



Walter M. Gardner, Jr. – Mayor
Robert F. Davie, Jr. – Town Administrator

P.O. Box 281
Warrenton, NC 27589-0281
(252) 257-1122 Fax (252) 257-9219
www.warrenton.nc.gov

PUBLIC HEARING NOTICE

Notice is hereby served that the Warrenton Board of Commissioners will hold a public hearing on Monday, July 11, 2022 in the meeting room of Town Hall located at 113 S. Bragg Street, Warrenton, NC. At 6:45 PM comments will be received on updated Zoning Ordinances to comply with NC General Statute 160D. All interested citizens are urged to attend.

A copy of the updated Zoning Ordinances will be available for public review at the Warrenton Town Hall, by calling 252-257-1122 and making an appointment. The updated Zoning Ordinances will also be available on the Town's website: www.warrenton.nc.gov.

Mayor Walter M. Gardner, Jr.
Warrenton Board of Commissioners



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BOARD OF COMMISSIONERS REGULAR MEETING
6:45 Public Hearing – Proposed Zoning Ordinance Changes
7:00 PM July 11, 2022
AGENDA

Regular Meeting

1. Call to Order, Pledge of Allegiance and Moment of Silence
2. Conflict of Interest Statement, Proposed Agenda
3. Public Comments
4. Minutes of Board Meeting on June 13, 2022, Minutes of Public Hearing – Budget June 13, 2022,
5. Consent Agenda
 - a. Year-to-Date Revenue and Expenditure Reports (Budget vs. Actual)
 - b. Monthly Checks Report
 - c. Public Works Monthly Report
 - d. WWTP Monthly Report
 - e. Police Activity Reports
 - f. Action Items from February BOC Meeting
6. Committee Reports
 - a. Finance and Administration (Ms. Hunter)
 - b. Public Works (Mr. Fleming)
 - c. Public Safety (Mr. Ayscue)
 - d. Human Resources/Information Technology (Mr. Blalock)
 - e. Revitalization/Historic District Commission (Mr. Coffman)
 - f. Beautification/Facilities (Ms. Britt)
 - g. Planning/Zoning/Annexation (Mr. Young)
 - i. Recommendation of Planning Board to update Zoning Ordinances for NC GS 160D compliance – for consideration
7. Old Business
 - a. Status of Grants – for information
 - b. USDA Grant Project Ordinance Revised – for consideration
8. New Business
 - a. Audit Presentation FY 2020-2021 April Adams of Cherry Bekaert
 - b. Budget Amendment #1 Unexpected Health Insurance Increase – for consideration
 - c. Riggan Outfall – ARP Appropriation Request – for consideration
 - d. Remaining issues relating to Downtown Redevelopment Grant (Milanos) – for discussion
9. Announcements
10. Adjournment

Conflict of Interest Disclaimer

"Members of the Town of Warrenton Board of Commissioners are advised, hereby, of their duty under the State Government Ethics Act to avoid conflicts of interest and the appearance of such conflict; and, further, are instructed to refrain from participating in any matter coming before this Town Board of Commissioners with respect to which there is a conflict of interest or appearance of such conflict".

- **In accordance with the State Government Ethics Act, it is the duty of every Board member to avoid both conflicts of interest and appearances of conflict.**
- **Does any Board member have any known conflict of interest or appearance of conflict with respect to any matter coming before this Board tonight? If so, please identify the conflict and refrain from any undue participation in the particular matter involved.**

Citizen Comments

Rules for Citizen Comments

- Please sign up to speak.
- The maximum time allotted to each speaker will be five (5) minutes; The Town Administrator will keep time.
- Any group of people who support or oppose the same position should designate a spokesperson.
 - Please address only those items which might not have been addressed by a previous speaker.
- This is not a question and answer session. If response from the Administrator, Mayor, and/or Board is desired, please leave a copy of your comment(s) with the Town Administrator.
- After the Citizen Comments period, comments from the audience are not appropriate unless recognized by the Mayor or placed as an agenda item.
- Order and decorum will be maintained.

**Town of Warrenton
Board of Commissioners**



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PUBLIC HEARING FOR PROPOSED FY 2022/2023 BUDGET

June 13, 2022

6:45 PM

Mayor Pro Tem Hunter called the Public Hearing of the Town of Warrenton Board of Commissioners to order on Monday, June 13, 2022, at 6:45 p.m. The purpose of the public hearing is to receive comments on the proposed budget for FY 2022/2023. Those attending were Mayor Pro Tem Mary Hunter, Town Administrator, Robert Davie, Commissioners Aaron Ayscue, John Blalock, Margaret Britt, Al Fleming, Michael Coffman, and Jason Young, Chief Goble Lane, Tracy Stevenson, and citizens.

Mayor Pro Tem asked for public comments. After fifteen minutes, with no comments voiced during the Public Hearing, the meeting was closed.



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BOARD OF COMMISSIONERS REGULAR MONTHLY MEETING

June 13, 2022

7:00 P.M.

Minutes

Those in attendance were:

Mayor Pro Tem Mary Hunter	Commissioner Michael Coffman
Commissioner John Blalock	Commissioner Al Fleming
Commissioner Jason Young	Commissioner Margaret Britt
Commissioner Aaron Ayscue	
Town Administrator, Robert Davie	
William “Bill” Perkinson, Public Works	
Goble Lane, Chief of Police	
Tracy Stevenson, Minute Taker	

Call to Order – Pledge of Allegiance and Moment of Silence

Mayor Pro Tem Hunter called the regular monthly meeting of the Town of Warrenton Board of Commissioners to order on Monday, June 13, 2022 at 7:00 p.m. Mayor Gardner was unable to attend due to illness. Mayor Pro Tem Hunter asked that everyone remember the family of former Town Administrator, Joe Parker, who recently passed away. A Moment of Silence was held for all who are sick, suffering, and in need. The Pledge of Allegiance was led by Commissioner Blalock.

Conflict of Interest Statement and Proposed Agenda

The Conflict-of-Interest statement was reviewed. The Proposed Agenda was presented. Mayor Pro Tem Hunter requested that an item be added to the agenda as follows:

New Business:

(i.) Main Street Contracts

Commissioner Coffman made a motion to approve the proposed agenda with the requested addition, which was seconded by Commissioner Ayscue. The motion was approved by unanimous vote.

Public Comments

Mark Wethington was recognized for public comments. He expressed his gratitude to the town for the funds appropriated for the Julian Haywood marker. Jennie Franklin presented a check to the Board for the remaining balance which was collected from donations. Jereann Johnson was recognized for public comments. Ms. Johnson highlighted areas of sidewalk within the town that need repair and expressed her desire that public funds through grants be used for this type of infrastructure.

Minutes of Board Meeting on March 14, 2022

The minutes of the May 9, 2022, meeting and two public hearings were presented. Commissioner Coffman made a motion to approve the minutes as presented, with a second by Commissioner Ayscue. The motion was approved by unanimous vote.

Consent Agenda

- (a) Year-to-Date Revenue and Expenditure Reports (Budget vs. Actual)
- (b) Monthly Check Report
- (c) Public Works Monthly Report
- (d) WWTP Monthly Report
- (e) Police Activity Report
- (f) Action Items from April BOC meeting

Commissioner Young made a motion to approve the Consent Agenda, with a second by Commissioner Ayscue. The motion was approved by unanimous vote.

Committee Reports

- (a) Finance and Administration –Commissioner Hunter had no additional report other than agenda items.
- (b) Public Works – Commissioner Fleming presented Public Works Director, Bill Perkinson, with the NC Rural Water Association 2022 Al Deratt Award. He further stated during a recent storm the drain on Bragg Street flooded and Mr. Perkinson quickly took care of the issue. Finally, he indicated that the recent replacement of water lines was paying off for the Town in recurring annual savings of \$7800.
- (c) Public Safety – Commissioner Ayscue stated the increased weekend patrols initiated by the Police Department seem to have mitigated some of the prior concerns. Chief Lane thanked everyone for their kind acts and condolences at the time of his mother’s death. He informed the Board that he would like approval to send a written letter to the owner of Speedway requesting that they close their doors on Saturday and Sunday mornings from 2:00 am to 3:30 am to cut down on noise ordinance complaints and other issues stemming from the parking lot at the location during this time. Commissioner Coffman stated he would like the Board to review the letter before sending. Commissioner Ayscue reminded everyone there is no burning allowed in town.
- (d) Human Resources – Information Technology – Commissioner Blalock stated that a new full-time officer has been hired and is currently in training. He added that there is a vacant part-time position that needs to be filled in the Public Works department.
- (e) Revitalization/Historic District Commission – Commissioner Coffman reported that the Historic District Commission received a Certificate of Appropriateness from Craig and Donna Hahn at 109 W. Ridgeway Street with extensive requests which were all

- approved. Commissioner Coffman stated they are still working on the restructuring plan for the Revitalization Committee.
- (f) Beautification/Facilities – Commissioner Britt had no additional report other than agenda items. She commented on the beautiful flowers around town and stated there were still some potholes that needed to be repaired.
 - (g) Planning/Zoning/Annexation – Commissioner Young stated there is a Planning Board work session scheduled for June 22, 2022.

Old Business

(a) Status of Grants

Fund 53 – NC Commerce Main Street Downtown Redevelopment – Project received extension to June 30, 2022.

Fund 55 – NC DEQ Water Infrastructure WWTP – Grit classifier is now in operation after installing controls. Electrical work and transformer along with four motor starters for new mixers remain action items.

Fund 72 NC Main Street Solutions Warrenton Brewery Grant – Application for reimbursement from Commerce is underway.

Fund 67 – NC Neighborhood Revitalization Program – NC Commerce is considering additional funding due to construction cost increases.

Fund 68 – Building Reused Grant – Job reporting to Commerce and closeout documentation is underway.

Fund 69 – Volkswagen Settlement Grant – Utility/dump truck delayed again by Ford Motor Company after scheduling to be built in April, after a delay from February. Upon completion of manufacturing, eight additional weeks needed for addition of lights, signage on truck. Will have to make up some funding from budget because of price increases since grant was awarded.

Fund 71 – Brownfield Grant – Two other sites have been identified for Phase 1 studies.

No Fund – NC IDEA – Ice House Grant – Grant reporting to NC IDEA is underway.

Grants submitted since last BOC meeting –

NC Rural Transformation Grant \$500,000 (Parking, Parks, Eaves)

NCDEQ SLRF Grant \$19,187,222

Water System Improvements: \$4,272,783

Sewer System Rehabilitation: \$4,096,663

WWTP Improvements: \$10,817,776

USDA Community Facilities \$150,000 (trucks)

(b) USDA Grant/Loan Agreement – Monica Thornton, USDA Area Specialist, presented a Grant Agreement for consideration to purchase three Public Works vehicles with the source of funding to be as follows: USDA Loan \$69,500.00, USDA Grant \$84,900.00, and Applicant contribution \$88.00 for a total of \$154,488.00; with a fixed interest rate of 2.5%. Commissioner Blalock made a motion to approve the USDA Grant Agreement, with a second by Commissioner Ayscue. The motion was approved by unanimous vote.

(c) Annual Budget Ordinance - Town Administrator, Robert Davie presented the FY 2022/2023 Budget Ordinance. He informed the Board that there has been a significant increase in Health insurance compared to the quote that we had received and used in preparing the new budget ordinance. He further stated that he just learned of this increase today. He informed the Board that they could chose to approve the Budget Ordinance tonight and address the increase in a budget amendment in July or wait to

approve an updated budget during a called work session before June 30, 2022. Commissioner Blalock inquired if quotes from various providers had been sought. Mr. Davie stated that multiple quotes had been received from Blue Cross, United Health, Aetna and NCLM. Davie stated further that the Town's current provider did not require underwriting whereas the new provider did and that caused the unexpected increase. Commissioner Fleming made a motion to approve the FY 2022/2023 Budget Ordinance as presented, with a second by Commissioner Britt. The motion was approved by unanimous vote. Commissioner Blalock made a motion to approve the FY 2022/2023 fee schedule as presented, with a second by Commissioner Coffman. The motion was approved by unanimous vote.

New Business

- (a) Budget Amendment #16 Streets/Sanitation** - Town Administrator, Robert Davie presented Budget Amendment #16 to shift funds from the Streets department budget into Sanitation to cover a shortfall for the remainder of FY 2022. Commissioner Coffman made a motion to approve the budget amendment as presented, with a second by Commissioner Blalock. The motion was approved by unanimous vote.
- (b) Budget Amendment #17 Frontier Warren** – Town Administrator, Robert Davie presented Budget Amendment #17 to replace use of ARP funds for the Frontier Warren budget of FY 2022. Commissioner Blalock made a motion to approve the budget amendment as presented, with a second by Commissioner Coffman. The motion was approved by unanimous vote.
- (c) Budget Amendment #18 Police Department** - Town Administrator, Robert Davie presented Budget Amendment #18 with an additional \$1,100 for a total of \$6,100 to cover the Police Department shortfall for remaining FY 2022. Commissioner Blalock made a motion to approve the updated budget amendment, with a second by Commissioner Ayscue. The motion was approved by unanimous vote.
- (d) Preservation Warrenton Recommendation for Historic District Commission** – Preservation Warrenton Vice-President Cynthia Jenkins introduced Kate Coleman Hazen as the Preservation Warrenton nominee for Town of Warrenton Historic District Commission. Commissioner Coffman made a motion to approve the nomination, with a second by Commissioner Ayscue. The motion was approved by unanimous vote.
- (e) Recommendation to Appoint Bobby Tippet to Board of Adjustments** – Town Administrator, Robert Davie recommended that Bobby Tippet be appointed to the Town of Warrenton Board of Adjustment. Commissioner Coffman made a motion to approve the recommendation, with a second by Commissioner Fleming. The motion was approved by unanimous vote.
- (f) ARP Funding for Battle Avenue for Stream Analysis** – Town Administrator stated that in order to move forward with an ongoing flooding issue on Battle Avenue, \$1,000 of ARP funds would be needed to review the watershed from the Division of Water Resources at the State. Surrounding property owners, except for Mr. Michael Layne, have all executed easement paperwork so the town can access areas of their property. Mr. Layne has requested that the Town engage the State to determine if a temporary stream exists in the proposed area of work. Commissioner Coffman made a motion to approve use of the ARP funds in the amount of \$1,000, with a second by Commissioner Blalock. The motion was approved by unanimous vote.
- (g) Adopt No Turn on Red at corner of S. Main and E. Franklin Streets** – In Mayor Gardner's absence, Town Administrator, Robert Davie presented a request to adopt a

no turn on red at the corner of S. Main and E. Franklin Streets and adjustments to no turn red at Macon and Main Streets. Commissioner Fleming stated that several stop lights in town had extremely long wait times. Commissioner Blalock stated that this was a DOT issue and suggested that Town Administrator, Robert Davie and Public Works Director, Bill Perkinson send a formal request to the state to address the issue. Commissioner Blalock made a motion to approve the recommendation, with a second by Commissioner Coffman. The motion was approved by a majority vote of 5 to 1, with Commissioner Fleming casting the dissenting vote.

