$ 61,368	\$ 165,392	\$ 1,054	\$ -	\$ 89,150	\$ 1,213,741
Restricted cash	-	-	-	-	-	-	-	-	212,225	-	212,225
Accounts receivable, net	7,418	21,003	-	-	9	-	-	-	6,507	-	34,937
Taxes receivable, net	108,736	-	-	-	-	-	-	-	-	-	108,736
Total Assets	<u>\$ 130,200</u>	<u>\$ 387,000</u>	<u>\$ 528</u>	<u>\$ -</u>	<u>\$ 516,215</u>	<u>\$ 61,368</u>	<u>\$ 165,392</u>	<u>\$ 1,054</u>	<u>\$ 218,732</u>	<u>\$ 89,150</u>	<u>\$ 1,569,639</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	\$ 20,452	\$ -	\$ -	\$ -	\$ 516,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 536,667
Due to General Fund	-	-	-	16,788	-	-	-	-	-	-	16,788
Total liabilities	<u>20,452</u>	<u>-</u>	<u>-</u>	<u>16,788</u>	<u>516,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>553,455</u>
Deferred inflows of resources	<u>108,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,736</u>
Fund Balances:											
Restricted:											
Stabilization by State Statute	7,418	21,003	-	-	9	-	-	-	6,507	-	34,937
Public Safety	-	365,997	-	-	-	-	165,392	-	212,225	-	743,614
Economic Development	-	-	528	-	-	61,368	-	-	-	89,150	151,046
Recreation	-	-	-	-	-	-	-	1,054	-	-	1,054
Unassigned:	<u>(6,406)</u>	<u>-</u>	<u>-</u>	<u>(16,788)</u>	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,203)</u>
Total fund balances	<u>1,012</u>	<u>387,000</u>	<u>528</u>	<u>(16,788)</u>	<u>-</u>	<u>61,368</u>	<u>165,392</u>	<u>1,054</u>	<u>218,732</u>	<u>89,150</u>	<u>907,448</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 130,200</u>	<u>\$ 387,000</u>	<u>\$ 528</u>	<u>\$ -</u>	<u>\$ 516,215</u>	<u>\$ 61,368</u>	<u>\$ 165,392</u>	<u>\$ 1,054</u>	<u>\$ 218,732</u>	<u>\$ 89,150</u>	<u>\$ 1,569,639</u>

**WARREN COUNTY, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds					Capital Projects Fund					
	Special Fire Districts Fund	Emergency Telephone System Fund	CDBG- George Davis Project	Green-Duke House Conditions Assessment Project	CARES Act Funding	Buck Springs Leadership Center	Simulcast System Upgrade	Recreation Complex Phase III	Emergency Services Headquarters	Road Improvements Project	Total Nonmajor Governmental Funds
REVENUES											
Ad valorem taxes	\$ 1,028,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,028,802
Restricted intergovernmental	-	180,633	-	-	54,963	-	-	-	-	-	235,596
Investment earnings	-	3,309	-	-	-	783	2,102	14	48	-	6,256
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,028,802	183,942	-	-	54,963	783	2,102	14	48	-	1,270,654
EXPENDITURES											
General government	-	-	-	-	54,963	-	-	-	-	-	54,963
Public safety	1,028,802	144,153	-	-	-	-	-	-	-	-	1,172,955
Capital outlay	-	-	-	-	-	-	-	-	199,315	-	199,315
Total Expenditures	1,028,802	144,153	-	-	54,963	-	-	-	199,315	-	1,427,233
Revenues Over (Under) Expenditures	-	39,789	-	-	-	783	2,102	14	(199,267)	-	(156,579)
OTHER FINANCING SOURCES (USES)											
Transfers from other funds	-	2,915	-	-	-	-	-	-	-	-	2,915
Total Other Financing Sources (Uses) - Net	-	2,915	-	-	-	-	-	-	-	-	2,915
Net change in Fund Balances	-	42,704	-	-	-	783	2,102	14	(199,267)	-	(153,664)
Fund Balance - July 1	1,012	344,296	528	(16,788)	-	60,585	163,290	1,040	417,999	89,150	1,061,112
Fund Balance - June 30	\$ 1,012	\$ 387,000	\$ 528	\$ (16,788)	\$ -	\$ 61,368	\$ 165,392	\$ 1,054	\$ 218,732	\$ 89,150	\$ 907,448

WARREN COUNTY, NORTH CAROLINA
SPECIAL FIRE DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Ad Valorem taxes	\$ 1,050,555	\$ 1,028,802	\$ (21,753)	\$ 972,490
<u>EXPENDITURES</u>				
Public safety	1,050,555	1,028,802	21,753	972,407
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	83
Fund Balance - July 1		<u>1,012</u>		<u>929</u>
Fund Balance - June 30		<u>\$ 1,012</u>		<u>\$ 1,012</u>

**WARREN COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted intergovernmental				
Wireless communications	\$ 182,426	\$ 180,633	\$ (1,793)	\$ 183,024
Investment earnings	4,500	3,309	(1,191)	5,281
Total Revenues	<u>186,926</u>	<u>183,942</u>	<u>(2,984)</u>	<u>188,305</u>
<u>EXPENDITURES</u>				
Public safety	<u>186,926</u>	<u>144,153</u>	<u>42,773</u>	<u>127,331</u>
Revenues Over (Under) Expenditures	-	39,789	39,789	60,974
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer in (out)				
General Fund	-	2,915	2,915	-
Total	<u>-</u>	<u>2,915</u>	<u>2,915</u>	<u>-</u>
Revenues Over (Under)				
Expenditures and Other Uses	<u>\$ -</u>	<u>42,704</u>	<u>\$ 42,704</u>	<u>60,974</u>
Fund Balance - July 1		<u>344,296</u>		<u>283,322</u>
Fund Balance - June 30		<u>\$ 387,000</u>		<u>\$ 344,296</u>
Fund Balance agrees to Balance on the PSAP Revenue-Expenditure Report.				
<u>Explanation for transfers</u>				
Transfer from the General Fund to adjust beginning balance to actual		<u>\$ 2,915</u>		<u>\$ -</u>

**WARREN COUNTY, NORTH CAROLINA
CDBG - GEORGE DAVIS PROJECT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Actual Total to Date</u>	<u>Variance Positive (Negative)</u>
<u>REVENUES</u>					
Restricted intergovernmental					
Federal and state grants	\$ 50,000	\$ 49,960	\$ -	\$ 49,960	\$ (40)
Total	<u>50,000</u>	<u>49,960</u>	<u>-</u>	<u>49,960</u>	<u>(40)</u>
<u>EXPENDITURES</u>					
Economic and physical development					
Rehabilitation	50,000	49,432	-	49,432	568
Total	<u>50,000</u>	<u>49,432</u>	<u>-</u>	<u>49,432</u>	<u>568</u>
Revenues Over (Under)					
Expenditures	<u>\$ -</u>	<u>\$ 528</u>	<u>-</u>	<u>\$ 528</u>	<u>\$ 528</u>
Fund Balance - July 1			<u>528</u>		
Fund Balance - June 30			<u>\$ 528</u>		

**WARREN COUNTY, NORTH CAROLINA
GREEN-DUKE HOUSE CONDITIONS ASSESSMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Actual Total to Date</u>	<u>Variance Positive (Negative)</u>
<u>REVENUES</u>					
Restricted intergovernmental					
Federal and state grants	\$ 32,000	\$ -	\$ -	\$ -	\$ (32,000)
Total	<u>32,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,000)</u>
<u>EXPENDITURES</u>					
Capital outlay					
Professional services		16,788	-	16,788	
Total	<u>32,000</u>	<u>16,788</u>	<u>-</u>	<u>16,788</u>	<u>15,212</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (16,788)</u>	<u>-</u>	<u>\$ (16,788)</u>	<u>\$ (16,788)</u>
Fund Balance - July 1			<u>(16,788)</u>		
Fund Balance - June 30			<u>\$ (16,788)</u>		

**WARREN COUNTY, NORTH CAROLINA
CARES ACT FUNDING PROJECT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Actual Total to Date</u>	<u>Variance Positive (Negative)</u>
<u>REVENUES</u>					
Restricted intergovernmental:					
CARES Act Funding	\$ 571,030	\$ -	\$ 54,963	\$ 54,963	\$ (516,067)
Private Contributions	-	-	-	-	-
Investment Earnings	-	-	-	-	-
Total Revenues	<u>571,030</u>	<u>-</u>	<u>54,963</u>	<u>54,963</u>	<u>(516,067)</u>
<u>EXPENDITURES</u>					
General Government					
Salaries	43,499	-	-	-	43,499
Other Expenses	527,531	-	54,963	54,963	472,568
Total Expenditures	<u>571,030</u>	<u>-</u>	<u>54,963</u>	<u>54,963</u>	<u>516,067</u>
Revenues Over (Under)					
Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - July 1			<u>-</u>		
Fund Balance - June 30			<u>\$ -</u>		

**WARREN COUNTY, NORTH CAROLINA
BUCK SPRINGS LEADERSHIP CENTER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted intergovernmental:					
Kellogg Grant	\$ 50,000	\$ 79,379	\$ -	\$ 79,379	\$ 29,379
Private Contributions	251,081	238,136	-	238,136	(12,945)
Investment Earnings	47,094	51,287	783	52,070	4,976
Total Revenues	<u>348,175</u>	<u>368,802</u>	<u>783</u>	<u>369,585</u>	<u>21,410</u>
<u>EXPENDITURES</u>					
Capital outlay					
Survey	11,500	11,500	-	11,500	-
Legal & administrative	2,048	2,048	-	2,048	-
Soil investigations	4,588	2,100	-	2,100	2,488
Architectural fees	92,666	92,665	-	92,665	1
Furniture and fixtures	20,000	11,977	-	11,977	8,023
Construction contract	485,878	485,878	-	485,878	-
Demolition	10,000	-	-	-	10,000
Site development	30,000	21,027	-	21,027	8,973
Closing costs	1,022	1,022	-	1,022	-
Contingency	10,473	-	-	-	10,473
Total Expenditures	<u>668,175</u>	<u>628,217</u>	<u>-</u>	<u>628,217</u>	<u>39,958</u>
Revenues Over (Under)					
Expenditures	<u>(320,000)</u>	<u>(259,415)</u>	<u>783</u>	<u>(258,632)</u>	<u>61,368</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Loan proceeds	<u>320,000</u>	<u>320,000</u>	<u>-</u>	<u>320,000</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 60,585</u>	<u>783</u>	<u>\$ 61,368</u>	<u>\$ 61,368</u>
Fund Balance - July 1			<u>60,585</u>		
Fund Balance - June 30			<u>\$ 61,368</u>		

**WARREN COUNTY, NORTH CAROLINA
SIMULCAST SYSTEM UPGRADE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Investment earnings	\$ 1,357	\$ 8,103	\$ 2,102	\$ 10,205	\$ 8,848
Total	<u>1,357</u>	<u>8,103</u>	<u>2,102</u>	<u>10,205</u>	<u>8,848</u>
<u>EXPENDITURES</u>					
Capital outlay					
Legal and administrative		6,383	-	6,383	
Engineering/General		150,001	-	150,001	
Engineering/Capital		112,875	-	112,875	
Land		28,288	-	28,288	
Construction contract		182,103	-	182,103	
System equipment contract		629,402	-	629,402	
Total	<u>1,265,596</u>	<u>1,109,052</u>	<u>-</u>	<u>1,109,052</u>	<u>156,544</u>
Revenues Over (Under)					
Expenditures	<u>(1,264,239)</u>	<u>(1,100,949)</u>	<u>2,102</u>	<u>(1,098,847)</u>	<u>165,392</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds of installment purchase	643,954	643,954	-	643,954	-
Transfer in (out)					
General Fund	497,750	497,750	-	497,750	-
Emergency Telephone System Fund	122,535	122,535	-	122,535	-
Total	<u>1,264,239</u>	<u>1,264,239</u>	<u>-</u>	<u>1,264,239</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 163,290</u>	<u>2,102</u>	<u>\$ 165,392</u>	<u>\$ 165,392</u>
Fund Balance - July 1			<u>163,290</u>		
Fund Balance - June 30			<u>\$ 165,392</u>		

