

REVIEWED

By SLGFD at 12:30 pm, Feb 17, 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**WARREN COUNTY,
NORTH CAROLINA**

**FOR THE FISCAL YEAR
ENDING JUNE 30, 2021**



Prepared by the Warren County Finance Department

Lee Faines, 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

January 31, 2022

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, 2021 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, 2021 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 unmodified opinion that the county's financial statements for the fiscal year ended June 30, 2021, 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, 2021. 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 19,522.

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, 2021.

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. The unemployment rate has improved to 5.8 % as of 11/30/2021.

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 2021, 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 two 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.

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 \$5,000 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, 2020. This is 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,

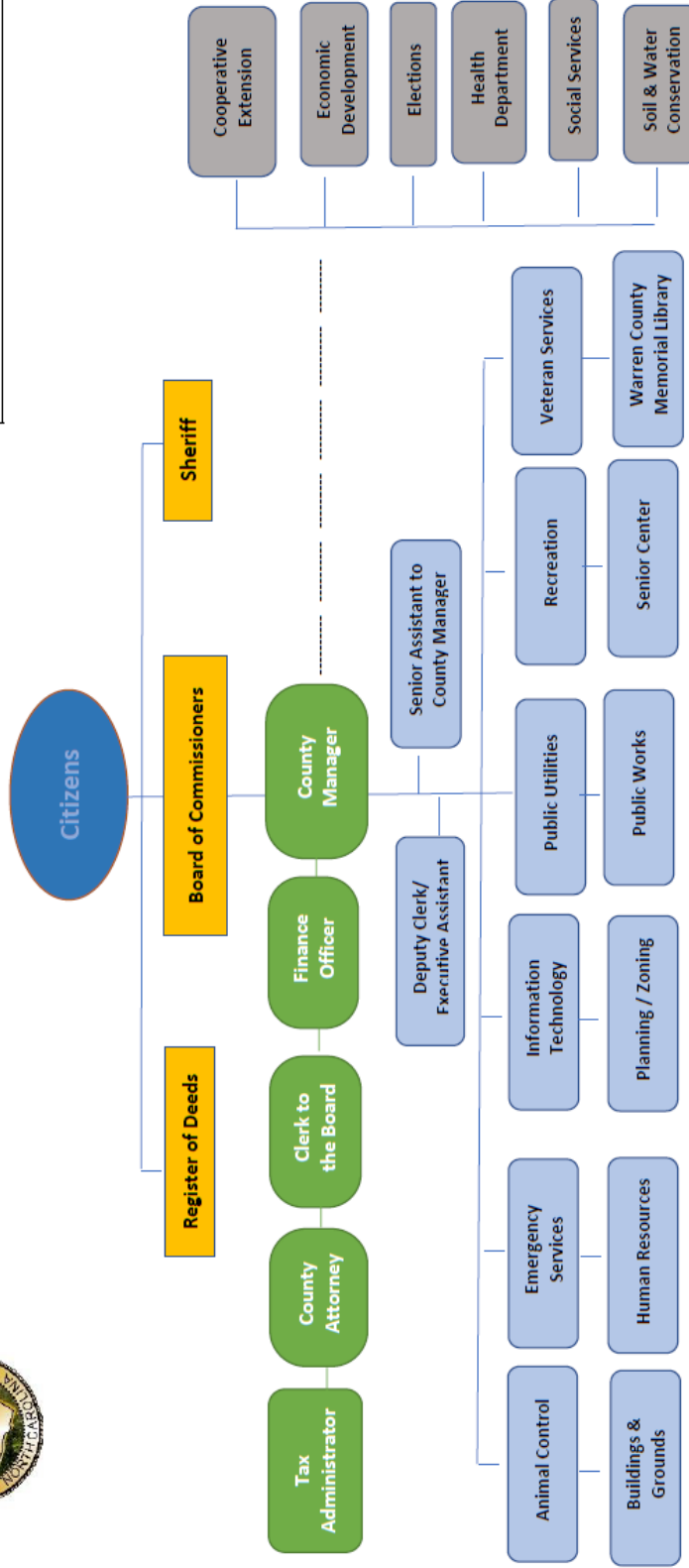

Vincent Jones
County Manager


Lee Faines
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, 2021**

**Board of County
Commissioners**

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

Paula L. Pulley, Clerk to the Board

County Officials

Vincent Jones	County Manager
Lee Faines	Finance Director
John Preston	Tax Administrator
Yvonne Alston	Register of Deeds
Johnny M. Williams	Sheriff
Marshall Brothers	Public Works Director
Debbie Formyduval	Board of Elections Director
Macon Robertson	Interim Public Utilities Director
Chris Pegram	Interim Emergency Services Director
Larry West	Soil & Water Conservation Director
Emma Perry	Interim Social Services Director
Jamytta Bell	Veterans Administrator
Cheryl Reddish	Library Director
Crystal Smith	Cooperative Extension Director
Terrance Williams	Building & Grounds Maintenance Manager
Danielle Bowen	Animal Control Director
Ken Krulik	Planning/Zoning
Charla Duncan	Interim Economic Development Director
Dr. Margaret Brake	Health Director
Beverly Foster	Interim Human Resources Manager
Charles Burwell	Information Technology/GIS Administrator
Richard Williams	Recreation Director
Vicky Stokes	Senior Center Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Warren County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

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, 2021 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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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, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the CARES Act Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note VIII to the financial statements, effective July 1, 2020, the entity adopted new accounting guidance promulgated in GASB Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

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 January 31, 2022, 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
January 31, 2022

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, 2021. 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

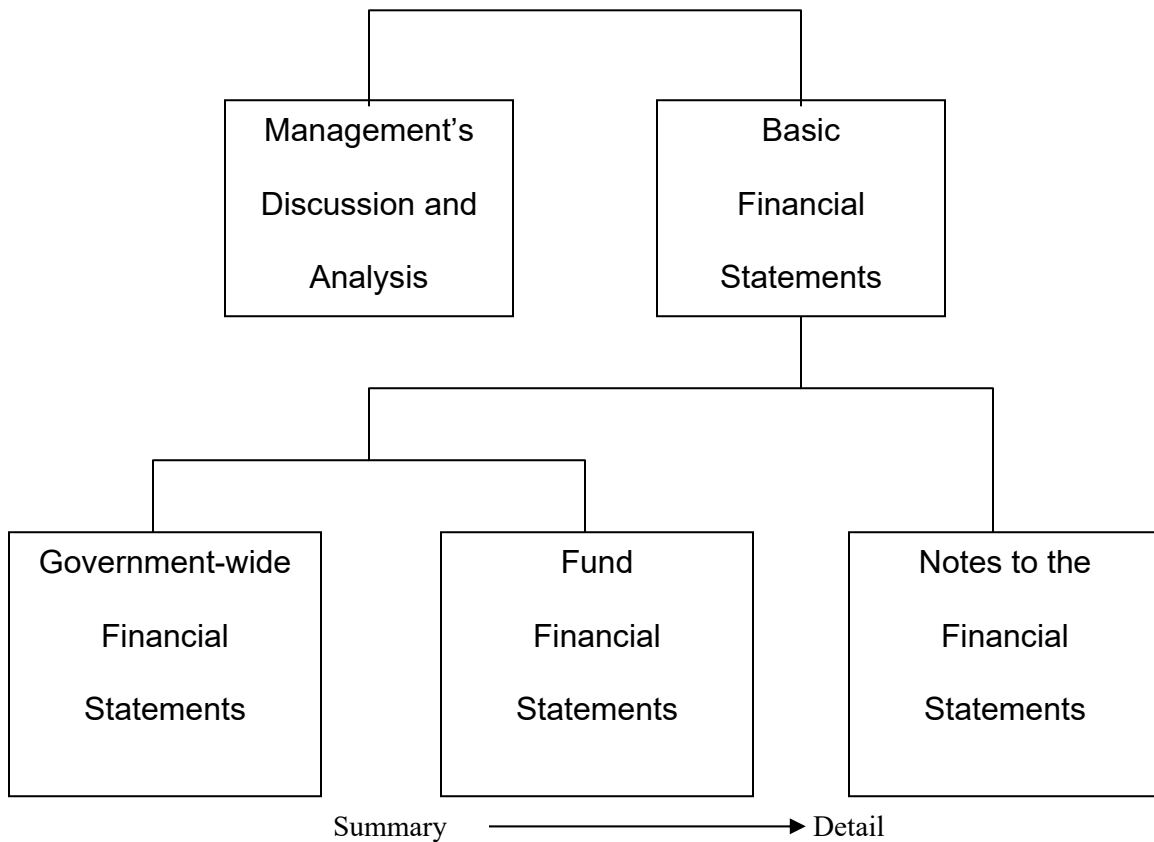
- The assets and deferred outflows of resources of Warren County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$56,358,588(*net position*).
- The government's total net position increased by \$3,325,916 primarily due to increased net position in the General Fund.
- As of the close of the current fiscal year, Warren County's governmental funds reported combined ending fund balances of \$21,229,693, an increase of \$4,100,003 in comparison with the prior year. Approximately 57.08 percent of this total amount or \$12,118,085 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 \$12,118,085 or 40.38% of total general fund expenditures for the fiscal year.
- Warren County's total debt increased by \$334,251 (1.33%) 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.

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 39 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 85 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 \$56,358,588 as of June 30, 2021, one of the largest portions (55.49%) 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 \$7,123,880. The balance of \$17,959,139 is unrestricted.

Warren County's Net Position
Figure 2

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 25,860,077	\$ 19,769,347	\$ 8,230,807	\$ 7,620,205	\$ 34,090,884	\$ 27,389,552
Capital Assets	19,800,857	20,867,326	29,103,173	29,806,741	48,904,030	50,674,067
Total Assets	45,660,934	40,636,673	37,333,980	37,426,946	82,994,914	78,063,619
Deferred Outflows of Resources	3,186,728	2,529,225	132,890	107,695	3,319,618	2,636,920
Long-term liabilities outstanding	12,639,183	11,945,363	12,851,645	13,211,213	25,490,828	25,156,576
Other liabilities	2,918,174	1,279,009	947,839	836,397	3,866,013	2,115,406
Total Liabilities	15,557,357	13,224,372	13,799,484	14,047,610	29,356,841	27,273,363
Deferred Inflows of Resources	585,394	468,856	13,709	13,436	599,103	482,292
Net position:						
Net investment in capital assets	14,490,452	14,939,866	16,785,117	17,129,077	31,275,569	32,068,943
Restricted	7,116,110	5,117,050	7,770	7,770	7,123,880	5,124,820
Unrestricted	11,098,349	9,415,754	6,860,790	6,336,748	17,959,139	15,752,502
Total net position	\$ 32,704,911	\$ 29,472,670	\$ 23,653,677	\$ 23,473,595	\$ 56,358,588	\$ 52,946,265

Warren County Changes in Net Position
Figure 3

	Governmental		Business-like		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 2,688,026	\$ 1,889,200	\$ 5,269,288	\$ 5,074,984	\$ 7,957,314	\$ 6,964,184
Operating grants and contributions	6,248,499	4,725,906	-	-	6,248,499	4,725,906
Capital grants and contributions	-	-	284,384	499,658	284,384	499,658
Property taxes	21,756,785	20,636,890	-	-	21,756,785	20,636,890
Other taxes	4,964,032	4,101,481	-	-	4,964,032	4,101,481
Investment Earnings	4,534	180,241	977	65,333	5,511	245,574
Grants and contributions not restricted	191,434	100,000	-	-	191,434	100,000
Miscellaneous	107,178	95,694	79,979	83,153	187,157	178,847
Total Revenues	35,960,488	31,729,412	5,634,628	5,723,128	41,595,116	37,452,540
Expenses:						
General government	4,795,703	3,987,409	-	-	4,795,703	3,987,409
Public safety	11,487,337	10,032,349	-	-	11,487,337	10,032,349
Economic and physical development	823,505	740,540	-	-	823,505	740,540
Environmental protection	416,292	407,462	1,649,544	1,688,292	2,065,836	2,095,754
Human services	8,491,061	8,681,126	-	-	8,491,061	8,681,126
Cultural and recreation	1,034,650	1,051,327	-	-	1,034,650	1,051,327
Education	5,624,840	5,139,956	-	-	5,624,840	5,139,956
Interest on long-term debt	141,214	161,751	-	-	141,214	161,751
Water and sewer	-	-	3,805,054	3,619,954	3,805,054	3,619,954
Total Expenses	32,814,602	30,201,920	5,454,598	5,308,246	38,269,200	53,510,166

	Governmental Activities		Business-like Activities		Total	
	2021	2020	2021	2020	2021	2020
Increase in net position before transfers	3,145,886	1,527,492	180,030	414,882	3,325,916	1,942,374
Transfers	(52)	(5,067)	52	5,067	-	-
Increase in net position	3,145,834	1,522,425	180,082	419,949	3,325,916	1,942,374
Net position, July 1	29,472,670	27,950,245	23,473,595	23,053,646	52,946,265	51,003,891
Restatement	86,407	-	-	-	86,407	-
Net position, July 1, restated	29,559,077	27,950,245	23,473,595	23,053,646	53,032,672	51,003,891
Net position, June 30	\$ 32,704,911	\$ 29,472,670	\$ 23,653,677	\$ 23,473,595	\$ 56,358,588	\$ 52,946,265

Governmental activities. Governmental activities increased the County's net position by \$3,145,834 accounting for 94.59 percent of the total increase in the net position of Warren County. The current tax rate increased to 81 cents per \$100 in valuation from 79 cents per \$100 in valuation in the prior year.

Revenue increases included an increase in property tax collections of \$162,595 over the previous fiscal year, a big increase in sales tax collections of \$1,102,395.

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 \$180,082 or 5.9% 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 \$12,118,085 while total fund balance reached \$20,267,373. The remainder of fund balance, \$8,149,288 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 40.38 percent of total General Fund expenditures, while total fund balance represents 67.54 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 2021, no capital requests were submitted for reimbursement, resulting in an increase of \$648,084 in fund balance reserved for education.

The Sheriff's Department, Emergency Medical Services, the Health Department, and the Department of Social Services had a combined total of over \$2.2 million in unspent expenditures. Salaries and associated benefits and capital outlay items were the bulk of the savings.

At June 30, 2021, the governmental funds of Warren County reported a combined fund balance of \$21,229,693, a 23.94% 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. Actual sales tax compared to budget generated an additional \$1.1 million.

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 2022.

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 \$580,591 and those for the Water and Sewer Districts equaled \$6,280,199. 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, 2021 totals \$48,904,030 (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

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

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,074,522	\$ 1,036,529	\$ 233,570	\$ 233,570	\$ 1,308,092	\$ 1,270,099
Buildings	15,498,401	11,712,385	-	-	15,498,401	11,712,385
Improvements other than buildings	627,039	685,168	711,667	732,598	1,338,706	1,417,766
Land Improvements	75,325	88,310	-	-	75,325	88,310
Equipment and furniture	1,849,273	1,061,054	240,044	260,606	2,089,317	1,321,660
Water Lines/Elevated Tanks	-	-	27,286,279	28,027,728	27,286,279	28,027,728
Vehicles and motorized Equipment	676,297	719,047	56,890	46,271	733,187	765,318
Construction in progress	-	5,564,833	574,723	505,968	574,723	6,070,801
Total	\$ 19,800,857	\$ 20,867,326	\$ 29,103,173	\$ 29,806,741	\$ 48,904,030	\$ 50,674,067

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, 2021, Warren County had total bonded debt outstanding of \$11,565,334, 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	
	2021	2020	2021	2020	2021	2020
Bonds	\$ -	\$ -	\$ 11,268,000	\$ 11,573,000	\$ 11,268,000	\$ 11,573,000
Bond Premiums	-	-	297,334	311,245	297,334	311,245
Total Bonds	-	-	11,565,334	11,884,245	11,565,334	11,884,245
Capital leases	4,812	61,018	-	-	4,812	61,018
Installment Purchases	5,468,260	6,069,775	752,722	793,419	6,220,982	6,863,194
Other Obligations	7,166,111	5,814,570	533,588	533,549	7,699,699	6,348,119
Total Long-Term Debt	\$ 12,639,183	\$ 11,945,363	\$ 12,851,644	\$ 13,211,213	\$ 25,490,827	\$ 25,156,576

During the past fiscal year, Warren County's total debt increased by \$334,251, an increase of 1.33 percent. Bonded debt of \$305,000 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, 2021, "key 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 \$188,065,510. The County sold \$11,395,000 of General Obligation Bonds in 2015 for its Water & Sewer Districts. Of that amount, \$9,885,000 were outstanding at June 30, 2021. There were \$1,383,000 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 decreased from 9.4% in June 2020 to 6.0% in June 2021.
- Per Capita annual income in Warren County is approximately \$30,377.
- Industries and businesses currently located in the County remain stable.
- The County received \$894,536 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 received an additional installment of CRF funds in the amount of \$1.9 million in June of 2021.
- Various departments also received grants pertaining to the COVID pandemic.