- (h) Refer to Planning Board Rezoning Request on Bland Road** – Town Administrator, Robert Davie presented a citizen request for the Planning Board to consider rezoning of a parcel at the end of Bland Road from C-20 to R-20 to allow for the re-development of the old prison into a tiny house campground. Commissioner Ayscue made a motion referring the item to the Planning Board for consideration, with a second by Commissioner Young. The motion was approved by unanimous vote.
- (i) Main Street Annual Renewal Contracts** – Town Administrator, Robert Davie presented annual contracts for renewal of the State Main Street program and use of the National Main Street trademark. Commissioner Coffman asked if the cost would remain the same as last year and Mr. Davie stated that it would. Commissioner Coffman made a motion to approve the contracts, with a second by Commissioner Blalock. The motion was approved by unanimous vote.

Announcements – There were none.

With no further business, the meeting was adjourned.

Budget vs Actual

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Period Ending 6/30/2022

34 FRONTIER WARREN								
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent	
Revenues								
34-335-341 NC IDEA Grant Revenue	5,000	0.00	0.00	0.00	5,000.00	0.00	100%	
34-335-344 Contribution from WC to Frontier Warren	10,000	0.00	0.00	0.00	10,000.00	0.00	100%	
34-351-362 Frontier Warren Events	0	0.00	0.00	344.00	1,215.80	1,215.80		
34-351-422 Rent Paid to Town Frontier Warren	24,000	0.00	1,600.00	6,580.00	28,860.00	4,860.00	120%	
34-352-363 Donations	2,000	0.00	82.00	238.50	820.75	(1,179.25)	41%	
34-395-396 Apropriated Fund Balance (budget only)	14,000	0.00	0.00	0.00	0.00	(14,000.00)		
Revenues Totals:	55,000	0.00	1,682.00	7,162.50	45,896.55	(9,103.45)	83%	
Expenses								
34-405-098 American Rescue Plan Reimbursement	(13,000)	0.00	0.00	0.00	0.00	(13,000.00)		
34-405-203 Supplies	825	0.00	0.00	150.95	824.63	0.00	100%	
34-405-250 Lights/Heat/Security	4,760	0.00	281.91	816.38	4,681.91	78.09	98%	
34-405-251 Telephone/Internet	3,310	0.00	286.94	850.82	3,115.46	194.04	94%	
34-405-255 Bldg Maint/Clean Srvs	17,671	0.00	1,170.00	1,720.00	5,490.00	12,181.37	31%	
34-405-400 Liability Insurance	135	0.00	42.50	85.00	134.50	0.00	100%	
34-405-422 Rent Paid by Town	36,000	0.00	0.00	6,000.00	36,000.00	0.00	100%	
34-405-499 Miscellaneous	300	0.00	0.00	0.00	300.00	0.00	100%	
Non-Departmental Totals:	50,000	0.00	1,781.35	9,623.15	50,546.50	(546.50)	101%	
34-431-700 NC IDEA Grant Expense	5,000	0.00	0.00	1,250.00	5,000.00	0.00	100%	
Totals:	5,000	0.00	0.00	1,250.00	5,000.00	0.00	100%	
Expenses Totals:	55,000	0.00	1,781.35	10,873.15	55,546.50	(546.50)	101%	
34 FRONTIER WARREN Revenues Over/(Under) Expenses:			(99.35)	(3,710.65)	(9,649.95)			

Budget vs Actual

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Period Ending 6/30/2022

37 GENERAL FUND							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
Revenues							
37-302-301 Ad Valorem Taxes - Current	403,379	0.00	10,758.03	18,012.87	421,878.32	18,499.32	105%
37-302-302 Ad Valorem Taxes - Prior Year	6,000	0.00	87.12	2,211.09	7,615.70	1,615.70	127%
37-302-303 Ad Valorem Taxes - all other prior years	3,000	0.00	1,344.32	2,719.06	3,122.29	122.29	104%
37-302-304 Ad Valorem Taxes - Penalties & Interest	1,800	0.00	1,533.01	2,387.75	4,201.20	2,401.20	233%
37-307-310 Motor Vehicles - Current	36,007	0.00	2,301.46	5,666.42	28,461.27	(7,545.73)	79%
37-320-320 Local Option Sales Tax Monthly	270,000	0.00	30,375.11	78,842.38	243,318.84	(26,681.16)	90%
37-320-321 Annual Refund of Sales Tax the Town paid	0	0.00	0.00	0.00	23,439.89	23,439.89	
37-325-325 Utility Franchise Tax Quarterly	86,000	0.00	25,667.60	25,667.60	67,529.25	(18,470.75)	79%
37-325-326 Beer & Wine Tax Annual	3,600	0.00	0.00	3,369.51	3,369.51	(230.49)	94%
37-325-328 Refund of Gas Tax paid monthly	1,000	0.00	103.57	195.20	1,111.81	111.81	111%
37-325-329 PD Narcotics Tax	100	0.00	0.00	0.00	0.00	(100.00)	
37-325-330 Solid Waste Disposal Tax Qrly	0	0.00	0.00	160.38	642.95	642.95	
37-335-335 Powell Bill	24,128	0.00	0.00	0.00	29,194.85	5,066.85	121%
37-345-345 Zone Board of Adj	500	0.00	425.00	625.00	1,125.00	625.00	225%
37-345-346 Code Enforcement	2,750	0.00	50.00	250.00	3,100.00	350.00	113%
37-351-350 Run Warrenton 5K	2,500	0.00	0.00	0.00	0.00	(2,500.00)	
37-351-353 Landfill Fees Residential	180,480	0.00	15,309.28	46,279.76	185,355.80	4,875.80	103%
37-351-355 Cemetery Fees	1,400	0.00	0.00	0.00	0.00	(1,400.00)	
37-351-356 Police Rpt Fees	50	0.00	5.00	10.00	55.00	5.00	110%
37-351-357 Court Fees	300	0.00	22.50	76.50	306.00	6.00	102%
37-351-359 Charge for Grass Mowing	0	0.00	0.00	0.00	1,212.50	1,212.50	
37-351-360 Cell Tower Rent	29,400	0.00	0.00	5,390.00	29,645.00	245.00	101%
37-351-361 Parking/Ordinance Collections PD	250	0.00	95.13	145.13	195.13	(54.87)	78%
37-351-401 Debt Setoff Landfill	100	0.00	26.50	130.31	236.31	136.31	236%

Budget vs Actual

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Period Ending 6/30/2022

37 GENERAL FUND								
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent	
37-365-001 Interest Income	50	0.00	2.50	5.41	35.75	(14.25)	72%	
37-365-351 Revitalization Comm	9,500	0.00	0.00	1,010.00	2,490.00	(7,010.00)	26%	
37-365-358 Branded Merchandise for Sales	500	0.00	24.00	24.00	64.00	(436.00)	13%	
37-365-366 Surplus Property	1,500	0.00	0.00	0.00	8,712.50	7,212.50	581%	
37-365-370 WWTP 25% of GF Exp	44,247	0.00	0.00	7,711.99	40,515.11	(3,731.89)	92%	
37-365-371 WS 25% of GF Exp	87,356	0.00	0.00	14,463.25	85,691.79	(1,664.21)	98%	
37-365-374 Insurance Proceeds GF	13,240	0.00	0.00	0.00	13,240.00	0.00	100%	
37-365-401 Mis/Revenue/License Tags	100	0.00	0.00	0.00	3,228.30	3,128.30	3228%	
37-365-410 Interest Investment NCCMT	500	0.00	0.00	346.54	414.99	(85.01)	83%	
37-365-501 Misc Revenue POLICE	500	0.00	0.00	0.00	0.00	(500.00)		
37-395-396 Apropiated Fund Balance (Budget Only)	116,912	0.00	0.00	0.00	0.00	(116,911.55)		
Revenues Totals:	1,327,149	0.00	88,130.13	215,700.15	1,209,509.06	(117,639.49)	91%	
Expenses								
37-401-010 Salary - Full Time	128,031	0.00	10,816.98	33,201.74	128,030.36	0.64	100%	
37-401-012 Salary - Adm Assistant	47,353	0.00	3,600.00	12,600.00	47,350.00	3.00	100%	
37-401-020 ER-FICA Taxes	9,747	0.00	779.12	2,490.14	9,739.16	7.84	100%	
37-401-021 ER-FICA Taxes - Adm Assistant	3,623	0.00	274.84	961.94	3,615.00	8.00	100%	
37-401-030 ER-Retirement - Orbit	31,806	0.00	2,510.14	8,222.17	31,805.48	0.52	100%	
37-401-040 ER-Health Insurance	24,780	75.00	0.00	4,146.54	24,210.72	494.28	98%	
37-401-050 ER-Life Insurance	604	0.00	0.00	96.00	576.00	28.00	95%	
37-401-060 ER-Workman's Comp	400	0.00	0.00	0.00	326.20	73.80	82%	
37-401-098 American Rescue Plan Reimbursement	(30,103)	0.00	0.00	0.00	0.00	(30,103.07)		
37-401-200 Travel Expense	745	0.00	0.00	0.00	0.00	745.00		
37-401-203 Supplies	4,090	87.80	331.53	1,197.17	3,404.24	597.46	85%	
37-401-250 Light, Heat & Security	12,000	0.00	738.36	1,601.96	6,525.10	5,474.90	54%	
37-401-251 Telephone & Postage	3,000	26.68	199.74	725.23	2,640.25	333.07	89%	
37-401-255 Bldg. Maint/ Clean SVS	5,545	66.66	(90.00)	573.33	3,914.79	1,563.55	72%	

Budget vs Actual

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Period Ending 6/30/2022

37 GENERAL FUND							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
37-401-256 Bank Fees/ Petty Cash	3,150	0.00	0.00	600.00	3,100.00	50.00	98%
37-401-295 Training	1,025	0.00	360.00	535.00	860.00	165.00	84%
37-401-301 Computer Maint	3,770	345.99	358.00	524.50	3,423.64	0.37	100%
37-401-302 Software Support	2,570	124.45	180.70	397.03	2,167.21	278.41	89%
37-401-304 Website	1,575	0.00	0.00	0.00	1,575.00	0.00	100%
37-401-305 Technology Upgrades	910	0.00	0.00	0.00	909.01	0.99	100%
37-401-306 Awning 25% Fund	500	0.00	0.00	0.00	0.00	500.00	
37-401-307 Special Events	576	0.00	0.00	0.00	576.00	0.00	100%
37-401-309 Advertising	1,300	0.00	127.60	366.85	454.18	845.82	35%
37-401-310 Dues & Subscriptions	2,800	0.00	0.00	138.00	2,745.00	55.00	98%
37-401-325 NC Sales/Use Tax Paid (No Tax)	700	0.00	0.00	44.78	373.30	326.70	53%
37-401-400 Liability Insurance	7,072	0.00	1,262.14	2,524.28	5,734.65	1,337.35	81%
37-401-401 County Tax Collection Svs	8,000	0.00	206.60	380.73	7,176.60	823.40	90%
37-401-405 Audit Expense	9,200	0.00	0.00	0.00	4,150.00	5,050.00	45%
37-401-410 Election Cost	4,566	0.00	0.00	0.00	4,520.70	45.00	99%
37-401-415 Economic Development	12,000	0.00	0.00	2,000.00	12,000.00	0.00	100%
37-401-420 Attorney Fees	28,500	1,200.00	0.00	0.00	18,200.00	9,100.00	68%
37-401-497 Sales & Uses Tax Expense	0	0.00	965.71	4,586.46	21,968.86	(21,968.86)	
37-401-499 Miscellaneous Expense	636	0.00	481.83	508.78	498.19	137.81	78%
37-401-700 WDRI Grant Expense	132	0.00	0.00	0.00	131.81	0.19	100%
37-401-801 Town Hall Roof Loan-Principal	7,026	0.00	0.00	902.56	6,574.35	451.92	94%
37-401-803 USDA Town Hall/WS Loan Principal	4,431	0.00	0.00	0.00	4,431.00	0.00	100%
37-401-831 Town Hall Roof Loan - Interest Admin	260	0.00	0.00	41.96	230.78	29.02	89%
37-401-833 USDA Town Hall/WS Loan Interest	2,850	0.00	0.00	0.00	2,850.00	0.00	100%
37-401-998 Contingency	904	0.00	0.00	0.00	0.00	904.00	
General Government Totals:	346,073	1,926.58	23,103.29	79,367.15	366,787.58	(22,640.89)	107%