**WARREN COUNTY, NORTH CAROLINA
RECREATION COMPLEX PHASE III PROJECT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Actual Total to Date</u>	<u>Variance Positive (Negative)</u>
<u>REVENUES</u>					
Investment earnings	\$ 31	\$ 70	\$ 14	\$ 84	\$ 53
Total	<u>31</u>	<u>70</u>	<u>14</u>	<u>84</u>	<u>53</u>
<u>EXPENDITURES</u>					
Capital outlay					
Survey		1,888	-	1,888	
Land		134,466	-	134,466	
Closing cost		827	-	827	
Total	<u>138,182</u>	<u>137,181</u>	<u>-</u>	<u>137,181</u>	<u>1,001</u>
Revenues Over (Under)					
Expenditures	<u>(138,151)</u>	<u>(137,111)</u>	<u>14</u>	<u>(137,097)</u>	<u>1,054</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer in (out)					
General Fund	<u>138,151</u>	<u>138,151</u>	<u>-</u>	<u>138,151</u>	<u>-</u>
Total	<u>138,151</u>	<u>138,151</u>	<u>-</u>	<u>138,151</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 1,040</u>	<u>14</u>	<u>\$ 1,054</u>	<u>\$ 1,054</u>
Fund Balance - July 1			<u>1,040</u>		
Fund Balance - June 30			<u>\$ 1,054</u>		

**WARREN COUNTY, NORTH CAROLINA
EMERGENCY SERVICES HEADQUARTERS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Actual Total to Date</u>	<u>Variance Positive (Negative)</u>
<u>REVENUES</u>					
Investment earnings	\$ 325	\$ 1,080	\$ 48	\$ 1,128	\$ 803
Miscellaneous	-	60,633	-	60,633	60,633
Total	<u>325</u>	<u>61,713</u>	<u>48</u>	<u>61,761</u>	<u>61,436</u>
<u>EXPENDITURES</u>					
Capital outlay					
Survey		13,112	-	13,112	
Legal and administrative		5,669	-	5,669	
Soil investigation		20,360	-	20,360	
Architectural fees		282,106	11,918	294,024	
Furniture and fixtures		169,326	-	169,326	
Technology/Equipment Capital		232,547	22,078	254,625	
Land		37,993	-	37,993	
Construction		2,863,250	165,319	3,028,569	
Closing cost		6,134	-	6,134	
Issuance costs		53,818	-	53,818	
Total	<u>4,040,928</u>	<u>3,684,315</u>	<u>199,315</u>	<u>3,883,630</u>	<u>157,298</u>
Revenues Over (Under)					
Expenditures	<u>(4,040,603)</u>	<u>(3,622,602)</u>	<u>(199,267)</u>	<u>(3,821,869)</u>	<u>218,734</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds of installment purchase	3,895,000	3,895,000	-	3,895,000	-
Transfer in (out)					
Ambulance Storage Facility Fund	45,603	45,601	-	45,601	(2)
General Fund	100,000	100,000	-	100,000	-
Total	<u>4,040,603</u>	<u>4,040,601</u>	<u>-</u>	<u>4,040,601</u>	<u>(2)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 417,999</u>	<u>(199,267)</u>	<u>\$ 218,732</u>	<u>\$ 218,732</u>
Fund Balance - July 1			<u>417,999</u>		
Fund Balance - June 30			<u>\$ 218,732</u>		

**WARREN COUNTY, NORTH CAROLINA
ROAD IMPROVEMENTS PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted intergovernmental					
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -
Total	-	-	-	-	-
<u>EXPENDITURES</u>					
Capital outlay					
Engineering survey		8,750	-	8,750	
Gravel/Construction		10,078	-	10,078	
Construction contract		42,022	-	42,022	
Total	150,000	60,850	-	60,850	89,150
Revenues Over (Under)					
Expenditures	(150,000)	(60,850)	-	(60,850)	89,150
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer in (out)					
General Fund	150,000	150,000	-	150,000	-
Total	150,000	150,000	-	150,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 89,150	-	\$ 89,150	\$ 89,150
Fund Balance - July 1			89,150		
Fund Balance - June 30			\$ 89,150		

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; where the government's council has decided that the periodic determination of net income is appropriate for accountability purposes.

- **Solid Waste Fund:** This fund is used to account for the operations of the County's solid waste disposal operations.

There are four water and sewer district funds, as listed below. These funds account for the water and sewer operations in different parts of the County. Consolidated with these funds are capital projects that involve the construction of the water and sewer infrastructure.

- **Regional Water System Fund**
- **District One Enterprise Fund**
- **District Two Enterprise Fund**
- **District Three Enterprise Fund**

**WARREN COUNTY, NORTH CAROLINA
REGIONAL WATER SYSTEM FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019**

	2020		Variance Positive (Negative)	2019
	Budget	Actual		Actual
REVENUES				
Operating Revenues				
Water and Sewer Charges	\$ 935,450	\$ 947,632	\$ 12,182	\$ 950,095
Nonoperating Revenues				
Permits and Fees	900	1,275	375	650
Miscellaneous Revenue	34,747	33,495	(1,252)	29,137
Interest Earnings	16,000	12,963	(3,037)	20,289
Total Nonoperating Revenues	51,647	47,733	(3,914)	50,076
Total Revenues	987,097	995,365	8,268	1,000,171
EXPENDITURES				
Salaries and employee benefits		67,766		68,838
Water purchases		440,183		436,839
Other operating expenditures		279,028		275,702
Capital outlay		9,942		-
Debt service				
Principal		38,901		39,415
Interest		12,549		13,582
Total Expenditures	1,002,734	848,369	154,365	834,376
Revenues Over (Under) Expenditures	(15,637)	146,996	162,633	165,795
OTHER FINANCING SOURCES (USES)				
Transfers in (out)				
General Fund	637	637	-	-
Debt proceeds	-	7,275	7,275	-
Appropriated Fund Balance	15,000	-	(15,000)	-
Total Other Financing Sources (Uses)	15,637	7,912	(7,725)	-
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	\$ -	\$ 154,908	\$ 154,908	\$ 165,795
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues and other sources over (under) expenditures and other uses		\$ 154,908		\$ 165,795
Reconciling items:				
Capital outlay		9,942		-
Depreciation		(277,184)		(278,030)
Principal payment		38,901		39,415
Debt proceeds		(7,275)		-
Increase in deferred outflows of resources - pensions		(4,765)		3,754
Increase in net pension liability		2,020		(5,017)
Decrease in deferred inflows of resources - pensions		(670)		85
(Increase) decrease in compensated absences payable		(1,015)		1,021
(Increase) decrease in OPEB obligation		413		172
Total		(239,633)		(238,600)
Change in net position		\$ (84,725)		\$ (72,805)

**WARREN COUNTY, NORTH CAROLINA
DISTRICT ONE ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019**

	2020		Variance Positive (Negative)	2019
	Budget	Actual		Actual
REVENUES				
Operating Revenues				
Water and Sewer Charges	\$ 692,700	\$ 638,254	\$ (54,446)	\$ 687,969
Other operating revenues	2,279	2,252	(27)	2,816
Total Operating Revenues	694,979	640,506	(54,473)	690,785
Nonoperating Revenues				
Interest Earnings	28,000	22,681	(5,319)	35,867
Total Nonoperating Revenues	28,000	22,681	(5,319)	35,867
Total Revenues	722,979	663,187	(59,792)	726,652
EXPENDITURES				
Salaries and employee benefits		150,763		150,698
Water purchases		123,277		125,307
Other operating expenditures		110,745		89,682
Capital outlay		9,942		-
Debt service:				
Interest and other charges		43,721		45,469
Debt principal		51,206		51,718
Total Expenditures	724,402	489,654	234,748	462,874
Revenues Over (Under) Expenditures	(1,423)	173,533	174,956	263,778
OTHER FINANCING SOURCES (USES)				
Transfer to other funds				
General Fund	1,423	1,423	-	-
Debt proceeds	-	7,275	7,275	-
Total Other Financing Sources (Uses)	1,423	8,698	7,275	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 182,231	\$ 182,231	\$ 263,778
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues and other sources over (under) expenditures and other uses		\$ 182,231		\$ 263,778
Reconciling items:				
Debt service payment		51,206		51,718
Depreciation		(146,414)		(147,260)
Amortization on refunding bond premium		3,064		3,064
Debt proceeds		(7,275)		-
Capital outlay		9,942		-
Increase in deferred outflows of resources - pensions		(5,674)		7,664
Increase in net pension liability		(2,460)		(10,172)
Decrease in deferred inflows of resources - pensions		(1,538)		144
(Increase) decrease in compensated absences payable		(1,928)		1,939
(Increase) decrease in OPEB obligation		784		327
Total		(100,293)		(92,576)
Change in net position		\$ 81,938		\$ 171,202

WARREN COUNTY, NORTH CAROLINA
DISTRICT TWO ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
REVENUES				
Operating Revenues				
Water and sewer charges	\$ 675,900	\$ 705,713	\$ 29,813	\$ 725,988
Other charges for services	2,500	2,350	(150)	2,650
Total Operating Revenues	<u>678,400</u>	<u>708,063</u>	<u>29,663</u>	<u>728,638</u>
Nonoperating Revenues				
Debt reimbursement	9,250	9,250	-	9,250
Rents	23,977	23,978	1	23,978
Miscellaneous	3,050	4,077	1,027	3,455
Interest Earnings	25,000	19,408	(5,592)	30,640
Total Nonoperating Revenues	<u>61,277</u>	<u>56,713</u>	<u>(4,564)</u>	<u>67,323</u>
Total Revenues	<u>739,677</u>	<u>764,776</u>	<u>25,099</u>	<u>795,961</u>
EXPENDITURES				
Salaries and employee benefits		122,976		122,912
Water purchases		108,970		114,766
Other operating expenditures		168,850		146,378
Capital outlay		9,942		-
Debt service:				
Interest and other charges		80,202		82,789
Principal		75,715		76,227
Total Expenditures	<u>733,802</u>	<u>566,655</u>	<u>167,147</u>	<u>543,072</u>
Revenues Over (Under) Expenditures	<u>5,875</u>	<u>198,121</u>	<u>192,246</u>	<u>252,889</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)				
General Fund	1,161	1,161	-	-
District Two/Wise Interchange Project Fund	(228,331)	(228,331)	-	-
Debt proceeds	-	7,275	7,275	-
Fund balance appropriated	221,295	-	(221,295)	-
Total Other Financing Sources (Uses)	<u>(5,875)</u>	<u>(219,895)</u>	<u>(214,020)</u>	<u>-</u>
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (21,774)</u>	<u>\$ (21,774)</u>	<u>\$ 252,889</u>
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues and other sources over (under)				
expenditures and other uses		\$ (21,774)		\$ 252,889
Reconciling items:				
Depreciation		(319,801)		(320,647)
Capital outlay		9,942		-
Amortization on refunding bond premium		3,760		3,760
Debt service payment		75,715		76,227
Debt proceeds		(7,275)		-
Decrease in net pension asset		-		-
Increase in deferred outflows of resources - pensions		(4,863)		7,593
Increase in net pension liability		(1,502)		(10,048)
Decrease in deferred inflows of resources - pensions		(1,207)		33
(Increase) decrease in compensated absences payable		(1,523)		1,531
(Increase) decrease in OPEB obligation		619		259
Pension expense		-		-
Transfer in for District Two/I-85 Exchange Project		228,331		
Total		<u>(17,804)</u>		<u>(241,292)</u>
Change in net position		<u>\$ (39,578)</u>		<u>\$ 11,597</u>