Governmental Activities: The County adopted a budget for fiscal year 2022 with a 9.0% increase in General Fund expenditures. The tax rate remained the same at a rate of 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 5.9% 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, 602 W. Ridgeway Street, Warrenton, NC 27589.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

WARREN COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2021

				Component Units	
	Governmental	Business-type		Warren County	Warren County
	Activities	Activities	Total	Public Facilities	ABC Board
				Co.	
<u>ASSETS</u>					
Cash and cash equivalents	\$ 18,029,163	\$ 7,193,228	\$ 25,222,391	\$ 190,096	\$ 538,435
Restricted cash	3,645,651	7,770	3,653,421	-	-
Receivables (net)	2,630,127	1,029,809	3,659,936	-	6,213
Taxes receivable	1,284,982	-	1,284,982	-	-
Accrued interest receivable on taxes	222,237	-	222,237	-	-
Inventory	15,825	-	15,825	-	496,437
Prepaid expenses	-	-	-	-	11,221
Net pension asset-ROD	32,092	-	32,092	-	-
Capital assets					
Land, improvements, and construction in progress	1,074,522	1,279,811	2,354,333	48,087	195,500
Other capital assets, net of depreciation	18,726,335	27,823,362	46,549,697	2,925,722	1,315,143
Total capital assets	19,800,857	29,103,173	48,904,030	2,973,809	1,510,643
Total Assets	45,660,934	37,333,980	82,994,914	3,163,905	2,562,949
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	3,186,728	132,890	3,319,618	-	19,969
<u>LIABILITIES</u>					
Accounts payable & accrued expenses	2,876,583	431,936	3,308,519	-	169,428
Accrued interest payable	41,591	38,433	80,024	5,886	-
Customer deposits	-	477,470	477,470	-	-
Long-term liabilities:					
Due within one year					
Landfill closure payable	-	43,000	43,000	-	-
Capital leases payable	4,812	-	4,812	-	-
Bonds payable	-	316,000	316,000	-	-
Installment purchases payable	1,071,169	80,713	1,151,882	94,121	103,229
Compensated absenses payable	214,749	13,415	228,164	-	-
Due in more than one year					
Accrued landfill closure cost	-	181,636	181,636	-	-
Compensated absenses payable	644,246	40,247	684,493	-	-
Installment purchases payable	4,397,091	672,009	5,069,100	1,693,985	924,660
Bonds payable	-	11,249,334	11,249,334	-	-
Total pension liability-LEOSSA	619,650	-	619,650	-	-
Net pension liability-LGERS	5,277,006	232,502	5,509,508	-	10,244
Other postemployment benefits	410,460	22,789	433,249	-	-
Total long-term liabilities	12,639,183	12,851,645	25,490,828	1,788,106	1,038,133
Total Liabilities	15,557,357	13,799,484	29,356,841	1,793,992	1,207,561
<u>DEFERRED INFLOWS OF RESOURCES</u>	585,394	13,709	599,103	30,813	-
<u>NET POSITION</u>					
Net investment in capital assets	14,490,452	16,785,117	31,275,569	1,185,703	482,754
Restricted for:					
Stabilization by State Statute	2,656,406	-	2,656,406	-	-
Public Safety	1,077,993	-	1,077,993	-	-
Economic Development	151,058	-	151,058	-	-
Human Services	54,641	-	54,641	-	-
Cultural and Recreation	1,054	-	1,054	-	-
Education	3,174,958	-	3,174,958	-	-
Working Capital	-	-	-	-	117,670
Debt Service	-	7,770	7,770	-	-
Unrestricted	11,098,349	6,860,790	17,959,139	153,397	774,933
Total Net Position	\$ 32,704,911	\$ 23,653,677	\$ 56,358,588	\$ 1,339,100	\$ 1,375,357

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, 2021

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	\$ 4,795,703	\$ 399,146	\$ 1,089,887	\$ -	\$ (3,306,670)	\$ -	\$ (3,306,670)	\$ -	\$ -
Public safety	11,487,337	600,333	428,647	-	(10,458,357)	-	(10,458,357)	-	-
Economic and physical development	823,505	38,963	42,611	-	(741,931)	-	(741,931)	-	-
Environmental protection	416,292	-	-	-	(416,292)	-	(416,292)	-	-
Human services	8,491,061	1,576,226	4,595,944	-	(2,318,891)	-	(2,318,891)	-	-
Cultural and recreation	1,034,650	17,469	91,410	-	(925,771)	-	(925,771)	-	-
Education	5,624,840	55,889	-	-	(5,568,951)	-	(5,568,951)	-	-
Interest on long-term debt	141,214	-	-	-	(141,214)	-	(141,214)	-	-
Total governmental activities	32,814,602	2,688,026	6,248,499	-	(23,878,077)	-	(23,878,077)	-	-
Business-type activities:									
Solid Waste	1,649,544	1,745,687	-	64,384	-	160,527	160,527	-	-
Water and Sewer	3,805,054	3,523,601	-	220,000	-	(61,453)	(61,453)	-	-
Total business-type activities	5,454,598	5,269,288	-	284,384	-	99,074	99,074	-	-
Total primary government	\$ 38,269,200	\$ 7,957,314	\$ 6,248,499	\$ 284,384	(23,878,077)	99,074	(23,779,003)	-	-
Component units:									
Warren County Public Facilities Co.	\$ 187,173	\$ 369,755	\$ -	\$ -	-	-	-	182,582	-
Warren County ABC Board	3,751,066	3,957,337	-	-	-	-	-	-	206,271
Total component units	\$ 3,938,239	\$ 4,327,092	\$ -	\$ -	-	-	-	182,582	206,271
General revenues:									
Taxes:									
Property taxes, levied for general purpose					21,756,785	-	21,756,785	-	-
Local option sales tax					4,693,895	-	4,693,895	-	-
Other taxes and licenses					270,137	-	270,137	-	-
Grants and contributions not restricted to specific programs					191,434	-	191,434	-	-
Investment earnings, unrestricted					4,534	977	5,511	48	28
Miscellaneous, unrestricted					107,178	79,979	187,157	-	-
Transfers					(52)	52	-	-	-
Total general revenues, special items and transfers					27,023,911	81,008	27,104,919	48	28
Change in net position					3,145,834	180,082	3,325,916	182,630	206,299
Net position - beginning					29,472,670	23,473,595	52,946,265	1,156,470	1,169,058
Restatement					86,407	-	86,407	-	-
Net position - beginning, as restated					29,559,077	23,473,595	53,032,672	1,156,470	1,169,058
Net position - ending					\$ 32,704,911	\$ 23,653,677	\$ 56,358,588	\$ 1,339,100	\$ 1,375,357

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, 2021

	Major		Non-Major	Total
	General	CARES	Other	Total
	Fund	Act	Governmental	Governmental
		Fund	Funds	Funds
ASSETS				
Cash and cash equivalents	\$ 15,352,435	\$ 1,912,639	\$ 764,089	\$ 18,029,163
Restricted cash	3,426,903	-	218,748	3,645,651
Accounts receivable (net)	2,585,372	3,618	41,137	2,630,127
Taxes receivable (net)	1,185,717	-	99,265	1,284,982
Due from other funds	26,279	-	-	26,279
Inventory	15,825	-	-	15,825
Total Assets	<u>\$ 22,592,531</u>	<u>\$ 1,916,257</u>	<u>\$ 1,123,239</u>	<u>\$ 25,632,027</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable & accrued liabilities	\$ 924,951	\$ 1,916,257	\$ 35,375	\$ 2,876,583
Due to other funds	-	-	26,279	26,279
Total Liabilities	<u>924,951</u>	<u>1,916,257</u>	<u>61,654</u>	<u>2,902,862</u>
Deferred Inflows of Resources	<u>1,400,207</u>	<u>-</u>	<u>99,265</u>	<u>1,499,472</u>
Fund balances:				
Nonspendable:				
Inventories	15,825	-	-	15,825
Restricted:				
Stabilization by State Statute	2,611,651	3,618	41,137	2,656,406
Public Safety	324,909	-	753,084	1,077,993
Economic Development	-	-	151,058	151,058
Human Services	-	-	54,641	54,641
Recreation	-	-	1,054	1,054
Education	3,174,958	-	-	3,174,958
Committed:				
Revaluation	251,945	-	-	251,945
Assigned:				
Subsequent year's expenditures	1,770,000	-	-	1,770,000
Unassigned	<u>12,118,085</u>	<u>(3,618)</u>	<u>(38,654)</u>	<u>12,075,813</u>
Total Equity	<u>20,267,373</u>	<u>-</u>	<u>962,320</u>	<u>21,229,693</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,592,531</u>	<u>\$ 1,916,257</u>	<u>\$ 1,123,239</u>	<u>\$ 25,632,027</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, 2021

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

Total equity (Exhibit 3)	\$ 21,229,693
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	19,800,857
Net pension asset	32,092
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,107,961
Benefit payments for LEOSSA are deferred outflows of resources on the Statement of Net Position	1,692
Contributions for OPEB are deferred outflows of resources on the Statement of Net Position	28,211
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	222,237
Deferred inflows of resources for taxes receivable	1,284,982
Pension related deferrals	1,714,268
OPEB related deferrals	(36,308)
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	<u>(12,680,774)</u>
Net position of governmental activities (Exhibit 1)	<u><u>\$ 32,704,911</u></u>

**WARREN COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Major		Non-Major	Total
	General	CARES	Other	Total
	Fund	Act	Governmental	Governmental
		Fund	Funds	Funds
REVENUES				
Ad valorem taxes	\$ 20,544,457	\$ -	\$ 1,097,990	\$ 21,642,447
Local option sales taxes	4,693,895	-	-	4,693,895
Other taxes and licenses	270,137	-	-	270,137
Unrestricted intergovernmental	216,788	-	-	216,788
Restricted intergovernmental	5,010,672	899,005	293,882	6,203,559
Permits and fees	396,564	-	-	396,564
Sales and services	1,992,351	-	278,505	2,270,856
Investment earnings	4,426	-	108	4,534
Miscellaneous	147,370	-	-	147,370
Total Revenues	33,276,660	899,005	1,670,485	35,846,150
EXPENDITURES				
Current:				
General government	4,261,203	-	281,991	4,543,194
Public safety	8,558,382	899,005	1,244,477	10,701,864
Environmental protection	398,473	-	-	398,473
Economic and physical development	667,494	-	-	667,494
Human services	8,076,358	-	166,167	8,242,525
Cultural and recreational	824,909	-	-	824,909
Intergovernmental:				
Education	5,624,840	-	-	5,624,840
Capital outlay	-	-	8,985	8,985
Debt service:				
Principal	1,020,529	-	-	1,020,529
Interest and other charges	144,103	-	-	144,103
Total Expenditures	29,576,291	899,005	1,701,620	32,176,916
Revenues Over (Under) Expenditures	3,700,369	-	(31,135)	3,669,234
OTHER FINANCING SOURCES (USES)				
Transfers in from other funds	400	-	-	400
Transfers out to other funds	(52)	-	(400)	(452)
Debt issued	430,821	-	-	430,821
Total Other Financing Sources (Uses)	431,169	-	(400)	430,769
Net Change in Fund Balances	4,131,538	-	(31,535)	4,100,003
Fund Balance - July 1	16,135,835	-	907,448	17,043,283
Prior Period Restatement	-	-	86,407	86,407
Fund Balance - July 1, as restated	16,135,835	-	993,855	17,129,690
Fund Balance - June 30	\$ 20,267,373	\$ -	\$ 962,320	\$ 21,229,693

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, 2021**

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)	\$ 4,100,003
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.	375,509
Cost of disposed capital asset not recorded in fund statements	-
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.	(1,441,978)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,107,961
Benefit payments and administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position	1,692
Benefit payments for OPEB are deferred outflows of resources on the Statement of Net Position	28,211
Some revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements	114,338
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.	657,721
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	(1,797,623)
Total changes in net position of governmental activities (Exhibit 2)	<u>\$ 3,145,834</u>

WARREN COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund				CARES Act Fund			
	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
REVENUES								
Ad valorem taxes	\$ 20,381,862	\$ 20,381,862	\$ 20,544,457	\$ 162,595	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	3,468,000	3,591,500	4,693,895	1,102,395	-	-	-	-
Other taxes and licenses	100,000	100,000	270,137	170,137	-	-	-	-
Unrestricted intergovernmental	216,800	216,800	216,788	(12)	-	-	-	-
Restricted intergovernmental	4,503,414	5,406,744	5,010,672	(396,072)	-	382,938	899,005	516,067
Permits and fees	361,400	361,400	396,564	35,164	-	-	-	-
Sales and services	1,731,260	1,731,260	1,992,351	261,091	-	-	-	-
Investment earnings	185,000	185,000	4,407	(180,593)	-	-	-	-
Miscellaneous	442,521	17,261	147,370	130,109	-	-	-	-
Total revenues	31,390,257	31,991,827	33,276,641	1,284,814	-	382,938	899,005	516,067
EXPENDITURES								
Current:								
General government	4,831,385	5,534,742	4,261,203	1,273,539	-	-	-	-
Public safety	9,540,874	9,458,331	8,558,382	899,949	521,271	899,211	899,005	206
Environmental protection	439,137	445,637	398,473	47,164	-	-	-	-
Economic and physical development	963,966	972,196	667,494	304,702	-	-	-	-
Human services	9,228,737	9,834,452	8,076,358	1,758,094	-	-	-	-
Cultural and recreational	921,360	1,227,640	824,909	402,731	-	-	-	-
Intergovernmental:					-	-	-	-
Education	5,664,956	5,664,956	5,624,840	40,116	-	-	-	-
Debt service	1,841,673	1,164,760	1,164,632	128	-	-	-	-
Contingency	40,000	33,000	-	33,000	-	-	-	-
Total Expenditures	33,472,088	34,335,714	29,576,291	4,759,423	521,271	899,211	899,005	206
Revenues Over (Under) Expenditures	(2,081,831)	(2,343,887)	3,700,350	6,044,237	(521,271)	(516,273)	-	516,273
OTHER FINANCING SOURCES (USES)								
Transfers to other funds	(50,000)	(52,967)	(50,052)	2,915	-	-	-	-
Transfers from other funds	676,913	-	400	400	-	-	-	-
Debt issued	-	430,821	430,821	-	-	-	-	-
Appropriated fund balance	1,454,918	1,966,033	-	(1,966,033)	521,271	516,273	-	(516,273)
Total Other Financing Sources (Uses)	2,081,831	2,343,887	381,169	(1,962,718)	521,271	516,273	-	(516,273)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ -	4,081,519	\$4,081,519	\$ -	\$ -	-	\$ -
Fund Balance - July 1			15,933,909				-	
Fund Balance - June 30			20,015,428				\$ -	
A legally budgeted Revaluation Fund is consolidated into the General Fund for reporting purposes:								
Investment earnings			19					
Transfer in from General Fund			50,000					
Fund Balance, Beginning (Revaluation Fund)			201,926					
Fund Balance, Ending (Revaluation Fund)			251,945					
Fund Balance, Ending			\$ 20,267,373					

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, 2021

	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	\$ 1,390,724	\$ 2,336,949	\$ 1,625,189	\$ 1,248,617	\$ 591,749	\$ 7,193,228
Restricted cash	-	-	-	7,770	-	7,770
Receivables (net)	127,752	53,881	276,345	126,004	445,827	1,029,809
Total Current Assets	1,518,476	2,390,830	1,901,534	1,382,391	1,037,576	8,230,807
Noncurrent Assets:						
Capital assets:						
Land, improvements, and construction in progress	48,265	-	634,698	482,268	114,580	1,279,811
Other capital assets, net of depreciation	2,353,759	2,580,748	6,668,261	16,164,808	55,786	27,823,362
Total Capital Assets	2,402,024	2,580,748	7,302,959	16,647,076	170,366	29,103,173
Total Assets	3,920,500	4,971,578	9,204,493	18,029,467	1,207,942	37,333,980
DEFERRED OUTFLOWS OF RESOURCES	14,665	28,697	23,958	12,590	52,980	132,890
LIABILITIES						
Current Liabilities:						
Accounts payable and accrued liabilities	103,189	6,548	154,834	17,486	149,879	431,936
Accrued interest payable	1,733	3,463	6,352	26,885	-	38,433
Customer deposits	17,860	128,168	99,735	231,707	-	477,470
Accrued landfill closure	-	-	-	-	43,000	43,000
Compensated absences	1,236	2,349	1,855	742	7,233	13,415
Installment obligations	42,214	14,519	19,027	4,953	-	80,713
General obligation bonds payable	-	45,000	65,000	206,000	-	316,000
Total Current Liabilities	166,232	200,047	346,803	487,773	200,112	1,400,967
Noncurrent Liabilities:						
Accrued landfill closure	-	-	-	-	181,636	181,636
Compensated absences	3,709	7,048	5,564	2,226	21,700	40,247
Net pension liability	25,344	50,137	41,872	22,038	93,111	232,502
OPEB obligation	2,946	5,546	4,376	1,776	8,145	22,789
Installment obligations	416,147	86,303	162,186	7,373	-	672,009
General obligation bonds payable	-	1,017,094	1,905,204	8,327,036	-	11,249,334
Total Noncurrent Liabilities	448,146	1,166,128	2,119,202	8,360,449	304,592	12,398,517
Total Liabilities	614,378	1,366,175	2,466,005	8,848,222	504,704	13,799,484
DEFERRED INFLOWS OF RESOURCES	1,602	3,104	2,532	1,210	5,261	13,709
NET POSITION						
Net investment in capital assets	1,943,663	1,417,832	5,151,542	8,101,714	170,366	16,785,117
Restricted	-	-	-	7,770	-	7,770
Debt Service	-	-	-	-	-	-
Unrestricted	1,375,522	2,213,164	1,608,372	1,083,141	580,591	6,860,790
Total Net Position	\$ 3,319,185	\$ 3,630,996	\$ 6,759,914	\$ 9,192,625	\$ 750,957	\$ 23,653,677

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, 2021

	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	\$ 972,509	\$ 699,592	\$ 716,351	\$ 1,135,149	\$ 1,745,687	\$ 5,269,288
Miscellaneous	32,905	3,094	28,097	1,817	157	66,070
Total Operating Revenues	1,005,414	702,686	744,448	1,136,966	1,745,844	5,335,358
OPERATING EXPENSES						
Salaries and employee benefits	78,247	153,682	129,240	69,823	281,071	712,063
Water purchases	456,173	124,616	115,570	166,807	-	863,166
Contracted services	-	-	-	22,005	1,257,800	1,279,805
Other operating expenses	313,740	117,548	195,665	130,439	173,024	930,416
Landfill closure/postclosure costs	-	-	-	-	(81,364)	(81,364)
Depreciation	279,133	148,363	321,750	519,179	19,013	1,287,438
Total Operating Expenses	1,127,293	544,209	762,225	908,253	1,649,544	4,991,524
OPERATING INCOME (LOSS)	(121,879)	158,477	(17,777)	228,713	96,300	343,834
NONOPERATING REVENUES (EXPENSES)						
Interest earnings	191	335	289	134	28	977
Amortization of refunding bond premium	-	3,064	3,760	7,085	-	13,909
Interest expense	(11,728)	(42,188)	(77,812)	(331,346)	-	(463,074)
Total Nonoperating Revenues (Expenses) - Net	(11,537)	(38,789)	(73,763)	(324,127)	28	(448,188)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	(133,416)	119,688	(91,540)	(95,414)	96,328	(104,354)
Capital Contributions	-	-	209,250	10,750	64,384	284,384
Transfers in (out)						
General Fund	52	-	-	-	-	52
TOTAL CONTRIBUTIONS AND TRANSFERS	52	-	209,250	10,750	64,384	284,436
CHANGE IN NET POSITION	(133,364)	119,688	117,710	(84,664)	160,712	180,082
TOTAL NET POSITION-BEGINNING	3,452,549	3,511,308	6,642,204	9,277,289	590,245	23,473,595
TOTAL NET POSITION-ENDING	\$ 3,319,185	\$ 3,630,996	\$ 6,759,914	\$ 9,192,625	\$ 750,957	\$ 23,653,677

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, 2021

	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	
Cash flows from operating activities:						
Cash received from customers	\$ 938,002	\$ 704,742	\$ 528,022	\$ 1,127,687	\$ 1,764,515	\$ 5,062,968
Cash paid for goods and services	(776,337)	(235,289)	(165,734)	(289,251)	(1,438,852)	(2,905,463)
Cash paid to employees for services	(78,247)	(153,682)	(129,240)	(69,823)	(281,071)	(712,063)
Miscellaneous operating revenue	32,905	3,094	28,097	1,817	157	66,070
Net cash provided by operating activities	<u>116,323</u>	<u>318,865</u>	<u>261,145</u>	<u>770,430</u>	<u>44,749</u>	<u>1,511,512</u>
Cash flows from noncapital financing activities:						
Transfers in	52	-	-	-	-	52
Transfers out	-	-	-	-	-	-
Net cash provided by noncapital and financing activities	<u>52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52</u>
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(9,150)	(9,150)	(538,672)	(19,899)	(6,999)	(583,870)
Installment obligations issued	7,650	7,650	7,650	7,650	-	30,600
Principal paid on debt	(39,860)	(52,165)	(81,675)	(202,599)	-	(376,299)
Interest paid on debt	(11,728)	(42,188)	(77,812)	(331,346)	-	(463,074)
State grants	-	-	209,250	10,750	64,384	284,384
Net cash provided by capital and related financing activities	<u>(53,088)</u>	<u>(95,853)</u>	<u>(481,259)</u>	<u>(535,444)</u>	<u>57,385</u>	<u>(1,108,259)</u>
Cash flows from investing activities:						
Interest on investments	191	335	289	134	28	977
Net cash provided by investing activities	<u>191</u>	<u>335</u>	<u>289</u>	<u>134</u>	<u>28</u>	<u>977</u>
Net increase in cash and cash equivalents	<u>63,478</u>	<u>223,347</u>	<u>(219,825)</u>	<u>235,120</u>	<u>102,162</u>	<u>404,282</u>
Cash and cash equivalents, July 1	<u>1,327,246</u>	<u>2,113,602</u>	<u>1,845,014</u>	<u>1,021,267</u>	<u>489,587</u>	<u>6,796,716</u>
Cash and cash equivalents, June 30	<u>\$ 1,390,724</u>	<u>\$ 2,336,949</u>	<u>\$ 1,625,189</u>	<u>\$ 1,256,387</u>	<u>\$ 591,749</u>	<u>\$ 7,200,998</u>
Reconciliation of operating income to net cash provided by operating activities:						
Operating income (loss)	\$ (121,879)	\$ 158,477	\$ (17,777)	\$ 228,713	\$ 96,300	\$ 343,834
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	279,133	148,363	321,750	519,179	19,013	1,287,438
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	(34,507)	5,150	(188,329)	(7,462)	18,828	(206,320)
Increase (decrease) in accounts payable and accrued liabilities	(8,909)	(2,616)	136,860	9,728	(49,597)	85,466
Increase (decrease) in accrued interest payable	(144)	(142)	(229)	(661)	-	(1,176)
Increase (decrease) in customer deposits	(695)	5,550	4,840	17,452	-	27,147
(Increase) decrease in deferred outflows of resources-pensions	(3,880)	(4,229)	(4,083)	(3,629)	(9,374)	(25,195)
Increase in net pension liability	7,325	8,825	8,471	7,095	19,277	50,993
Increase (decrease) in deferred inflows of resources - pensions	93	(54)	7	135	92	273
Increase (decrease) in accrued landfill closure	-	-	-	-	(53,050)	(53,050)
Increase (decrease) in compensated absences	(737)	(1,401)	(1,106)	(443)	1,849	(1,838)
Increase (decrease) in OPEB obligation	523	942	741	323	1,411	3,940
Total adjustments	<u>238,202</u>	<u>160,388</u>	<u>278,922</u>	<u>541,717</u>	<u>(51,551)</u>	<u>1,167,678</u>
Net cash provided by operating activities	<u>\$ 116,323</u>	<u>\$ 318,865</u>	<u>\$ 261,145</u>	<u>\$ 770,430</u>	<u>\$ 44,749</u>	<u>\$ 1,511,512</u>