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37 GENERAL FUND							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
37-402-014 Mayor Part Time Salary	1,500	0.00	125.00	375.00	1,500.00	0.00	100%
37-402-020 ER - FICA TAXES	115	0.00	9.56	28.68	114.72	0.28	100%
37-402-200 Travel Expense	200	0.00	25.74	95.74	95.74	104.26	48%
37-402-295 Training	900	0.00	0.00	0.00	900.00	0.00	100%
37-402-402 Commission offsite meetings	50	0.00	0.00	0.00	36.08	13.92	72%
Governing Body Totals:	2,765	0.00	160.30	499.42	2,646.54	118.46	96%
37-405-407 Branded Clothing Sales	500	0.00	0.00	0.00	0.00	500.00	
37-405-430 Historic District Comm	14,870	0.00	0.00	0.00	1,806.00	13,064.00	12%
37-405-440 Run Warrenton 5K	2,500	0.00	0.00	0.00	0.00	2,500.00	
37-405-450 Revitalization Comm	9,500	0.00	0.00	1,250.00	1,742.91	7,757.09	18%
37-405-470 Small Town Maint St	2,200	0.00	110.00	110.00	1,225.00	975.00	56%
Non-Departmental Totals:	29,570	0.00	110.00	1,360.00	4,773.91	24,796.09	16%
37-501-010 SALARY FULL TIME	206,197	0.00	16,847.76	50,548.50	206,160.48	36.52	100%
37-501-014 Salary - Part Time	15,977	0.00	2,580.00	7,980.00	15,435.99	540.51	97%
37-501-016 Police Clerical Salary	35,349	0.00	2,676.80	9,368.80	35,348.40	0.60	100%
37-501-019 Salary - Over-Time	9,494	0.00	1,010.84	2,609.06	9,493.70	0.30	100%
37-501-020 ER-FICA Taxes	20,168	0.00	1,708.18	5,304.39	20,167.07	0.93	100%
37-501-030 ER - Retirement Orbit	46,785	0.00	3,474.40	11,360.33	46,784.22	0.78	100%
37-501-031 ER - 401K 5%	10,912	0.00	861.68	2,626.63	10,751.46	160.54	99%
37-501-040 ER - Health Insurance	35,860	168.32	0.00	5,336.20	35,646.50	45.18	100%
37-501-050 ER - Life Insurance	1,074	0.00	0.00	160.00	1,024.00	50.00	95%
37-501-060 ER - Workman's Comp	4,612	0.00	0.00	0.00	4,600.47	11.53	100%
37-501-200 Travel Expense	1,000	0.00	0.00	0.00	988.16	11.84	99%
37-501-203 Supplies	3,005	101.82	137.88	758.44	2,902.29	0.89	100%
37-501-204 Uniforms	2,000	0.00	0.00	105.75	1,923.13	76.87	96%
37-501-205 Equipment & Material	3,000	47.31	76.97	926.97	2,891.17	61.52	98%
37-501-250 Light, Heat & Security	5,928	0.00	659.70	1,257.32	5,587.11	340.89	94%
37-501-251 Telephone & Postage	9,626	32.58	1,324.18	3,020.23	9,593.02	0.40	100%
37-501-252 Fuel	25,438	0.00	2,601.63	6,892.45	24,612.01	825.99	97%

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37 GENERAL FUND							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
37-501-255 Bldg Maint/Clean Svs	5,904	66.66	270.00	573.33	4,636.46	1,200.88	80%
37-501-295 Training	610	(0.20)	0.00	0.00	608.84	1.36	100%
37-501-301 Computer Maint	5,856	432.99	666.00	666.00	4,285.67	1,137.34	81%
37-501-302 Software Support	6,768	0.00	117.00	117.00	6,766.71	1.29	100%
37-501-351 Maint & Repair Equip	7,098	0.00	2,506.59	4,536.74	6,569.17	528.83	93%
37-501-370 2019 Dodge Car 100	300	0.00	0.00	55.24	163.68	136.32	55%
37-501-371 2017 Dodge Car 200	2,100	0.00	985.00	985.00	1,713.92	386.08	82%
37-501-372 2016 Dodge Car 300	1,500	0.00	0.00	500.00	1,484.25	15.75	99%
37-501-373 2017 Dodge Car 400	2,300	0.00	55.24	55.24	2,264.08	35.92	98%
37-501-374 2010 Ford Car 500	600	0.00	0.00	0.00	336.46	263.54	56%
37-501-375 2008 Ford Car 600	1,784	0.00	521.16	671.56	671.56	1,112.44	38%
37-501-376 2019 Dodge Car 700	1,190	0.00	0.00	0.00	1,183.81	6.19	99%
37-501-400 Liability Insurance	16,260	0.00	4,237.87	8,475.74	16,259.43	0.57	100%
37-501-415 Police Shots Medical	420	0.00	265.00	333.88	333.88	86.12	79%
37-501-433 COP Program	1	0.00	0.00	0.00	0.00	1.00	
37-501-436 PD Narcotics Tax/Proceeds	1	0.00	0.00	0.00	0.00	0.50	
37-501-499 Miscellaneous	3,421	576.71	659.35	2,857.53	2,844.13	0.16	100%
37-501-801 Town Hall Roof Loan Principal	6,890	0.00	0.00	902.56	6,574.42	315.86	95%
37-501-802 Police 2017 Cars Loan Principal (USDA)	4,206	0.00	0.00	0.00	4,206.00	0.00	100%
37-501-803 Police Security Camera Loan Principal (USDA)	1,243	0.00	0.00	0.00	1,242.46	0.54	100%
37-501-804 Police 2019 Cars Loan Principal (USDA)	4,545	0.00	0.00	0.00	4,544.28	0.72	100%
37-501-831 Town Hall Roof Loan - Interest PD	388	0.00	0.00	41.96	230.84	157.16	59%
37-501-832 Police 2017 Cars Loan Interest (USDA)	574	0.00	0.00	0.00	574.00	0.00	100%
37-501-833 Police Security Camera Loan Interest (USDA)	91	0.00	0.00	0.00	90.54	0.46	99%
37-501-834 Police 2019 Cars Loan Interest	882	0.00	0.00	0.00	881.72	0.28	100%

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37 GENERAL FUND								
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent	
(UDSA)								
Police Department Totals:	511,356	1,426.19	44,243.23	129,026.85	502,375.49	7,554.60	99%	
37-601-014 Salary - Part Time Code Enforcement	3,000	0.00	244.80	979.20	3,508.68	(508.68)	117%	
37-601-020 ER-FICA Taxes	230	0.00	18.72	74.89	225.63	4.37	98%	
37-601-252 Fuel/Truck Expense/Insurance	473	0.00	473.00	473.00	473.00	0.00	100%	
37-601-352 Vehicle Maintenance	162	0.00	0.00	0.00	0.00	162.00		
37-601-437 Contract Srvs Fire Protection	70,000	0.00	5,833.33	17,499.99	69,999.96	0.04	100%	
37-601-475 Donation to Town Fire	1,500	0.00	1,472.90	1,472.90	1,472.90	27.10	98%	
37-601-476 Code Enforcement Exp	5,300	0.00	0.00	0.00	5,000.00	300.00	94%	
37-601-710 Fire Museum Expense	10,000	0.00	0.00	0.00	0.00	10,000.00		
Fire Totals:	90,665	0.00	8,042.75	20,499.98	80,680.17	9,984.83	89%	
37-651-330 Christmas Lights/Santa House	906	0.00	0.00	0.00	905.45	0.55	100%	
37-651-331 Haley Haywood Park	1,650	0.00	1,624.43	1,624.43	1,650.00	0.00	100%	
37-651-332 Signs below \$5,000	2,194	0.00	58.79	353.67	1,916.26	277.74	87%	
37-651-333 Street Beautification - Below \$5,000	4,765	0.00	0.00	915.66	4,648.99	116.01	98%	
37-651-335 Street Lighting Electric Bill	23,000	0.00	2,086.46	5,877.71	21,804.40	1,195.60	95%	
Signs and Lights Totals:	32,515	0.00	3,769.68	8,771.47	30,925.10	1,589.90	95%	
37-701-010 Salary - Full Time	52,698	0.00	4,257.02	15,041.47	52,424.44	273.56	99%	
37-701-014 Salary - Part Time	14,316	0.00	816.47	3,022.43	14,087.59	228.41	98%	
37-701-019 Over-Time	910	0.00	0.00	0.00	61.55	848.45	7%	
37-701-020 ER-FICA Taxes	5,659	0.00	386.94	1,377.75	5,077.46	581.54	90%	
37-701-030 ER - Retirement - Orbit	11,632	0.00	923.36	2,950.31	10,830.24	801.76	93%	
37-701-040 ER-Health Insurance	14,114	76.50	0.00	2,416.32	12,866.80	1,170.70	92%	
37-701-050 ER-Life Insurance	383	0.00	0.00	64.64	350.44	32.56	91%	
37-701-060 ER-Workman's Comp	1,837	0.00	0.00	0.00	1,836.17	0.83	100%	
37-701-203 Supplies	3,453	0.00	115.55	1,135.69	3,289.23	163.77	95%	
37-701-204 Uniforms	4,009	0.00	296.57	1,318.81	3,809.93	199.07	95%	

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37 GENERAL FUND							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
37-701-251 Telephone & Postage	964	0.00	125.84	368.78	963.93	0.07	100%
37-701-252 Fuel	10,880	0.00	1,130.50	3,200.76	10,625.63	254.37	98%
37-701-256 Street Maintenance	5,760	0.00	0.00	0.00	5,760.00	0.00	100%
37-701-312 Tree Removal	500	0.00	0.00	0.00	500.00	0.00	100%
37-701-351 Maint & Repair Equip	7,226	0.00	399.28	642.99	6,534.41	691.59	90%
37-701-352 Vehicle Maintenance	20,569	0.00	659.64	659.64	19,237.85	1,331.15	94%
37-701-400 Liability Insurance	6,011	0.00	1,388.85	2,777.70	5,793.66	217.34	96%
37-701-431 Street Debris Disposal	3,500	0.00	0.00	0.00	3,500.00	0.00	100%
37-701-895 Mowing	(16,000)	0.00	(1,125.00)	(3,375.00)	(13,500.00)	(2,500.00)	84%
Streets Totals:	148,421	76.50	9,375.02	31,602.29	144,049.33	4,295.17	97%
37-710-361 Maint & Repair POWELL BILL	18,167	0.00	8,534.19	9,528.19	17,940.19	226.81	99%
37-710-405 Audit Expense POWELL BILL	100	0.00	0.00	0.00	0.00	100.00	
37-710-810 BB&T Battle Ave Sewer Loan POWELL - Prin	5,637	0.00	0.00	5,636.54	5,636.54	0.46	100%
37-710-830 BB&T Battle Ave Sewer Loan POWELL - Int	224	0.00	0.00	223.76	223.76	0.24	100%
Powell Bill Totals:	24,128	0.00	8,534.19	15,388.49	23,800.49	327.51	99%
37-801-010 Salary - Full Time Sanitation	48,727	0.00	3,732.72	13,064.52	48,726.24	0.76	100%
37-801-019 Salary - Over Time Sanitation	75	0.00	0.00	74.02	74.02	0.98	99%
37-801-020 ER - FICA Sanitation	3,764	0.00	279.40	983.56	3,653.25	110.75	97%
37-801-030 ER - Retirement - Orbit Sanitation	8,882	0.00	679.36	2,391.23	8,881.71	0.29	100%
37-801-040 ER - Health Insurance	11,101	90.00	0.00	1,829.14	10,888.06	122.94	99%
37-801-050 ER - Life Insurance	281	0.00	0.00	43.20	259.20	21.80	92%
37-801-060 Workman's Compensation	4,080	0.00	0.00	0.00	4,079.31	0.69	100%
37-801-203 Supplies	2,774	0.00	0.00	157.51	432.66	2,341.34	16%
37-801-204 Uniforms	2,445	0.00	155.33	813.05	2,354.48	90.52	96%
37-801-251 Telephone & Postage	572	0.00	70.12	249.87	571.22	0.78	100%
37-801-252 Fuel	2,877	0.00	343.52	935.91	2,876.03	0.97	100%
37-801-350 Landfull Fees	20,444	0.00	1,967.12	5,276.92	20,443.71	0.29	100%

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37 GENERAL FUND							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
37-801-352 Vehicle Maintenance	377	0.00	0.00	0.00	375.06	1.94	99%
37-801-400 Liability Insurance	5,873	0.00	1,175.93	2,351.86	5,872.01	0.99	100%
Sanitation Totals:	112,272	90.00	8,403.50	28,170.79	109,486.96	2,695.04	98%
37-901-032 Transfer out to Capital Project Parking Lot	25,000	0.00	0.00	0.00	25,000.00	0.00	100%
37-901-037 Transfer Out To GF Bank 30	0	0.00	0.00	0.00	(500.00)	500.00	
37-901-068 Transfer Match to Warrenton Animal Clinic Grant	2,500	0.00	0.00	0.00	0.00	2,500.00	
37-901-889 Transfer Out to USDA Loan Reserve	1,883	0.00	0.00	0.00	0.00	1,883.00	
Transfers Out Totals:	29,383	0.00	0.00	0.00	24,500.00	4,883.00	83%
Expenses Totals:	1,327,149	3,519.27	105,741.96	314,686.44	1,290,025.57	33,603.71	97%
37 GENERAL FUND Revenues Over/(Under) Expenses:			(18,124.76)	(98,986.29)	(80,516.51)		

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38 WATER / SEWER							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
Revenues							
38-351-401 Water Sales	776,347	0.00	65,690.57	200,789.41	742,603.61	(33,743.39)	96%
38-351-402 Debt Setoff WATER	302	0.00	133.04	267.03	386.38	84.38	128%
38-351-404 Sewer Services	594,414	0.00	48,600.86	157,234.88	567,478.25	(26,935.75)	95%
38-351-407 Debt Setoff SEWER	501	0.00	352.77	410.34	620.48	119.48	124%
38-351-408 Town Taps	18,651	0.00	0.00	874.06	17,797.32	(853.68)	95%
38-351-416 Dis/Reconnection Fee	7,320	0.00	972.08	2,077.52	9,084.74	1,764.74	124%
38-351-417 Fire Sprinkler	2,253	0.00	178.14	534.42	2,174.82	(78.18)	97%
38-351-418 Late Fees/Penalty/Cut Off	12,741	0.00	2,681.55	5,353.00	6,169.38	(6,571.62)	48%
38-351-419 Returned Check Fee	430	0.00	50.00	100.00	350.00	(80.00)	81%
38-351-420 Debt Setoff Late Fees/Penalty/Cut Off	27	0.00	105.00	105.00	160.00	133.00	593%
38-365-001 Interest Income	26	0.00	0.00	10.90	40.55	14.55	156%
38-365-014 Cash Over and Short (Daily Difference)	0	0.00	0.00	(1.00)	2.66	2.66	
38-365-410 Interest/investment Income NCCMT	0	0.00	0.00	173.10	207.29	207.29	
38-365-421 Account Activation Fee	2,875	0.00	150.00	625.00	2,700.00	(175.00)	94%
38-365-851 Misc Revenue WATER	63	0.00	0.00	0.00	31.49	(31.51)	50%
Revenues Totals:	1,415,950	0.00	118,914.01	368,553.66	1,349,806.97	(66,143.03)	95%
Expenses							
38-851-010 Salary Full Time	97,849	0.00	7,851.05	25,906.56	94,533.68	3,315.32	97%
38-851-014 Salary - Part Time	18,194	0.00	1,255.82	4,302.87	17,200.02	993.98	95%
38-851-019 Salary Over-Time	5,121	0.00	101.81	338.78	3,675.58	1,445.42	72%
38-851-020 ER-FICA Taxes	9,373	0.00	659.60	2,231.92	8,495.30	877.70	91%
38-851-030 ER - Retirement Orbit	15,584	0.00	1,237.81	4,080.00	14,407.74	1,176.26	92%
38-851-040 ER - Health Insurance WATER	18,024	0.00	0.00	2,990.40	15,973.46	2,050.54	89%
38-851-050 ER - Life Insurance	440	0.00	0.00	71.20	404.14	35.86	92%
38-851-060 ER - Workman's Comp	1,071	0.00	0.00	0.00	1,070.01	0.99	100%