WARREN COUNTY, NORTH CAROLINA
DISTRICT TWO/WISE I-85 INTERCHANGE PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted intergovernmental:					
Golden Leaf Foundation grant	\$ 200,000	\$ -	\$ -	\$ -	\$ (200,000)
Total Revenues	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>
<u>EXPENDITURES</u>					
Capital Outlay					
Legal and administrative	3,000	-	-	-	3,000
Engineering/General	133,500	11,100	23,351	34,451	99,049
Construction contract	291,831	-	-	-	291,831
Total	<u>428,331</u>	<u>11,100</u>	<u>23,351</u>	<u>34,451</u>	<u>393,880</u>
Revenues Over (Under) Expenditures	<u>(228,331)</u>	<u>(11,100)</u>	<u>(23,351)</u>	<u>(34,451)</u>	<u>193,880</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers To (From)					
District II Enterprise Fund	228,331	-	228,331	228,331	-
Total Other Financing Sources (Uses)	<u>228,331</u>	<u>-</u>	<u>228,331</u>	<u>228,331</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (11,100)</u>	<u>\$ 204,980</u>	<u>\$ 193,880</u>	<u>\$ 193,880</u>

**WARREN COUNTY, NORTH CAROLINA
DISTRICT THREE ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019**

	2020		Variance Positive (Negative)	2019
	Budget	Actual		Actual
REVENUES				
Operating Revenues				
Water and sewer charges	\$ 958,000	\$ 1,023,315	\$ 65,315	\$ 981,368
Other charges for services	5,597	7,222	1,625	5,872
Total Operating Revenues	963,597	1,030,537	66,940	987,240
Nonoperating Revenues				
Miscellaneous	1,300	1,348	48	1,754
Interest Earnings	14,000	9,029	(4,971)	14,755
Total Nonoperating Revenues	15,300	10,377	(4,923)	16,509
Total Revenues	978,897	1,040,914	62,017	1,003,749
EXPENDITURES				
Salaries and employee benefits		55,544		55,519
Water purchases		152,779		136,569
Other operating expenditures		89,131		85,756
Contracted services		25,045		12,420
Capital outlay		9,942		-
Debt Service				
Principal paid		195,641		185,153
Interest expense		319,733		344,756
Total Expenditures	979,421	847,815	131,606	820,173
Revenues Over (Under) Expenditures	(524)	193,099	193,623	183,576
OTHER FINANCING SOURCES (USES)				
Transfers in (out)				
District III/Phase I Capital Project	-	5,956	5,956	-
General Fund	524	524	-	-
Debt proceeds	-	7,275	7,275	-
Total Other Financing Sources (Uses)	524	13,755	13,231	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 206,854	\$ 206,854	\$ 183,576
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues and other sources over (under) expenditures and other uses		\$ 206,854		\$ 183,576
Reconciling items:				
Depreciation		(498,314)		(499,431)
Capital outlay		9,942		-
Amortization on refunding bond premium		7,085		7,085
Principal paid		195,641		185,153
Debt proceeds		(7,275)		-
Increase in deferred outflows of resources - pensions		(2,128)		2,849
Increase in net pension liability		(629)		(3,798)
Decrease in deferred inflows of resources - pensions		(497)		56
(Increase) decrease in compensated absences payable		(609)		612
(Increase) decrease in OPEB obligation		247		104
Investment earnings for District Three/Phase III		(5,887)		123
Restricted intergovernmental revenue for BR 44 Water Main Relocation Fund		272,048		-
Restricted intergovernmental revenue for BR 77 Water Main Relocation Fund		160,048		14,396
Total		129,672		(292,851)
Change in net position		\$ 336,526		\$ (109,275)

WARREN COUNTY, NORTH CAROLINA
DISTRICT THREE/PHASE III CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted intergovernmental:					
State grants	\$ 920,000	\$ 920,000	\$ -	\$ 920,000	\$ -
Charges for services	54,000	48,600	-	48,600	(5,400)
Miscellaneous	-	13,867	-	13,867	13,867
Investment earnings	-	525	69	594	594
Total Revenues	<u>974,000</u>	<u>982,992</u>	<u>69</u>	<u>983,061</u>	<u>9,061</u>
<u>EXPENDITURES</u>					
Construction	<u>2,535,000</u>	<u>2,505,620</u>	<u>-</u>	<u>2,505,620</u>	<u>29,380</u>
Revenues Over (Under) Expenditures	<u>(1,561,000)</u>	<u>(1,522,628)</u>	<u>69</u>	<u>(1,522,559)</u>	<u>38,441</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in (out)					
District III Enterprise Fund	-	-	(5,956)	(5,956)	(5,956)
Bonds issued	<u>1,561,000</u>	<u>1,561,000</u>	<u>-</u>	<u>1,561,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,561,000</u>	<u>1,561,000</u>	<u>(5,956)</u>	<u>1,555,044</u>	<u>(5,956)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 38,372</u>	<u>\$ (5,887)</u>	<u>\$ 32,485</u>	<u>\$ 32,485</u>

WARREN COUNTY, NORTH CAROLINA
EATON'S FERRY BRIDGE CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Actual Total to Date</u>	<u>Variance Positive (Negative)</u>
<u>REVENUES</u>					
Restricted intergovernmental:					
State grants	\$ 150,000	\$ 150,000	\$ -	\$ 150,000	\$ -
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>-</u>
<u>EXPENDITURES</u>					
Construction	<u>120,215</u>	<u>117,756</u>	<u>-</u>	<u>117,756</u>	<u>2,459</u>
Revenues Over (Under) Expenditures	<u>29,785</u>	<u>32,244</u>	<u>-</u>	<u>32,244</u>	<u>2,459</u>
OTHER FINANCING SOURCES (USES)					
Transfer from other funds					
District III	2,459	-	-	-	(2,459)
Transfer to other funds					
District III	<u>(32,244)</u>	<u>(32,244)</u>	<u>-</u>	<u>(32,244)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(29,785)</u>	<u>(32,244)</u>	<u>-</u>	<u>(32,244)</u>	<u>(2,459)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WARREN COUNTY, NORTH CAROLINA
BR 44 WATER MAIN RELOCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Actual Total to Date</u>	<u>Variance Positive (Negative)</u>
<u>REVENUES</u>					
Restricted intergovernmental:					
State grants	<u>\$ 285,123</u>	<u>\$ 13,075</u>	<u>\$ 272,048</u>	<u>\$ 285,123</u>	<u>\$ -</u>
Total Revenues	<u>285,123</u>	<u>13,075</u>	<u>272,048</u>	<u>285,123</u>	<u>-</u>
<u>EXPENDITURES</u>					
Construction	<u>285,123</u>	<u>49,036</u>	<u>236,087</u>	<u>285,123</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (35,961)</u>	<u>\$ 35,961</u>	<u>\$ -</u>	<u>\$ -</u>

WARREN COUNTY, NORTH CAROLINA
BR 77 WATER MAIN RELOCATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Actual Total to Date</u>	<u>Variance Positive (Negative)</u>
<u>REVENUES</u>					
Restricted intergovernmental:					
State grants	\$ 186,396	\$ 26,348	\$ 160,048	\$ 186,396	\$ -
Total Revenues	<u>186,396</u>	<u>26,348</u>	<u>160,048</u>	<u>186,396</u>	<u>-</u>
<u>EXPENDITURES</u>					
Construction	<u>186,396</u>	<u>42,950</u>	<u>143,446</u>	<u>186,396</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (16,602)</u>	<u>\$ 16,602</u>	<u>\$ -</u>	<u>\$ -</u>

WARREN COUNTY, NORTH CAROLINA
SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
REVENUES				
Operating revenues				
Charges for services	\$ 1,683,400	\$ 1,750,498	\$ 67,098	\$ 1,749,132
Nonoperating Revenues				
State grants and reimbursements				
Tire Disposal Tax	23,500	27,287	3,787	28,151
White Goods Disposal Tax	5,500	12,746	7,246	10,707
Solid Waste Disposal Tax	16,500	17,119	619	16,886
Electronic Management Funds	1,600	1,160	(440)	1,264
Miscellaneous	3,470	2,819	(651)	8,486
Interest earnings	3,000	1,183	(1,817)	1,430
Total Nonoperating Revenues	53,570	62,314	8,744	66,924
Total Revenues	1,736,970	1,812,812	75,842	1,816,056
EXPENDITURES				
Salaries and employee benefits		258,263		252,866
Other operating expenditures		154,166		138,437
Contracted services		1,215,333		1,184,304
Capital outlay		43,680		-
Debt service:				
Interest and other charges		54		223
Debt principal		7,323		9,607
Total Expenditures	1,738,292	1,678,819	59,473	1,585,437
Revenues Over (Under) Expenditures	(1,322)	133,993	135,315	230,619
OTHER FINANCING SOURCES (USES)				
Transfer in (out)				
General Fund	1,322	1,322	-	-
Total Other Financing Sources (Uses)	1,322	1,322	-	-
Revenues and Other Financing Sources				
Over (Under) Expenditures and Other Uses	\$ -	\$ 135,315	\$ 135,315	\$ 230,619
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Revenues and other financing sources over (under)				
expenditures and other uses		\$ 135,315		\$ 230,619
Reconciling items:				
Capital outlay		43,680		-
Debt service payment		7,323		9,607
Depreciation		(15,808)		(16,750)
Increase in deferred outflows of resources - pensions		(9,605)		17,883
Increase in net pension liability		(5,127)		(23,638)
Decrease in deferred inflows of resources - pensions		(2,417)		(48)
(Increase) decrease in compensated absences payable		(393)		(1,202)
(Increase) decrease in OPEB obligation		1,152		(367)
(Increase) decrease in accrued landfill closure and postclosure care costs		(28,332)		(10,050)
Total		(9,527)		(24,565)
Change in net position		\$ 125,788		\$ 206,054

AGENCY FUNDS

Agency funds are used to account for assets held by the County as an agent for individuals and local governments.

- **Social Services Fund:** This agency fund is used to account for the funds held by the County Department of Social Services for the benefit of certain individuals in the County.
- **Fines and Forfeitures Fund:** This agency fund is used to account for fines and forfeitures collected by the County that are required to be turned over to the Warren County Board of Education.
- **Municipal Tax Fund:** This agency fund is used to account for the proceeds of the Ad Valorem taxes that are collected by the County on behalf of municipalities within the County.