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, 2021

	Custodial Funds
Assets	
Cash and cash equivalents	\$ 4,557
Taxes receivable for other governments, net	55,393
Total assets	<u>\$ 59,950</u>
Liabilities and Net Position	
Liabilities	
Due to other individuals or governments	<u>\$ -</u>
Net Position	
Restricted for:	
Individuals, organizations, and other governments	59,950
Total fiduciary net position	<u>\$ 59,950</u>

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

Warren County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds
Additions	
Ad valorem taxes collected for other governments	\$ 768,769
Collections on behalf of inmates	21,608
Total additions	<u>790,377</u>
Deductions	
Tax distributions to other governments	784,505
Payments on behalf of inmates	30,495
Total deductions	<u>815,000</u>
Net increase (decrease) in fiduciary net position	(24,623)
Net position - beginning of year	-
Restatement	<u>84,573</u>
Net position - beginning of year, as restated	<u>84,573</u>
Net position - ending	<u><u>\$ 59,950</u></u>

**NOTES TO THE BASIC FINANCIAL
STATEMENTS**

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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. Interfund services provided and used are not eliminated in the process of consolidation. 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.

CARES Act Fund. This special revenue fund is used to account for funding associated with the funding received for the CARES Act.

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.

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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:

Custodial Funds – Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of other that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but that are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

Non-major Funds – The County maintains seven 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, the Representative Payee Fund, the Deed of Trust Fund and the Fines and Forfeitures 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

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 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.

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 seven of the Special Revenue Funds; the Special Fire Districts Fund, the Emergency Telephone System Fund, the Revaluation Fund, the CARES Act Fund, the Representative Payee Fund, the Deed of Trust Fund, and the Fines and Forfeitures 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 Capital Projects Funds, and 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

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

<u>Warren County Restricted Cash</u>			
Governmental Activities			
General Fund	Tax Revaluation	\$	251,945
General Fund	School Capital Reserve		3,174,958
Emergency Service Headquarters	Debt proceeds		218,748
Business-type Activities			
District III Enterprise Fund	RD Reserve for USDA loans		7,770
Total		\$	<u>3,653,421</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, 2020. 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.

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 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

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

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, 2021 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

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 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 economic development purposes.

Restricted for Human Services-portion of fund balance that is restricted by revenue source for human services purposes.

Restricted for Cultural and 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, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

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 \$11,475,218 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)	\$ 37,871,348
Less Accumulated Depreciation	<u>(18,070,491)</u>
Net capital assets	<u>19,800,857</u>
Net pension asset	32,092

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Contributions and adjustments to the pension plan in the current fiscal year	1,107,961
Benefit payments and pension administration costs for LEOSSA	1,692
Contributions to OPEB plan in the current fiscal year	28,211
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.	222,237
Deferred inflows of resources for taxes receivable	1,284,982
Pension related deferrals	1,714,268
OPEB related deferrals	(36,308)
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	(5,473,072)
Compensated absences	(858,995)
Other postemployment benefits	(410,460)
Net pension liability-LEOSSA	(619,650)
Net pension liability-LGERS	(5,277,006)
Accrued interest payable	<u>(41,591)</u>
Total adjustment	<u>\$ 11,475,218</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 \$ (954,169) 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	\$ 375,509
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	(430,821)
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	(1,441,978)

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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	1,088,542
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,107,961
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	1,692
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	28,211
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)	4,994
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	16,789
OPEB expense	(13,859)
County's portion of collective pension expense	(1,805,547)
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	35,793
Increase in accrued taxes receivable at end of year	<u>78,545</u>
Total adjustment	<u>\$ (954,169)</u>

II. Stewardship, Compliance, and Accountability

A. Noncompliance with North Carolina General Statutes

During the fiscal year, the County implemented GASB 84 which required a change in accounting principle. This implementation required special revenue funds to be set up for the Representative Payee Fund, Deed of Trust Fund and Fines and Forfeitures Fund. The County did not adopt a budget for these funds. Budgets are required to be set up for all special revenue funds based on NC G.S. 159-8(a).

B. Excess of Expenditures Over Appropriation

In Exhibit C-7, Exhibit C-8, and Exhibit C-9, the expenditures for these funds exceeded the budget by \$166,167, \$222,616, and \$59,375, respectively. A budget was not adopted for these funds due to the change in accounting principle. 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. This over-expenditure occurred in a prior year but is still shown because the fund has a project budget and the County has not

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yet closed out the project. The County will strive to do a better job in the future of anticipating overages such as these.

C. Deficit Fund Balance of Individual Funds

In Exhibit C-6, the Green-Duke House Conditions Assessment Fund has a deficit fund balance of \$16,788. This deficit fund balance exists due to additional funding that has not yet been received by the County.

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 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, 2021, the County's deposits had a carrying amount of \$5,992,407 and a bank balance of \$6,231,286. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$5,731,286 in interest bearing deposits was covered by collateral held under the Pooling Method. At June 30, 2021, Warren County had \$1,907 cash on hand.

At June 30, 2021, the ABC Board's deposits had a carrying amount of \$535,878 and a bank balance of \$624,555. All of the bank balance was covered by federal depository insurance and collateralized using the Pooling Method. The ABC Board had \$2,557 cash on hand.

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2. Investments

As of June 30, 2021, 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	\$22,886,055	\$22,886,055

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. The NCCMT Government Portfolio has an AAAM rating from S&P and AAA-mf by Moody's Investor Service.

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 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, 2021. 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>
2018	\$ 905,720	\$ 296,623	\$ 1,202,343
2019	892,752	212,029	1,104,781
2020	942,557	139,027	1,081,584
2021	994,935	57,209	1,052,144
Totals	<u>\$ 3,735,964</u>	<u>\$ 704,888</u>	<u>\$ 4,440,852</u>

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4. Receivables

Receivables at the government-wide level at June 30, 2021, 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	\$ 5,394,640	\$ 1,693,714	\$ 967,632	\$ 8,055,986
CARES Act	-	-	3,618	3,618
Other Governmental	<u>22,056</u>	<u>104,265</u>	<u>19,081</u>	<u>145,402</u>
Total Receivables	5,416,696	1,797,979	990,331	8,205,006
Allowance for Doubtful Accounts	<u>(3,776,900)</u>	<u>(290,760)</u>	-	<u>(4,067,660)</u>
Total-Governmental Activities	<u>\$ 1,639,796</u>	<u>\$ 1,507,219</u>	<u>\$ 990,331</u>	<u>\$ 4,137,346</u>
Business-Type Activities:				
Solid Waste	\$ 597,791	\$ -	\$ 17,392	\$ 615,183
Water & Sewer	<u>606,510</u>	-	<u>17,650</u>	<u>624,160</u>
Total Receivables	1,204,301	-	35,042	1,239,343
Allowance for Doubtful Accounts	<u>(209,534)</u>	-	-	<u>(209,534)</u>
Total-Business-Type Activities	<u>\$ 994,767</u>	<u>\$ -</u>	<u>\$ 35,042</u>	<u>\$ 1,029,809</u>

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

Sales tax refund	\$ 160,067
Sales tax	847,878
Video programming	2,543
White goods	2,754
Scrap tire	7,940
Solid waste	<u>4,191</u>
Total	<u>\$ 1,025,373</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2021, 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	\$ 1,036,529	\$ 37,993	\$ -	\$ 1,074,522
Construction in Progress	<u>5,564,833</u>	-	<u>5,564,833</u>	-
Total capital assets not being depreciated	<u>6,601,362</u>	<u>37,993</u>	<u>5,564,833</u>	<u>1,074,522</u>
Capital assets being depreciated:				
Buildings	22,030,766	4,417,789	-	26,448,555
Land Improvements	190,578	-	-	190,578
Improvements	957,149	-	-	957,149
Equipment	4,201,133	1,218,014	-	5,419,147
Vehicles	<u>3,514,851</u>	<u>266,546</u>	-	<u>3,781,397</u>
Total capital assets being depreciated	<u>30,894,477</u>	<u>5,902,349</u>	-	<u>36,796,826</u>

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	Beginning <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balances</u>
Less accumulated depreciation for:				
Buildings	10,318,381	631,773	-	10,950,154
Land Improvements	102,268	12,985	-	115,253
Improvements	271,981	58,129	-	330,110
Equipment	3,140,079	429,795	-	3,569,874
Vehicles	2,795,804	309,296	-	3,105,100
Total accumulated depreciation	<u>16,628,513</u>	<u>\$ 1,441,978</u>	<u>\$ -</u>	<u>18,070,491</u>
Total capital assets being depreciated, net	<u>14,265,964</u>			<u>18,726,335</u>
Governmental activity capital assets, net	<u>\$ 20,867,326</u>			<u>\$ 19,800,857</u>

Business-type activities:

Solid Waste-Fund 66

Capital assets not being depreciated:				
Land	<u>\$ 114,580</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,580</u>
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	243,361	6,999	-	250,360
Vehicles	157,455	-	-	157,455
Total capital assets being depreciated	<u>634,383</u>	<u>6,999</u>	<u>-</u>	<u>641,382</u>
Less accumulated depreciation for:				
Buildings	215,824	-	-	215,824
Land improvements	17,743	-	-	17,743
Equipment	185,368	12,473	-	197,841
Vehicles	147,648	6,540	-	154,188
Total accumulated depreciation	<u>566,583</u>	<u>\$ 19,012</u>	<u>\$ -</u>	<u>585,596</u>
Total capital assets being depreciated, net	<u>67,800</u>			<u>55,786</u>
Solid Waste capital assets, net	<u>\$ 182,380</u>			<u>\$ 170,366</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	69,991	1,500	-	71,491
Improvements	837,254	-	-	837,254
Vehicles	55,544	7,650	-	63,194
Water distribution lines	7,735,881	-	-	7,735,881
Total capital assets being depreciated	<u>8,698,670</u>	<u>9,150</u>	<u>-</u>	<u>8,707,820</u>
Less accumulated depreciation for:				
Equipment	46,711	1,797	-	48,508
Improvements	104,656	20,931	-	125,587
Vehicles	46,428	3,360	-	49,788
Water distribution lines	5,877,133	253,045	-	6,130,178
Total accumulated depreciation	<u>6,074,928</u>	<u>\$ 279,133</u>	<u>\$ -</u>	<u>6,354,061</u>
Total capital assets being depreciated, net	<u>2,623,742</u>			<u>2,353,759</u>
Regional water capital assets, net	<u>\$ 2,672,007</u>			<u>\$ 2,402,024</u>

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	Beginning <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balances</u>
Water District One-Fund 65				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated:				
Equipment	36,644	1,500	-	38,144
Vehicles	97,671	7,650	-	105,321
Water distribution lines	5,761,577	-	-	5,761,577
Total capital assets being depreciated	5,895,892	9,150	-	5,905,042
Less accumulated depreciation for:				
Equipment	32,054	963	-	33,017
Vehicles	88,555	3,361	-	91,916
Water distribution lines	3,055,322	144,039	-	3,199,361
Total accumulated depreciation	3,175,931	\$ 148,363	\$ -	3,324,294
Total capital assets being depreciated, net	2,719,961			2,580,748
Water District One capital assets, net	<u>\$ 2,719,961</u>			<u>\$ 2,580,748</u>
Water District Two-Fund 69				
Capital assets not being depreciated:				
Land	\$ 70,725	\$ -	\$ -	\$ 70,725
Construction in progress	34,451	529,522	-	563,973
Total capital assets not being depreciated	105,176	529,522	-	634,698
Capital assets being depreciated:				
Equipment	269,998	1,500	-	271,498
Vehicles	32,450	7,650	-	40,100
Elevated tanks	950,447	-	-	950,447
Water distribution lines	11,124,320	-	-	11,124,320
Total capital assets being depreciated	12,377,215	9,150	-	12,386,365
Less accumulated depreciation for:				
Equipment	109,837	16,520	-	126,357
Vehicles	23,334	3,360	-	26,694
Elevated tanks	439,581	23,761	-	463,342
Water distribution lines	4,823,602	278,109	-	5,101,711
Total accumulated depreciation	5,396,354	\$ 321,750	\$ -	5,718,104
Total capital assets being depreciated, net	6,980,861			6,668,261
Water District Two capital assets, net	<u>\$ 7,086,037</u>			<u>\$ 7,302,959</u>
Water District Three-Fund 73				
Capital assets not being depreciated:				
Construction in progress	\$ 471,517	\$ 10,750	\$ 471,517	\$ 10,750
Total capital assets not being depreciated	471,517	10,750	471,517	10,750
Capital assets being depreciated:				
Equipment	84,007	1,500	-	85,507
Vehicles	92,167	7,650	-	99,817
Water distribution lines	19,803,800	471,517	-	20,275,317
Total capital assets being depreciated	19,979,974	480,667	-	20,460,641

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	Beginning <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balances</u>
Less accumulated depreciation for:				
Equipment	69,425	1,808	-	71,233
Vehicles	83,051	3,360	-	86,411
Water distribution lines	<u>3,152,659</u>	<u>514,012</u>	-	<u>3,666,671</u>
Total accumulated depreciation	<u>3,305,135</u>	<u>\$ 519,180</u>	<u>\$ -</u>	<u>3,824,315</u>
Capital assets being depreciated, net	<u>16,674,839</u>			<u>16,636,326</u>
 Water District Three capital assets, net	 <u>\$ 17,146,356</u>			 <u>\$ 16,647,076</u>
 Business-type activities capital assets, net	 <u>\$ 29,806,741</u>			 <u>\$ 29,103,173</u>

Depreciation Expense

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

General Government	\$ 218,282
Public Safety	825,788
Economic and Physical Development	4,638
Environmental Protection	8,977
Human Services	203,074
Cultural and Recreational	<u>181,219</u>
Total Depreciation Expense	<u>\$ 1,441,978</u>

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2021, was as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Amount</u>
Land	\$ 195,500	\$ -	\$ 195,500
Building	1,335,848	130,034	1,205,814
Furniture/Equipment	321,080	211,751	109,329
Leasehold improvements	<u>47,125</u>	<u>47,125</u>	-
Capital assets, net	<u>\$ 1,899,553</u>	<u>\$ 388,910</u>	<u>\$ 1,510,643</u>

Activity for the Warren County Public Facilities Company for the year ended June 30, 2021, 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>(950,107)</u>
Capital assets, net	<u>\$ 2,973,809</u>

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B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2021, were as follows:

	<u>Vendors</u>
Governmental Activities:	
General	\$ 924,951
CARES Act	1,916,257
Other governmental	<u>35,375</u>
Total-governmental activities	<u>\$ 2,876,583</u>
Business-type Activities:	
Solid Waste	\$ 149,879
Water & Sewer Fund	<u>282,057</u>
Total-business-type activities	<u>\$ 431,936</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 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 Annual Comprehensive Financial Report (CAFR) for the State of North Carolina. The State's Annual Comprehensive Financial Report 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.

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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, 2021, was 10.70% of compensation for law enforcement officers and 10.15% 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 \$1,154,924 for the year ended June 30, 2021.

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, 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, 2021, the County reported a liability of \$5,509,508 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021, the County's proportion was .15418% (measured as of June 30, 2020), which was a decrease of .00675% as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$1,827,786. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 695,754	\$ -
Changes of assumptions	410,015	-
Net difference between projected and actual earnings on pension plan investments	775,315	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	198,715
County contributions subsequent to the measurement date	1,154,836	-
Total	<u>\$ 3,035,920</u>	<u>\$ 198,715</u>

\$1,154,836 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:	
2022	\$ 448,601
2023	640,226
2024	364,089
2025	229,453

Actuarial Assumptions. The total pension liability in the December 31, 2019 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 percent
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, 2019 valuation were based on the results of an actuarial experience study as of 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

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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 2016 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 3.05%. All rates of return and inflation are annualized.

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)	\$ 11,178,192	\$ 5,509,508	\$ 798,433

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

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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, 2019, the Separation Allowance's membership consisted of:

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

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, 2019 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	1.0 percent per annum
Discount rate	2.79 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 June 30, 2020.

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The actuarial assumptions used in the December 31, 2019 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

Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and set forward by one year.

Deaths Before Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Deaths After Retirement (Beneficiary): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are set forward three years. Rates for female members are set forward one year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths After Retirement (Disabled): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are set back three years for all ages.

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. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$1,692 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, 2021, the County reported a total pension liability of \$619,650. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$55,264.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,912	\$ 68,722
Changes of assumptions	182,795	12,568
County benefit payments and plan administrative expense made subsequent to the measurement date	-	-
Total	\$ 188,707	\$ 81,290

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\$- 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 7.698
2023	8,824
2024	11,804
2025	28,342
2026	29,542
Thereafter	21,207

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 1.93 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 (.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 693,472	\$ 619,650	\$ 553,112

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

	2020
Beginning balance	\$ 378,263
Service Cost	35,262
Interest on the total pension liability	12,304
Differences between expected and actual experience in the measurement of the total pension liability	(6,944)
Changes of assumptions or other inputs	188,569
Benefit payments	(1,692)
Other changes	-
Ending balance of the total pension liability	<u>\$ 619,650</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at June 30, 2020 to 1.93 percent at June 30, 2021.

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, 2019 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

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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, 2021, were \$228,749, which consisted of \$72,118 from the County and \$156,631 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 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 \$1,859 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$32,092 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020, the County's proportion was .14003%, which was a decrease of .0047% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$(153). At June 30, 2021, 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	\$ -	\$ 654
Net difference between projected and actual earnings on pension plan investments	-	2,746
Changes in proportion and differences between County contributions and proportionate share of contributions	470	-
County contributions subsequent to the measurement date	1,859	-
Total	<u>\$ 2,329</u>	<u>\$ 3,400</u>

\$1,859 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ (242)
2022	(757)
2023	(1,239)
2024	(692)

Actuarial Assumptions. The total pension liability in the December 31, 2019 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.