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38 WATER / SEWER							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
38-851-200 Travel Expense	215	0.00	0.00	0.00	0.00	215.00	
38-851-203 Supplies	36,826	60.88	1,809.99	6,280.92	36,449.11	316.11	99%
38-851-204 Uniforms	2,332	0.00	150.67	773.72	2,249.14	82.86	96%
38-851-250 Light & Heat & Security	4,384	0.00	374.48	766.37	3,990.13	393.87	91%
38-851-251 Telephone & Postage	8,790	258.57	822.80	2,414.49	8,288.27	243.16	97%
38-851-252 Fuel	7,367	0.00	1,079.38	2,134.18	7,366.15	0.85	100%
38-851-255 Bldg. Maint/Clean Svs	2,036	33.34	135.00	286.67	1,672.59	330.07	84%
38-851-260 Electric Tank/Pumps	3,423	0.00	168.08	519.05	2,745.96	677.04	80%
38-851-296 Continuing Education	622	0.00	0.00	54.50	204.50	417.50	33%
38-851-301 Computer Maintenance	2,547	96.75	193.50	440.98	1,816.36	633.89	75%
38-851-302 Software Support	10,545	12.38	52.50	85.83	10,514.47	18.15	100%
38-851-305 Technology Upgrades	1,308	0.00	0.00	124.29	591.06	716.94	45%
38-851-309 Advertising	265	0.00	0.00	0.00	264.35	0.65	100%
38-851-310 Dues & Subscriptions	424	0.00	12.50	50.00	423.01	0.99	100%
38-851-313 State Permits	1,088	0.00	0.00	0.00	1,051.59	36.41	97%
38-851-345 Water Tank Contract	18,176	0.00	0.00	4,431.95	17,504.73	671.27	96%
38-851-347 Lab Analysis	1,460	105.00	70.00	355.00	1,355.00	0.00	100%
38-851-351 Maint. & Repair Equip	1,803	(184.17)	0.00	0.00	1,986.42	0.75	100%
38-851-352 Vehicle Maintenance	4,247	0.00	61.85	676.18	3,699.74	547.26	87%
38-851-400 Town Liability Insurance	5,730	0.00	1,291.94	2,583.88	5,639.90	90.10	98%
38-851-405 Audit Expense	4,347	0.00	0.00	0.00	2,075.00	2,272.00	48%
38-851-448 External Contract	24,875	0.00	0.00	1,292.75	23,611.37	1,263.13	95%
38-851-451 Water Purchase	201,423	17,885.33	0.00	43,590.89	183,537.43	0.24	100%
38-851-801 Town Hall Roof Loan - Principal	2,708	0.00	0.00	451.28	2,482.04	225.96	92%
38-851-802 USDA Public Works Trucks - Princ Water	2,567	0.00	0.00	0.00	2,566.80	0.20	100%
38-851-803 USDA Town Hall/WS Loan Principal	26,000	0.00	26,000.00	26,000.00	26,000.00	0.00	100%
38-851-831 Town Hall Roof Loan - Interest	130	0.00	0.00	20.98	115.39	14.51	89%

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38 WATER / SEWER							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
Water							
38-851-833 USDA Town Hall/WS Loan Interest	14,423	0.00	14,422.50	14,422.50	14,422.50	0.50	100%
38-851-836 USDA Public Works Trucks - Int Water	351	0.00	0.00	0.00	350.20	0.80	100%
38-851-895 Grass Cutting Expense	16,000	0.00	1,125.00	3,375.00	13,500.00	2,500.00	84%
38-851-896 WS 25% of GF Expense	43,678	0.00	0.00	7,231.62	42,845.89	832.11	98%
Water Totals:	615,746	18,268.08	58,876.28	158,284.76	575,079.03	22,398.39	96%
38-852-010 Salary - Full Time	96,406	0.00	7,851.05	25,906.56	94,457.63	1,948.37	98%
38-852-014 Salary - Part Time	18,194	0.00	1,255.82	4,302.87	17,365.63	828.37	95%
38-852-019 Salary - Over Time Sewer	6,477	0.00	286.61	737.72	6,102.27	374.73	94%
38-852-020 ER - FICA Sewer	9,373	0.00	691.96	2,333.98	8,961.89	411.11	96%
38-852-030 ER-Retirement Orbit	16,970	0.00	1,271.44	4,143.60	14,762.55	2,207.45	87%
38-852-040 ER-Health Insurance SEWER	18,025	0.00	0.00	2,992.16	15,983.88	2,041.12	89%
38-852-050 ER-Life Insurance	449	0.00	0.00	72.48	411.82	37.18	92%
38-852-060 ER-Workman's Comp	1,191	0.00	0.00	0.00	1,070.00	121.04	90%
38-852-200 Travel Expense	37	0.00	0.00	0.00	0.00	37.00	
38-852-203 Supplies	29,051	26.93	874.68	19,668.96	28,522.32	502.08	98%
38-852-204 Uniforms	2,331	0.00	150.64	773.63	2,248.84	82.16	96%
38-852-250 Light & Heat & Security	4,981	0.00	374.46	766.30	3,989.95	991.05	80%
38-852-251 Telephone & Postage	8,714	258.66	815.17	2,351.27	8,224.48	230.86	97%
38-852-252 Fuel	7,545	0.00	1,079.35	2,134.14	7,544.06	0.94	100%
38-852-255 Bldg. Maint/Clean Svs	2,325	33.34	135.00	286.67	1,672.61	619.05	73%
38-852-260 Electric Tank/Pumps	13,969	0.00	686.43	3,444.20	10,177.09	3,791.91	73%
38-852-296 Continuing Education	351	0.00	0.00	54.50	204.50	146.50	58%
38-852-301 Computer Maint.	2,337	96.75	193.50	348.04	1,723.42	516.83	78%
38-852-302 Software Support	10,545	12.37	52.50	85.83	10,514.44	18.19	100%
38-852-305 Technology Upgrades	653	0.00	0.00	124.28	591.02	61.98	91%
38-852-309 Advertising	683	0.00	0.00	0.00	682.83	0.17	100%

Budget vs Actual

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38 WATER / SEWER								
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent	
38-852-310 Dues & Subscriptions	423	0.00	12.50	50.00	423.00	0.00	100%	
38-852-313 State Permits	1,460	0.00	0.00	1,310.00	1,460.00	0.00	100%	
38-852-351 Maint & Repair Equip	1,803	(184.17)	0.00	0.00	1,986.40	0.77	100%	
38-852-352 Vehicle Maintenance	4,177	0.00	61.84	676.16	3,629.67	547.33	87%	
38-852-400 Liability Insurance	5,918	0.00	1,365.22	2,730.44	5,859.75	58.25	99%	
38-852-405 Audit Expense	4,347	0.00	0.00	0.00	2,075.00	2,272.00	48%	
38-852-435 Purchase of Sewer Services	334,513	0.00	0.00	66,046.61	244,053.23	90,459.77	73%	
38-852-448 External Contract	33,102	0.00	(624.00)	2,801.25	32,905.35	196.82	99%	
38-852-473 WWTP Rehab Annual Payment	25,325	0.00	0.00	24,142.34	24,142.34	1,182.66	95%	
38-852-801 Town Hall Roof Loan - Principal	2,708	0.00	0.00	451.28	2,482.10	225.90	92%	
38-852-802 USDA Public Works Trucks - Princ Sewer	2,567	0.00	0.00	0.00	2,566.80	0.20	100%	
38-852-803 USDA Town Hall/WS Loan Principal	26,000	0.00	26,000.00	26,000.00	26,000.00	0.00	100%	
38-852-804 NCDEQ Unity, Bute & Battle Sewer Rehab Princ Only	14,977	0.00	0.00	14,392.90	14,392.90	584.10	96%	
38-852-809 John Riggans Easement Pmt	1,000	0.00	0.00	0.00	1,000.00	0.00	100%	
38-852-810 BB&T Battle Avenue Sewer Loan - Principal	6,709	0.00	0.00	6,708.04	6,708.04	0.96	100%	
38-852-811 NCDEQ Sewer Rehab Annual Loan- Principal	13,750	0.00	0.00	13,750.00	13,750.00	0.00	100%	
38-852-830 BB&T Battle Ave Sewer Loan - Int	267	0.00	0.00	266.28	266.28	0.72	100%	
38-852-831 Town Hall Roof Loan - Interest Sewer	130	0.00	0.00	20.98	115.45	14.51	89%	
38-852-833 USDA Town Hall/WS Loan Interest	14,423	0.00	14,422.50	14,422.50	14,422.50	0.50	100%	
38-852-836 USDA Public Works Trucks - Int Sewer	351	0.00	0.00	0.00	350.20	0.80	100%	
38-852-837 NCDEQ Sewer Rehab Annual Loan- Interest	3,300	0.00	0.00	1,650.00	3,300.00	0.00	100%	
38-852-896 WS 25% of GF Expense	43,678	0.00	0.00	7,231.63	42,845.90	832.10	98%	

Budget vs Actual

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Period Ending 6/30/2022

38 WATER / SEWER								
Description		Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
Sewer Expenses Totals:		791,536	243.88	56,956.67	253,177.60	679,946.14	111,345.48	86%
38-901-889 Transfer Out to USDA Loan Reserve		8,669	0.00	0.00	0.00	0.00	8,669.00	
Transfers Out Totals:		8,669	0.00	0.00	0.00	0.00	8,669.00	
Expenses Totals:		1,415,950	18,511.96	115,832.95	411,462.36	1,255,025.17	142,412.87	90%
38 WATER / SEWER	Revenues Over/(Under) Expenses:			3,081.06	(42,908.70)	94,781.80		

Budget vs Actual

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39 WWTP							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
Revenues							
39-351-405 Septic Disposal Service	18,828	0.00	10,295.00	14,000.00	56,340.00	37,512.00	299%
39-351-470 Town Sewer Revenues	334,513	0.00	0.00	66,046.61	244,053.23	(90,459.77)	73%
39-351-471 Sewer Revenues - County	190,349	0.00	0.00	37,582.65	138,874.17	(51,474.83)	73%
39-351-472 Sewer Rev Norlina	194,521	0.00	0.00	38,406.46	141,918.27	(52,602.73)	73%
39-365-001 Interest Income	0	0.00	0.00	0.85	3.18	3.18	
39-365-861 Misc Revenue WWTP	1,000	0.00	0.00	0.00	4.50	(995.50)	0%
Revenues Totals:	739,211	0.00	10,295.00	156,036.57	581,193.35	(158,017.65)	79%
Expenses							
39-861-010 Salary - Full Time	168,825	0.00	13,839.36	45,143.43	164,804.78	4,020.22	98%
39-861-014 Salary - Part Time	14,690	0.00	652.52	2,288.94	14,986.36	(296.36)	102%
39-861-019 Over-Time	14,064	0.00	506.49	2,324.39	10,262.11	3,801.89	73%
39-861-020 ER-FICA Taxes	15,037	0.00	1,004.64	3,208.43	12,123.19	2,913.81	81%
39-861-030 ER - Retirement Orbit	33,686	0.00	2,219.39	7,280.01	27,014.16	6,671.84	80%
39-861-040 ER- Health Insurance	27,820	68.94	0.00	4,714.92	25,025.29	2,725.77	90%
39-861-050 ER-Life Insurance	634	37.28	0.00	100.48	546.40	50.32	92%
39-861-060 ER-Workman's Comp	2,324	0.00	0.00	0.00	2,081.21	242.79	90%
39-861-200 Travel Expense	500	0.00	0.00	0.00	0.00	500.00	
39-861-203 Supplies	56,289	0.00	507.35	12,362.65	55,303.96	985.04	98%
39-861-204 Uniforms	3,200	0.00	326.64	1,172.15	3,131.12	68.88	98%
39-861-250 Light, Heat & Security	100,492	0.00	15,180.45	34,558.27	100,491.67	0.33	100%
39-861-251 Telephone & Postage	8,935	20.66	1,035.24	2,691.12	8,784.10	130.24	99%
39-861-252 Fuel	9,000	0.00	1,458.49	2,353.72	7,746.84	1,253.16	86%
39-861-296 Continuing Education	2,291	0.00	0.00	255.00	2,291.00	0.00	100%
39-861-301 Computer Maint.	4,369	1,002.25	387.00	757.37	3,366.17	0.58	100%
39-861-302 Software Support	3,848	24.75	449.25	482.58	3,664.10	159.15	96%
39-861-305 Technology Upgrades	1,059	0.00	0.00	124.29	591.03	467.97	56%
39-861-309 Advertising	1,000	0.00	0.00	0.00	833.91	166.09	83%