WARREN COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>Social Services</u>				
Assets				
Cash	\$ 116,972	\$ 108,431	\$ 142,482	\$ 82,921
Liabilities				
Miscellaneous liabilities	116,972	108,431	142,482	82,921
<u>Fines and Forfeitures</u>				
Assets				
Accounts receivable	5,417	63,874	65,805	3,486
Liabilities				
Intergovernmental payable	5,417	63,874	65,805	3,486
<u>Municipal Tax Fund</u>				
Assets				
Cash	-	744,765	744,765	-
Liabilities				
Intergovernmental payable	-	744,765	744,765	-
<u>Totals - All Agency Funds</u>				
Assets				
Cash	116,972	853,196	887,247	82,921
Accounts receivable	5,417	63,874	65,805	3,486
	122,389	917,070	953,052	86,407
Liabilities				
Miscellaneous liabilities	116,972	108,431	142,482	82,921
Intergovernmental payable	5,417	808,639	810,570	3,486
Total liabilities	\$ 122,389	\$ 917,070	\$ 953,052	\$ 86,407

OTHER SCHEDULES

This schedule contains additional information required on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy – County-Wide Levy

WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Fiscal Year	Uncollected Balance July 1, 2019	Additions	Collections and Adjustments	Uncollected Balance June 30, 2020
2019-2020		\$ 19,690,092	\$ 19,051,938	\$ 638,154
2018-2019	529,446	-	293,083	236,363
2017-2018	236,808	-	70,582	166,226
2016-2017	155,612	-	34,201	121,411
2015-2016	116,171	-	24,656	91,515
2014-2015	95,744	-	18,591	77,153
2013-2014	119,062	-	12,596	106,466
2012-2013	92,910	-	10,654	82,256
2011-2012	72,350	-	9,460	62,890
2010-2011	63,130	-	5,111	58,019
2009-2010	29,740	-	29,740	-
	<u>\$ 1,510,973</u>	<u>\$ 19,690,092</u>	<u>\$ 19,560,612</u>	<u>\$ 1,640,453</u>
				Less: allowance for uncollectible accounts: <u>500,000</u>
				Ad valorem taxes receivable - net: <u>\$ 1,140,453</u>
Reconcilement with revenues:				
Ad valorem taxes - General Fund				<u>\$ 19,464,117</u>
Reconciling items:				
Amounts written off for 2009-2010 levy				24,770
Interest, Discounts and Adjustments				<u>71,725</u>
Total Reconciling Items				<u>96,495</u>
Total Collections and Credits				<u>\$ 19,560,612</u>

**WARREN COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
JUNE 30, 2020**

	County-wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 2,276,512,405	0.790	\$ 17,984,448	\$ 17,984,448	\$ -
Registered motor vehicles taxed at current year's rate	155,244,177	0.790	1,226,429	-	1,226,429
Total Original Levy	2,431,756,582		19,210,877	17,984,448	1,226,429
Discoveries:	60,660,127	0.790	479,215	479,215	-
Abatements	(14,097,342)	0.790	(111,369)	(111,369)	-
Total Property Valuation	<u>\$ 2,478,319,367</u>				
Net Levy			19,578,723	18,352,294	1,226,429
Uncollected taxes at June 30, 2020			638,154	635,390	2,764
Current year's taxes collected			<u>\$ 18,940,569</u>	<u>\$ 17,716,904</u>	<u>\$ 1,223,665</u>
Current levy collection percentage			<u>96.74%</u>	<u>96.54%</u>	<u>99.77%</u>

STATISTICAL SECTION

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

TABLE 1

WARREN COUNTY, NORTH CAROLINA
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year Ended									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 12,220,550	\$ 12,962,674	\$ 13,294,536	\$ 13,641,321	\$ 13,755,296	\$ 13,390,124	\$ 14,882,684	\$ 12,287,228	\$ 14,904,504	\$ 14,939,866
Restricted	2,399,348	1,780,754	2,429,321	2,463,226	3,490,530	3,503,473	2,760,692	5,121,914	4,683,581	5,117,050
Unrestricted	5,997,626	8,293,981	9,795,047	10,868,062	9,006,772	7,958,757	8,321,177	8,829,799	8,362,160	9,415,754
Total governmental activities net position	<u>20,617,524</u>	<u>23,037,409</u>	<u>25,518,904</u>	<u>26,972,609</u>	<u>26,252,598</u>	<u>24,852,354</u>	<u>25,964,553</u>	<u>26,238,941</u>	<u>27,950,245</u>	<u>29,472,670</u>
Business-type activities										
Net investment in capital assets	22,523,838	21,679,388	21,759,836	21,430,076	21,258,491	19,981,196	19,169,876	18,361,971	17,546,670	17,129,077
Restricted	-	-	-	-	56,490	31,328	77,888	36,608	34,954	7,770
Unrestricted	1,986,447	2,089,399	2,379,646	1,940,528	1,879,129	2,710,034	3,495,016	4,448,294	5,472,022	6,336,748
Total business-type activities net position	<u>24,510,285</u>	<u>23,768,787</u>	<u>24,139,482</u>	<u>23,370,604</u>	<u>23,194,110</u>	<u>22,722,558</u>	<u>22,742,780</u>	<u>22,846,873</u>	<u>23,053,646</u>	<u>23,473,595</u>
Primary government										
Net investment in capital assets	34,744,388	34,642,062	35,054,372	35,071,397	35,013,787	33,371,320	34,052,560	30,649,199	32,451,174	32,068,943
Restricted	2,399,348	1,780,754	2,429,321	2,463,226	3,547,020	3,534,801	2,838,580	5,158,522	4,718,535	5,124,820
Unrestricted	7,984,073	10,383,380	12,174,693	12,808,590	10,885,901	10,668,791	11,816,193	13,278,093	13,834,182	15,752,502
Total primary government net position	<u>\$ 45,127,809</u>	<u>\$ 46,806,196</u>	<u>\$ 49,658,386</u>	<u>\$ 50,343,213</u>	<u>\$ 49,446,708</u>	<u>\$ 47,574,912</u>	<u>\$ 48,707,333</u>	<u>\$ 49,085,814</u>	<u>\$ 51,003,891</u>	<u>\$ 52,946,265</u>

TABLE 2

WARREN COUNTY, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Expenses	Fiscal Year Ended									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General government	\$ 3,363,969	\$ 3,022,868	\$ 3,142,083	\$ 3,337,645	\$ 3,288,184	\$ 4,070,008	\$ 4,027,378	\$ 3,607,759	\$ 3,643,903	\$ 3,987,409
Public safety	7,033,229	7,229,935	7,594,569	8,385,357	8,783,520	9,098,772	9,550,461	9,684,737	9,825,009	10,032,349
Economic development	676,787	738,211	691,085	582,985	822,723	577,737	641,933	704,649	821,608	740,540
Environmental protection	384,936	382,291	389,915	406,315	402,763	407,998	421,805	285,836	311,475	407,462
Human services	8,961,158	8,611,989	8,735,030	8,986,367	8,949,573	9,121,451	9,511,026	8,672,024	8,645,087	8,681,126
Culture and recreation	854,045	877,411	932,823	886,737	915,084	918,415	1,024,011	1,026,498	1,082,439	1,051,327
Education	4,460,339	4,233,048	4,452,554	4,504,182	5,264,372	5,828,533	5,364,698	5,362,874	5,145,759	5,139,956
Interest on long-term debt	397,854	330,508	265,358	195,374	147,772	130,063	129,306	192,148	189,065	161,751
Total governmental activities expenses	26,132,317	25,426,261	26,203,417	27,284,962	28,573,991	30,152,977	30,670,618	29,536,525	29,664,345	30,201,920
Business-type activities										
Solid Waste	1,411,789	1,492,133	1,533,361	1,546,049	1,518,321	1,594,502	1,552,629	1,649,651	1,610,002	1,688,292
Water and Sewer	2,868,012	3,096,413	3,194,112	3,201,505	3,231,037	3,753,843	3,446,021	3,469,478	3,554,242	3,619,954
Total business-type activities expenses	4,279,801	4,588,546	4,727,473	4,747,554	4,749,358	5,348,345	4,998,650	5,119,129	5,164,244	5,308,246
Total primary government expenses	30,412,118	30,014,807	30,930,890	32,032,516	33,323,349	35,501,322	35,669,268	34,655,654	34,828,589	35,510,166
Program Revenues										
Governmental activities:										
Charges for services:										
General government	159,919	263,556	172,091	166,700	145,657	124,437	145,099	159,498	141,575	153,085
Public safety	194,105	189,748	279,493	353,966	522,498	521,550	536,532	511,999	374,798	253,527
Economic and physical development	17,890	18,527	20,032	21,161	22,129	9,222	34,539	42,357	37,798	37,957
Human services	2,090,364	2,099,557	1,999,392	1,498,726	1,553,777	1,679,646	2,071,609	1,555,790	1,641,779	1,418,363
Culture and recreation	64,122	56,264	54,115	45,623	57,964	51,054	44,584	32,130	28,648	26,268
Operating grants and contributions	5,641,667	5,418,451	5,422,395	5,532,237	5,595,416	5,483,781	5,632,491	4,665,272	4,661,324	4,725,906
Capital grants and contributions	369,081	630,355	477,771	152,238	241,946	-	16,434	10,390	39,570	-
Total governmental activities program revenue	8,537,148	8,676,458	8,425,289	7,770,651	8,139,387	7,869,690	8,481,288	6,977,436	6,925,492	6,615,106
Business-type activities										
Charges for services:										
Solid Waste	1,365,509	1,399,794	1,394,467	1,409,142	1,418,067	1,426,226	1,504,833	1,740,562	1,749,132	1,750,498
Water and Sewer	2,425,639	2,281,485	2,517,096	2,393,833	2,659,295	3,162,997	3,182,558	3,192,711	3,353,942	3,324,486
Capital grants and contributions	304,788	87,609	1,118,852	279,257	471,438	132,014	220,502	92,378	80,654	499,658
Total business-type activities program revenues	4,095,936	3,768,888	5,030,415	4,082,232	4,548,800	4,721,237	4,907,893	5,025,651	5,183,728	5,574,642
Total primary government program revenues	12,633,084	12,445,346	13,455,704	11,852,883	12,688,187	12,590,927	13,389,181	12,003,087	12,109,220	12,189,748
Net (expenses)/revenue										
Governmental activities	(17,595,169)	(16,749,803)	(17,778,128)	(19,514,311)	(20,434,604)	(22,283,287)	(22,189,330)	(23,224,484)	(22,738,853)	(23,586,814)
Business-type activities	(183,865)	(819,658)	302,942	(665,322)	(200,558)	(627,108)	(90,757)	(282,595)	19,484	266,396
Total primary government net expenses	(17,779,034)	(17,569,461)	(17,475,186)	(20,179,633)	(20,635,162)	(22,910,395)	(22,280,087)	(23,507,079)	(22,719,369)	(23,320,418)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	16,111,062	16,544,452	17,863,798	18,278,128	18,169,142	18,201,625	19,729,881	19,260,936	20,211,965	20,636,890
Local option sales taxes	1,963,435	2,203,383	2,236,339	2,241,156	2,421,292	2,388,583	3,322,098	3,463,493	3,654,528	3,901,650
Other taxes and licenses	65,081	62,831	59,878	61,665	66,763	79,609	178,214	171,717	192,050	199,831
Unrestricted grants and contributions	200,746	268,347	80,257	86,345	91,956	86,213	-	-	-	100,000
Investment earnings, unrestricted	15,940	7,741	6,082	2,279	2,767	26,026	48,469	138,214	230,257	180,241
Miscellaneous	100,202	91,685	13,269	298,443	70,088	100,987	65,619	33,493	161,357	95,694
Transfers	-	(8,751)	-	-	(174)	-	-	-	-	(5,067)
Total governmental activities	18,456,466	19,169,688	20,259,623	20,968,016	20,821,834	20,883,043	23,344,281	23,067,853	24,450,157	25,109,239
Business-type activities:										
Investment earnings	3,467	1,798	1,336	296	648	7,566	15,448	53,911	103,104	65,333
Miscellaneous	37,964	67,609	66,416	85,921	78,203	147,990	95,531	152,090	84,185	83,153
Transfers	-	8,751	-	-	174	-	-	-	-	5,067
Total business-type activities	41,431	78,158	67,752	86,217	79,025	155,556	110,979	206,001	187,289	153,553
Total primary government	18,497,897	19,247,846	20,327,375	21,054,233	20,900,859	21,038,599	23,455,260	23,273,854	24,637,446	25,262,792
Changes in Net Position										
Governmental activities	861,297	2,419,885	2,481,495	1,453,705	387,230	(1,400,244)	1,154,951	(156,631)	1,711,304	1,522,425
Business-type activities	(142,434)	(741,500)	370,694	(579,105)	(121,533)	(471,552)	20,222	(76,594)	206,773	419,949
Total primary government	\$ 718,863	\$ 1,678,385	\$ 2,852,189	\$ 874,600	\$ 265,697	\$ (1,871,796)	\$ 1,175,173	\$ (233,225)	\$ 1,918,077	\$ 1,942,374