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population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 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, 2021 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2021 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.

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)	\$ 27,258	\$ 32,092	\$ 36,182

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

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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 June 30, 2020, 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, 2020, with an actuarial valuation date of December 31, 2019. 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)	\$ 5,509,508	\$ (32,092)	\$ -	\$ 5,477,416
Proportion of the Net Pension Liability (Asset)	.15418%	(.14003%)	N/A	N/A
Total Pension Liability	-	-	619,650	619,650
Pension Expense	\$ 1,827,786	\$ (153)	\$ 55,264	\$ 1,882,897

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 695,754	\$ -	\$ 5,912	\$ 701,666
Changes of assumptions	410,015	-	182,795	592,810
Net difference between projected and actual earnings on pension plan investments	775,315	-	-	775,315
Changes in proportion and differences between County contributions and proportionate share of contributions	-	470	-	470
County contributions (LGERS, ROD)/benefit payments (LEOSSA) subsequent to the measurement date	1,154,836	1,859	-	1,156,695
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	-	654	68,722	69,376
Changes of assumptions	-	2,746	12,568	15,314
Changes in proportion and differences between County contributions and proportionate share of contributions	198,715	-	-	198,715

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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, 2021 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 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, 2021, 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	280
Total Membership	<u>284</u>

Total OPEB Liability

The County’s total OPEB liability of \$433,249 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019.

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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 using Scale MP-2015.

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.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	\$ 366,009
Service Cost	20,281
Interest on the total OPEB liability and Cash Flows	13,004
Differences between expected and actual experience	12,042
Changes of assumptions or other inputs	51,690
Benefit payments	<u>(29,777)</u>
Balance at June 30, 2020	<u>\$ 433,249</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 3.21%.

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 (1.21) or 1-percentage-point higher (3.21 percent) than the current discount rate:

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	1% Decrease <u>(1.21%)</u>	Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
Total OPEB liability	\$ 478,366	\$ 433,249	\$ 392,565

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:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 376,101	\$ 433,249	\$ 502,120

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$25,839. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 12,125	\$ 79,090
Changes of assumptions	50,760	22,118
County contributions subsequent to the measurement date	<u>29,777</u>	<u>-</u>
Total	<u>\$ 92,662</u>	<u>\$ 101,208</u>

\$29,777 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, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ (7,446)
2023	(7,446)
2024	(7,446)
2025	(7,446)
2026	(7,204)
Thereafter	(1,335)

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

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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 \$224,636 reported as accrued landfill closure liability at June 30, 2021 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.

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	\$ 701,666	\$ 69,376
OPEB	12,125	79,090
Changes of assumptions		
Pensions	592,810	15,314
OPEB	50,760	22,118
Pensions – difference between projected and actual investment earnings		
Pensions	775,315	-
Pensions-changes in proportion and difference between employer contributions and proportionate share of contributions		
Pensions	470	198,715
Contributions to pension plan in 2020-2021 fiscal year		
Pensions	1,156,695	-
Benefit payments for the OPEB plan paid subsequent to measurement date	29,777	-
Prepaid taxes not yet earned (General)	-	166,913
Unearned revenue (General)		47,577
Taxes receivable, net (General)	-	1,185,717
Taxes receivable, net (Special Revenue Fund)	-	99,265
Total	<u>\$ 3,319,618</u>	<u>\$ 1,884,085</u>

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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.

In July of 2020, the County became a participant in the North Carolina Health Insurance Pool (NCHIP), a self-insurance pool for health insurance benefits administered by Gallagher. The County pays the first \$40,000 in claims on each employee. Claims between \$40,000 and \$200,000 go into a pool and are distributed back to each partner based on employee membership. Any claims over \$200,000 are covered by specific stop loss insurance.

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 employees have a \$250,000 performance bond 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.

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, 2021, 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, 2021 was \$139,054. Future rent payments total:

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

For Year Ending <u>June 30</u>	General <u>Fund</u>	Enterprise <u>Fund</u>	<u>Total</u>
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>\$ 199,232</u>	<u>\$ 97,378</u>	<u>\$ 296,610</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.

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, 2021, 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

**WARREN COUNTY, NORTH CAROLINA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 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 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.

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 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 of 1.49%. Payments begin in July 2020 and continue through June 2023.

On May 27, 2021, the County entered into an installment agreement to purchase vehicles. The installment agreement requires monthly payments of \$12,999.85 at an interest rate of .92%. Payments begin in June 2021 and continue through May 2024.

For Warren County, the future minimum payments as of 2021, including \$676,444 of interest, are:

Year Ending <u>June 30,</u>	<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>
2022	\$ 1,071,169	\$ 117,732	\$ 80,713	\$ 12,271
2023	887,666	96,370	80,952	11,047
2024	585,552	77,852	70,340	9,889
2025	453,922	67,910	60,900	8,861
2026	369,951	56,788	60,900	7,876
2027-2031	1,500,000	167,400	295,373	24,614
2032-2033	<u>600,000</u>	<u>14,880</u>	<u>103,544</u>	<u>2,954</u>
Total	<u>\$ 5,468,260</u>	<u>\$ 598,932</u>	<u>\$ 752,722</u>	<u>\$ 77,512</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 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, 2021, the balance of the bonds was \$9,885,000.

Bonds payable at June 30, 2021 are comprised of the following individual issues:

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

General Obligation Bonds

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%. \$ 1,010,000

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%. 1,895,000

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% 1,383,000

\$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%. 6,980,000

Total \$ 11,268,000

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>	<u>Water/Refunding Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 316,000	\$ 437,575
2023	332,000	422,100
2024	348,000	405,838
2025	369,000	388,787
2026	385,000	370,700
2027-2031	2,199,000	1,576,519
2032-2036	2,594,000	1,154,869
2037-2041	2,655,000	677,475
2042-2046	1,740,000	231,000
2047-2051	<u>330,000</u>	<u>36,262</u>
Total	<u><u>\$ 11,268,000</u></u>	<u><u>\$ 5,701,125</u></u>

Warren County had a legal debt margin of \$188,065,510.

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021, 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	\$ 253,883	\$ -

For Warren County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

<u>Year Ending June 30</u>	
2022	\$ 4,832
Total minimum lease payments	4,832
Less: Amount representing interest	(20)
Present value of the minimum lease payments	\$ 4,812

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, 2021:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2021</u>	<u>Current Portion</u>
Governmental Activities:					
Installment purchases	\$ 6,069,775	\$ 430,821	\$ (1,032,336)	\$ 5,468,260	\$ 1,071,169
Capital leases	61,018	-	(56,206)	4,812	4,812
Pension obligation-LEO	378,263	241,387	-	619,650	-
Total OPEB liability	347,159	63,301	-	410,460	-
Compensated absences	875,784	858,995	(875,784)	858,995	214,749
Net pension liability (LGRS)	4,213,364	1,063,642	-	5,277,006	-
Total	\$ 11,945,363	\$ 2,658,146	\$ (1,964,326)	\$ 12,639,183	\$ 1,290,730
Business-type Activities:					
Water Bonds	\$ 11,573,000	\$ -	\$ (305,000)	\$ 11,268,000	\$ 316,000
Premiums	311,245	-	(13,911)	297,334	-
Total Water Bonds	11,884,245	-	(318,911)	11,565,334	316,000
Installment purchases	793,419	30,600	(71,297)	752,722	80,713
Total OPEB liability	18,850	3,939	-	22,789	-
Compensated absences	55,504	53,662	(55,504)	53,662	13,415
Net pension liability (LGRS)	181,509	50,992	-	232,501	-
Landfill Closure Cost	277,686	-	(53,050)	224,636	43,000
Total	\$ 13,211,213	\$ 139,193	\$ (498,762)	\$ 12,851,644	\$ 453,128

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.	\$ 392,583
Less: Current portion	<u>(73,761)</u>
Long-Term Debt	<u>\$ 318,822</u>

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

2022	\$ 73,761
2023	76,065
2024	78,442
2025	80,892
2026	83,423
Thereafter	<u>-</u>
Total	<u>\$ 392,583</u>

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 \$642,084 shall be due on the maturity date. Secured by real estate.	\$ 635,305
Less: Current portion	<u>(10,402)</u>
Long-Term Debt	<u>\$ 624,903</u>

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

2022	\$ 10,402
2023	10,891
2024	11,221
2025	11,560
2026	14,814
Thereafter	<u>576,417</u>
Total	<u>\$ 635,305</u>

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Bank loan, with 84 monthly consecutive principal and interest payments of \$13,052 each, beginning July 1, 2021, with interest calculated on unpaid principal balances using an interest rate of 3.75%; and one principal and interest payment of entire balance due on July 1, 2028, with unpaid principal balances using an interest rate of 3.75%.	\$ 1,788,107
Less: Current portion	<u>(94,121)</u>
Long-Term Debt	<u>\$ 1,693,985</u>

For the year end June 30, 2021 interest paid was \$80,850.

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

2022	\$ 94,121
2023	94,669
2024	98,126
2025	102,035
2026 and Thereafter	<u>1,399,155</u>
Total	<u>\$ 1,788,106</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, 2021, the outstanding balance of the industrial revenue bonds was \$0.

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	52	Salary progression payouts
Emergency Telephone System Fund	General Fund	<u>400</u>	To adjust beginning balance to PSAP report
		<u>\$ 50,452</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	\$ 26,279	Central depository overdraft

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

A. Investment in Capital Assets

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

	Governmental Activities	Business-type Activities
Net capital assets	\$ 19,800,857	\$ 29,103,173
Capital debt calculation:		
Total debt, gross	5,473,072	12,318,056
Less:		
School debt for assets to which the county does not hold title	(162,667)	-
Total capital debt	5,310,405	12,318,056
Net investment in capital assets	<u>\$ 14,490,452</u>	<u>\$ 16,785,117</u>

D. 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	\$ 20,267,373
Less:	
Inventories	15,825
Stabilization by State Statute	2,611,651
Public Safety	324,909
Education	3,174,958
Revaluation	251,945
Appropriated fund balance in 2022 budget	1,770,000
Remaining Fund Balance	<u>\$ 12,118,085</u>

IV. Joint Ventures

A. Area Mental Health District

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 \$60,170 to the Area Mental Health during the fiscal year ended June 30, 2021. 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

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 \$45,819 to K.A.R.T.S. during the fiscal year ended June 30, 2021. 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, 2021. 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, 2021. 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, 2021. 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.

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, 2021.

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.

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Coronavirus Disease (COVID-19)

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

VII. Significant Effects of Subsequent Events

The County has evaluated events and transactions that occurred between June 30, 2021 and January 31, 2022, 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.

VIII. Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

**WARREN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Governmen tal Activities Net Position – Increase (Decrease)	Nonmajor Special Revenue Fund Balance – Increase (Decrease)	Fiduciary Net Position - Custodial Fund – Increase (Decrease)	
\$ -	\$ -	\$ 13,444	Cash related to funds held on behalf of incarcerated inmates was reclassified out of the Agency Fund into a newly created Jail Inmate Custodial Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year was restated as fund balance.
-	-	71,129	Cash, taxes receivable and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable to taxes receivable at the beginning of the year were restated as custodial net position.
82,921	82,921	-	Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.
3,486	3,486	-	Cash and receivables from fines and forfeitures net of liabilities were reclassified out of the Agency Fund into a newly created Fines and Forfeitures Special Revenue Fund. The portion of liabilities in the Agency Fund representing receivables that were uncollected at the beginning of the year were restated as fund balance.
-	-	-	Cash and liabilities related to deed of trust fees collected required to be remitted to the State of North Carolina were reclassified out of the General Fund into a newly created Deed of Trust Special Revenue Fund. The reclassification did not result in a restatement of fund balance.
<u>\$ 86,407</u>	<u>\$ 86,407</u>	<u>\$ 84,573</u>	

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 EIGHT FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.154%	0.161%	0.172%	0.179%	0.185%	0.179%	0.172%	0.159%
County's proportionate share of the net pension liability (asset)	\$ 5,509,508	\$ 4,394,873	\$ 4,089,680	\$ 2,731,502	\$ 3,917,406	\$ 803,476	\$ (1,014,304)	\$ 1,910,534
County's covered payroll	\$ 10,893,776	\$ 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	50.57%	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%	91.47%	98.09%	97.79%	102.64%	94.35%	98.22%

*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 EIGHT FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,154,836	\$ 999,330	\$ 851,841	\$ 835,048	\$ 801,262	\$ 733,181	\$ 754,946	\$ 713,109
Contributions in relation to the contractually required contribution	1,154,836	999,330	851,841	835,048	801,262	733,181	754,946	713,109
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
County's covered payroll	\$ 11,184,027	\$ 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	10.33%	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 EIGHT FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.140%	0.141%	0.145%	0.150%	0.161%	0.141%	0.154%	0.159%
County's proportionate share of the net pension liability (asset) \$	(32,092)	\$ (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	\$ 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	-59.14%	-52.05%	-45.06%	-49.93%	-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%	189.65%

*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 EIGHT FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,859	\$ 1,341	\$ 1,335	\$ 1,239	\$ 1,302	\$ 1,314	\$ 1,127	\$ 1,260
Contributions in relation to the contractually required contribution	1,859	1,341	1,335	1,239	1,302	1,314	1,127	1,260
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
County's covered payroll	\$ 55,324	\$ 54,268	\$ 53,291	\$ 53,204	\$ 51,222	\$ 51,222	\$ 50,465	\$ 49,120
Contributions as a percentage of covered payroll	3.36%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 378,263	\$ 327,383	\$395,883	\$ 374,671	\$ 350,180
Service Cost	35,262	35,081	37,485	30,207	34,418
Interest on the total pension liability	12,304	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	6,944	(7,951)	(94,293)	(49,789)	(11,178)
Changes of assumptions or other inputs	188,569	16,428	(19,215)	35,779	(11,053)
Benefit payments	(1,692)	(4,513)	(4,909)	(9,268)	-
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 619,650</u>	<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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 619,650	\$ 378,263	\$ 327,383	\$ 395,883	\$ 374,671
Covered-employee payroll	1,409,191	1,374,126	1,423,457	1,333,539	1,397,694
Total pension liability as a percentage of covered-employee payroll	43.97%	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.

, NORTH CAROLINA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
HEALTHCARE BENEFITS PLAN
FOR THE YEAR ENDED JUNE 30, 2021

Total OPEB Liability	2021	2020	2019	2018
Service Cost	\$ 20,281	\$ 24,342	\$ 25,133	\$ 27,105
Interest on the total pension liability	13,004	16,798	15,238	13,026
Differences between expected and actual experience	12,042	(101,686)	578	1,886
Changes of assumptions or other inputs	51,690	6,187	(14,025)	(23,289)
Benefit payments	(29,777)	(22,700)	(23,600)	(23,284)
Net change in total OPEB liability	67,240	(77,059)	3,324	(4,556)
Total OPEB liability - beginning	366,009	443,068	439,744	444,300
Total OPEB liability - ending	<u>\$ 433,249</u>	<u>\$ 366,009</u>	<u>\$ 443,068</u>	<u>\$ 439,744</u>
Covered-employee payroll	10,280,016	10,280,016	10,218,900	10,218,900
Total OPEB liability as a percentage of covered-employee payroll	4.21%	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
2021	2.21%
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.

There are no assets accumulated in a trust for the Healthcare Benefits Plan.

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.
- **CARES Act Fund:** This special revenue fund is used to account for funding received due to the CARES Act.

WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		2020
	Budget	Actual	Variance Positive (Negative) Actual
REVENUES			
Ad Valorem Taxes:			
Taxes		\$ 20,346,756	\$ 19,316,276
Penalties and interest		197,701	147,841
Total	\$ 20,381,862	20,544,457	\$ 162,595
Local Option Sales Taxes:			
Article 39 one percent		1,523,408	1,129,815
Article 40 one-half of one percent		1,585,585	1,398,983
Article 42 one-half of one percent		803,822	609,332
Article 44		968,055	933,308
Medicaid hold harmless		(186,975)	(169,788)
Total	3,591,500	4,693,895	1,102,395
Other taxes and licenses:			
Excise tax stamps		270,137	117,026
Total	100,000	270,137	170,137
Unrestricted intergovernmental:			
Payment in lieu of taxes		5,194	5,244
Beer and wine tax		74,606	77,561
ABC Profits		111,634	100,000
Other		25,354	31,085
Total	216,800	216,788	(12)
Restricted intergovernmental:			
Federal and State grants		4,777,701	4,309,548
Court facility fees		20,606	22,257
ABC bottles taxes		10,070	9,081
Other		202,295	130,893
Total	5,406,744	5,010,672	(396,072)
Permits and fees:			
Register of Deeds fees		123,905	89,434
Inspection fees		205,480	127,501
Other		67,179	64,514
Total	361,400	396,564	35,164
Sales and services:			
Rents		6,134	5,840
Franchise fees		10,468	10,799
Recreation fees		15,667	22,427
Jail fees		28,164	37,287
Sheriff's fees		27,650	14,825
Ambulance fees		604,218	493,199
Health fees		651,082	669,105
Library fees		1,802	3,841
Animal control fees		18,820	19,855
Other		628,346	308,316
Total	1,731,260	1,992,351	261,091

WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		2020
	Budget	Actual	Variance Positive (Negative) Actual
Investment earnings	185,000	4,407	(180,593)
Micellaneous Revenues			
Donations and private grants		2,720	9,703
Insurance proceeds		30,429	24,987
Loan Reimbursement from Afton Fire		37,472	-
Other		76,749	70,707
Total	17,261	147,370	130,109
Total Revenues	31,991,827	33,276,641	1,284,814
EXPENDITURES			
<u>General Government</u>			
Governing Body:			
Salaries and employee benefits		99,656	93,637
Other operating expenditures		41,652	52,033
Capital outlay		1,348	9,319
Insurance other than property		347,984	336,367
Total	516,609	490,640	25,969
Administration:			
Salaries and employee benefits		272,221	262,616
Other operating expenditures		16,384	27,857
Total	321,215	288,605	32,610
Human Resources:			
Salaries and employee benefits		112,741	115,444
Other operating expenditures		63,940	52,486
Total	599,942	176,681	423,261
Fleet Services:			
Salaries and employee benefits		21,174	20,631
Other operating expenditures		5,546	2,333
Total	30,349	26,720	3,629
Elections:			
Salaries and employee benefits		234,039	190,971
Other operating expenditures		223,332	154,236
Capital outlay		-	356,730
Total	521,477	457,371	64,106
Finance:			
Salaries and employee benefits		362,001	337,361
Other operating expenditures		208,991	190,220
Total	590,474	570,992	19,482
Tax Administration:			
Salaries and employee benefits		488,682	455,236
Other operating expenditures		147,355	152,138
Total	707,243	636,037	71,206

WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		2020
	Budget	Actual	Variance Positive (Negative)
Legal:			Actual
Salaries and employee benefits		112,357	118,585
Contracted services		13,088	15,827
	143,466	125,445	18,021
Register of Deeds:			
Salaries and employee benefits		185,726	186,754
Other operating expenditures		66,621	58,619
Capital outlay		844	-
Total	262,176	253,191	8,985
Public Buildings:			
Salaries and employee benefits		303,794	293,497
Other operating expenditures		253,356	200,971
Capital outlay		76,612	17,699
Total	756,878	633,762	123,116
Data Processing:			
Salaries and employee benefits		131,644	124,980
Other operating expenditures		36,775	35,170
Capital outlay		37,676	-
Total	251,075	206,095	44,980
Court Facilities:			
Operating expenditures		48,237	68,784
Total	60,778	48,237	12,541
Miscellaneous Appropriations:			
Payments to local organizations	773,060	347,427	425,633
Total General Government	5,534,742	4,261,203	1,273,539
<u>Public Safety</u>			
Sheriff:			
Salaries and employee benefits		1,673,408	1,993,013
Other operating expenditures		346,462	366,598
Capital outlay		113,681	47,182
Total	2,200,249	2,133,551	66,698
Child Support Officer:			
Salaries and employee benefits		53,910	49,317
Other operating expenditures		3,823	3,758
Total	58,569	57,733	836
Jail:			
Salaries and employee benefits		998,279	901,562
Other operating expenditures		317,938	343,319
Capital outlay		31,000	13,949
Total	1,514,824	1,347,217	167,607
Central Communications:			
Salaries and employee benefits		680,983	677,808
Other operating expenditures		42,515	35,543
Total	817,903	723,498	94,405

WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
Emergency Management:				
Salaries and employee benefits		101,869		145,638
Other operating expenditures		106,134		47,849
Capital outlay		32,775		-
Total	343,624	240,778	102,846	193,487
Assistance to local fire departments	703,600	678,412	25,188	408,839
Emergency Medical Services:				
Salaries and employee benefits		2,090,707		1,884,268
Other operating expenditures		505,741		453,432
Capital outlay		74,917		134,118
Total	3,056,431	2,671,365	385,066	2,471,818
Halifax County EMS	109,188	109,188	-	105,549
Code Enforcement:				
Salaries and employee benefits		177,794		169,341
Other operating expenditures		16,111		22,301
Capital outlay		29,408		-
Total	230,717	223,313	7,404	191,642
Medical Examiner:				
Contracted Services	27,500	22,190	5,310	14,660
Animal Control:				
Salaries and employee benefits		223,010		213,641
Other operating expenditures		74,102		59,380
Capital outlay		8,206		-
Total	349,907	305,318	44,589	273,021
KARTS				
Other operating expenditures	45,819	45,819	-	40,581
Total Public Safety	9,458,331	8,558,382	899,949	8,131,646
<u>Environmental Protection</u>				
Soil Conservation:				
Salaries and employee benefits		169,786		159,724
Other operating expenditures		26,170		26,012
Total	203,570	195,956	7,614	185,736
Forestry Service	126,067	86,517	39,550	89,407
Lake Gaston Weed Control	116,000	116,000	-	116,000
Total Environmental Protection	445,637	398,473	47,164	391,143

**WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		2020
	Budget	Actual	Variance Positive (Negative) Actual
<u>Economic and Physical Development</u>			
Planning:			
Salaries and employee benefits		155,479	151,450
Other operating expenditures		27,530	18,019
Total	222,495	183,009	39,486
Economic Development:			
Salaries and employee benefits		47,646	134,653
Other operating expenditures		93,618	51,998
Capital outlay		-	18,181
Total	208,209	141,264	66,945
Agricultural Extension:			
Salaries and employee benefits		47,578	262,655
Other operating expenditures		221,704	55,861
Capital outlay		31,548	39,661
Total	491,242	300,830	190,412
Buck Springs Camp Development:			
Other operating expenditures		6,391	5,705
Total	14,250	6,391	7,859
Kerr Tar Hub	36,000	36,000	-
Total Economic and Physical Development	972,196	667,494	304,702
<u>Human Services</u>			
Health Clinic/Home Health:			
Salaries and employee benefits		2,158,678	2,140,606
Other operating expenditures		914,027	939,598
Capital outlay		15,160	12,528
Total	3,769,316	3,087,865	681,451
Area Mental Health District	66,100	60,170	5,930
Youth and Family Programs:			
Juvenile Crime Prevention Program		2,589	11,141
Boys and Girls Club		32,115	38,820
Total	37,377	34,704	2,673
Veteran Services:			
Salaries and employee benefits		101,818	99,278
Other operating expenditures		8,807	7,601
Total	117,957	110,625	7,332
Senior Citizens Services:			
Salaries and employee benefits		155,164	187,353
Contracted services		325,719	245,347
Total	481,095	480,883	212
Rural Operating Assistance Program:			
Contracted services		-	66,208
Other operating expenditures		-	79,257
Total	145,464	-	145,464

**WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
Social Services:				
Salaries and employee benefits		2,886,158		2,901,512
Other operating expenditures		808,188		665,100
Total	4,287,408	3,694,346	593,062	3,566,612
 Child Day Care		-		277
Medicaid		655		-
Special Assistance to Adults		147,843		187,045
Other Programs		60,386		71,550
Total	418,212	208,884	209,328	258,872
 DSS Child Support				
Salaries and employee benefits		294,705		309,802
Other operating expenditures		74,500		105,449
Total	468,273	369,205	99,068	415,251
 Armory				
Other operating expenditures		29,676		36,545
Total	43,250	29,676	13,574	36,545
 Total Human Services	9,834,452	8,076,358	1,758,094	8,166,198
 <u>Cultural and Recreational</u>				
 Recreation:				
Salaries and employee benefits		210,407		210,720
Other operating expenditures		119,349		173,686
Capital outlay		21,290		-
Total	728,604	351,046	377,558	384,406
 Libraries:				
Salaries and employee benefits		404,118		386,546
Other operating expenditures		69,745		93,320
Total	499,036	473,863	25,173	479,866
 Total Cultural and Recreational	1,227,640	824,909	402,731	864,272
 <u>Education</u>				
 Warren County Public Schools				
Current expense		5,083,331		4,908,331
Capital outlay		309,884		-
Total	5,433,331	5,393,215	40,116	4,908,331
 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	5,664,956	5,624,840	40,116	5,139,956

**WARREN COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Positive (Negative)	2020
	Budget	Actual		Actual
<u>Debt Service</u>				
Principal retirement		1,020,529		991,330
Interest and fees		144,103		29,192
Total Debt Service	1,164,760	1,164,632	128	1,020,522
<u>Contingency</u>	33,000	-	33,000	-
Total Expenditures	34,335,714	29,576,291	4,759,423	28,479,474
Revenues Over (Under) Expenditures	(2,343,887)	3,700,350	6,044,237	1,833,994
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in				
Emergency Telephone System Fund	-	400	400	-
Total	-	400	400	-
Transfers out				
Revaluation Fund	(50,000)	(50,000)	-	(50,000)
Regional Water Enterprise Fund	(52)	(52)	-	(637)
District I Enterprise Fund	-	-	-	(1,423)
District II Enterprise Fund	-	-	-	(1,161)
District III Enterprise Fund	-	-	-	(524)
Solid Waste Fund	-	-	-	(1,322)
Emergency Telephone System Fund	(2,915)	-	2,915	(2,915)
Total	(52,967)	(50,052)	2,915	(57,982)
Installment purchase obligations issued	430,821	430,821	-	625,471
Appropriated Fund Balance	1,966,033	-	(1,966,033)	-
Total Other Financial Sources (Uses)	2,343,887	381,169	(1,962,718)	567,489
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	4,081,519	<u>\$ 4,081,519</u>	2,401,483
Fund Balance-July 1		15,933,909		13,532,426
Fund Balance-June 30		<u>\$ 20,015,428</u>		<u>\$ 15,933,909</u>

WARREN COUNTY, NORTH CAROLINA
REVALUATION FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Investment earnings	\$ 500	\$ 19	\$ (481)	\$ 1,319
<u>EXPENDITURES</u>				
General government	50,500	-	50,500	-
Revenues Over (Under) Expenditures	(50,000)	19	50,019	1,319
<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	\$ -	50,019	\$ 50,019	51,319
Fund Balance - July 1		201,926		150,607
Fund Balance - June 30		\$ 251,945		\$ 201,926

WARREN COUNTY, NORTH CAROLINA
CARES ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance	2020
	Budget	Actual	Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted intergovernmental:				
CARES Act Funding	\$ 382,938	\$ 899,005	\$ 516,067	\$ 54,963
Total Revenues	<u>382,938</u>	<u>899,005</u>	<u>516,067</u>	<u>54,963</u>
<u>EXPENDITURES</u>				
Public Safety				
Salaries		554,695		-
Other Expenses		344,310		54,963
Total Expenditures	<u>899,211</u>	<u>899,005</u>	<u>206</u>	<u>54,963</u>
Revenues Over (Under)				
Expenditures	<u>(516,273)</u>	<u>-</u>	<u>516,273</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriated fund balance	<u>516,273</u>	<u>-</u>	<u>(516,273)</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance - July 1		<u>-</u>		<u>-</u>
Fund Balance - June 30		<u>\$ -</u>		<u>\$ -</u>

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.
- **Representative Payee Fund:** This fund is used to account for the receipts and disbursements made by the County on behalf of individuals for whom the County serves as or is, in fact, their legal guardian or custodian.
- **Deed of Trust Fund:** This fund is used to account for deed of trust fees collected by the Register of Deeds that are required to be remitted to the State.
- **Fines and Forfeitures Fund:** This 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.

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, 2021**

	Special Revenue Funds							Capital Projects Funds					
	Special Fire Districts Fund	Emergency Telephone System Fund	CDBG George Davis Project	Green-Duke House Conditions Assessment Project	Representative Payee Fund	Deed of Trust Fund	Fines and Forfeitures Fund	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	\$ 20,434	\$ 371,479	\$ 528	\$ -	\$ 54,641	\$ -	\$ -	\$ 61,380	\$ 165,423	\$ 1,054	\$ -	\$ 89,150	\$ 764,089
Restricted cash	-	-	-	-	-	-	-	-	-	-	218,748	-	218,748
Accounts receivable, net	9,121	17,790	-	9,960	-	-	4,266	-	-	-	-	-	41,137
Taxes receivable, net	99,265	-	-	-	-	-	-	-	-	-	-	-	99,265
Total Assets	<u>\$ 128,820</u>	<u>\$ 389,269</u>	<u>\$ 528</u>	<u>\$ 9,960</u>	<u>\$ 54,641</u>	<u>\$ -</u>	<u>\$ 4,266</u>	<u>\$ 61,380</u>	<u>\$ 165,423</u>	<u>\$ 1,054</u>	<u>\$ 218,748</u>	<u>\$ 89,150</u>	<u>\$ 1,123,239</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES													
Liabilities:													
Accounts payable and accrued liabilities	\$ 28,543	\$ 2,566	\$ -	\$ -	\$ -	\$ -	\$ 4,266	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,375
Due to General Fund	-	-	-	26,279	-	-	-	-	-	-	-	-	26,279
Total liabilities	<u>28,543</u>	<u>2,566</u>	<u>-</u>	<u>26,279</u>	<u>-</u>	<u>-</u>	<u>4,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,654</u>
Deferred inflows of resources	<u>99,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,265</u>
Fund Balances:													
Restricted:													
Stabilization by State Statute	9,121	17,790	-	9,960	-	-	4,266	-	-	-	-	-	41,137
Public Safety	-	368,913	-	-	-	-	-	-	165,423	-	218,748	-	753,084
Economic Development	-	-	528	-	-	-	-	61,380	-	-	-	89,150	151,058
Human Services	-	-	-	-	54,641	-	-	-	-	-	-	-	54,641
Recreation	-	-	-	-	-	-	-	-	-	1,054	-	-	1,054
Unassigned:	<u>(8,109)</u>	<u>-</u>	<u>-</u>	<u>(26,279)</u>	<u>-</u>	<u>-</u>	<u>(4,266)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,654)</u>
Total fund balances	<u>1,012</u>	<u>386,703</u>	<u>528</u>	<u>(16,319)</u>	<u>54,641</u>	<u>-</u>	<u>-</u>	<u>61,380</u>	<u>165,423</u>	<u>1,054</u>	<u>218,748</u>	<u>89,150</u>	<u>962,320</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 128,820</u>	<u>\$ 389,269</u>	<u>\$ 528</u>	<u>\$ 9,960</u>	<u>\$ 54,641</u>	<u>\$ -</u>	<u>\$ 4,266</u>	<u>\$ 61,380</u>	<u>\$ 165,423</u>	<u>\$ 1,054</u>	<u>\$ 218,748</u>	<u>\$ 89,150</u>	<u>\$ 1,123,239</u>

**WARREN COUNTY, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds							Capital Projects Fund					
	Special Fire Districts Fund	Emergency Telephone System Fund	CDBG- George Davis Project	Green-Duke House Conditions Assessment Project	Representative Payee Fund	Deed of Trust Fund	Fines and Forfeitures Fund	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	\$ 1,097,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,097,990
Restricted intergovernmental	-	146,541	-	9,454	137,887	-	-	-	-	-	-	-	293,882
Sales and service	-	-	-	-	-	222,616	55,889	-	-	-	-	-	278,505
Investment earnings	-	49	-	-	-	-	-	12	31	-	16	-	108
Total Revenues	1,097,990	146,590	-	9,454	137,887	222,616	55,889	12	31	-	16	-	1,670,485
EXPENDITURES													
General government	-	-	-	-	-	222,616	59,375	-	-	-	-	-	281,991
Public safety	1,097,990	146,487	-	-	-	-	-	-	-	-	-	-	1,244,477
Human services	-	-	-	-	166,167	-	-	-	-	-	-	-	166,167
Capital outlay	-	-	-	8,985	-	-	-	-	-	-	-	-	8,985
Total Expenditures	1,097,990	146,487	-	8,985	166,167	222,616	59,375	-	-	-	-	-	1,701,620
Revenues Over (Under) Expenditures	-	103	-	469	(28,280)	-	(3,486)	12	31	-	16	-	(31,135)
OTHER FINANCING SOURCES (USES)													
Transfers from other funds	-	(400)	-	-	-	-	-	-	-	-	-	-	(400)
Total Other Financing Sources (Uses) - Net	-	(400)	-	-	-	-	-	-	-	-	-	-	(400)
Net change in Fund Balances	-	(297)	-	469	(28,280)	-	(3,486)	12	31	-	16	-	(31,535)
Fund Balance - July 1	1,012	387,000	528	(16,788)	-	-	-	61,368	165,392	1,054	218,732	89,150	907,448
Prior period restatement	-	-	-	-	82,921	-	3,486	-	-	-	-	-	86,407
Fund Balance - July 1, as restated	1,012	387,000	528	(16,788)	82,921	-	3,486	61,368	165,392	1,054	218,732	89,150	993,855
Fund Balance - June 30	\$ 1,012	\$ 386,703	\$ 528	\$ (16,319)	\$ 54,641	\$ -	\$ -	\$ 61,380	\$ 165,423	\$ 1,054	\$ 218,748	\$ 89,150	\$ 962,320

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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Ad Valorem taxes	\$ 1,117,506	\$ 1,097,990	\$ (19,516)	\$ 1,028,802
<u>EXPENDITURES</u>				
Public safety	1,117,506	1,097,990	19,516	1,028,802
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance - July 1		<u>1,012</u>		<u>1,012</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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted intergovernmental				
Wireless communications	\$ 146,540	\$ 146,541	\$ 1	\$ 180,633
Investment earnings	4,500	49	(4,451)	3,309
Total Revenues	<u>151,040</u>	<u>146,590</u>	<u>(4,450)</u>	<u>183,942</u>
<u>EXPENDITURES</u>				
Public safety	<u>187,400</u>	<u>146,487</u>	<u>40,913</u>	<u>144,153</u>
Revenues Over (Under) Expenditures	(36,360)	103	36,463	39,789
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer in (out)				
General Fund	-	-	-	2,915
General Fund	(400)	(400)	-	-
Appropriated fund balance	<u>36,760</u>	<u>-</u>	<u>(36,760)</u>	<u>-</u>
Total	<u>36,360</u>	<u>(400)</u>	<u>(36,760)</u>	<u>2,915</u>
Revenues Over (Under)				
Expenditures and Other Uses	<u>\$ -</u>	<u>(297)</u>	<u>\$ (297)</u>	<u>42,704</u>
Fund Balance - July 1		<u>387,000</u>		<u>344,296</u>
Fund Balance - June 30		<u>\$ 386,703</u>		<u>\$ 387,000</u>
Fund Balance agrees to Balance on the PSAP Revenue-Expenditure Report.				
<u>Explanation for transfers</u>				
Transfer from(to) the General Fund to adjust beginning balance to actual		<u>\$ (400)</u>		<u>\$ 2,915</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, 2021**

	<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, 2021**

	<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	\$ -	\$ 9,454	\$ 9,454	\$ (22,546)
Total	<u>32,000</u>	<u>-</u>	<u>9,454</u>	<u>9,454</u>	<u>(22,546)</u>
<u>EXPENDITURES</u>					
Capital outlay					
Professional services		16,788	8,985	25,773	
Total	<u>32,000</u>	<u>16,788</u>	<u>8,985</u>	<u>25,773</u>	<u>6,227</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (16,788)</u>	469	<u>\$ (16,319)</u>	<u>\$ (16,319)</u>
Fund Balance - July 1			<u>(16,788)</u>		
Fund Balance - June 30			<u>\$ (16,319)</u>		

Warren County, North Carolina
Representative Payee Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Restricted intergovernmental	\$ -	\$ 137,887	\$ 137,887
Total revenues	-	137,887	137,887
Expenditures			
Human services			
Payments made for the benefit of beneficiaries	-	166,167	(166,167)
Total expenditures	-	166,167	(166,167)
Revenues over (under) expenditures	\$ -	(28,280)	\$ (28,280)
Fund balances			
Beginning of year, July 1		-	
Prior period restatement-change in accounting principle		82,921	
Beginning, as restated		82,921	
End of year, June 30		\$ 54,641	

Warren County, North Carolina
Deed of Trust Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Fees, sales, and charges			
Register of Deeds	\$ -	\$ 222,616	\$ 222,616
Total revenues	-	222,616	222,616
Expenditures			
General government			
Payments of fees collected to the State of North Carolina	-	222,616	(222,616)
Total expenditures	-	222,616	(222,616)
Revenues over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ -</u>	

Warren County, North Carolina
Fines and Forfeitures Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Fees, sales and charges			
Penalties, fines and forfeitures	\$ -	\$ 55,889	\$ 55,889
Total revenues	-	55,889	55,889
Expenditures			
General government			
Payments of penalties, fines and forfeitures to the Warren County Board of Education	-	59,375	(59,375)
Total expenditures	-	59,375	(59,375)
Revenues over (under) expenditures	<u>\$ -</u>	<u>(3,486)</u>	<u>\$ (3,486)</u>
Fund balances			
Beginning of year, July 1		-	
Prior period restatement-change in accounting principle		<u>3,486</u>	
Beginning, as restated		<u>3,486</u>	
End of year, 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, 2021**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
REVENUES					
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	52,070	12	52,082	4,988
Total Revenues	<u>348,175</u>	<u>369,585</u>	<u>12</u>	<u>369,597</u>	<u>21,422</u>
EXPENDITURES					
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>(258,632)</u>	<u>12</u>	<u>(258,620)</u>	<u>61,380</u>
OTHER FINANCING SOURCES (USES)					
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>\$ 61,368</u>	<u>12</u>	<u>\$ 61,380</u>	<u>\$ 61,380</u>
Fund Balance - July 1			<u>61,368</u>		
Fund Balance - June 30			<u>\$ 61,380</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, 2021**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
REVENUES					
Investment earnings	\$ 1,357	\$ 10,205	\$ 31	\$ 10,236	\$ 8,879
Total	<u>1,357</u>	<u>10,205</u>	<u>31</u>	<u>10,236</u>	<u>8,879</u>
EXPENDITURES					
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>(1,098,847)</u>	<u>31</u>	<u>(1,098,816)</u>	<u>165,423</u>
OTHER FINANCING SOURCES (USES)					
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>\$ 165,392</u>	<u>31</u>	<u>\$ 165,423</u>	<u>\$ 165,423</u>
Fund Balance - July 1			<u>165,392</u>		
Fund Balance - June 30			<u>\$ 165,423</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, 2021**