Budget vs Actual

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39 WWTP								
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent	
39-861-310 Dues & Subscriptions	132	0.00	0.00	0.00	131.33	0.67	99%	
39-861-318 Freight Charges	2,152	0.00	146.16	470.16	2,067.15	84.85	96%	
39-861-342 Maint & Repair Plant	60,052	0.00	765.00	2,418.31	50,693.37	9,358.63	84%	
39-861-344 Sludge Removal	60,420	0.00	7,245.00	23,040.00	60,420.00	0.00	100%	
39-861-345 Beaver Control	394	0.00	0.00	0.00	0.00	394.00		
39-861-346 Lab Material & Supplies	10,062	0.00	0.00	2,339.39	10,061.63	0.37	100%	
39-861-347 Lab Analysis	18,288	0.00	1,317.00	6,568.00	18,110.45	177.55	99%	
39-861-348 Tar - Pamlico Dues	3,000	0.00	2,880.00	2,880.00	2,880.00	120.00	96%	
39-861-349 OSHAComp/Safety M&S	1,000	0.00	0.00	752.50	926.50	73.50	93%	
39-861-352 Vehicle Maintenance	4,250	0.00	128.15	537.70	2,298.27	1,951.73	54%	
39-861-400 Liability Insurance	19,136	0.00	3,610.55	7,221.10	16,006.90	3,129.10	84%	
39-861-405 Audit Expense	8,694	0.00	0.00	0.00	4,150.00	4,544.00	48%	
39-861-441 Certify Lab Services	914	0.00	0.00	0.00	792.40	121.60	87%	
39-861-444 Permits & Fees	9,232	0.00	750.00	2,250.00	9,231.66	0.34	100%	
39-861-446 Influent Debris Removal	5,557	0.00	271.62	808.36	4,987.08	569.92	90%	
39-861-810 NCDEQ WWTP Phase 2 Principal	23,607	0.00	0.00	23,606.60	23,606.60	0.40	100%	
39-861-897 WWTP 25% of GF Exp	44,247	0.00	0.00	7,711.99	40,515.11	3,731.89	92%	
39-861-998 Contingency	11	0.00	0.00	0.00	0.00	11.00		
WWTP - Expenses Totals:	739,211	1,153.88	54,680.30	200,421.86	689,925.85	48,131.27	93%	
Expenses Totals:	739,211	1,153.88	54,680.30	200,421.86	689,925.85	48,131.27	93%	
39 WWTP Revenues Over/(Under) Expenses:			(44,385.30)	(44,385.29)	(108,732.50)			

Check Listing

Date From: 6/1/2022 Date To: 6/30/2022

Vendor Range: 1 800 FLAGPOLE.COM - YVONNE D MATTHEWS

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Check Number	Bank	Vendor	Date	Amount
64885	30	COLUMBIAN MUTUAL LIFE INS CO	06/01/2022	\$37.88
64886	30	Spectrum Business	06/01/2022	\$129.98
64887	30	UNIFIRST CORPORATION	06/01/2022	\$1,501.19
64888	30	QUICK PRINT	06/01/2022	\$261.54
64889	30	UNUM LIFE INSURANCE COMPANY OF AMERICA	06/01/2022	\$470.64
64890	30	PETE SMITH TIRE & QUICK LUBE, INC	06/02/2022	\$2,317.55
64891	30	BLUE RIDGE SPRINGS, INC	06/03/2022	\$29.20
64892	30	FOREST EUGENE VAUGHAN	06/03/2022	\$49.00
64893	30	NEWCOMB TECH	06/03/2022	\$1,203.08
64894	30	BLUE RIDGE SPRINGS, INC	06/07/2022	\$20.45
64895	30	CAROLINA DIGITAL PHONE INC	06/07/2022	\$316.00
64896	30	MERITECH INC	06/07/2022	\$1,387.00
64897	30	NEWCOMB TECH	06/07/2022	\$1,081.38
64898	30	U.S. POSTAL SERVICE	06/07/2022	\$210.00
64899	30	WARREN AUTO PARTS, INC.	06/07/2022	\$7.42
64900	30	WILSON'S WATER SERVICES	06/07/2022	\$750.00
64901	30	WRIGHT EXPRESS FSC	06/07/2022	\$2,601.63
64902	30	Carolina Images by Angela, LLC	06/09/2022	\$326.00
64903	30	Community Eye Care	06/09/2022	\$92.84
64904	30	Cross Creek Outdoor Supplies	06/09/2022	\$213.48
64905	30	DUKE ENERGY PROGRESS	06/09/2022	\$1,769.87
64906	30	SONITROL INTEGRATED SECURITY	06/09/2022	\$1,344.00
64907	30	UNITED PARCEL SERVICE	06/09/2022	\$36.00
64908	30	VANCE FAMILY MEDICINE PA	06/09/2022	\$110.00
64909	30	A FULL CLEANING SERVICES LLC	06/13/2022	\$810.00
64910	30	AMAZON CAPTIAL SERVICES, INC.	06/13/2022	\$6.90
64911	30	DUKE ENERGY PROGRESS	06/13/2022	\$1,407.17
64912	30	GFL ENVIRONMENTAL	06/13/2022	\$271.62
64913	30	INVOICE CLOUD, INC.	06/13/2022	\$117.25
64914	30	Meredith Valentine	06/13/2022	\$25.74
64915	30	NORTH CAROLINA 811, INC	06/13/2022	\$25.00
64916	30	PERNELL'S CUSTOM FRAMING	06/13/2022	\$117.43

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Check Number	Bank	Vendor	Date	Amount
64917	30	PETE SMITH TIRE & QUICK LUBE, INC	06/13/2022	<u>\$1,696.24</u>
64918	30	PROFESSIONAL MAIL SERVICES, INC	06/13/2022	<u>\$1.60</u>
64919	30	PROFESSIONAL MAIL SERVICES, INC	06/13/2022	<u>\$4.95</u>
64920	30	Brimar Industries	06/14/2022	<u>\$58.79</u>
64921	30	CENTURY LINK COMMUNICATIONS	06/14/2022	<u>\$287.22</u>
64922	30	DOCUMENT SYSTEMS, INC	06/14/2022	<u>\$72.18</u>
64923	30	DUKE ENERGY PROGRESS	06/14/2022	<u>\$15,080.45</u>
64924	30	MARIA PARHAM HOSPITAL	06/14/2022	<u>\$45.00</u>
64925	30	PETE SMITH TIRE & QUICK LUBE, INC	06/14/2022	<u>\$58.97</u>
64926	30	PROFESSIONAL MAIL SERVICES, INC	06/14/2022	<u>\$150.07</u>
64927	30	TAR PAMLICO BASIN ASSOCIATION	06/14/2022	<u>\$2,880.00</u>
64928	30	UNITED PARCEL SERVICE	06/14/2022	<u>\$36.00</u>
64929	30	US CELLULAR	06/14/2022	<u>\$1,377.87</u>
64930	30	VANCE FAMILY MEDICINE PA	VOIDED 06/14/2022	<u>\$110.00</u>
64931	30	WARREN AUTO PARTS, INC.	06/14/2022	<u>\$129.34</u>
64932	30	WARREN COUNTY PUBLIC WORKS	06/14/2022	<u>\$1,967.12</u>
64933	30	A FULL CLEANING SERVICES LLC	06/20/2022	<u>\$810.00</u>
64934	30	CITIZENS INSURANCE & BONDING,	06/20/2022	<u>\$14,375.00</u>
64935	30	DUKE ENERGY PROGRESS	06/20/2022	<u>\$244.99</u>
64936	30	DUKE ENERGY PROGRESS	06/20/2022	<u>\$97.64</u>
64937	30	GALLS QUARTERMASTER	06/20/2022	<u>\$1,212.18</u>
64938	30	LAKE GASTON SIGNS & GRAPHIC CO.	06/20/2022	<u>\$5,790.00</u>
64939	30	LAWMENS	06/20/2022	<u>\$432.14</u>
64940	30	MUNICIPAL ENGINEERING INC	06/20/2022	<u>\$980.00</u>
64941	30	PROFESSIONAL MAIL SERVICES, INC	06/20/2022	<u>\$410.25</u>
64942	30	Radio Communications Co.	06/20/2022	<u>\$1,051.49</u>
64943	30	TIME WARNER CABLE	06/20/2022	<u>\$97.97</u>
64944	30	ULINE	06/20/2022	<u>\$222.66</u>
64945	30	WARRENTON RURAL FIRE DEPT.	06/20/2022	<u>\$1,945.90</u>
64946	30	FIRST CITIZENS BANK	06/21/2022	<u>\$2,022.55</u>
64947	30	FRONTIER NATURAL GAS	06/21/2022	<u>\$17.94</u>
64948	30	TIME WARNER CABLE	06/21/2022	<u>\$182.97</u>

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Date From: 6/1/2022 Date To: 6/30/2022

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Check Number	Bank	Vendor	Date	Amount
64949	30	VANCE FAMILY MEDICINE PA	06/21/2022	<u>\$110.00</u>
64950	30	AMAZON CAPTIAL SERVICES, INC.	06/22/2022	<u>\$467.44</u>
64951	30	Core & Main	06/22/2022	<u>\$252.93</u>
64952	30	DUKE ENERGY PROGRESS	06/22/2022	<u>\$188.62</u>
64953	30	LINSTAR	06/22/2022	<u>\$38.40</u>
64954	30	UNIFIRST CORPORATION	06/22/2022	<u>\$1,346.71</u>
64955	30	UNITED PARCEL SERVICE	06/22/2022	<u>\$36.00</u>
64956	30	Wash Depot	06/22/2022	<u>\$400.00</u>
64957	30	WILLIE TERRY	06/22/2022	<u>\$250.58</u>
64958	30	WOMACK PUBLISHING CO. INC.	06/22/2022	<u>\$127.60</u>
64959	30	Core & Main	06/23/2022	<u>\$512.40</u>
64960	30	FRONTIER NATURAL GAS	06/23/2022	<u>\$8.28</u>
64961	30	HUMANA SPECIALTY BENEFITS	06/23/2022	<u>\$29.38</u>
64962	30	LORD & COMPANY, INC	06/23/2022	<u>\$423.53</u>
64963	30	Taber Group LLC	06/23/2022	<u>\$100,000.00</u>
64964	30	COLUMBIAN MUTUAL LIFE INS CO	06/28/2022	<u>\$37.88</u>
64965	30	GRANVILLE FARMS, INC.	06/28/2022	<u>\$7,245.00</u>
64966	30	HARRIS ENTERPRISES	06/28/2022	<u>\$1,719.75</u>
64967	30	PIEDMONT TRIAD REGIONAL COUNCIL	06/28/2022	<u>\$2,500.00</u>
64968	30	PRUDENTIAL RETIREMENT	06/28/2022	<u>\$1,250.68</u>
64969	30	US CELLULAR	06/28/2022	<u>\$1,336.64</u>
64970	30	VERIZON WIRELESS	06/28/2022	<u>\$320.10</u>
64971	30	DENISE HINSHAW	06/29/2022	<u>\$68.80</u>
64972	30	JENNIFER T SCHRIVER	06/29/2022	<u>\$62.16</u>
64973	30	MARGARET PALMER	06/29/2022	<u>\$45.55</u>
64974	30	MICHEAL FRANCIS	06/29/2022	<u>\$43.80</u>
64975	30	TROY LEWIS, JR	06/29/2022	<u>\$124.53</u>
64976	30	BLUE RIDGE SPRINGS, INC	06/30/2022	<u>\$143.50</u>
64977	30	Core & Main	06/30/2022	<u>\$820.90</u>
64978	30	DUKE ENERGY PROGRESS	VOIDED 06/30/2022	<u>\$219.10</u>
64979	30	KPH PAVING & LANDSCAPING, INC.	06/30/2022	<u>\$8,534.19</u>
64980	30	PETE SMITH TIRE & QUICK LUBE, INC	06/30/2022	<u>\$688.12</u>

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Check Number	Bank	Vendor	Date	Amount
64981	30	Purchase Power (Pitney Bowes)	06/30/2022	<u>\$99.74</u>
64982	30	TAR HEEL TIRE SALES/SERVICE	06/30/2022	<u>\$104.11</u>
64983	30	UNITED PARCEL SERVICE	06/30/2022	<u>\$38.16</u>
64984	30	WRIGHT EXPRESS FSC	06/30/2022	<u>\$2,420.75</u>
64985	30	DUKE ENERGY PROGRESS	06/30/2022	<u>\$101.85</u>
64986	30	INVOICE CLOUD, INC.	06/30/2022	<u>\$117.25</u>
102	Checks Totaling -			\$205,131.15

Totals By Fund

	Checks	Voids	Total
34	\$1,402.37		\$1,402.37
36	\$1,058.42		\$1,058.42
37	\$48,960.05	\$110.00	\$48,850.05
38	\$14,943.04	\$219.10	\$14,723.94
39	\$37,772.28		\$37,772.28
70	\$994.99		\$994.99
72	\$100,000.00		\$100,000.00
Totals:	\$205,131.15	\$329.10	\$204,802.05

Memo

To: Town Commissioners
From: Bill Perkinson
CC: Mayor, Town Administrator
Date: July 5, 2022
Re: June 2022 Monthly Activity Report for Public Works

Water and Sewer

- **Water and Sewer System Needs – Unfunded:** (1) West Ridgeway St. sewer main (general location is in area between Ridgeway Street and Fairlane Drive) – Determine exact location of sewer main and right of way. (2) Install magnetic flow meter in 14-inch sewer force main where Town of Norlina's and Warren County's Sewer enters Town of Warrenton's sewer system (meter would give us precise measurement of volume of sewer in route to the wastewater treatment plant from our partners thus helping to ensure accurate portioning of monthly wastewater treatment expense between the three partners). (3) Purchase water and sewer line camera/locating equipment. (4) Purchase water main valve exercising equipment.
- **Completed Water and Sewer System Maintenance/Repair Related Information:** (1) Repair – Riggins Sewer Lift Station – Replaced liquid level control. – Contractor: Harris Enterprises (Labor - \$450.00, Parts - \$276.00). (2) Repair – F and M Sewer Lift Station – Repaired vacuum system. – Contractor: Harris Enterprises (Labor - \$120.00).