TABLE 3

WARREN COUNTY, NORTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Fiscal Year	Property Tax	Local Sales Tax	Other Taxes	Alcoholic Beverage Tax	Total
2011	\$ 16,111,062	\$ 1,963,435	\$ 65,081	\$ 7,400	\$ 18,146,978
2012	16,544,452	2,203,383	62,831	7,503	18,818,169
2013	17,863,798	2,236,339	52,327	7,551	20,160,015
2014	18,278,128	2,241,156	61,665	7,668	20,588,617
2015	18,169,142	2,421,292	66,763	7,467	20,664,664
2016	18,201,625	2,388,583	79,609	7,405	20,677,222
2017	19,729,881	3,322,098	178,214	7,614	23,237,807
2018	19,260,936	3,463,493	171,717	7,711	22,903,857
2019	20,211,965	3,654,528	184,266	7,784	24,058,543
2020	\$ 20,636,890	\$ 3,901,650	\$ 190,750	\$ 9,081	\$ 24,738,371

TABLE 4

WARREN COUNTY, NORTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year Ended									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable										
Inventories	\$ 25,388	\$ 25,312	\$ 25,312	\$ 25,312	\$ 23,482	\$ 11,352	\$ 10,058	\$ 9,520	\$ 18,167	\$ 16,965
Restricted										
Stabilization by State Statute	1,390,404	1,780,754	1,665,595	1,607,699	2,066,586	1,697,202	2,047,989	1,622,818	1,806,713	1,659,525
Restricted for Education	-	-	-	-	-	-	-	-	1,792,941	2,526,874
Committed										
Revaluation	181,751	226,878	271,998	317,030	362,094	316,958	47,733	98,506	150,607	201,926
Assigned										
Subsequent year's expenditures	1,606,391	1,414,257	1,903,015	3,119,333	3,614,033	1,824,557	1,658,290	400,000	787,109	1,454,918
Unassigned	5,263,593	6,363,638	7,666,303	7,529,080	5,682,106	6,294,569	7,784,272	9,889,447	9,127,496	10,275,627
Total general fund	<u>8,467,527</u>	<u>9,810,839</u>	<u>11,532,223</u>	<u>12,598,454</u>	<u>11,748,301</u>	<u>10,144,638</u>	<u>11,548,342</u>	<u>12,020,291</u>	<u>13,683,033</u>	<u>16,135,835</u>
All other governmental funds										
Restricted										
Stabilization by State Statute	202,000	19,072	44,695	64,111	18,275	23,600	102,061	27,199	97,058	34,937
Public Safety	496,185	442,878	427,600	499,955	974,670	1,529,350	388,502	3,302,925	835,582	743,614
Economic Development	310,759	310,935	291,431	291,461	294,994	252,319	221,134	167,954	150,247	151,046
Recreation	-	-	-	-	136,005	1,002	1,006	1,018	1,040	1,054
Assigned										
Subsequent year's expenditures	-	-	-	-	29,892	-	-	-	-	-
Unassigned	(264,814)	(62,714)	(32,486)	(57,528)	(5,493)	(6,564)	(102,846)	(5,782)	(22,815)	(23,203)
Total all other governmental funds	<u>\$ 744,130</u>	<u>\$ 710,171</u>	<u>\$ 731,240</u>	<u>\$ 797,999</u>	<u>\$ 1,448,343</u>	<u>\$ 1,799,707</u>	<u>\$ 609,857</u>	<u>\$ 3,493,314</u>	<u>\$ 1,061,112</u>	<u>\$ 907,448</u>

TABLE 5

WARREN COUNTY, NORTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year Ended									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Ad Valorem taxes	\$ 16,064,818	\$ 16,703,924	\$ 18,003,078	\$ 18,272,066	\$ 18,372,851	\$ 18,195,561	\$ 19,969,526	\$ 19,308,411	\$ 20,087,336	\$ 20,492,919
Local option sales taxes	1,963,435	2,203,383	2,236,339	2,241,156	2,421,292	2,388,583	3,322,098	3,463,493	3,654,528	3,901,650
Other taxes and licenses	65,081	62,831	59,878	61,665	66,763	79,609	90,093	88,468	108,481	117,026
Unrestricted Intergovernmental	200,746	268,347	122,863	120,331	126,836	128,299	127,865	118,316	118,248	213,890
Restricted Intergovernmental	5,995,413	6,073,237	5,840,517	5,650,377	5,811,042	5,418,171	5,624,241	4,656,469	4,682,193	4,707,375
Permits and fees	248,403	263,379	285,882	254,318	244,753	256,808	269,744	295,712	303,834	281,449
Sales and services	2,237,698	2,240,763	2,208,564	1,809,456	2,034,487	2,146,424	2,535,406	1,985,136	1,897,406	1,585,494
Investment earnings	15,940	7,741	6,082	2,279	2,767	26,026	48,469	138,214	230,257	180,241
Miscellaneous	157,960	106,468	56,217	54,781	93,079	107,188	77,772	36,813	168,737	105,397
Total Revenues	26,949,494	27,930,073	28,819,420	28,466,429	29,173,870	28,746,669	32,065,214	30,091,032	31,251,020	31,585,441
Expenditures										
Current:										
General government	3,043,227	2,937,673	2,980,361	3,146,719	3,274,768	3,655,944	3,721,911	3,392,339	3,402,683	4,046,517
Public safety	7,067,568	7,107,232	7,531,216	8,308,486	9,014,839	9,262,183	9,510,075	9,466,304	9,432,685	9,304,601
Environmental protection	382,164	376,324	383,497	399,740	404,163	404,793	413,487	280,703	301,435	391,143
Economic and physical development	672,395	729,274	742,845	579,597	831,498	589,083	621,537	657,460	736,688	774,183
Human services	8,825,203	8,469,838	8,607,217	8,854,940	9,227,386	9,271,702	9,255,914	8,503,638	8,357,381	8,166,198
Cultural and recreation	863,403	722,136	780,899	865,195	799,852	991,155	861,166	989,248	900,154	864,272
Intergovernmental:										
Education	4,454,943	4,232,796	4,447,192	4,493,277	5,264,372	5,828,533	5,364,698	5,362,874	5,145,759	5,139,956
Capital outlay	316,048	135,876	103,975	131,544	17,000	322,854	1,460,425	1,056,134	2,586,814	199,315
Debt service:										
Principal	1,647,467	1,565,404	1,435,514	639,118	640,618	642,118	1,073,901	1,072,666	935,920	859,607
Interest and other charges	397,515	335,416	271,476	205,376	144,976	125,272	131,351	110,921	220,961	160,915
Total expenditures	27,669,933	26,611,969	27,284,192	27,623,992	29,619,472	31,093,637	32,414,465	30,892,287	32,020,480	29,906,707
Excess of revenues over (under) expenditures	(720,439)	1,318,104	1,535,228	842,437	(445,602)	(2,346,968)	(349,251)	(801,255)	(769,460)	1,678,734
Other financing sources (uses)										
Transfers in from other funds	422,326	203,796	44,893	119,000	700,975	43,010	194,354	53,301	-	2,915
Transfers out to other funds	(422,326)	(212,547)	(44,893)	(119,000)	(701,149)	(43,010)	(194,354)	(53,301)	-	(7,982)
Proceeds from the issuance of debt	89,921	-	207,225	290,553	245,967	1,094,669	563,105	4,156,661	-	625,471
Total other financing sources (uses)	89,921	(8,751)	207,225	290,553	245,793	1,094,669	563,105	4,156,661	-	620,404
Net change in fund balances	\$ (630,518)	\$ 1,309,353	\$ 1,742,453	\$ 1,132,990	\$ (199,809)	\$ (1,252,299)	\$ 213,854	\$ 3,355,406	\$ (769,460)	\$ 2,299,138
Debt service as a percentage of noncapital expenditures	7.58%	7.26%	6.37%	3.12%	2.70%	2.57%	3.99%	4.05%	3.96%	3.53%

TABLE 6

WARREN COUNTY, NORTH CAROLINA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCES
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Fiscal Year	Property Tax	Sales Tax	Other Taxes	Alcoholic Beverage Tax	Total
2011	\$ 15,318,279	\$ 1,963,435	\$ 65,081	\$ 7,400	\$ 17,354,195
2012	16,703,924	2,203,383	62,831	7,503	18,977,641
2013	18,003,078	2,236,338	52,327	7,551	20,299,294
2014	18,272,066	2,241,156	61,665	7,668	20,582,555
2015	18,372,851	2,421,292	66,763	7,467	20,868,372
2016	18,195,561	2,388,583	79,609	7,405	20,671,158
2017	19,969,526	3,322,098	90,093	7,614	23,389,331
2018	19,308,411	3,463,493	88,468	7,711	22,868,083
2019	20,087,336	3,654,528	100,697	7,784	23,850,345
2020	\$ 20,492,919	\$ 3,901,650	\$ 107,945	\$ 9,081	\$ 24,511,595

TABLE 7

WARREN COUNTY, NORTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

Fiscal Year Ended December 31	Real Property			Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Net Property	Motor Vehicles	Other					
2011	\$ 2,147,345	\$ 202,048	\$ 2,349,393	\$ 130,631	\$ 82,491	\$ 15,631	\$ 2,546,884	0.60	\$ 1,528,130	166.67%
2012	2,216,338	221,592	2,437,930	112,231	18,107	15,668	2,552,600	0.62	1,776,273	143.71%
2013	2,235,512	221,694	2,457,206	119,498	17,273	17,334	2,576,643	0.66	1,780,205	144.74%
2014	2,220,370	222,394	2,442,764	130,764	75,960	18,927	2,630,561	0.66	1,650,601	159.37%
2015	2,230,662	223,420	2,454,082	133,468	50,307	20,503	2,617,354	0.66	1,660,003	157.67%
2016	2,238,628	223,420	2,462,048	134,551	54,477	20,550	2,630,526	0.66	1,665,466	157.95%
2017	2,241,022	223,420	2,464,442	147,035	63,302	20,934	2,653,845	0.71	1,865,592	142.25%
2018	1,973,440	223,420	2,196,860	145,875	99,728	21,623	2,420,840	0.76	1,839,838	131.58%
2019	1,896,601	223,420	2,120,021	151,260	181,295	20,094	2,432,482	0.79	1,921,661	126.58%
2020	1,936,400	216,572	2,152,972	155,244	115,845	21,418	2,402,643	0.79	1,898,088	126.58%

Source: Warren County Tax Department

TABLE 8

WARREN COUNTY, NORTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2020
(UNAUDITED)

	Fiscal Year Ended									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
County Direct Rates*										
County-wide Rate	0.60	0.62	0.66	0.66	0.66	0.66	0.71	0.76	0.79	0.79
Municipality Rates										
Town of Warrenton	0.62	0.61	0.61	0.61	0.61	0.61	0.61	0.65	0.65	0.65
Town of Norlina	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.68
Town of Macon	0.30	0.30	0.30	0.279	0.30	0.38	0.30	0.30	0.30	0.30

* All taxable property is subject to the same county-wide tax rate (there are no sub-categories)

Note:

All tax rates are expressed in dollars of tax per \$100 of assessed valuation.