	<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	\$ 84	\$ -	\$ 84	\$ 53
Total	<u>31</u>	<u>84</u>	<u>-</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>(137,097)</u>	<u>-</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>\$ 1,054</u>	<u>-</u>	<u>\$ 1,054</u>	<u>\$ 1,054</u>
Fund Balance - July 1			<u>1,054</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, 2021**

	<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	\$ 1,128	\$ 16	\$ 1,144	\$ 819
Miscellaneous	-	60,633	-	60,633	60,633
Total	<u>325</u>	<u>61,761</u>	<u>16</u>	<u>61,777</u>	<u>61,452</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		294,024	-	294,024	
Furniture and fixtures		169,326	-	169,326	
Technology/Equipment Capital		254,625	-	254,625	
Land		37,993	-	37,993	
Construction		3,028,569	-	3,028,569	
Closing cost		6,134	-	6,134	
Issuance costs		53,818	-	53,818	
Total	<u>4,040,928</u>	<u>3,883,630</u>	<u>-</u>	<u>3,883,630</u>	<u>157,298</u>
Revenues Over (Under)					
Expenditures	<u>(4,040,603)</u>	<u>(3,821,869)</u>	<u>16</u>	<u>(3,821,853)</u>	<u>218,750</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>\$ 218,732</u>	<u>16</u>	<u>\$ 218,748</u>	<u>\$ 218,748</u>
Fund Balance - July 1			<u>218,732</u>		
Fund Balance - June 30			<u>\$ 218,748</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, 2021**

	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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021		Variance Positive (Negative)	2020
	Budget	Actual		Actual
REVENUES				
Operating Revenues				
Water and Sewer Charges	\$ 963,850	\$ 972,509	\$ 8,659	\$ 947,632
Nonoperating Revenues				
Permits and Fees	900	775	(125)	1,275
Miscellaneous Revenue	32,859	32,130	(729)	33,494
Interest Earnings	16,000	191	(15,809)	12,964
Total Nonoperating Revenues	49,759	33,096	(16,663)	47,733
Total Revenues	1,013,609	1,005,605	(8,004)	995,365
EXPENDITURES				
Salaries and employee benefits		74,244		67,766
Water purchases		456,173		440,183
Other operating expenditures		313,740		279,028
Capital outlay		9,150		9,942
Debt service				
Principal		39,860		38,901
Interest		11,728		12,549
Total Expenditures	1,021,311	904,895	116,416	848,369
Revenues Over (Under) Expenditures	(7,702)	100,710	108,412	146,996
OTHER FINANCING SOURCES (USES)				
Transfers in (out)				
General Fund	52	52	-	637
Debt proceeds	7,650	7,650	-	7,275
Total Other Financing Sources (Uses)	7,702	7,702	-	7,912
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 108,412	\$ 108,412	\$ 154,908
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues and other sources over (under) expenditures and other uses		\$ 108,412		\$ 154,908
Reconciling items:				
Capital outlay		9,150		9,942
Depreciation		(279,133)		(277,184)
Principal payment		39,860		38,901
Debt proceeds		(7,650)		(7,275)
Increase in deferred outflows of resources - pensions		3,880		(4,765)
Increase in net pension liability		(7,325)		2,020
Decrease in deferred inflows of resources - pensions		(93)		(670)
(Increase) decrease in compensated absences payable		58		(1,015)
(Increase) decrease in OPEB obligation		(523)		413
Total		(241,776)		(239,633)
Change in net position		\$ (133,364)		\$ (84,725)

WARREN COUNTY, NORTH CAROLINA
DISTRICT ONE ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Positive (Negative)	2020
	Budget	Actual		Actual
REVENUES				
Operating Revenues				
Water and Sewer Charges	\$ 705,050	\$ 699,592	\$ (5,458)	\$ 638,254
Other operating revenues	2,167	3,094	927	2,252
Total Operating Revenues	<u>707,217</u>	<u>702,686</u>	<u>(4,531)</u>	<u>640,506</u>
Nonoperating Revenues				
Interest Earnings	31,000	335	(30,665)	22,681
Total Nonoperating Revenues	<u>31,000</u>	<u>335</u>	<u>(30,665)</u>	<u>22,681</u>
Total Revenues	<u>738,217</u>	<u>703,021</u>	<u>(35,196)</u>	<u>663,187</u>
EXPENDITURES				
Salaries and employee benefits		149,102		150,763
Water purchases		124,616		123,277
Other operating expenditures		117,548		110,745
Capital outlay		9,150		9,942
Debt service:				
Interest and other charges		42,188		43,721
Debt principal		52,165		51,206
Total Expenditures	<u>745,867</u>	<u>494,769</u>	<u>251,098</u>	<u>489,654</u>
Revenues Over (Under) Expenditures	<u>(7,650)</u>	<u>208,252</u>	<u>215,902</u>	<u>173,533</u>
OTHER FINANCING SOURCES (USES)				
Transfer to other funds				
General Fund	-	-	-	1,423
Debt proceeds	7,650	7,650	-	7,275
Total Other Financing Sources (Uses)	<u>7,650</u>	<u>7,650</u>	<u>-</u>	<u>8,698</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 215,902</u>	<u>\$ 215,902</u>	<u>\$ 182,231</u>
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues and other sources over (under) expenditures and other uses		\$ 215,902		\$ 182,231
Reconciling items:				
Debt service payment		52,165		51,206
Depreciation		(148,363)		(146,414)
Amortization on refunding bond premium		3,064		3,064
Debt proceeds		(7,650)		(7,275)
Capital outlay		9,150		9,942
Increase in deferred outflows of resources - pensions		4,229		(5,674)
Increase in net pension liability		(8,825)		(2,460)
Decrease in deferred inflows of resources - pensions		54		(1,538)
(Increase) decrease in compensated absences payable		904		(1,928)
(Increase) decrease in OPEB obligation		(942)		784
Total		<u>(96,214)</u>		<u>(100,293)</u>
Change in net position		<u>\$ 119,688</u>		<u>\$ 81,938</u>

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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance	2020
	Budget	Actual	Positive (Negative)	Actual
REVENUES				
Operating Revenues				
Water and sewer charges	\$ 732,900	\$ 713,501	\$ (19,399)	\$ 705,713
Other charges for services	2,500	2,850	350	2,350
Total Operating Revenues	735,400	716,351	(19,049)	708,063
Nonoperating Revenues				
Debt reimbursement	9,250	9,250	-	9,250
Rents	23,977	23,978	1	23,978
Miscellaneous	3,295	4,119	824	4,077
Interest Earnings	25,000	289	(24,711)	19,408
Total Nonoperating Revenues	61,522	37,636	(23,886)	56,713
Total Revenues	796,922	753,987	(42,935)	764,776
EXPENDITURES				
Salaries and employee benefits		125,514		122,976
Water purchases		115,570		108,970
Other operating expenditures		195,665		168,850
Capital outlay		9,150		9,942
Debt service:				
Interest and other charges		77,812		80,202
Principal		81,675		75,715
Total Expenditures	804,572	605,386	199,186	566,655
Revenues Over (Under) Expenditures	(7,650)	148,601	156,251	198,121
OTHER FINANCING SOURCES (USES)				
Transfers in (out)				
General Fund	-	-	-	1,161
District Two/Wise Interchange Project Fund	-	-	-	(228,331)
Debt proceeds	7,650	7,650	-	7,275
Total Other Financing Sources (Uses)	7,650	7,650	-	(219,895)
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	\$ -	\$ 156,251	\$ 156,251	\$ (21,774)
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues and other sources over (under)				
expenditures and other uses		\$ 156,251		\$ (21,774)
Reconciling items:				
Depreciation		(321,750)		(319,801)
Capital outlay		9,150		9,942
Amortization on refunding bond premium		3,760		3,760
Debt service payment		81,675		75,715
Debt proceeds		(7,650)		(7,275)
Decrease in net pension asset		-		-
Increase in deferred outflows of resources - pensions		4,083		(4,863)
Increase in net pension liability		(8,471)		(1,502)
Decrease in deferred inflows of resources - pensions		(7)		(1,207)
(Increase) decrease in compensated absences payable		1,411		(1,523)
(Increase) decrease in OPEB obligation		(742)		619
Restricted intergovernmental revenue for District Two/ I-85 Exchange Project		200,000		
Transfer in for District Two/I-85 Exchange Project		-		228,331
Total		(38,541)		(17,804)
Change in net position		\$ 117,710		\$ (39,578)

WARREN COUNTY, NORTH CAROLINA
DISTRICT TWO/WISE I-85 INTERCHANGE PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	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	\$ 200,000	\$ -
Total Revenues	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
<u>EXPENDITURES</u>					
Capital Outlay					
Legal and administrative	3,000	-	-	-	3,000
Engineering/General	133,500	34,451	237,691	272,142	(138,642)
Construction contract	<u>291,831</u>	<u>-</u>	<u>291,831</u>	<u>291,831</u>	<u>-</u>
Total	<u>428,331</u>	<u>34,451</u>	<u>529,522</u>	<u>563,973</u>	<u>(135,642)</u>
Revenues Over (Under) Expenditures	<u>(228,331)</u>	<u>(34,451)</u>	<u>(329,522)</u>	<u>(363,973)</u>	<u>(135,642)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Tranfers To (From)					
District II Enterprise Fund	<u>228,331</u>	<u>228,331</u>	<u>-</u>	<u>228,331</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>228,331</u>	<u>228,331</u>	<u>-</u>	<u>228,331</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 193,880</u>	<u>\$ (329,522)</u>	<u>\$ (135,642)</u>	<u>\$ (135,642)</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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021		Variance Positive (Negative)	2020
	Budget	Actual		Actual
REVENUES				
Operating Revenues				
Water and sewer charges	\$ 988,500	\$ 1,127,127	\$ 138,627	\$ 1,023,315
Other charges for services	6,247	8,022	1,775	7,222
Total Operating Revenues	994,747	1,135,149	140,402	1,030,537
Nonoperating Revenues				
Miscellaneous	1,301	1,817	516	1,348
Interest Earnings	14,000	134	(13,866)	9,029
Total Nonoperating Revenues	15,301	1,951	(13,350)	10,377
Total Revenues	1,010,048	1,137,100	127,052	1,040,914
EXPENDITURES				
Salaries and employee benefits		68,231		55,544
Water purchases		166,807		152,779
Other operating expenditures		130,439		89,131
Contracted services		22,005		25,045
Capital outlay		9,149		9,942
Debt Service				
Principal paid		202,599		195,641
Interest expense		331,346		319,733
Total Expenditures	1,166,023	930,576	235,447	847,815
Revenues Over (Under) Expenditures	(155,975)	206,524	362,499	193,099
OTHER FINANCING SOURCES (USES)				
Transfers in (out)				
District III/Phase I Capital Project	-	-	-	5,956
General Fund	-	-	-	524
Debt proceeds	7,650	7,650	-	7,275
Fund balance appropriated	148,325	-	(148,325)	-
Total Other Financing Sources (Uses)	155,975	7,650	(148,325)	13,755
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 214,174	\$ 214,174	\$ 206,854
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues and other sources over (under) expenditures and other uses		\$ 214,174		\$ 206,854
Reconciling items:				
Depreciation		(519,179)		(498,314)
Capital outlay		9,149		9,942
Amortization on refunding bond premium		7,085		7,085
Principal paid		202,599		195,641
Debt proceeds		(7,650)		(7,275)
Increase in deferred outflows of resources - pensions		3,629		(2,128)
Increase in net pension liability		(7,095)		(629)
Decrease in deferred inflows of resources - pensions		(135)		(497)
(Increase) decrease in compensated absences payable		2,331		(609)
(Increase) decrease in OPEB obligation		(322)		247
Investment earnings for District Three/Phase III		-		(5,887)
Restricted intergovernmental revenue for BR 44 Water Main Relocation Fund		-		272,048
Restricted intergovernmental revenue for BR 77 Water Main Relocation Fund		10,750		160,048
Total		(298,838)		129,672
Change in net position		\$ (84,664)		\$ 336,526

WARREN COUNTY, NORTH CAROLINA
DISTRICT THREE/PHASE III CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<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	\$ 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	-	594	-	594	594
Total Revenues	<u>974,000</u>	<u>983,061</u>	<u>-</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>(1,522,559)</u>	<u>-</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>1,555,044</u>	<u>-</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>\$ 32,485</u>	<u>\$ -</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)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<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)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<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>\$ 285,123</u>	<u>\$ -</u>	<u>\$ 285,123</u>	<u>\$ -</u>
Total Revenues	<u>285,123</u>	<u>285,123</u>	<u>-</u>	<u>285,123</u>	<u>-</u>
<u>EXPENDITURES</u>					
Construction	<u>285,123</u>	<u>285,123</u>	<u>-</u>	<u>285,123</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></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)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<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	\$ 301,396	\$ 186,396	\$ 10,750	\$ 197,146	\$ (104,250)
Total Revenues	<u>301,396</u>	<u>186,396</u>	<u>10,750</u>	<u>197,146</u>	<u>(104,250)</u>
<u>EXPENDITURES</u>					
Construction	<u>301,396</u>	<u>186,396</u>	<u>10,750</u>	<u>197,146</u>	<u>104,250</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance	2020
	Budget	Actual	Positive (Negative)	Actual
REVENUES				
Operating revenues				
Charges for services	\$ 1,671,300	\$ 1,745,687	\$ 74,387	\$ 1,750,498
Nonoperating Revenues				
State grants and reimbursements				
Tire Disposal Tax	23,500	28,990	5,490	27,287
White Goods Disposal Tax	5,500	18,316	12,816	12,746
Solid Waste Disposal Tax	16,500	16,988	488	17,119
Electronic Management Funds	1,100	90	(1,010)	1,160
Miscellaneous	3,200	157	(3,043)	2,819
Interest earnings	1,500	28	(1,472)	1,183
Total Nonoperating Revenues	51,300	64,569	13,269	62,314
Total Revenues	1,722,600	1,810,256	87,656	1,812,812
EXPENDITURES				
Salaries and employee benefits		274,677		258,263
Other operating expenditures		173,024		154,166
Contracted services		1,257,800		1,215,333
Capital outlay		6,999		43,680
Debt service:				
Interest and other charges		-		54
Debt principal		-		7,323
Total Expenditures	1,722,600	1,712,500	10,100	1,678,819
Revenues Over (Under) Expenditures	-	97,756	97,756	133,993
OTHER FINANCING SOURCES (USES)				
Transfer in (out)				
General Fund	-	-	-	1,322
Total Other Financing Sources (Uses)	-	-	-	1,322
Revenues and Other Financing Sources				
Over (Under) Expenditures and Other Uses	\$ -	\$ 97,756	\$ 97,756	\$ 135,315
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Revenues and other financing sources over (under)				
expenditures and other uses		\$ 97,756		\$ 135,315
Reconciling items:				
Capital outlay		6,999		43,680
Debt service payment		-		7,323
Depreciation		(19,013)		(15,808)
Increase in deferred outflows of resources - pensions		9,374		(9,605)
Increase in net pension liability		(19,277)		(5,127)
Decrease in deferred inflows of resources - pensions		(92)		(2,417)
(Increase) decrease in compensated absences payable		5,011		(393)
(Increase) decrease in OPEB obligation		(1,410)		1,152
(Increase) decrease in accrued landfill closure and postclosure care costs		81,364		(28,332)
Total		62,956		(9,527)
Change in net position		\$ 160,712		\$ 125,788

CUSTODIAL FUNDS

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. These funds are used to account for assets the County holds on behalf of others that meet certain criteria.

- **Municipal Tax Fund:** This fund is used to account for the proceeds of the Ad Valorem and vehicle taxes that are collected by the County on behalf of municipalities within the County.
- **Jail Fund:** This fund is used to account for the funds held by the jail for its prisoners.

Warren County, North Carolina
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Municipal Tax Fund	Jail Inmate Fund	Total Custodial Funds
Assets			
Cash and cash equivalents	\$ -	\$ 4,557	\$ 4,557
Taxes receivable for other governments, net	55,393	-	55,393
Total assets	<u>55,393</u>	<u>4,557</u>	<u>59,950</u>
Net Position			
Liabilities:			
Due to other individuals or governments	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Restricted for:			
Individuals, organizations, and other governments	55,393	4,557	59,950
Total net position	<u>\$ 55,393</u>	<u>\$ 4,557</u>	<u>\$ 59,950</u>

Warren County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2021

	Municipal Tax Fund	Jail Inmate Fund	Total Custodial Funds
Additions			
Ad valorem taxes collected for other governments	\$ 768,769	\$ -	\$ 768,769
Collections on behalf of inmates	-	21,608	21,608
Total additions	<u>768,769</u>	<u>21,608</u>	<u>790,377</u>
Deductions			
Tax distributions to other governments	784,505	-	784,505
Payments on behalf of inmates	-	30,495	30,495
Total deductions	<u>784,505</u>	<u>30,495</u>	<u>815,000</u>
Net increase (decrease) in fiduciary net position	(15,736)	(8,887)	(24,623)
Net position - beginning of year	-	-	-
Restatement	<u>71,129</u>	<u>13,444</u>	<u>84,573</u>
Net position - beginning of year, as restated	<u>71,129</u>	<u>13,444</u>	<u>84,573</u>
Net position - ending	<u><u>\$ 55,393</u></u>	<u><u>\$ 4,557</u></u>	<u><u>\$ 59,950</u></u>

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, 2021

Fiscal Year	Uncollected Balance July 1, 2020	Additions	Collections and Adjustments	Uncollected Balance June 30, 2021
2020-2021		\$ 20,388,977	\$ 19,940,711	\$ 448,266
2019-2020	638,154	-	335,416	302,738
2018-2019	236,363	-	96,126	140,237
2017-2018	166,226	-	41,170	125,056
2016-2017	121,411	-	27,700	93,711
2015-2016	91,515	-	15,806	75,709
2014-2015	77,153	-	13,872	63,281
2013-2014	106,466	-	13,750	92,716
2012-2013	82,256	-	9,202	73,054
2011-2012	62,890	-	6,181	56,709
2010-2011	58,019	-	58,019	-
	<u>\$ 1,640,453</u>	<u>\$ 20,388,977</u>	<u>\$ 20,557,953</u>	<u>\$ 1,471,477</u>
				Less: allowance for uncollectible accounts: <u>285,760</u>
				Ad valorem taxes receivable - net: <u>\$ 1,185,717</u>
<hr/>				
Reconcilement with revenues:				
Ad valorem taxes - General Fund				<u>\$ 20,544,457</u>
Reconciling items:				
Amounts written off for 2010-2011 levy				54,014
Interest, Discounts and Adjustments				<u>(40,518)</u>
Total Reconciling Items				<u>13,496</u>
Total Collections and Credits				<u>\$ 20,557,953</u>