Total cost for Maintenance and Repair Equipment (Account No. 38-851-351 & 38-852-351) - \$0.00

Total cost for External Contract Maintenance and Repair (Account No. 38-851-448 & 38-852-448) - \$846.00

Streets and Sanitation

- **Current Tasks:** Tree pruning. Street curb and gutter cleaning. Signs repair/replacement. Loose leaves/debris pick-up. Grass Cutting

Memo

To: Town Commissioners
From: Bill Perkinson
CC: Mayor, Town Administrator, Warren County Director of Public Works, Norlina Director of Public Works
Date: July 5, 2022
Re: June 2022 Monthly Activity Report for WWTP

- **Pending Equipment Repairs: (1)** Effluent filter controls – Safety issue - Replace cylinders and control mechanism for valves located in pit area of filter building. **(2)** Sand blast and refinish site metal structures. **(Estimated Cost – Refinishing remaining structures - \$58,000)**
- **Completed Plant Maintenance/Repair Related Information:** No details to report.

Total cost for Repairs (Account No. 39-861-342) - \$0.00

- **Plant Discharge Quality:** Our discharge quality remained good throughout the entire month; 10.07 million gallons were treated.



Walter M. Gardner, Jr. – Mayor
Robert F. Davie, Jr. – Town Administrator

P.O. Box 281
Warrenton, NC 27589-0281
(252) 257-1122 Fax (252) 257-9219
www.warrenton.nc.gov

BOC Meeting June 2022 – Action Items Checklist

1. Execute annexation resolution, file copy of resolution with Register of Deeds, update Ordinance Book as addition to Table 1. (cont.)
 - ✓ Done for Hayley Haywood property. Mayor reviewing other annexed properties.
2. Investigate resources for painting the fire hydrants
 - ✓ Bill Perkinson... working with Southern Corrosion to identify contractor.
Anticipated cost \$8000 to \$12,000.
3. Work with Mark Wethington on plaque for Dr. Haywood
 - ✓ Underway
4. Execute loan/grant agreement with USDA for 3 work trucks
 - ✓ Done
5. Letter to Tax Collector informing of adopted tax rate
 - ✓ Done
6. Welcome letter to Kate Hazen
 - ✓ Done
7. Welcome letter to Bobby Tippettt
 - ✓ Done
8. Contact NC DOT regarding light timing at various intersections
 - ✓ Contacted Scott Wheeler. Timing corrected.
9. Amend ordinances reflecting right turn only language
10. Add Bland Road to Planning Board Agenda
 - ✓ Separate meeting date needed and being scheduled
11. Execute Main Street agreements
 - ✓ Done
12. Revisit sewer vent at Hazelwood with town engineer
 - ✓ Engineer suggests alternatively increasing or changing additive that County puts in.

Activity Log Event Summary (Cumulative Totals)

Warrenton Police Department

(06/01/2022 - 06/30/2022)

<No Event Type Specified>	1	911 Hang-up	4
Abandoned Vehicle	1	Accident	7
Alarm Activation	10	Alarm-Hold Up	2
Assist Elderly/Lost person	1	Assist Highway Patrol	2
Assist Motorist	1	Assist Other Department	6
Assist WC EMS	5	Assist WCSO	6
C.O.P.S	1	Careless and Reckless Driving	1
Citation	6	Disabled Vehicle	2
Dispute	2	Disturbance	11
Domestic	1	Escort	2
Follow up Investigation	1	Foot Patrol	15
Funeral Escort	1	Injury to Personal Property	1
Injury to Real Property	1	Larceny	4
Littering	5	Loitering	1
Lost property	1	Medical / Person Hurt or Sick	2
Non Law Enforcement Issue	5	Ordinance Violation	8
Other	2	Parking Violation	6
Patrol	5	Property Check – Business	55
Property Check – Residential	2	Shoplifting	1
Shots fired	1	Suspected Drunk Driver	1
Suspicious Person / Vehicle	9	Talk with Officer	5
Traffic Control	6	Traffic Stop	37
Trespassing	3	Vehicle Maintenance	2
Welfare Check	1		

Total Number Of Events: 253



Walter M. Gardner, Jr. – Mayor
Robert F. Davie, Jr. – Town Administrator

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STATUS OF GRANTS

(Fund 53) NC Commerce Main Street Downtown Redevelopment -- \$500,000 to redevelop 107 N. Main Street.

- Received bids for Phase 2. Received some lower bids for electrical, concrete and plumbing. Phase 2 plans may be revised and rebid, else project could continue as Phase 1 cost estimates are similar to prior estimates.
- Town placed building under its insurance policy.
- Submitting paperwork for reimbursement, contingent on resolving payment to Belk Architecture.

(Fund 55) NC DEQ Water Infrastructure WWTP -- \$2,100,000 to rehab most severe areas of WWTP

- Town \$1,600,000 with 100% grant and Town to pay 1.5% processing fee. Town borrowing additional \$500,000 to pay for cost increases in marketplace.
- Waiting for electrical components. Delays in manufacturing.

(Fund 72) NC Main Street Solutions Warrenton Brewery Grant - \$100,000 grant with 2 to 1 match. This grant is to help renovate 120 S. Main Street for a Brewery and Meadery.

- NC Commerce and Main Street extended the grant deadline to December 31, 2021. New owners have applied for transfer of grant funding from Commerce. Commerce has approved transfer of grant.
- Owners reimbursed \$100,000 from NC Commerce. Into six-month job reporting period.

(Fund 67) NC Neighborhood Revitalization Program

- CDGB funds to assist in repairing houses owned by citizens of low or moderate incomes.
- Preliminary title work completed (legal).
- NC Commerce is considering additional funding due to construction cost increases.

(Fund 68) Building Reuse Grant

- Town awarded \$50,000 from NC Commerce for Warrenton Veterinary Clinic.
- Grant deadline extended to December 12, 2022.

- Reimbursement from NC Commerce has been received and paid out to Warrenton Veterinary Clinic
- Job reporting to Commerce and closeout documentation is underway.

(Fund 69) Volkswagen Settlement Grant

- Town awarded \$218,000 for new garbage and dump trucks.
- Utility/dump truck delivered from Ford to local truck outfitter. Upon completion of manufacturing, 8 additional weeks needed for addition of lights, signage on truck.

(Fund 71) Brownfield Grant

- This grant will analyze the environmental issues with multiple properties in Warrenton.
- The Town has been officially been awarded a grant of \$300,000.
- Phase 1 study completed for Macon and Main Streets. Third study underway for site on W. Franklin Street.

(Fund 74) USDA Community Facilities \$154,488 (trucks)

- Trucks have been ordered. Awaiting delivery date.

Grants submitted since April BOC meeting:

- NC Rural Transformation Grant \$500,000 (Parking, Parks, Eaves)
 - Not awarded. Opportunity to reapply in September 2022
- NCDEQ SLRF Grant **\$19,187,222**
 - Water System Improvements: \$4,272,783 – Town not approved. Will apply again in September 2022.
 - Sewer System Rehabilitation: \$4,096,663 – Town application approved, awarded 100% grant
 - WWTP Improvements: \$10,817,776 – Town application approved, awarded 100% grant



Walter M. Gardner, Jr. – Mayor
Robert F. Davie, Jr. – Town Administrator

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GRANT PROJECT ORDINANCE
USDA RURAL DEVELOPMENT
(Public Works Work Trucks)

BE IT ORDAINED by the Board of Commissioners of the Town of Warrenton, North Carolina that, pursuant to Section 13.1 of Chapter 159 of the General Statutes of North Carolina, the following Grant Project Ordinance is hereby adopted:

Section 1: The Grant Project authorized by the Board of Commissioners of the Town of Warrenton is for the purpose of receiving and distributing funds for the USDA Grant awarded to the Town to purchase three Public Works work trucks.

Section 2: The Board of Commissioners of the Town of Warrenton directs the Town Administrator to proceed with the Grant Project within the terms of the grant documents, the rules and regulations of the USDA and the budget contained herein.

Section 3: The following revenues are anticipated to be available to complete the project:

USDA Grant	\$84,900.00
USDA Loan (TBD% for 7 years)	\$69,500.00
Applicant Contribution	\$88.00
Total	\$154,488.00

Section 4: The following amounts are appropriated for the project activities: Purchase of three Public Works work trucks \$154,488.00.
Total \$154,488.00

Section 5: The Town Administrator is hereby directed to maintain within the Grant Project fund sufficient specific detailed accounting records to provide the accounting to the grantor agency required by the grant agreement and Federal and State regulations.

Section 6: The Town Administrator is directed to include a detailed analysis of past and future costs and revenues of this Grant Project in every budget submission made to this Board of Commissioners.

Section 7: The Town Administrator shall be authorized to transfer appropriations within the various line items of this Grant Project ordinance, as he deems necessary, subject to the approval of the Local Government Commission. All such transfers shall be reported to the Board of Commissioners.

Adopted by a vote of _____ in favor and _____ opposed on July 11, 2022.

Walter M. Gardner, Jr. - Mayor

Date

Robert Davie - Town Administrator

Date

Audit Results

Town of Warrenton

April Adams, CPA
Partner

July 11, 2022



Your guide forward



Agenda

Role of External Auditor

Audit Results

Internal Controls

Significant Audit Areas

Financial Results

Summary

Questions and Comments

Role of the External Auditor

Actions

Plan & Perform
Procedures

Obtain Reasonable
Assurance

Free from material
misstatement

Results

Express Opinion on:

- Financial Statements
- Yellow Book
- Federal Compliance
- State Compliance

Required Communications

Significant Changes

Estimates

Journal Entries

In accordance with two sets of auditing standards – Generally Accepted and Governmental

Audit Results

Opinions

Unmodified Opinion –
Financial Statements

Unmodified Opinion –
Yellow Book

Unmodified Opinions –
Federal and State
Single Audit

Internal Controls

No Significant
Deficiencies or
Material Weaknesses

One compliance
finding for late audit.

Single Audit

Major Program: Water
and Waste Disposal
Systems for Rural
Communities and NC
Revolving Loan & Grant
Program

No findings for Single
Audit

Required Communications

No Significant changes
in policies

Estimates: Depreciation,
Allowance, Pensions,
Vacation

Journal Entries

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Uncorrected Misstatements

Two noted:

WWTP Fund – Duke Energy monthly bill – CY includes PY July bill and missing CY June bill

WS Fund – to correct the accrual of the monthly water purchases (current year shows 14 months of purchases vs 12 months – approximately \$33,000

Corrected Misstatements

None noted



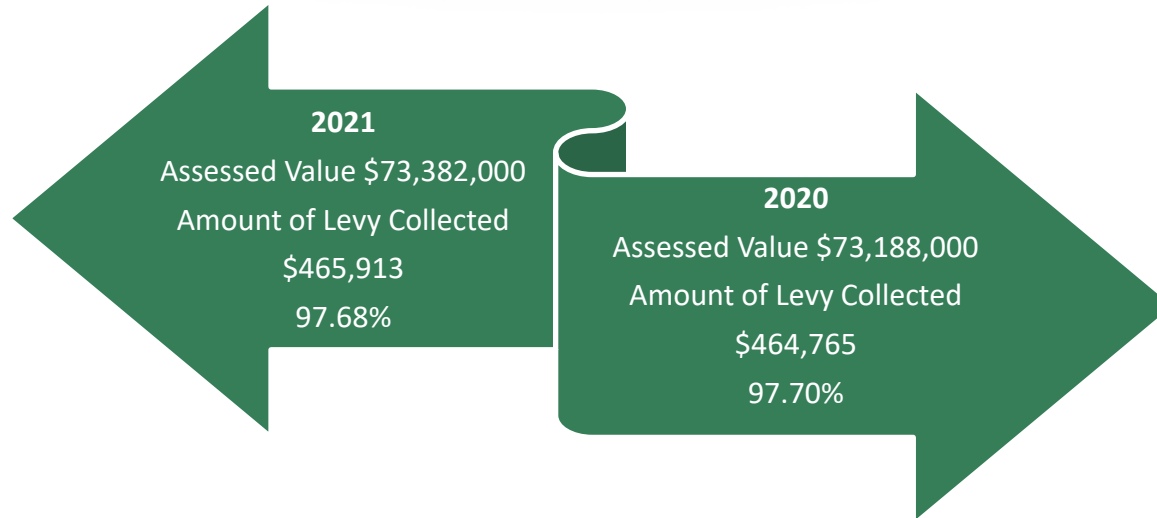
LGC Financial Performance Indicators of concern

Audit was
submitted
after 12/1

- Cause of the delay:
Staffing changes and workload balance issues for both the financial statement preparation firm and subsequently CB because the original timeline was not met.
- Board will need to send in a response letter to the LGC within 60 days.