Source: Warren County Tax Department

TABLE 9

**WARREN COUNTY, NORTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)**

2020				2011			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Progress	\$ 38,994,238	1	1.57%	Progress Energy	\$ 23,332,269	1	0.92%
Halifax Electric Membership Corp.	28,975,330	2	1.17%	Lake Gaston Golf Links	20,513,972	2	0.81%
PH Forest Investments LLC	13,661,054	3	0.55%	PH Forest Investments	15,735,367	3	0.62%
Glen Raven Mills	11,716,632	4	0.47%	Inland Paperboard & Packaging	19,944,334	4	0.78%
Sustainable Forests	9,112,178	5	0.37%	Redtail Gaston LLC	13,247,414	5	0.52%
MHC Lake Gaston LLC	5,636,055	6	0.23%	Carolina Telephone	11,414,966	6	0.45%
Dominion NC Power	5,554,156	7	0.22%	Glen Raven Mills	7,270,316	7	0.29%
Liberty Healthcare Prop WC LLC	4,541,390	8	0.18%	MHC Lake Gaston LLC	5,534,936	8	0.22%
Lowes Food of Warrenton	2,964,450	9	0.12%	Stonehouse Timber Lodge	5,259,123	9	0.21%
REH Warreb County LLC	2,910,049	10	0.12%	Bugg A S&W	5,173,588	10	0.20%
Totals	<u>\$ 124,065,532</u>		<u>5.01%</u>		<u>\$ 127,426,285</u>		<u>5.00%</u>

Source: Warren County Tax Department

TABLE 10

**WARREN COUNTY, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)**

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 15,281	\$ 14,535	95.10%	\$ 688	\$ 15,223	99.62%
2012	15,840	15,090	95.30%	687	15,777	99.60%
2013	16,967	16,329	96.24%	556	16,885	99.52%
2014	17,362	16,701	96.19%	555	17,256	99.39%
2015	17,274	16,774	97.11%	423	17,197	99.55%
2016	17,361	16,807	96.81%	463	17,270	99.48%
2017	18,842	18,371	97.50%	350	18,721	99.36%
2018	18,398	17,965	97.65%	267	18,232	99.10%
2019	19,216	18,687	97.25%	293	18,980	98.77%
2020	\$ 19,690	\$ 19,051	96.75%	\$ -	\$ 19,051	96.75%

Source: Warren County Tax Department

TABLE 11

WARREN COUNTY, NORTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)
(UNAUDITED)

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Installment Purchases	Capital Leases	General Obligation Bonds	Installment Purchases			
2011	\$ 1,588	\$ 6,933	\$ -	\$ 12,154	\$ 188	\$ 20,863	5.91%	1,051
2012	885	5,917	-	13,545	173	20,520	5.46%	1,059
2013	191	5,292	-	13,367	1,189	20,039	5.10%	974
2014	165	4,878	-	13,162	1,191	19,396	4.96%	925
2015	137	4,333	-	12,947	1,069	18,486	4.84%	901
2016	108	4,558	-	13,046	1,008	18,720	4.77%	908
2017	78	4,078	222	12,770	997	18,145	3.12%	887
2018	48	7,192	174	12,489	918	20,821	3.58%	1,035
2019	16	6,286	123	12,192	839	19,456	3.35%	964
2020	\$ -	\$ 6,070	\$ 61	\$ 11,884	\$ 793	\$ 18,808	3.21%	939

TABLE 12

WARREN COUNTY, NORTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNTS)
(UNAUDITED)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2011	\$ 1,588	\$ -	\$ 1,588	0.104%	80
2012	885	-	885	0.050%	46
2013	191	-	191	0.011%	9
2014	165	-	165	0.010%	8
2015	137	-	137	0.008%	7
2016	108	-	108	0.006%	5
2017	78	-	78	0.004%	4
2018	48	-	48	0.003%	2
2019	18	-	18	0.001%	1
2020	\$ -	\$ -	\$ -	0.000%	-

TABLE 13

WARREN COUNTY, NORTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County of Warren	\$ 6,131	100.00%	\$ 6,131
Underlying:			
Town of Warrenton	-		-
Town of Norlina	-		-
Town of Macon	-		-
	<u>\$ 6,131</u>		<u>\$ 6,131</u>

TABLE 14

WARREN COUNTY, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 203,751	\$ 204,208	\$ 206,131	\$ 210,445	\$ 209,388	\$ 210,442	\$ 212,308	\$ 193,667	\$ 194,599	\$ 198,265
Total net debt applicable to limit	13,742	14,430	13,558	13,327	13,084	12,913	12,496	12,537	11,885	11,884
Legal debt margin	<u>\$ 190,009</u>	<u>\$ 189,778</u>	<u>\$ 192,573</u>	<u>\$ 197,118</u>	<u>\$ 196,304</u>	<u>\$ 197,529</u>	<u>\$ 199,812</u>	<u>\$ 181,130</u>	<u>\$ 182,714</u>	<u>\$ 186,381</u>
Total net debt applicable to the limit as a percentage of debt limit	6.74%	7.07%	6.58%	6.33%	6.25%	6.14%	5.89%	6.47%	6.11%	5.99%
Legal Debt Margin Calculation for Fiscal Year 2019										
Total assessed value										2,478,319
Debt limit (8% of total assessed value)										198,265
Debt applicable to limit:										
General obligation bonds										11,884
Less: Amount set aside for repayment of general obligation debt										-
Total net debt applicable to limit										<u>11,884</u>
Legal debt margin										<u>\$ 186,381</u>

TABLE 15

**WARREN COUNTY, NORTH CAROLINA
DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	(1) Population	(2) Personal Income (amounts expressed in thousands)	(3) Per Capita Personal Income	(4) Median Age	(5) Percent High School Graduate	(5) Percent Bachelor's Degree or Higher	(6) School Enrollment	(7) Unemployment Rate
2011	19,843	353,086	17,794	44	73.5	*	2,458	12.5%
2012	19,381	375,623	19,381	41	73.1	*	2,386	12.8%
2013	20,576	393,269	19,113	45	73.1	*	2,380	11.1%
2014	20,975	390,764	18,630	46	74.1	*	2,365	10.0%
2015	20,514	382,176	18,630	46	76.5	13.5	2,300	8.1%
2016	20,628	392,386	19,022	46	77.3	*	2,238	7.3%
2017	20,468	581,095	28,390	46	77.8	15.4	2,126	6.4%
2018	20,121	585,620	29,453	47	77.8	*	2,017	6.2%
2019	20,190	602,070	30,397	47	80.1	15.8	1,879	6.8%
2020	20,033	599,364	30,377	48	80.5	15.5	1,776	9.4%

* Data not available at this time

Source 1: Population figures come from NC Dept. of Commerce ACCESSNC report

Source 2: Personal Income figures come the Bureau of Economic Analysis

Source 3: Per Capita Personal Income figures come from the Bureau of Economic Analysis

Source 4: Median Age figures come from NC Dept. of Commerce ACCESSNC report

Source 5: Percent High School Graduates and percent Bachelor's Degree or higher figures come from NC Dept. of Commerce ACCESSNC report

Source 6: School Enrollment figures come from the NC Dept. of Public Instruction (NCDPI) - Average & Last Day Membership Report

Source 7: Unemployment Rate figures come from NC Dept. of Commerce ACCESSNC report

TABLE 16

**WARREN COUNTY, NORTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO*
(UNAUDITED)**

Employer	2020		Employer	2011	
	Employees	Rank		Employees	Rank
NC Dept of Public Safety	250-499	1	Warren County Schools	450	1
County of Warren	250-499	2	NC Department of Corrections	405	2
Warren County Schools	250-499	3	County of Warren	330	3
Food Lion	100-249	4	Glen Raven Inc	157	4
Glen Raven Inc	100-249	5	Warren Hills Nursing Center	143	5
Comfort of Home Care LLC	100-249	6	Elberta Crate & Box Co	98	6
The Pointe Café LLC	50-99	7	Maxim Healthcare Services	64	7
Cast Stone Systems, Inc.	50-99	8	Cast Stone Systems, Inc.	60	8
Elberta Crate & Box Co.	50-99	9	NC Department of Transportation	37	9
ITS Maintenance LLC	Below 50	10	Magnolia Gardens	36	10

Source: www.d4nccommerce.com

Note: Current years' employee count only provided in ranges.

TABLE 17

WARREN COUNTY, NORTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Function	Fiscal Year Ended									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	44	41	40	36	38	44	44	44	44	42
Public Safety										
Sheriff	38	38	37	38	43	43	38	38	38	31
Central Communications	10	10	10	14	16	15	14	14	14	14
Detention	17	17	17	18	20	17	18	18	18	18
Emergency Management	2	2	2	2	2	3	2	2	2	2
Emergency Services	20	20	20	26	35	26	27	27	27	27
Code Enforcement	2	4	4	4	4	3	3	3	3	3
Animal Control	4	4	4	5	5	6	6	6	6	5
Environmental Protection	-	3	3	3	3	3	3	3	3	3
Economic & Physical Development	12	11	11	11	9	11	8	8	8	7
Human Services	126	132	131	126	124	128	129	129	125	123
Culture and recreation	12	12	12	12	15	12	12	12	12	11
Education	7	3	3	2	0	0	0	0	0	0
Solid Waste	4	5	5	5	4	5	5	5	5	5
Public Works	10	10	10	10	10	10	10	10	10	10
Total	<u>308</u>	<u>312</u>	<u>309</u>	<u>312</u>	<u>328</u>	<u>326</u>	<u>319</u>	<u>319</u>	<u>315</u>	<u>301</u>

Source: Warren County Finance Department

TABLE 18

**WARREN COUNTY, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Function	Fiscal Year Ended									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Animal Control- Dogs & Cats picked up	1,721	1,538	1,572	1,359	1,362	1,375	1,055	1,194	1,180	836
Fire Calls	3,025	310	384	1,278	3,496	3,740	3,892	3,816	3,337	2,896
Breaking and entering investigations	278	154	187	244	180	196	208	215	206	182
EMS Calls	4,629	2,632	1,289	2,164	2,934	3,288	3,235	3,253	3,438	3,383
Code Enforcement Inspections	1,153	2,277	722	704	2,074	628	2,111	1,858	2,031	1,791
Human Services										
Number of home health visits	5,783	4,939	4,641	3,395	3,097	3,322	3,761	3,777	4,503	4,559
Number of home health patients	243	395	143	296	237	242	246	269	201	221
Environmental Protection										
Tons of Solid Waste Collected	8,704	8,873	8,349	7,142	8,074	8,405	7,719	9,280	7,654	7,864
Culture and recreation										
Recreation Youth Participants	1,024	989	940	945	1,063	1,138	1,163	1,018	1,080	350
Library Items Circulated	54,530	49,160	44,586	51,446	51,823	46,419	51,076	55,110	59,133	63,344
Number of Library Visits	54,132	45,087	51,341	60,126	60,126	60,235	59,916	52,126	44,400	27,625

Source: Various county government departments

TABLE 19

WARREN COUNTY, NORTH CAROLINA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Function	Fiscal Year Ended									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Buildings & Grounds Motor Vehicles	11	11	9	9	9	7	10	10	10	12
Public Safety										
Sheriff's Patrol Units	36	36	44	46	55	54	53	53	57	59
Ambulances	5	6	6	8	6	6	6	6	7	7
Other Motor Vehicles	4	6	6	9	11	15	15	15	15	10
Environmental Protection										
Motor Vehicles	3	3	3	1	1	1	1	1	1	1
Economic & Physical Development										
Motor Vehicles	1	6	6	2	2	2	2	2	2	4
Human Services										
Motor Vehicles	21	20	20	25	24	28	28	28	32	27
Culture and recreation										
Park Acreage	41	40	40	120	145	145	145	145	145	145
Parks	3	3	3	3	4	4	4	4	4	4
Parks & Recreation Vehicles	0	0	0	0	3	3	3	3	2	3
Library Motor Vehicles	1	1	1	1	1	1	1	1	1	1
Water & Sewer										
Motor Vehicles & Equipment	7	7	7	9	8	9	9	9	10	12
Fire Hydrants	521	571	523	523	523	523	523	523	523	523
Pump Stations	5	8	10	10	10	10	10	10	10	10
Miles of Water Main	437	609	465	600	616	616	616	616	616	616
Elevated Tanks	7	7	7	7	7	7	7	7	7	7
Miles of Gravity Sewer Lines	5	5	5	5	5	5	5	5	5	5
Miles of Sewer Force Main	23	23	23	23	23	23	23	23	23	23
Solid Waste										
Public Works	0	0	0	0	5	5	6	6	7	6

Source: Warren County Finance Department

COMPLIANCE SECTION

Winston, Williams, Creech, Evans, & Company, LLP

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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*

Independent Auditor's Report

To The Board of County Commissioners
Warren County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, North Carolina as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprises Warren County's basic financial statements, and have issued our report thereon dated February 25, 2021. Our report includes a reference to other auditors who audited the financial statements of the Warren County Public Facilities Company and Warren County ABC Board, as described in our report on Warren County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Warren County Public Facilities Company and Warren County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Warren County'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 Warren County's internal control. Accordingly we do not express an opinion on the effectiveness of the County'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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Warren County'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 *Governmental Auditing Standards*.