**WARREN COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
JUNE 30, 2021**

	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	\$ 2,267,581,728	0.810	\$ 18,367,412	\$ 18,367,412	\$ -
Registered motor vehicles taxed at current year's rate	176,777,407	0.810	1,431,897	-	1,431,897
Total Original Levy	2,444,359,135		19,799,309	18,367,412	1,431,897
Discoveries:	61,912,469	0.810	501,491	501,491	-
Abatements	(10,886,049)	0.810	(88,177)	(88,177)	-
Total Property Valuation	<u>\$ 2,495,385,555</u>				
Net Levy			20,212,623	18,780,726	1,431,897
Uncollected taxes at June 30, 2021			448,266	445,634	2,632
Current year's taxes collected			<u>\$ 19,764,357</u>	<u>\$ 18,335,092</u>	<u>\$ 1,429,265</u>
Current levy collection percentage			<u>97.78%</u>	<u>97.63%</u>	<u>99.82%</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 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	\$ 14,490,452
Restricted	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	7,116,110
Unrestricted	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	11,098,349
Total governmental activities net position	<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>	<u>32,704,911</u>
Business-type activities										
Net investment in capital assets	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	16,785,117
Restricted	-	-	-	56,490	31,328	77,888	36,608	34,954	7,770	7,770
Unrestricted	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	6,860,790
Total business-type activities net position	<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>	<u>23,653,677</u>
Primary government										
Net investment in capital assets	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	31,275,569
Restricted	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	7,123,880
Unrestricted	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	17,959,139
Total primary government net position	<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>	<u>\$ 56,358,588</u>

TABLE 2

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

Expenses	Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
General government	\$ 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	\$ 4,795,703
Public safety	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	11,487,337
Economic development	738,211	691,085	582,985	822,723	577,737	641,933	704,649	821,608	740,540	823,505
Environmental protection	382,291	389,915	406,315	402,763	407,998	421,805	285,836	311,475	407,462	416,292
Human services	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	8,491,061
Culture and recreation	877,411	932,823	886,737	915,084	918,415	1,024,011	1,026,498	1,082,439	1,051,327	1,034,650
Education	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	5,624,840
Interest on long-term debt	330,508	265,358	195,374	147,772	130,063	129,306	192,148	189,065	161,751	141,214
Total governmental activities expenses	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	32,814,602
Business-type activities										
Solid Waste	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	1,649,544
Water and Sewer	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	3,805,054
Total business-type activities expenses	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	5,454,598
Total primary government expenses	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	38,269,200
Program Revenues										
Governmental activities:										
Charges for services:										
General government	263,556	172,091	166,700	145,657	124,437	145,099	159,498	141,575	153,085	399,146
Public safety	189,748	279,493	353,966	522,498	521,550	536,532	511,999	374,798	253,527	600,333
Economic and physical development	18,527	20,032	21,161	22,129	9,222	34,539	42,357	37,798	37,957	38,963
Human services	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	1,576,226
Culture and recreation	56,264	54,115	45,623	57,964	51,054	44,584	32,130	28,648	26,268	17,469
Education	-	-	-	-	-	-	-	-	-	55,889
Operating grants and contributions	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	6,248,499
Capital grants and contributions	630,355	477,771	152,238	241,946	-	16,434	10,390	39,570	-	-
Total governmental activities program revenue	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	8,936,525
Business-type activities										
Charges for services:										
Solid Waste	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	1,745,687
Water and Sewer	2,281,485	2,517,096	2,393,833	2,659,293	3,162,997	3,182,558	3,192,711	3,353,942	3,324,486	3,523,601
Capital grants and contributions	87,609	1,118,852	279,257	471,438	132,014	220,502	92,378	80,654	499,658	284,384
Total business-type activities program revenues	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	5,553,672
Total primary government program revenues	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	14,490,197
Net (expenses)/revenue										
Governmental activities	(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)	(23,878,077)
Business-type activities	(819,658)	302,942	(665,322)	(200,558)	(627,108)	(90,757)	(282,595)	19,484	266,396	99,074
Total primary government net expenses	(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)	(23,779,003)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	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	21,756,785
Local option sales taxes	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	4,693,895
Other taxes and licenses	62,831	59,878	61,665	66,763	79,609	178,214	171,717	192,050	199,831	270,137
Unrestricted grants and contributions	268,347	80,257	86,345	91,956	86,213	-	-	-	100,000	191,434
Investment earnings, unrestricted	7,741	6,082	2,279	2,767	26,026	48,469	138,214	230,257	180,241	4,534
Miscellaneous	91,685	13,269	298,443	70,088	100,987	65,619	33,493	161,357	95,694	107,178
Transfers	(8,751)	-	-	(174)	-	-	-	-	(5,067)	(52)
Total governmental activities	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	27,023,911
Business-type activities:										
Investment earnings	1,798	1,336	296	648	7,566	15,448	53,911	103,104	65,333	977
Miscellaneous	67,609	66,416	85,921	78,203	147,990	95,531	152,090	84,185	83,153	79,979
Transfers	8,751	-	-	174	-	-	-	-	5,067	52
Total business-type activities	78,158	67,752	86,217	79,025	155,556	110,979	206,001	187,289	153,553	81,008
Total primary government	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	27,104,919
Changes in Net Position										
Governmental activities	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	3,145,834
Business-type activities	(741,500)	370,694	(579,105)	(121,533)	(471,552)	20,222	(76,594)	206,773	419,949	180,082
Total primary government	\$ 1,678,385	\$ 2,852,189	\$ 874,600	\$ 265,697	\$ (1,871,796)	\$ 1,175,173	\$ (233,225)	\$ 1,918,077	\$ 1,942,374	\$ 3,325,916

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
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
2021	\$ 21,756,785	\$ 4,693,895	\$ 260,067	\$ 10,070	\$ 26,720,817

TABLE 4

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

	Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable										
Inventories	\$ 25,312	\$ 25,312	\$ 25,312	\$ 23,482	\$ 11,352	\$ 10,058	\$ 9,520	\$ 18,167	\$ 16,965	\$ 15,825
Restricted										
Stabilization by State Statute	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	2,611,651
Restricted for Public Safety	-	-	-	-	-	-	-	-	-	324,909
Restricted for Education	-	-	-	-	-	-	-	1,792,941	2,526,874	3,174,958
Committed										
Revaluation	226,878	271,998	317,030	362,094	316,958	47,733	98,506	150,607	201,926	251,945
Assigned										
Subsequent year's expenditures	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	1,770,000
Unassigned	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	12,118,085
Total general fund	<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>	<u>20,267,373</u>
All other governmental funds										
Restricted										
Stabilization by State Statute	19,072	44,695	64,111	18,275	23,600	102,061	27,199	97,058	34,937	44,755
Public Safety	442,878	427,600	499,955	974,670	1,529,350	388,502	3,302,925	835,582	743,614	753,084
Economic Development	310,935	291,431	291,461	294,994	252,319	221,134	167,954	150,247	151,046	151,058
Human Services	-	-	-	-	-	-	-	-	-	54,641
Recreation	-	-	-	136,005	1,002	1,006	1,018	1,040	1,054	1,054
Assigned										
Subsequent year's expenditures	-	-	-	29,892	-	-	-	-	-	-
Unassigned	(62,714)	(32,486)	(57,528)	(5,493)	(6,564)	(102,846)	(5,782)	(22,815)	(23,203)	(42,272)
Total all other governmental funds	<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>	<u>\$ 962,320</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Ad Valorem taxes	\$ 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	\$ 21,642,447
Local option sales taxes	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	4,693,895
Other taxes and licenses	62,831	59,878	61,665	66,763	79,609	90,093	88,468	108,481	117,026	270,137
Unrestricted Intergovernmental	268,347	122,863	120,331	126,836	128,299	127,865	118,316	118,248	213,890	216,788
Restricted Intergovernmental	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	6,203,559
Permits and fees	263,379	285,882	254,318	244,753	256,808	269,744	295,712	303,834	281,449	396,564
Sales and services	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	2,270,856
Investment earnings	7,741	6,082	2,279	2,767	26,026	48,469	138,214	230,257	180,241	4,534
Miscellaneous	106,468	56,217	54,781	93,079	107,188	77,772	36,813	168,737	105,397	147,370
Total Revenues	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	35,846,150
Expenditures										
Current:										
General government	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	4,543,194
Public safety	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	10,701,864
Environmental protection	376,324	383,497	399,740	404,163	404,793	413,487	280,703	301,435	391,143	398,473
Economic and physical development	729,274	742,845	579,597	831,498	589,083	621,537	657,460	736,688	774,183	667,494
Human services	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	8,242,525
Cultural and recreation	722,136	780,899	865,195	799,852	991,155	861,166	989,248	900,154	864,272	824,909
Intergovernmental:										
Education	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	5,624,840
Capital outlay	135,876	103,975	131,544	17,000	322,854	1,460,425	1,056,134	2,586,814	199,315	8,985
Debt service:										
Principal	1,565,404	1,435,514	639,118	640,618	642,118	1,073,901	1,072,666	935,920	859,607	1,020,529
Interest and other charges	335,416	271,476	205,376	144,976	125,272	131,351	110,921	220,961	160,915	144,103
Total expenditures	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	32,176,916
Excess of revenues over (under) expenditures	1,318,104	1,535,228	842,437	(445,602)	(2,346,968)	(349,251)	(801,255)	(769,460)	1,678,734	3,669,234
Other financing sources (uses)										
Transfers in from other funds	203,796	44,893	119,000	700,975	43,010	194,354	53,301	-	2,915	400
Transfers out to other funds	(212,547)	(44,893)	(119,000)	(701,149)	(43,010)	(194,354)	(53,301)	-	(7,982)	(452)
Proceeds from the issuance of debt	-	207,225	290,553	245,967	1,094,669	563,105	4,156,661	-	625,471	430,821
Total other financing sources (uses)	(8,751)	207,225	290,553	245,793	1,094,669	563,105	4,156,661	-	620,404	430,769
Net change in fund balances	\$ 1,309,353	\$ 1,742,453	\$ 1,132,990	\$ (199,809)	\$ (1,252,299)	\$ 213,854	\$ 3,355,406	\$ (769,460)	\$ 2,299,138	\$ 4,100,003
Debt service as a percentage of noncapital expenditures	7.26%	6.37%	3.12%	2.70%	2.57%	3.99%	4.05%	3.96%	3.53%	3.66%

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
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
2021	\$ 21,642,447	\$ 4,693,895	\$ 260,067	\$ 10,070	\$ 26,606,479

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					
2012	\$ 2,216,338	\$ 221,592	\$ 2,437,930	\$ 112,231	\$ 18,107	\$ 15,668	\$ 2,552,600	\$ 1	\$ 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%
2021	\$ 1,631,644	\$ 205,097	\$ 1,836,741	\$ 143,189	\$ 41,331	\$ -	\$ 2,021,262	0.81	\$ 1,976,390	102.27%

Source: Warren County Tax Department

TABLE 8

WARREN COUNTY, NORTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2021
(UNAUDITED)

	Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
County Direct Rates*										
County-wide Rate	0.62	0.66	0.66	0.66	0.66	0.71	0.76	0.79	0.79	0.81
Municipality Rates										
Town of Warrenton	0.61	0.61	0.61	0.61	0.61	0.61	0.65	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	0.68	0.70
Town of Macon	0.30	0.30	0.279	0.30	0.38	0.30	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)**

2021				2012			
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	1.56%	Progress Energy	\$ 22,827,741	1	0.89%
Halifax Electric Membership Corp.	28,978,030	2	1.16%	Lake Gaston Golf Links	21,069,748	2	0.83%
Glen Raven Mills	20,504,896	3	0.82%	Inland Paperboard & Packaging	18,814,374	3	0.74%
Sustainable Forests	19,112,397	4	0.77%	PH Forest Investments	15,757,415	4	0.62%
PH Forest Investments LLC	13,661,054	5	0.55%	Young Homes Inc.	13,489,037	5	0.53%
MHC Lake Gaston LLC	5,721,391	6	0.23%	Carolina Telephone	11,110,103	6	0.44%
Liberty Healthcare Prop WC LLC	5,559,257	7	0.22%	Glen Raven Mills	6,775,396	7	0.27%
Dominion NC Power	5,554,156	8	0.22%	MHC Lake Gaston LLC	5,430,364	8	0.21%
Lowes Food of Warrenton	3,340,622	9	0.13%	Stonehouse Timber Lodge	5,356,813	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>\$ 144,336,090</u>		<u>5.78%</u>		<u>\$ 125,804,579</u>		<u>4.94%</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
2012	\$ 15,840	\$ 15,090	95.30%	\$ 693	\$ 15,783	99.64%
2013	16,967	16,329	96.24%	565	16,894	99.57%
2014	17,362	16,701	96.19%	568	17,269	99.46%
2015	17,274	16,774	97.11%	437	17,211	99.64%
2016	17,361	16,807	96.81%	478	17,285	99.56%
2017	18,842	18,371	97.50%	377	18,748	99.50%
2018	18,398	17,965	97.65%	308	18,273	99.32%
2019	19,216	18,687	97.25%	389	19,076	99.27%
2020	19,690	19,051	96.75%	336	19,387	98.46%
2021	\$ 20,389	\$ 19,941	97.78%	\$ -	\$ 19,941	97.78%

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			
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
2021	\$ -	\$ 5,468	\$ 5	\$ 11,565	\$ 753	\$ 17,791	2.95%	894

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
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%	-
2021	\$ -	\$ -	\$ -	0.000%	-

TABLE 13

WARREN COUNTY, NORTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County of Warren	\$ 5,473	100.00%	\$ 5,473
Underlying:			
Town of Warrenton	-		-
Town of Norlina	-		-
Town of Macon	-		-
	<u>\$ 5,473</u>		<u>\$ 5,473</u>

TABLE 14

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

	Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 204,208	\$ 206,131	\$ 210,445	\$ 209,388	\$ 210,442	\$ 212,308	\$ 193,667	\$ 194,599	\$ 198,265	\$ 186,381
Total net debt applicable to limit	14,430	13,558	13,327	13,084	12,913	12,496	12,537	11,885	11,884	11,565
Legal debt margin	<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>	<u>\$ 174,816</u>
Total net debt applicable to the limit as a percentage of debt limit	7.07%	6.58%	6.33%	6.25%	6.14%	5.89%	6.47%	6.11%	5.99%	6.21%
Legal Debt Margin Calculation for Fiscal Year 2019										
Total assessed value										2,021,262
Debt limit (8% of total assessed value)										161,700
Debt applicable to limit:										
General obligation bonds										11,565
Less: Amount set aside for repayment of general obligation debt										-
Total net debt applicable to limit										<u>11,565</u>
Legal debt margin										<u>\$ 150,135</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
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%
2021	19,898	604,441	30,377	47	80.3	15.4	1,769	6.0%

* 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	2021		Employer	2012	
	Employees	Rank		Employees	Rank
NC Dept of Public Safety	250-499	1	Warren County Schools	350	1
County of Warren	250-499	2	County of Warren	300	2
Warren County Schools	250-499	3	Warren Hills Nursing Center	155	3
Glen Raven Inc	100-249	4	Glen Raven Inc	153	4
Comfort of Home Care LLC	100-249	5	International Paper	121	5
The Pointe Café LLC	50-99	6	Elberta Crate & Box Co	120	6
Cast Stone Systems, Inc.	50-99	7	Food Lion	105	7
Elberta Crate & Box Co.	50-99	8	NC Department of Correction	80	8
ITS Maintenance LLC	Below 50	9	Cast Stone Systems, Inc.	70	9
Food Lion	Below 50	10	NC Department of Transportation	38	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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	41	40	36	38	44	44	44	44	42	42
Public Safety										
Sheriff	38	37	38	43	43	38	38	38	31	31
Central Communications	10	10	14	16	15	14	14	14	14	14
Detention	17	17	18	20	17	18	18	18	18	18
Emergency Management	2	2	2	2	3	2	2	2	2	2
Emergency Services	20	20	26	35	26	27	27	27	27	27
Code Enforcement	4	4	4	4	3	3	3	3	3	3
Animal Control	4	4	5	5	6	6	6	6	5	5
Environmental Protection	3	3	3	3	3	3	3	3	3	3
Economic & Physical Development	11	11	11	9	11	8	8	8	7	7
Human Services	132	131	126	124	128	129	129	125	123	123
Culture and recreation	12	12	12	15	12	12	12	12	11	11
Education	3	3	2	0	0	0	0	0	0	0
Solid Waste	5	5	5	4	5	5	5	5	5	5
Public Works	10	10	10	10	10	10	10	10	10	10
Total	<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>	<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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Animal Control- Dogs & Cats picked up	1,538	1,572	1,359	1,362	1,375	1,055	1,194	1,180	836	910
Fire Calls	310	384	1,278	3,496	3,740	3,892	3,816	3,337	2,896	2,896
Breaking and entering investigations	154	187	244	180	196	208	215	206	182	182
EMS Calls	2,632	1,289	2,164	2,934	3,288	3,235	3,253	3,438	3,383	3,235
Code Enforcement Inspections	2,277	722	704	2,074	628	2,111	1,858	2,031	1,791	1,859
Human Services										
Number of home health visits	4,939	4,641	3,395	3,097	3,322	3,761	3,777	4,503	4,559	N/A
Number of home health patients	395	143	296	237	242	246	269	201	221	N/A
Environmental Protection										
Tons of Solid Waste Collected	8,873	8,349	7,142	8,074	8,405	7,719	9,280	7,654	7,864	8,802
Culture and recreation										
Recreation Youth Participants	989	940	945	1,063	1,138	1,163	1,018	1,080	350	215
Library Items Circulated	49,160	44,586	51,446	51,823	46,419	51,076	55,110	59,133	63,344	23,783
Number of Library Visits	45,087	51,341	60,126	60,126	60,235	59,916	52,126	44,400	27,625	12,681

Source: Various county government departments

TABLE 19

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

Function	Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Buildings & Grounds Motor Vehicles	11	9	9	9	7	10	10	10	12	12
Public Safety										
Sheriff's Patrol Units	36	44	46	55	54	53	53	57	59	62
Ambulances	6	6	8	6	6	6	6	7	7	7
Other Motor Vehicles	6	6	9	11	15	15	15	15	10	11
Environmental Protection										
Motor Vehicles	3	3	1	1	1	1	1	1	1	1
Economic & Physical Development										
Motor Vehicles	6	6	2	2	2	2	2	2	4	4
Human Services										
Motor Vehicles	20	20	25	24	28	28	28	32	27	27
Culture and recreation										
Park Acreage	40	40	120	145	145	145	145	145	145	145
Parks	3	3	3	4	4	4	4	4	4	4
Parks & Recreation Vehicles	0	0	0	3	3	3	3	2	3	3
Library Motor Vehicles	1	1	1	1	1	1	1	1	1	1
Water & Sewer										
Motor Vehicles & Equipment	7	7	9	8	9	9	9	10	12	12
Fire Hydrants	571	523	523	523	523	523	523	523	523	530
Pump Stations	8	10	10	10	10	10	10	10	10	10
Miles of Water Main	609	465	600	616	616	616	616	616	616	618
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	5.5
Miles of Sewer Force Main	23	23	23	23	23	23	23	23	23	23
Solid Waste										
Public Works	0	0	0	5	5	6	6	7	6	6

Source: Warren County Finance Department

COMPLIANCE SECTION

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

Certified Public Accountants



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

Curtis G. Van Horne, CPA

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, 2021 and the related notes to the financial statements, which collectively comprises Warren County's basic financial statements, and have issued our report thereon dated January 31, 2022. 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) as a basis for designing 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses.

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

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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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs 2021-1, 2021-2, and 2021-3 to be material weaknesses.

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items 2021-4 to be significant deficiencies.

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 instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-1 and 2021-2.

Warren County's Response to Findings

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

Purpose of this Report

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

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP
Certified Public Accountants
Oxford, NC
January 31, 2022

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

Certified Public Accountants



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, 2021. 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.