Financial Results

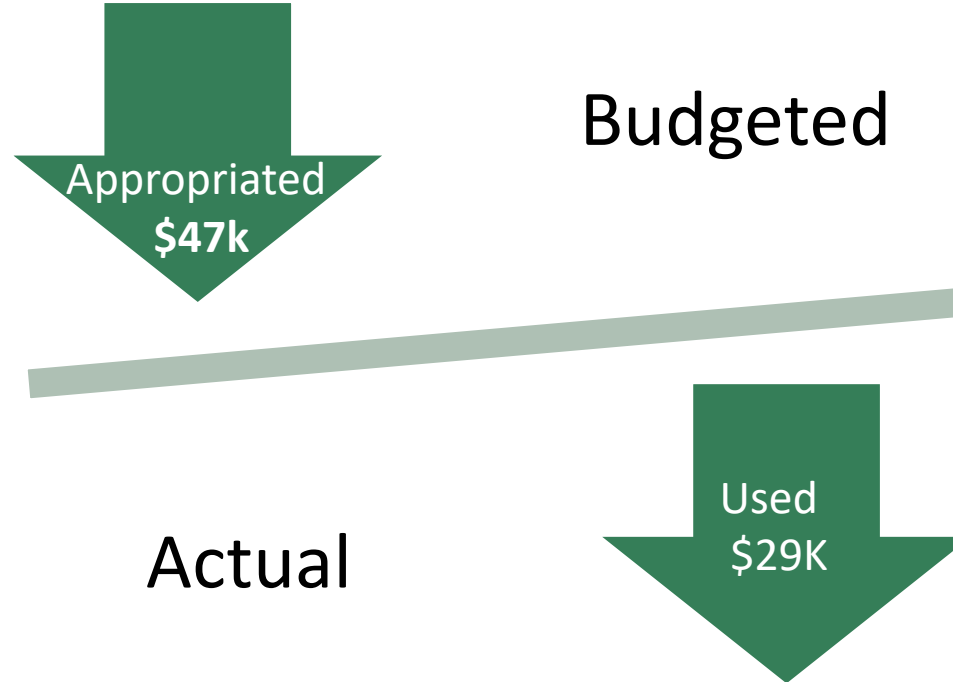
Property Taxes



✓ Collections were \$15,000 below budgeted expectations

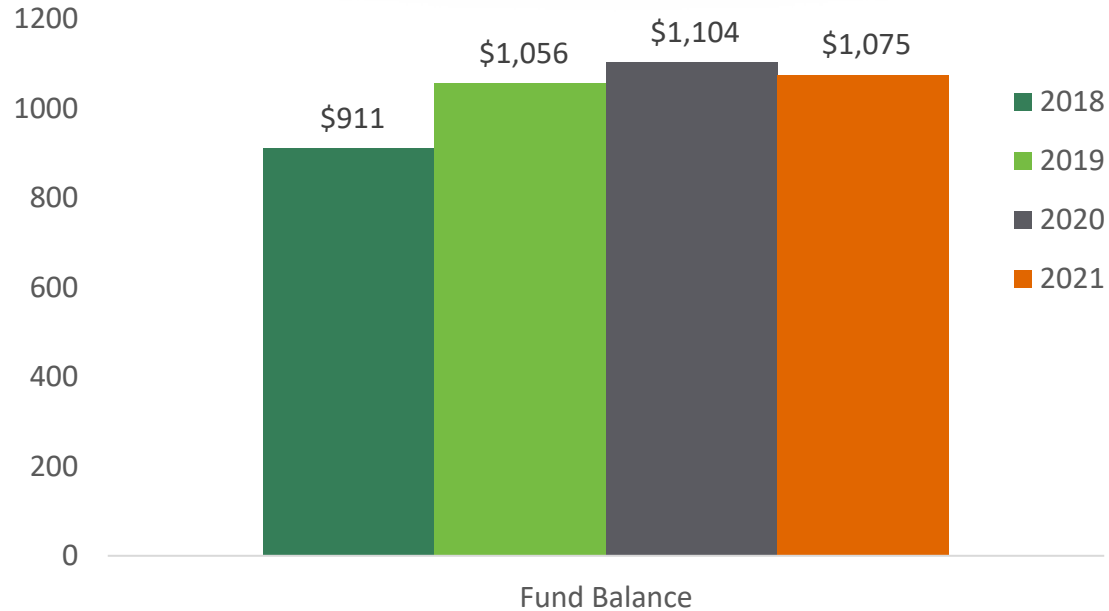
Financial Results

General Fund Balance



Financial Results

General Fund- Fund Balance (thousands)



Financial Results

General Fund Balance

Available fund balance as a % general fund expenditures

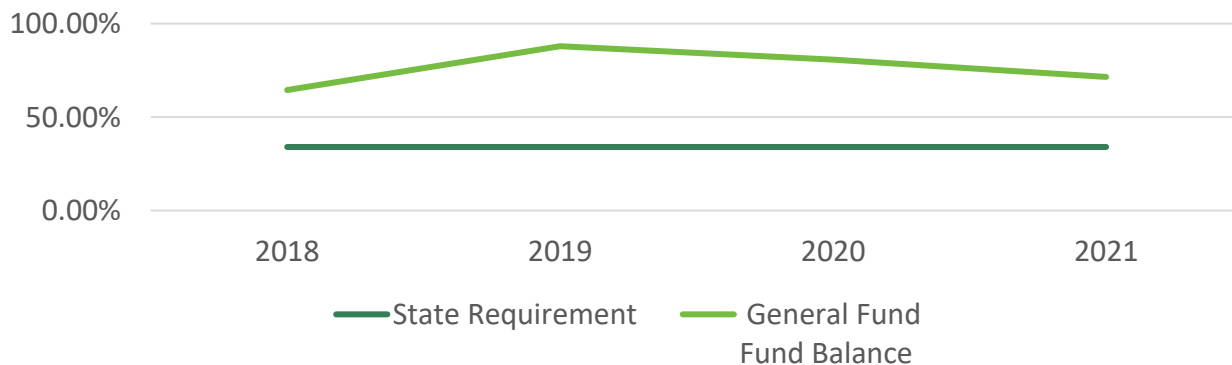
2018 = 64.54%

2019 = 88.08%

2020 = 80.80%

2021 = 71.60%

Unassigned General Fund – Fund Balance vs. State Requirement



General Fund balance Reserved for State Statute

Fund balance for appropriation = Unrestricted cash and investments plus restricted cash and investments less any liabilities, encumbrances or deferred revenues that came from cash receipts.

PY amount \$883,000

CY amount \$799,000

Fund balance reserved for State Statute = Fund balance less the amount available for appropriation.

PY Fund balance \$1,105,000

CY Fund balance= \$1,075,000

PY RSS amount \$225,000

CY amount \$270,000

Change in Governmental Activities Net Position

Unrestricted

- ▶ PY Unrestricted Net Position = \$833,000
- ▶ CY Unrestricted Net Position = \$572,000
- ▶ Two factors negatively impacted this category of Net Position:
 - VW grant funding was spent on a garbage truck \$162,000 in CY but not reimbursed until FY22
 - Pension liabilities increased significantly from PY due to changes in actuarial assumptions:
 - LGERS increased \$78,000
 - LEOSA increased \$35,000

Summary



Questions & Comments?

April Adams, CPA

Partner

aadams@cbh.com

919.782.1040



TOWN OF WARRENTON, NORTH CAROLINA

ANNUAL FINANCIAL REPORT

As of and for the Year Ended June 30, 2021

And Reports of Independent Auditor

DRAFT

BOARD OF COMMISSIONERS

Walter M. Gardner, Jr. - Mayor

Mary Hunter -- Mayor Pro Tem

John Blalock

Kimberly Harding

Tom Hardy

Margaret Britt

Travis Packer

Michael Coffman

ADMINISTRATIVE AND FINANCIAL STAFF

Meredith Valentine - Finance Director

Robert Davie, Jr. - Town Administrator

TOWN OF WARRENTON, NORTH CAROLINA

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TOWN OF WARRENTON, NORTH CAROLINA

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TOWN OF WARRENTON

FINANCIAL SECTION

DRAFT

Report of Independent Auditor

To the Honorable Mayor and
Board of Commissioners
Town of Warrenton, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Warrenton, North Carolina (the "Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town'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 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 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2021, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the general fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The individual fund statements and schedules and other schedules as listed in the table of contents as well as the 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 (Uniform Guidance) 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 individual fund statements and schedules and other schedules as listed in the table of contents as well as 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. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2021 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Raleigh, North Carolina
June __, 2022

TOWN OF WARRENTON, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

As management of the Town of Warrenton (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town 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 Town's financial statements, which follow this narrative.

Financial Highlights

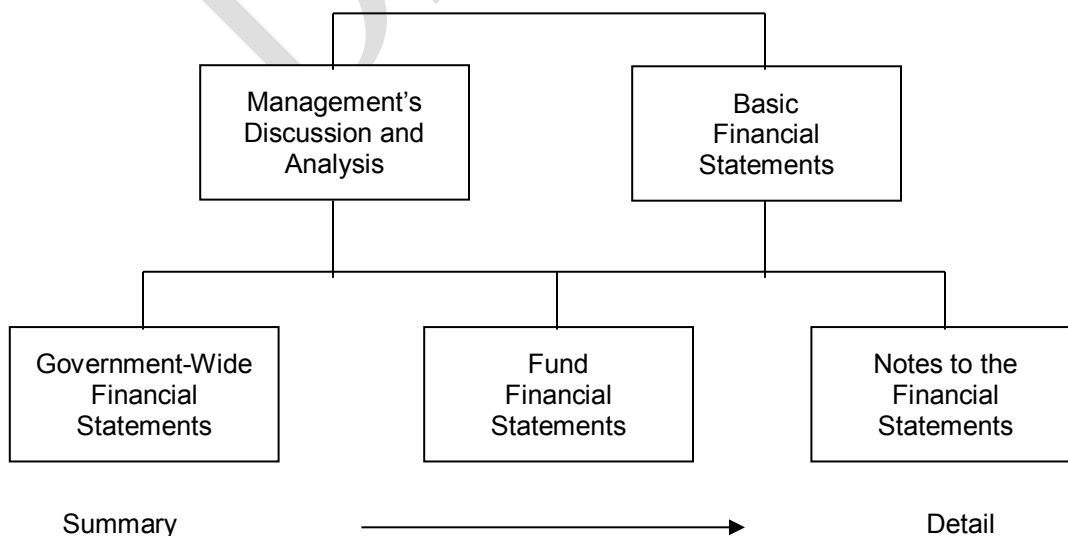
- The assets of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$10,396,143 (net position).
- The government's total net position increased by \$2,094,892 primarily due to increases in water and sewer activities capital grants and contributions.
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$929,262 with a net change of \$(175,289) in fund balance. Approximately 32.30% of this total amount, or \$300,227, is non-spendable or restricted.
- At the end of the current fiscal year, the total fund balance for the General fund was \$1,075,211 and the unassigned portion of that fund balance was \$784,242, or 70.40%, of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town'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 Town 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 the Town.

Required Components of Annual Financial Report

Figure 1



TOWN OF WARRENTON, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Basic Financial Statements

The first two statements (pages 10 and 11) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Pages 12 through 21) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town'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 to the Financial Statements**. The notes explain in detail some of the data contained in those statements. After the notes, **Supplemental Information** is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town'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 Town's financial status as a whole.

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

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the Town'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 Town charges customers to provide. These include the water and sewer and wastewater services offered by the Town.

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town'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. The Town, 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 Town's budget ordinance. All of the Town's funds 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 Town'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* which provides a short-term spending 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 Town'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.

TOWN OF WARRENTON, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

The Town 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 Town, the management of the Town, and the decisions of the Board of Commissioners (the "Board") about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town 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.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 45 of this report.

Independence with Other Entities – The Town depends on financial resources flowing from, or associated with, both the federal government and the state of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

TOWN OF WARRENTON, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Government-Wide Financial Analysis Town of Warrenton's Net Assets

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Current and other assets	\$ 977,428	\$ 1,154,664	\$ 1,425,159	\$ 999,224	\$ 2,402,587	\$ 2,153,888
Capital assets	389,526	278,188	12,151,770	9,361,041	12,541,296	9,639,229
Deferred outflows of resources	229,217	180,658	133,420	118,246	362,637	298,904
Total assets and deferred outflows of resources	1,596,171	1,613,510	13,710,349	10,478,511	15,306,520	12,092,021
Long-term liabilities outstanding	402,276	321,652	3,792,429	3,213,916	4,194,705	3,535,568
Other liabilities	18,987	17,515	680,450	216,550	699,437	234,065
Deferred inflows of resources	16,235	21,137	-	-	16,235	21,137
Total Liabilities and deferred inflows of resources	437,498	360,304	4,472,879	3,430,466	4,910,377	3,790,770
Net Assets:						
Invested in capital assets, net of related debt	307,971	157,762	8,533,713	6,268,435	8,841,684	6,426,197
Restricted	278,499	262,166	-	-	278,499	262,166
Unrestricted	572,203	833,278	703,757	779,610	1,275,960	1,612,888
Total Net Assets	\$ 1,158,673	\$ 1,253,206	\$ 9,237,470	\$ 7,048,045	\$ 10,396,143	\$ 8,301,251

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town exceeded liabilities and deferred inflows by \$10,396,143 as of June 30, 2021. The Town's net position increased by \$2,094,892 for the fiscal year ended June 30, 2021. 85.05% reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in 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. An additional portion of the Town's net position, \$278,499 (2.68%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,275,960 is unrestricted. One aspect of the Town's financial operations positively influenced the total unrestricted net position:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 97.68%.

TOWN OF WARRENTON, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Town of Warrenton's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Revenues:						
Program Revenues:						
Charges for services	\$ 183,413	\$ 153,963	\$ 2,050,487	\$ 1,739,868	\$ 2,233,900	\$ 1,893,831
Operating grants and contributions	27,404	113,580	1,458	1,403	28,862	114,983
Capital grants and contributions	44,935	41,200	2,414,484	2,277,718	2,459,419	2,318,918
General Revenues:						
Property taxes	478,241	473,713	-	-	478,241	473,713
Other taxes	370,195	369,118	-	-	370,195	369,118
Other	96,068	46,643	77	4,910	96,145	51,553
Total Revenues	1,200,256	1,198,217	4,466,506	4,023,899	5,666,762	5,222,116
Expenses:						
General government	251,558	263,361	-	-	251,558	263,361
Public safety	657,560	541,729	-	-	657,560	541,729
Transportation	231,511	181,336	-	-	231,511	181,336
Environmental protection	103,204	102,801	-	-	103,204	102,801
Economic and physical development	51,075	32,407	-	-	51,075	32,407
Cultural and recreational	-	-	-	-	-	-
Interest on long-term debt	3,577	3,260	-	-	3,577	3,260
Water and sewer	-	-	2,273,385	2,155,630	2,273,385	2,155,630
Total Expenses	1,298,485	1,124,894	2,273,385	2,155,630	3,571,870	3,280,524
Change in Net Position	(98,229)	73,323	2,193,121	1,868,269	2,094,892	1,941,592
Transfers	3,696	(32,000)	(3,696)	32,000	-	-
Net position, beginning	1,253,206	1,211,883	7,048,045	5,147,776	8,301,251	6,359,659
Net position, June 30	\$ 1,158,673	\$ 1,253,206	\$ 9,237,470	\$ 7,048,045	\$ 10,396,143	\$ 8,301,251

Governmental Activities – Governmental activities decreased the Town's net position by \$94,533, thereby accounting for -4.5% of the total growth in the net position of the Town.

Business-Type Activities – Business-type activities increased the Town's net position by \$2,189,425, thereby accounting for 104.5% of the total growth in the net position of the Town.

TOWN OF WARRENTON, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Financial Analysis of the Town's Funds

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

Governmental Funds – The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town's financing requirements. Specifically, unassigned fund balance 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 the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$784,242, while total fund balance reached \$1,075,211. The Governing Body of the Town has determined that the Town should maintain an available fund balance of 58.85% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance 70.40% of the total General Fund expenditures, while total fund balance represents 96.53% of the same amount.