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.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP
Certified Public Accountants
Oxford, NC
February 24, 2021

Winston, Williams, Creech, Evans, & Company, LLP

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America Counts on CPAs

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Report On Compliance with Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Warren County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Warren County, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Warren County's major federal programs for the year ended June 30, 2020. Warren County's major federal programs are 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 and State 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 Warren County'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), and the State Single Audit Implementation Act. Those standards, OMB Uniform Guidance, and the State Single Audit Implementation Act 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about Warren County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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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 Warren County's compliance.

Basis for Qualified Opinion on the Medical Assistance Program

As described in the accompanying schedule of findings and questioned costs, Warren County did not comply with requirements regarding the CFDA 93.778 Medical Assistance Program as described in finding numbers 20-1 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Warren County to comply with the requirements applicable to that program.

Qualified Opinion on the Medical Assistance Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Warren County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Medical Assistance Program for the year ended June 30, 2020.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Warren County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

Other matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 20-1. Our opinion on each major federal program is not modified with respect to these matters.

Warren County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and the corrective action plan. Warren County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Warren County 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 Warren County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB 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 County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance

that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 20-1 and 20-2 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or 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.

Warren County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. Warren County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 OMB Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP
Certified Public Accountants
Oxford, NC
February 24, 2021

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Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance with Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Warren County, North Carolina

Report on Compliance for Each Major State Program

We have audited the Warren County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Warren County's major state programs for the year ended June 30, 2020. Warren County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

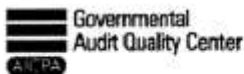
Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Warren County's major state 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 applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the *State Single Audit Implementation Act*. Those standards, Uniform Guidance, and the State Single Audit Implementation Act 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 a major state program occurred. An audit includes examining, on a test basis, evidence about Warren County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on Warren County's compliance.

Basis for Qualified Opinion on the Medical Assistance Program

As described in the accompanying schedule of findings and questioned costs, Warren County did not comply with requirements regarding CFDA 93.778 Medical Assistance Program as described in finding numbers 20-1 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Warren County to comply with the requirements applicable to that program.

Qualified Opinion on the Medical Assistance Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Warren County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Medical Assistance Program for the year ended June 30, 2020.

Unmodified Opinion on Each of the Other Major State Programs

In our opinion, Warren County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 20-1. Our opinion on each major state program is not modified with respect to these matters.

Warren County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. Warren County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of Warren County 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 Warren County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with OMB 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 County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance

that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2020-1 and 2020-2 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state 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.

Warren County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. Warren County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP
Certified Public Accountants
Oxford, NC
February 24, 2021

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Section I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant Deficiency(s) identified? ☐ Yes ☒ No

Noncompliance material to financial statements noted ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant Deficiency(s) identified? ☐ Yes ☒ None

Type of auditor's report issued on compliance for major federal programs: Unmodified, for all federal programs except for Medical Assistance Program, which was modified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ Yes ☐ No

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.568	Low-Income Home Energy Assistance: Crisis Intervention Program
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

State Awards

Internal control over major State programs:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant Deficiency(s) identified? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major State programs: Unmodified, for all State programs except for Medical Assistance Program, which was modified.

Any audit findings disclosed that are required
to be reported in accordance with the State
Single Audit Implementation Act

☒ Yes ☐ No

Identification of major State programs:

Program Name

Medical Assistance Program
State Aid to Public Libraries
School Nurse Funding Initiative
Rural Operating Assistance Program (ROAP) Cluster

Section II – Financial Statement Findings

Note noted.

Section III – Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed-through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA #: 93.778

Finding: 2020-1

MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE

Required verifications and documentation for Eligibility

Criteria: Per the North Carolina Medicaid Assistance Program Compliance Supplement, the DSS manuals (Aged, Blind and Disabled manual and the Family and Children Medicaid manual), and Administrative Letters from the Division of Health Benefits case files for individuals or families receiving assistance are required to retain documentation to evidence appropriate eligibility determination, including verifications of and support for:

- Age
- Citizenship/Identity
- State residency
- Household composition and relationship
- Living arrangement
- Social Security Number
- Pregnancy (if applicable)

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

- Disability, Blindness (if applicable)
- Medicare
- Cooperation with Child Support
- Liquid Assets
- Vehicles and Other Personal Property
- Real Property
- Deductibles
- Income (Self-employment, Other earned income, Unearned income)
- Accurate computation of countable income and resources.
- Reviews/Applications must be completed timely.

The DSS manuals and Administrative letters also provide income maintenance amounts and resource limits for the respective Medicaid program and budget unit size. The computed countable income and resources must be under these limits for the person / family to be eligible for the Medicaid program.

Condition: We noted 87 instances of case records not containing the proper verifications or proper computations as required by policy. Eleven of these files did not contain appropriate verification of real property ownership with the Register of Deeds Office and the Tax Office. Six cases did not properly verify or document life insurance per policy including if it was participating or not participating and if it was participating verifying and documenting the cash surrender value of the policy timely. Eleven case files did not properly verify or document vehicles per policy. Vehicles were not rebutted timely, not keyed into evidence timely or not keyed into evidence at all. Eighteen of the case files did not properly verify or document bank accounts, patient accounts. Ownership of account was not entered correctly. Accounts were not verified correctly or entered into evidence correctly or timely. There were twenty-three traditional files where policy was not followed and verified correctly including residence, citizenship, dates of entry under living arrangements, retro months or date of entry into facility months not followed up on, reduction of reserve, and fair share notations and adjustments to income limit. Notices were not completed correctly for PML. Expertes were not completed timely. Also worker requested unnecessary verification. There were 15 files that income was not counted correctly or not updated in evidence. Two MAGI files did not have household size verified or determined correctly. One MAGI case did not have citizenship verified or documented correctly.

Questioned Costs: There was \$1,417 in known errors. The known error rate projects or extrapolates to the entire population of claims paid for the year to an estimated \$7,313,183 in questioned costs for these cases. These questioned costs are for claims paid to beneficiaries and are not reported on the County's Schedule of Expenditures of Federal and State Awards. The claims are paid directly by the State of North Carolina to the providers or the beneficiaries. Beneficiary eligibility is determined by the county and claim eligibility is determined by the State. The claim payments are reported on the State's Schedule of Expenditures and Federal Awards only.

Context: Out of \$35,387,348 Medicaid claims paid during the year, we tested the Medicaid certification of eligibility (initial application or recertification of eligibility) that related to the period that included the date of service for the claim being tested for 101 claims. The conditions noted above were noted in 36 of the 101 claims tested.

Effect: Case files not containing all required documentation result in a risk that the County could provide services to individuals not eligible to receive such services or that such individuals could be denied to eligible benefits. Upon notification of the missing documentation or the errors in calculations in the case files, the County was able to obtain documentation and provide corrected

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

calculations to substantiate that the recipients tested were eligible to receive benefits in all but 4 claims (a total of eight related errors). Those claims totaled \$1,417.

Identification of a repeat finding: This is a repeat finding from previous audits, 2019-1, 2017-1, 2017-2, 2016-1, 2016-2, 2016-3, 2016-4, 2016-5, and 2016-6.

Cause: The County did not retain required documentation in case files at the time that eligibility was determined. The review performed by the caseworker was ineffective in determining that all required items were retained, that all calculations were accurate, and that all necessary information was entered into NCFast.

Recommendation: We recommend that the County train and monitor employees on the eligibility determination process, specifically those areas noted to have errors above. Files should be reviewed internally to ensure proper documentation is in place for eligibility. NCFast should be reviewed to determine that information gathered during the review is properly input into the system and that system driven calculations are utilizing the available information.

Views of responsible officials and planned corrective actions: The County will continue to train employees on a monthly basis and as needed when new and updated policies are received. Supervisors and lead workers will continue to conduct second party reviews and utilizing any findings to aid in training staff on any necessary policy information. The County added a Quality Control position effective January 1, 2021 to assist with conducting second party reviews and training. During Fiscal Year 2020 an interim director was in place for the department and observations were made that have led to internal process changes for the department. The department will continue to implement changes as necessary to achieve the overall improvement of eligibility determinations.

US Department of Health and Human Services

Passed-through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA #: 93.778

Finding: 2020-2

MATERIAL WEAKNESS

DSS Crosscutting Requirements for Reporting

Criteria: Employee timesheets for in-home aides payroll should be completed timely and completely so all time is properly approved for payroll and included in the monthly 1571 report submitted to the State. All time included on the report should be supported by documentation within the casefiles or other documentation maintained by the County.

Condition: We noted that the report submitted to the reporting officer did not match the manual time sheets filled out by the in-home aides for the time worked by salaried in-home aides. Time was not documented properly for administrative time on their manual time sheets. In the majority of time reviewed only time spent with a client was documented on the in-home aides' time sheets. The County policy is for all time worked to be recorded on the in-home aides' time sheets.

Questioned Costs: None. Finding relates to reporting criteria. As the time reported on the 1571 did agree, there are no questioned costs.

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Context: We reviewed in-home payroll for two months. Out of the 5 in-home aides we reviewed, 4 of them had issues with their time sheets in both months.

Effect: Time not listed on the employees' signed time sheet and therefore being included on the 1571 Report that could not be supported as actually being performed could lead to overstatement of the time being reported for that month. Reporting also shows that full-time employee in-home aides are working full-time when that work is administrative and there are hourly in-home aides that are fully utilized. Assignments could be shifted between aides to better utilize resources available as patient needs change.

Identification of a repeat finding: This is a repeat finding from previous audits, 2019-2.

Cause: Ineffective review of the timesheets. Timesheets for all full-time employees should account for a full work week and be approved by a supervisor.

Recommendation: We recommend that employees ensure that there is support maintained in files to support the work performed and claimed on their time sheets. The County should continue to implement the review process started during this fiscal year of the timesheets for in-home aides where a sample is taken monthly to review support for the time claimed on the timesheets to verify that in-home aides are reporting time accurately and completely and that required support is being maintained. Administration should also review the program to determine that most effective and efficient resource allocation is being utilized to service the clients in the program.

Views of responsible officials and planned corrective actions: Employees will be provided a refresher training on documentation of time sheets.

Section IV – State Award Findings and Questioned Costs

Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA # 93.778

MATERIAL WEAKNESS/MATERIAL NONCOMPLIANCE: Finding 2020-1 also applies to State requirements and State Awards.

Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA #93.778

MATERIAL WEAKNESS: Finding 2020-2 also applies to State requirements and State Awards.



WARREN COUNTY BOARD OF COMMISSIONERS

602 WEST RIDGEWAY STREET

POST OFFICE BOX 619

WARRENTON, NORTH CAROLINA 27589

CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

Finding: 2020-1

Name of contact person: Emma Perry

Corrective Action: The County will continue to train employees on a monthly basis and as needed when new and updated policies are received. Supervisors and lead workers will continue to conduct second party reviews and utilizing any findings to aid in training staff on any necessary policy information. The County added a Quality Control position effective January 1, 2021 to assist with conducting second party reviews and training. During Fiscal Year 2020 an interim director was in place for the department and observations were made that have led to internal process changes for the department. The department will continue to implement changes as necessary to achieve the overall improvement of eligibility determinations.

Proposed Completion Date: June 30, 2021

Finding: 2020-2

Name of contact person: Emma Perry

Corrective Action: Employees will be provided a refresher training on documentation of time sheets.

Proposed Completion Date: March 31, 2021

Section IV – State Award Findings and Questioned Costs

Finding 2020-1 and 2020-2 also applies to State Awards

"This institution is an equal opportunity provider and employer."

Tare Davis, Chairman
Victor Hunt, Vice Chairman
Bertadean Baker
Jennifer Pierce
Walter Powell

Vincent Jones
County Manager

Angelena Kearney-Dunlap
Clerk to the Board

**WARREN COUNTY, NORTH CAROLINA
PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Finding : 19-1

Status: See Finding 20-1.

Finding : 19-2

Status: See Finding 20-2.

Finding : 17-1

Status: See Finding 19-1.

Finding : 17-2

Status: Internal controls for 2nd party reviews have been restructured with the implementation of required 2nd party reviews to be completed as part of the State's corrective action plan. As part of this process, the County has implemented a more formal 2nd party review process that exceeds the requirements of the State requirements. The County has started using the review sheet that is provided as part of the State Compliance Supplement for Medical Assistance as part of its 2nd party review process as well. Overall, the error rate experienced by the County is decreasing in their audits. It is still not where it should be as evidenced by Finding 17-1. This can be attributed to a still high rate of turnover in the County DSS and a continued need for training of the workers. The County will continue to work to identify training needs of its employees and improve the errors rates experienced by the County.

Finding : 16-1

Status: See Finding 20-1.

Finding : 16-2

Status: See Finding 20-1.

Finding: 16-4

Status: See Finding 20-1.

Finding: 16-5

Status: See Finding 17-2.

Finding: 16-6

Status: See Finding 20-1. While 19-1 is for a different program, the eligibility rules are basically the same and issues were encountered in the application of those rules.

Finding : 15-1

Status: See Finding 20-1

Finding : 15-2

Status: See Finding 20-1

**WARREN COUNTY, NORTH CAROLINA
PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Finding: 15-4

Status: See Finding 20-1

Finding: 15-5

Status: See Finding 17-2.

Finding 14-2

Status: See Finding 20-1.

Finding 14-3

Status: See Finding 20-1.

Finding 14-5

Status: See Finding 17-2.

Finding 13-3

Status: See Finding 20-1.

Finding: 13-4

Status: See Finding 20-1.

WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	TO SUBRECIPIENTS
FEDERAL AWARDS:				
<u>U.S. Dept. of Agriculture</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Administration:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 319,383	\$ -	\$ -
Family Preservation	10.556	2,100	-	-
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Administration:				
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	111,515	-	-
Total US Department of Agriculture		432,998	-	-
<u>U.S. Department of Treasury</u>				
Passed-through the Office of State Budget and Management				
NC Pandemic Recovery Office				
Coronavirus Relief Fund	21.019	54,963	-	-
Total U.S. Dept. of Treasury		54,963	-	-
<u>National Foundation of Arts and Humanities</u>				
Office of Library Services-State Orogams				
Passed-through the N.C. Dept. of Cultural Resources				
State Library of North Carolina				
LSTA Strengthening Public and Academic Library Collections Grant	45.310	-	3,741	-
<u>U.S. Dept. of Homeland Security</u>				
Passed-through the N.C. Department of Public Safety:				
Division of Emergency Management				
Emergency Management Performance Grant	97.042	38,904	-	-
Tier II Grant				
Emergency Food and Shelter National Board Program	97.024		-	-
Total U.S. Dept. of Homeland Security		38,904	-	-
<u>U.S. Dept. of Health and Human Services</u>				
Passed-through the Kerr-Tar Council of Governments:				
Division of Aging and Adult Services:				
National Family Caregiver Support, Title III, Part E	93.052	3,225	215	-
State Appropriations		-	10,574	-
<u>Aging Cluster:</u>				
Special Programs for the Aging-Title III, Part B-Grants for				
Supportive Services and Senior Centers	93.044	47,248	2,779	-
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	73,448	4,321	-
Nutrition Services Incentive Program	93.053	13,858	-	-
Total Aging Cluster		134,554	7,100	-
Total Division of Aging and Adult Services		137,779	17,889	-
Passed through Kerr-Tar Council of Governments:				
Passed-through the N.C. Dept. of Health and Human Services:				
Provider Relief Fund				
HHS Stimulus Funds	93.498	45,551	-	-
Division of Health Benefits:				
Division of Social Services:				
Administration:				
Medical Assistance Program	93.778	861,460	3,797	-
Total Medical Assistance Program		861,460	3,797	-
Division of Social Services:				
Administration:				
Children's Health Insurance Program - N.C. Health Choice	93.767	28,361	844	-
Total Children's Health Insurance Program - N.C. Health Choice		28,361	844	-

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	TO SUBRECIPIENTS
<u>Centers for Disease Control and Prevention:</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)				
Aligned Cooperative Agreements	93.074	60,607	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	50	-	-
Family Planning Services	93.217	16,321	-	-
Immunization Cooperative Grants	93.268	7,976	-	-
Cancer Prevention and Control Programs for State-Territorial and Tribal Organizations	93.898	4,875	-	-
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	100	-	-
Statewide Health Promotion Program	93.991	30,921	-	-
Maternal and Child Health Services Block Grant	93.994	40,977	26,142	-
Total Centers for Disease Control		161,827	26,142	-
Passed-through the N.C. Dept of Insurance, Division of SHIP:				
CDAP-State Health Insurance Assistance Program	93.324	6,031	-	-
<u>U.S. Dept. of Health and Human Services (cont.)</u>				
<u>Administration for Children and Families</u>				
Passed-through the N.C. Dept. of Health Human Services, Division of Social Services:				
Division of Social Services				
Child Support Enforcement	93.563	375,983	(217)	-
Refugee and Entrant Assistance - State Replacement Designee Administered Programs	93.566	309	-	-
<u>Foster Care and Adoption Cluster:</u>				
Foster Care-Title IV-E	93.658	82,571	20,688	-
Adoption Assistance	93.659	12,630	-	-
Total Foster Care and Adoption Cluster		95,201	20,688	-
Temporary Assistance for Needy Families (TANF):				
TANF-Work First	93.558	328,669	-	-
Low-Income Home Energy Assistance:				
Crisis Intervention Program	93.568	288,358	-	-
Total Low-Income Home Energy Assistance		288,358	-	-
Stephanie Tubbs Jones Child Welfare Services Program :				
Permanency Planning-Families for Kids	93.645	7,376	-	-
Social Services Block Grant (SSBG)-In Home Services	93.667	178,728	398	-
Chafee Foster Care Independence Program:				
Independent Living Initiative	93.674	360	90	-
Total Division of Social Services		803,491	488	-
Division of Child Development and Early Education:				
<u>Subsidized Child Care</u>				
<u>Child Care Development Fund Cluster</u>				
Division of Social Services:				
Child Care Development Mandatory and Match Fund-Administration	93.596	80,000	-	-
Total Subsidized Child Care		80,000	-	-
Total Administration for Children and Families		1,354,984	20,959	-
Total U.S. Dept. of Health and Human Services		2,565,072	69,631	-
Total federal awards		3,122,858	73,372	-
STATE AWARDS:				
<u>N.C. Dept. of Agriculture and Consumer Services</u>				
Agriculture Cost Share Technical Assistance		-	21,677	-
Pesticide Grant		-	3,098	-
Total N.C. Dept. of Agriculture and Consumer Services		-	24,775	-
<u>N.C. Dept. of Cultural and Natural Resources</u>				
Division of State Library				
State Aid to Public Libraries		-	80,713	-

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	TO SUBRECIPIENTS
<u>N.C. Dept. of Health and Human Services</u>				
Division of Aging and Adult Services:				
Passed-through the Kerr-Tar Council of Governments:				
90% State Funds - Home Delivered Meals		-	35,254	-
90% State Funds - Access		-	17,263	-
90% State Funds - In-Home Service		-	84,468	-
<u>Division of Social Services:</u>				
Child Welfare/CPS		-	10,062	-
Incentive/Prog Integrity		-	2	-
State Foster Home - Direct		-	1,425	-
Energy Assistance		-	2,794	-
Smart Start		-	10,225	-
Total Division of Social Services		-	24,508	-
<u>Division of Public Health</u>				
Food and Lodging		-	3,610	-
School Nurse Funding Initiative		-	150,000	-
Women's Health Service Fund		-	1,106	-
CHA/CHIP Peer Review			96,436	
Healthy Communities		-	3,785	-
STD Drugs		-	157	-
HIV/STD State		-	500	-
General Communicable Disease Control		-	9,592	-
TB Control		-	3,486	-
Breast and Cervical Cancer Control		-	3,875	-
Child Health		-	13,064	-
Gonorrhea Partner Services		-	26	-
Family Planning - State		-	13,835	-
Maternal Health		-	14,300	-
Total Division of Public Health		-	313,772	-
Total N.C. Dept. of Health and Human Services		-	475,265	-
<u>N.C. Dept of Environmental Quality</u>				
Division of Waste Management				
Electronics Management		-	1,160	-
<u>N.C. Dept. of Transportation</u>				
NC DOT Cluster ROAP				
ROAP Elderly and Disabled Transportation Assistance Program		-	71,208	-
ROAP Work First Transitional - Employment		-	8,048	-
ROAP Rural General Public Program		-	66,208	-
Total N.C. Dept. of Transportation		-	145,464	-
<u>N.C. Dept. of Public Safety</u>				
Emergency Management Operation		-	963	-
Juvenile Crime Prevention Council Programs		-	94,194	-
Total N.C. Dept. of Public Safety		-	95,157	-
Total State Awards		-	822,534	-
Total federal and State awards		\$ 3,122,858	\$ 895,906	\$ -

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	TO SUBRECIPIENTS
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NOTES TO PRECEDING SCHEDULE OF FEDERAL AND STATE AWARDS:

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Warren County, North Carolina, under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Warren County, it is not intended to and does not present the financial positions, changes in net position or cash flows of Warren County.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

3. Indirect Cost Rate

Warren County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Foster Care and Adoption.

5. Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determination that cause benefit payments to be issued by the State. These amounts disclose this additional aid to the County.

<u>Program Title</u>	<u>CFDA No.</u>	<u>Federal</u>	<u>State</u>
Special Supplemental Nutrition Program for Women Infants and Children	10.557	235,015	-
Supplemental Nutrition Assistance Program	10.551	5,257,577	-
Temporary Assistance for Needy Families	93.558	114,760	(9)
Adoption Assistance	93.659	145,409	36,406
Foster Care - Title IV-E	93.658	3,835	933
Medical Assistance Program	93.778	24,346,368	13,218,629
Children's Health Insurance Program	93.767	319,075	-
Child Welfare Services Adoption		-	30,048
State/County Special Assistance Program		-	210,656