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.

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Opinion on Each Major Federal Program

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 major federal programs for the year ended June 30, 2021.

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.

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. *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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 21-5 and 21-6 that we consider to be material weaknesses.

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
January 31, 2022

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

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Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance; In Accordance with OMB Circular the 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, 2021. 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 *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

Opinion on Each Major State Program

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 major state programs for the year ended June 30, 2021.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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. *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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-5 and 2021-6 that we consider to be material weaknesses.

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
January 31, 2022

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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? X Yes No
- Significant Deficiency(s) identified? X Yes No

Noncompliance material to financial statements noted X Yes No

Federal Awards

Internal control over major federal programs:

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

Type of auditor's report issued on compliance for major federal programs: Unmodified

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

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
21.019	Coronavirus Relief Fund
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 X No

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

State Awards

Internal control over major State programs:

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

Type of auditor's report issued on compliance for major State programs: Unmodified

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

 X Yes No

Identification of major State programs:

Program Name

Medical Assistance Program

State Aid to Public Libraries

School Nurse Funding Initiative

General Aid to Counties

Section II – Financial Statement Findings

Finding: 2021-1

MATERIAL NONCOMPLIANCE / MATERIAL WEAKNESS

Excess of Expenditures over Appropriations

Criteria: G.S. 159-8(a) states that no obligation may be incurred in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.

Condition: Warren County expended \$166,167, \$222,616, and \$59,375 that were not appropriated in the annual budget ordinance for the Representative Payee Fund, the Deed of Trust Fund, and the Fines and Forfeitures Fund, respectively.

Effect: Moneys were spent that had not been obligated and appropriated.

Cause: The County implemented a new accounting principle that changed these funds from Agency Funds in the prior year and made them Special Revenue Funds in the current year. As Special Revenue funds, the funds should have been budgeted.

Recommendation: Before an obligation is entered to incur an expense that will exceed the amount that was previously approved in the budget ordinance, an amendment to the budget should be adopted.

Views of responsible officials and planned corrective actions: The County agrees with this finding. These funds will be included in the budget ordinance in the future. Budget amendments will be adopted prior to making expenditures that exceed budgeted amounts.

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Finding: 2021-2

MATERIAL NONCOMPLIANCE / MATERIAL WEAKNESS

All Funds Required to Have a Budget

Criteria: G.S. 159-8(a) states that no local government may expend any moneys except in accordance with a budget ordinance or project ordinance adopted under this Article or through an intragovernmental service fund or trust and agency fund properly excluded from the budget ordinance.

Condition: Warren County had three new funds in fiscal year 2021 that were not included in the annual budget ordinance. Those funds were the Representative Payee Fund, the Deed of Trust Fund, and the Fines and Forfeitures Fund.

Effect: Moneys were spent that had not been obligated and appropriated.

Cause: The County implemented a new accounting principle that changed these funds from Agency Funds in the prior year and made them Special Revenue Funds in the current year. As Special Revenue funds, the funds should have been budgeted. A lack of sufficient accounting knowledge and financial reporting personnel in the accounting department with requisite knowledge of budgeting process and procedures and turnover in the role of Finance Officer could have led to these funds being missed in the budget ordinance.

Recommendation: The finance officer should receive training on the Local Government Budget and Fiscal Control Act to ensure that they have the requisite knowledge to adhere to all general statutes relating to budgeting in North Carolina.

Views of responsible officials and planned corrective actions: The County agrees with this finding.

Finding: 2021-3

MATERIAL WEAKNESS

Lack of Accounting Resources and Expertise

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting and to accept responsibility for the financial statements.

Condition: The external auditor prepared a draft of the basic financial statements, all required note disclosures, supplemental schedules, management's discussion and analysis, and the Schedule of Expenditures of Federal and State Awards. Financial reporting under the accounting standards promulgated by the Financial Accounting Standards Board and the Governmental Accounting Standards Board requires a level of technical expertise not possessed by County personnel regarding drafting full accrual, full disclosure year-end financial statements. Although management of the County may not possess expertise to draft full accrual, full disclosure financial statements, they do accept responsibility for the preparation and the fair presentation of the financial statements. The Finance Officer does not possess the requisite accounting expertise and the County does not have an audit committee.

Effect: Errors in financial reporting could occur.

Cause: The County was unable to find someone with the requisite technical expertise to comply with the financial reporting requirements discussed above during the last Finance Officer search and the current Finance Officer is still being trained / attending classes.

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Recommendation: The County should exercise due care in overseeing drafting services, reconciling, and reviewing the financial statements drafted by the external auditor as the County is responsible for the accuracy of the financial statements. The County should also work with the current finance officer to get them the requisite training / certification as soon as possible so that they might fill this role. The County should also look to add an Audit Committee to its Board structure and have those board members attend training in finance for elected officials.

Views of responsible officials and planned corrective actions: The County agrees with this finding. During the fiscal year the County did hire part time a retired County finance officer to serve as our skills, knowledge and expertise for this fiscal year and to work with our current finance officer on some “on-the-job training”.

Finding: 2021-4

SIGNIFICANT DEFICIENCY

Accounting for Self-Insurance Pool for Health Insurance Benefits

Criteria: BASB 10 requires units of government to record its risk management activities in the financial statements and disclose properly any transfer of risk.

Condition: In July 2020, the County became a participant in the North Carolina Health Insurance Pool, a self-insurance pool for health insurance benefits administered by Blue Cross Blue Shield of North Carolina. The County pays the first \$40,000 in claims on each member of the health plan. Claims between \$40,000 and \$200,000 go into a pool that are then distributed back to each partner based on employee membership. Any claims over \$200,000, are covered by specific stop loss insurance. There was no allocation of these claims or administrative costs to the individual opinion units of the County as all expenditures were recorded and reported in the General Fund.

Effect: Errors in financial reporting could occur.

Cause: The County hired part time a retired County financial officer to aid in financial expertise and knowledge however he was not made aware of the County being self-insured until the end of the fiscal year or shortly thereafter and there was not adequate time to put the proper accounting in place. The Finance Officer does not possess the requisite accounting expertise and the County does not have an audit committee.

Recommendation: The County should work with the current finance officer to get them the requisite training / certification as soon as possible so that they might fill this role. The County should also look into creating an internal service fund to account for the activity around the self-insurance to aid in the allocation of the costs to all respective units.

Views of responsible officials and planned corrective actions: The County agrees with this finding.

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

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Finding: 2021-5

MATERIAL WEAKNESS

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)
- 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 52 instances of case records not containing the proper verifications or proper computations as required by policy. Ten of these files did not contain appropriate verification of real property ownership with the Register of Deeds Office and the Tax Office. Four 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. Ten 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. Nine 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 ten 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 eight files that income was not counted correctly or not updated in evidence.

Questioned Costs: There was \$28 in known errors. The known error rate projects or extrapolates to the entire population of claims paid for the year to an estimated \$40,340 in questioned costs for these

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 \$41,224,266 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 34 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 calculations to substantiate that the recipients tested were eligible to receive benefits in all but 2 claims. Those claims totaled \$28.

Identification of a repeat finding: This is a repeat finding from previous audits, 2020-1, 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. Work aids for areas such as resources may be helpful for Caseworkers as they document the eligibility process. 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 2021 an experienced supervisor was hired for adult Medicaid with extensive knowledge of long-term care and SA policy. This has 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: 2021-6

MATERIAL WEAKNESS

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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. Also, Day Sheets are completed for all client-facing employees to document the time spent working on cases and what the work that was done. All work should be accurately recorded and recorded to the correct client.

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 and hourly in-home aides. Time was not documented properly for administrative time on their manual time sheets. All discrepancies were around the documentation of administrative or paid time off and what was documented on the in-home aides' time sheets differed from what was on the Day Sheet.

We also noted that several caseworkers could not support the work that was reported on their daysheets for the periods and clients selected for review.

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

Context: We reviewed in-home payroll. Out of the 5 in-home aides we reviewed, 4 of them had issues with their time sheets. For caseworkers, we selected 4 cases each for 10 employees. Three employees were unable to supply support for a total of 12 cases reported on their daysheets for the period selected for review.

Effect: Time included on the employee's signed time sheet but not included on the Daysheet and thus the 1571 report creates an issue in the County being able to properly track things such as benefits since many times the time that was underreported were in the areas of vacation and sick leave. Reporting of time worked on the 1571 by Caseworkers for work performed on cases that cannot be supported may lead to reimbursements for work that was not actually performed or that cannot be re-performed since the documentation is missing.

Identification of a repeat finding: This is a repeat finding from previous audits, 2020-2, 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. The review process started with the in-home aides should be considered for expansion to other areas for review of Daysheets to ensure accurate reporting of time on the Daysheets monthly. Overall for this fiscal year, there was a great improvement seen in the area of in-home aide time sheet tracking but with the administrative time there were still issues between the manual time sheet and the Daysheet of information being transferred and reconciled between the two. The worker seems to be more conscientious about recording all of their time and not just their field time but now the reconciliation between the two reports needs to be improved and tightened up.

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Views of responsible officials and planned corrective actions: Employees will be provided a refresher training on documentation of time sheets. Supervisors will be provided training on the review and reconciliation of data between the timesheet and the daysheet.

Section IV – State Award Findings and Questioned Costs

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

MATERIAL WEAKNESS/MATERIAL NONCOMPLIANCE: Finding 2021-5 also applies to State requirements and State Awards.

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

MATERIAL WEAKNESS: Finding 2021-6 also applies to State requirements and State Awards.

**COUNTY OF WARREN
FINANCE OFFICE
548 W. RIDGEWAY STREET
WARRENTON, NC 27589
Telephone: (252) 257-1778 Fax: (252) 257-6523**

Lee A. Faines Jr.
Finance Director

**CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

Finding: 2021-1

Name of contact person: Lee Faines

Corrective Action: The County will strive in the future to better anticipate the expenses in these funds. All expenditures will be monitored more closely in the future to ensure budget amendments are made timely for non-routine transactions.

Proposed Completion Date: June 30, 2022

Finding: 2021-2

Name of contact person: Lee Faines

Corrective Action: The County will strive in the future to ensure that all funds are included in the budget ordinance and if new funds are created that a budget ordinance is put in place for them at the time of creation.

Proposed Completion Date: June 30, 2022

Finding: 2021-3

Name of contact person: Lee Faines

Corrective Action: The County will exercise due care in overseeing drafting services, reconciling and reviewing the financial statements drafted by the external auditor by having a retired County finance officer on staff part time. The County has also started a performance improvement plan with the current finance officer that includes training and classes through the UNC School of Government to become a Certified Finance Officer. This will help to increase their knowledge and expertise so that the County may decrease their reliance on the part time retired County finance officer. The County will investigate its options at creating an audit committee and the training for those members to bring up at a future board meeting. The county is currently in the process of hiring a deputy finance officer. The position has been vacant since April 21.

Proposed Completion Date: June 30, 2023

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Finance Director

**CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Finding: 2021-4

Name of contact person: Lee Faines

Corrective Action: Finance and County Management officials will continue to review transactions that are non-routine in nature to ensure they are correctly recorded in fund statements and reflected correctly in the entity-wide financial statements.

Proposed Completion Date: June 30, 2023

Section III – Federal Award Findings and Questioned Costs

Finding: 2021-5

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 2021 an experienced supervisor was hired for adult Medicaid with extensive knowledge of long-term care and SA policy. This has 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, 2023

Finding: 2021-6

Name of contact person: Emma Perry

Corrective Action: Employees will be provided a refresher training on documentation of time sheets. Supervisors will be provided training on the review and reconciliation of data between the timesheet and the daysheet.

Proposed Completion Date: March 31, 2022

Section IV – State Award Findings and Questioned Costs

Finding 2021-5 and 2021-6 also applies to State Awards

**WARREN COUNTY, NORTH CAROLINA
PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Finding : 20-1

Status: See Finding 21-5.

Finding : 20-2

Status: See Finding 21-6

Finding : 19-1

Status: See Finding 21-5.

Finding : 19-2

Status: See Finding 21-6.

Finding : 17-1

Status: See Finding 21-5.

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 21-5. 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 21-5.

Finding : 16-2

Status: See Finding 21-5.

Finding: 16-4

Status: See Finding 21-5.

Finding: 16-5

Status: See Finding 17-2.

Finding: 16-6

Status: See Finding 21-5. While 21-5 is for a different program, the eligibility rules are basically the same and issues were encountered in the application of those rules.

**WARREN COUNTY, NORTH CAROLINA
PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Finding : 15-1

Status: See Finding 21-5

Finding : 15-2

Status: See Finding 21-5

Finding: 15-4

Status: See Finding 21-5

Finding: 15-5

Status: See Finding 17-2.

Finding 14-2

Status: See Finding 21-5.

Finding 14-3

Status: See Finding 21-5.

Finding 14-5

Status: See Finding 17-2.

Finding 13-3

Status: See Finding 21-5.

Finding: 13-4

Status: See Finding 21-5.

WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL AL/CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	PROVIDED 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:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 312,945	\$ -	\$ -
Total SNAP Cluster		312,945	-	-
Family Preservation	10.556	273	-	-
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	129,710	-	-
Total US Department of Agriculture		442,928	-	-
<u>U.S. Dept. of Interior</u>				
National Park Service Conservation, Protection, Outreach, and Education Grant	15.954	9,454	-	-
<u>U.S. Dept of Justice</u>				
Passed through N.C. Dept of Crime Control and Public Safety:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	23,975	-	-
<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	946,160	-	-
Passed-through NC Dept of Health and Human Services				
Division of Public Health				
Coronavirus Relief Fund	21.019	41,899	-	-
Total U.S. Dept. of Treasury		988,059	-	-
<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	3,750	250	-
<u>Aging Cluster:</u>				
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	59,832	3,520	-
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	117,031	5,809	-
Nutrition Services Incentive Program	93.053	20,432	-	-
Total Aging Cluster		197,295	9,329	-
Total Division of Aging and Adult Services		201,045	9,579	-
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Health Benefits:				
Division of Social Services:				
Administration:				
Medicaid Cluster:				
Medical Assistance Program	93.778	892,969	5,938	-
Total Medicaid Cluster		892,969	5,938	-
Division of Social Services:				
Administration:				
Children's Health Insurance Program - N.C. Health Choice	93.767	19,008	(201)	-
Total Children's Health Insurance Program - N.C. Health Choice		19,008	(201)	-

WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL AL/CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	PROVIDED 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				
Public Health Emergency Preparedness	93.069	42,603	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	50	-	-
Family Planning Services	93.217	9,090	-	-
Immunization Cooperative Grants	93.268	134,613	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	206,230	-	-
COVID-19-Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	28,796	-	-
Cancer Prevention and Control Programs for State-Territorial and Tribal Organizations	93.898	5,850	-	-
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	42	-	-
Statewide Health Promotion Program	93.991	30,608	-	-
Maternal and Child Health Services Block Grant	93.994	10,049	7,331	-
Total Centers for Disease Control		467,931	7,331	-
Passed-through the N.C. Dept of Insurance, Division of SHIIP:				
CDAP-State Health Insurance Assistance Program	93.324	4,439	-	-
Administration for Community Living				
Medicare Enrollment Assistance Program (MIPPA)	93.071	1,181	-	-
<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	315,346	217	-
Refugee and Entrant Assistance - State Replacement Designee Administered Programs	93.566	1,239	-	-
<u>Foster Care and Adoption Cluster:</u>				
Foster Care-Title IV-E	93.658	73,992	18,382	-
Adoption Assistance	93.659	12,652	-	-
Foster Care-Title IV-E Direct Benefit Payments	93.658	1,951	350	-
Total Foster Care and Adoption Cluster		88,595	18,732	-
Temporary Assistance for Needy Families (TANF) Cluster:				
Division of Public Health				
Temporary Assistance for Needy Families	93.558	236	-	-
Division of Social Services				
TANF-Work First	93.558	339,115	-	-
Total Temporary Assistances for Needy Families (TANF) Cluster		339,351	-	-
Low-Income Home Energy Assistance:				
Crisis Intervention Program	93.568	329,080	-	-
Low Income Energy Assistance Program-COVID	93.568	123,578	-	-
Total Low-Income Home Energy Assistance		452,658	-	-
Stephanie Tubbs Jones Child Welfare Services Program :				
Permanency Planning-Families for Kids	93.645	1,244	-	-
Social Services Block Grant (SSBG)-In Home Services	93.667	168,748	-	-
Total Division of Social Services		838,187	-	-
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	98,782	-	-
Total Subsidized Child Care		98,782	-	-
Total Administration for Children and Families		1,465,727	18,949	-
Total U.S. Dept. of Health and Human Services		3,052,536	41,596	-
<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	39,378	-	-
Total federal awards		4,556,330	41,596	-

WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL AL/CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	PROVIDED TO SUBRECIPIENTS
STATE AWARDS:				
<u>N.C. Dept. of Agriculture and Consumer Services</u>				
Agriculture Cost Share Technical Assistance		-	22,394	-
Pesticide Grant		-	336	-
Total N.C. Dept. of Agriculture and Consumer Services		-	22,730	-
<u>N.C. Dept. of Cultural and Natural Resources</u>				
Division of State Library				
State Aid to Public Libraries		-	80,765	-
<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		-	52,691	-
90% State Funds - Access		-	5,812	-
90% State Funds - In-Home Service		-	49,573	-
75% State Funds		-	9,728	-
Division of Social Services:				
Child Welfare/CPS		-	11,293	-
CPS COVID		-	5,170	-
Incentive/Prog Integrity		-	20	-
Foster Care Stipend-Direct		-	3,900	-
Energy Assistance		-	8,986	-
Smart Start		-	10,225	-
Total Division of Social Services		-	39,594	-
<u>Division of Public Health</u>				
General Aid to Counties		-	96,436	-
Food and Lodging		-	3,150	-
School Nurse Funding Initiative		-	150,000	-
Women's Health Service Fund		-	3,864	-
Healthy Communities		-	3,746	-
STD Drugs		-	141	-
HIV/STD State		-	400	-
General Communicable Disease Control		-	9,592	-
Tuberculosis Control		-	3,486	-
Breast and Cervical Cancer Control		-	1,300	-
Child Health		-	7,525	-
Family Planning - State		-	34,229	-
Maternal Health		-	14,300	-
Total Division of Public Health		-	328,169	-
Total N.C. Dept. of Health and Human Services		-	485,567	-
<u>N.C. Dept. of Environmental Quality</u>				
Division of Parks and Recreation				
PARTF Grant		-	10,645	-
Division of Waste Management				
Electronics Management		-	1,412	-
Total N.C. Dept. of Environmental Quality		-	12,057	-
<u>N.C. Dept. of Public Safety</u>				
Emergency Management Operation		-		
Juvenile Crime Prevention Council Programs		-	81,393	
Total N.C. Dept. of Public Safety		-	81,393	
<u>N.C. Department of Commerce</u>				
Rural Economic Development Grant		-	10,750	-
Total State Awards		-	693,262	-
Total federal and State awards		\$ 4,556,330	\$ 734,858	\$ -

**WARREN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL AL/CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	PROVIDED 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, 2021. 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	204,183	-
Supplemental Nutrition Assistance Program	10.551	10,479,581	-
Temporary Assistance for Needy Families	93.558	95,629	(13)
Adoption Assistance	93.659	133,707	23,629
Foster Care - Title IV-E	93.658		
Medical Assistance Program	93.778	32,330,096	12,876,010
Children's Health Insurance Program	93.767	298,778	65,156
Child Welfare Services Adoption		-	40,700
State/County Special Assistance Program		-	263,115