General Fund Budgetary Highlights – During the fiscal year, the Town made budget revisions. 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.

Proprietary Funds – The Town's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Wastewater Treatment Fund at the end of the fiscal year amounted to \$8,025, and those for the Water and Sewer Fund amounted to \$695,732. The total change in net position for both funds was \$1,559,093 and \$630,332, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

Capital Asset and Debt Administration

Capital Assets – The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$12,541,296 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, and vehicles.

TOWN OF WARRENTON, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Town of Warrenton's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Land	\$ 29,500	\$ 29,500	\$ 5,250	\$ 5,250	\$ 34,750	\$ 34,750
Buildings and system	1,501	1,501	109,688	114,084	111,189	115,585
Improvements	106,007	116,634	4,627,953	4,755,881	4,733,960	4,872,515
Water and sewer lines	-	-	1,988,834	2,216,182	1,988,834	2,216,182
Machinery and equipment	185,046	21,517	34,377	43,185	219,423	64,702
Vehicles and motorized equipment	67,472	109,036	20,805	36,408	88,277	145,444
Construction in progress	-	-	5,364,863	2,190,051	5,364,863	2,190,051
Total	\$ 389,526	\$ 278,188	\$ 12,151,770	\$ 9,361,041	\$ 12,541,296	\$ 9,639,229

Additional information on the Town's capital assets can be found in the Notes to the Financial Statements.

Long-Term Debt – As of June 30, 2021, the Town had total debt outstanding of \$3,699,612. Of this, \$3,699,612 is debt backed by the full faith and credit of the Town.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the assessed value of taxable property located within that government's boundaries. The legal debt margin of the Town is \$5,870,572.

Additional information regarding the Town's long-term debt can be found in the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Town:

Unemployment: The state's seasonally adjusted June unemployment rate was 7.6 percent, Warren County was 10%.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities – Revenues and expenditures are expected to remain comparable with 2021-2022 revenues and expenditures. Property taxes will remain unchanged.

Business-Type Activities – Revenues and expenditures are expected to remain comparable with 2021-2022 revenues and expenditures.

Requests for Information

This report is designed to provide an overview of the Town'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 Meredith Valentine, Financial Director, Town of Warrenton, PO Box 281, Warrenton, North Carolina, 27589.

TOWN OF WARRENTON

BASIC FINANCIAL STATEMENTS

DRAFT

TOWN OF WARRENTON, NORTH CAROLINA
STATEMENT OF NET POSITION

EXHIBIT 1

JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 788,088	\$ 447,910	\$ 1,235,998
Restricted cash	18,826	103,133	121,959
Taxes receivables (net)	29,178	-	29,178
Accounts receivable (net) - trade	26,794	703,334	730,128
Due from other governments	114,542	77,194	191,736
Inventories	-	93,588	93,588
Total current assets	977,428	1,425,159	2,402,587
Noncurrent Assets:			
Capital Assets:			
Land, non-depreciable improvements, and construction in progress	29,500	5,370,113	5,399,613
Other capital assets, net of depreciation	360,026	6,781,657	7,141,683
Total capital assets	389,526	12,151,770	12,541,296
Total assets	1,366,954	13,576,929	14,943,883
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	229,217	133,420	362,637
Total deferred outflows of resources	229,217	133,420	362,637
LIABILITIES			
Current Liabilities:			
Accounts payable - trade	1,918	546,292	548,210
Accrued payroll	17,069	31,025	48,094
Deposits held	-	103,133	103,133
Long-Term Liabilities:			
Due within one year	52,482	143,535	196,017
Net pension liability - LGERS	219,551	146,367	365,918
Total pension liability - LEOSA	66,852	-	66,852
Due in more than one year	63,391	3,502,527	3,565,918
Total liabilities	421,263	4,472,879	4,894,142
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	16,235	-	16,235
Total deferred inflows of resources	16,235	-	16,235
NET POSITION			
Net investment in capital assets	307,971	8,533,713	8,841,684
Restricted for:			
Streets	1,779	-	1,779
Stabilization by State Statute	270,269	-	270,269
USDA	5,666	-	5,666
Cultural and recreation	785	-	785
Unrestricted	572,203	703,757	1,275,960
Total net position	\$ 1,158,673	\$ 9,237,470	\$ 10,396,143

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

TOWN OF WARRENTON, NORTH CAROLINA
STATEMENT OF ACTIVITIES

EXHIBIT 2

YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 251,558	\$ 3,275	\$ 3,276	\$ -	\$ (245,007)	\$ -	\$ (245,007)
Public safety	657,560	512	-	40,958	(616,090)	-	(616,090)
Streets	231,511	-	24,128	-	(207,383)	-	(207,383)
Environmental protection	103,204	178,626	-	-	75,422	-	75,422
Economic and physical development	51,075	1,000	-	3,569	(46,506)	-	(46,506)
Cultural and recreation	-	-	-	408	408	-	408
Interest on long-term debt	3,577	-	-	-	(3,577)	-	(3,577)
Total governmental activities	1,298,485	183,413	27,404	44,935	(1,042,733)	-	(1,042,733)
Business-Type Activities:							
Wastewater treatment	697,472	657,753	729	1,568,321	-	1,529,331	1,529,331
Water and sewer	1,573,906	1,392,734	729	846,163	-	665,720	665,720
Total business-type activities	2,271,378	2,050,487	1,458	2,414,484	-	2,195,051	2,195,051
Total primary government	\$ 3,569,863	\$ 2,233,900	\$ 28,862	\$ 2,459,419	(1,042,733)	2,195,051	1,152,318
General revenues:							
Taxes:							
Property taxes, levied for general purpose					478,241	-	478,241
Other taxes					370,195	-	370,195
Unrestricted investment earnings					123	77	200
Miscellaneous					95,113	-	95,113
Gain (loss) on sale of fixed assets					832	(2,007)	(1,175)
Total general revenues					944,504	(1,930)	942,574
Transfers					3,696	(3,696)	-
Total general revenues and transfers					948,200	(5,626)	942,574
Change in net position					(94,533)	2,189,425	2,094,892
Net position, beginning					1,253,206	7,048,045	8,301,251
Net position, beginning, restated					1,253,206	7,048,045	8,301,251
Net position, ending					\$ 1,158,673	\$ 9,237,470	\$ 10,396,143

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

TOWN OF WARRENTON, NORTH CAROLINA
BALANCE SHEET – GOVERNMENTAL FUNDS

EXHIBIT 3

JUNE 30, 2021

	General	Total Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	797,497	\$ (9,409)	\$ 788,088
Restricted cash	7,445	11,381	18,826
Receivables, net:			
Taxes	29,178	-	29,178
Accounts - trade	16,086	10,707	26,793
Due from other funds	166,194	-	166,194
Due from other governments	106,976	7,566	114,542
Total assets	<u>\$ 1,123,376</u>	<u>\$ 20,245</u>	<u>\$ 1,143,621</u>
LIABILITIES			
Accounts payable - trade	\$ 1,918	\$ -	\$ 1,918
Accrued payroll	17,069	-	17,069
Due to other funds	-	166,194	166,194
Total liabilities	<u>18,987</u>	<u>166,194</u>	<u>185,181</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	29,178	-	29,178
Total deferred inflows of resources	<u>29,178</u>	<u>-</u>	<u>29,178</u>
FUND BALANCES			
Fund balances:			
Restricted:			
Stabilization by State Statute	270,269	-	270,269
USDA	5,666	-	5,666
Streets	1,779	-	1,779
Cultural and recreation	-	785	785
Debt reserve	-	21,728	21,728
Assigned:			
Subsequent year's expenditures	13,255	-	13,255
Unassigned	<u>784,242</u>	<u>(162,982)</u>	<u>621,260</u>
Total fund balances	<u>1,075,211</u>	<u>(145,949)</u>	<u>929,262</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,123,376</u>	<u>\$ 20,245</u>	

Amounts reported for governmental activities in the statement of net position

Capital assets used in governmental activities are not financial resources	389,526
Net pension liability	(219,551)
Total pension liability	(66,852)
Deferred outflows of resources related to pensions are not reported in the funds	229,217
Earned revenues considered deferred inflows of resources in fund statements	29,178
Deferred inflows of resources related to pensions are not reported in the funds	(16,235)
Long-term liabilities used in governmental activities are not financial uses and, therefore, are not reported in the funds.	(115,873)
Net position of governmental activities	<u>\$ 1,158,673</u>

TOWN OF WARRENTON, NORTH CAROLINA

EXHIBIT 4

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS***YEAR ENDED JUNE 30, 2021*

	General	Total Nonmajor Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 481,660	\$ -	\$ 481,660
Unrestricted intergovernmental	370,195	-	370,195
Restricted intergovernmental	24,128	48,211	72,339
Permits and fees	4,787	-	4,787
Sales and services	210,966	-	210,966
Investment earnings	123	-	123
Miscellaneous	5,618	42,403	48,021
Total revenues	<u>1,097,477</u>	<u>90,614</u>	<u>1,188,091</u>
Expenditures:			
General government	212,095	-	212,095
Public safety	530,436	40,958	571,394
Streets	219,731	-	219,731
Economic and physical development	-	51,075	51,075
Environmental protection	103,204	-	103,204
Debt service:			
Principal	37,749	-	37,749
Interest and other charges	3,577	-	3,577
Capital outlay	7,035	162,982	170,017
Total expenditures	<u>1,113,827</u>	<u>255,015</u>	<u>1,368,842</u>
Excess (deficiency) of revenues over expenditures	<u>(16,350)</u>	<u>(164,401)</u>	<u>(180,751)</u>
Other Financing Sources (Uses):			
Transfers	(14,756)	18,452	3,696
Proceeds from sale of capital assets	1,766	-	1,766
Total other financing sources (uses)	<u>(12,990)</u>	<u>18,452</u>	<u>5,462</u>
Net change in fund balance	<u>(29,340)</u>	<u>(145,949)</u>	<u>(175,289)</u>
Fund balances, beginning	<u>1,104,551</u>	<u>-</u>	<u>1,104,551</u>
Fund balances, ending	<u>\$ 1,075,211</u>	<u>\$ (145,949)</u>	<u>\$ 929,262</u>

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

TOWN OF WARRENTON, NORTH CAROLINA

EXHIBIT 5

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES***YEAR ENDED JUNE 30, 2021*

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

Net changes in fund balances - total governmental funds	\$ (175,289)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	170,017
Disposal of capital assets	(940)
Depreciation expense for governmental assets	(57,739)

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

Change in deferred revenue for tax revenues	(3,419)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debt	38,871
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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.

Pension expense	(59,543)
Compensated absences	(6,491)

Total changes in net position of governmental activities	<u>\$ (94,533)</u>
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TOWN OF WARRENTON, NORTH CAROLINA

EXHIBIT 6

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL – GENERAL FUND**

YEAR ENDED JUNE 30, 2021

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 496,486	\$ 496,486	\$ 481,660	\$ (14,826)
Unrestricted intergovernmental	330,600	330,600	370,195	39,595
Restricted intergovernmental	25,583	25,583	24,128	(1,455)
Permits and fees	6,340	6,340	4,787	(1,553)
Sales and services	192,838	192,838	210,966	18,128
Investment earnings	6,050	6,050	123	(5,927)
Miscellaneous	26,727	28,992	5,618	(23,374)
Total revenues	<u>1,084,624</u>	<u>1,086,889</u>	<u>1,097,477</u>	<u>10,588</u>
Expenditures:				
General government	206,097	215,855	212,094	3,761
Public safety	561,122	561,122	530,436	30,686
Streets	188,454	228,088	219,731	8,357
Environmental protection	110,255	110,255	103,204	7,051
Debt service:				
Principal retirement	37,749	37,749	37,749	-
Interest and other charges	13,444	13,444	3,578	9,866
Capital outlay	-	-	7,035	(7,035)
Total expenditures	<u>1,117,121</u>	<u>1,166,513</u>	<u>1,113,827</u>	<u>52,686</u>
Revenues over expenditures	<u>(32,497)</u>	<u>(79,624)</u>	<u>(16,350)</u>	<u>63,274</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	1,766	1,766
Transfers	32,497	32,497	(14,756)	(47,253)
Appropriated fund balance	-	47,127	-	(47,127)
Total other financing sources (uses)	<u>32,497</u>	<u>79,624</u>	<u>(12,990)</u>	<u>(92,614)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>(29,340)</u>	<u>\$ (29,340)</u>
Fund balances, beginning			<u>1,104,551</u>	
Fund balances, ending			<u>\$ 1,075,211</u>	

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

TOWN OF WARRENTON, NORTH CAROLINA
STATEMENT OF NET POSITION –
PROPRIETARY FUNDS

EXHIBIT 7

JUNE 30, 2021

	Wastewater Treatment Fund	Water and Sewer Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	32,775	469,415	\$ 502,190
Restricted cash	-	103,133	103,133
Accounts receivable, net	510,508	192,826	703,334
Notes receivable	-	-	-
Due from other governments	75,867	1,327	77,194
Inventories	-	93,588	93,588
Total current assets	619,150	860,289	1,479,439
Noncurrent Assets:			
Capital Assets:			
Land and other non-depreciable assets	1,877,002	3,493,111	5,370,113
Other capital assets, net of depreciation	28,378	6,753,279	6,781,657
Capital assets (net)	1,905,380	10,246,390	12,151,770
Total noncurrent assets	1,905,380	10,246,390	12,151,770
Total assets	2,524,530	11,106,679	13,631,209
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	66,710	66,710	133,420
Total deferred outflows of resources	66,710	66,710	133,420
LIABILITIES			
Current Liabilities:			
Accounts payable	514,849	31,443	546,292
Accrued payroll	16,443	14,582	31,025
Overdrawn cash	54,280	-	54,280
Due to other funds	-	-	-
Customer deposits	-	103,133	103,133
Compensated absences - current	12,021	5,623	17,644
Installment purchases - current	10,422	115,469	125,891
Total current liabilities	608,015	270,250	878,265
Noncurrent Liabilities:			
Compensated absences - noncurrent	7,059	3,302	10,361
Net pension liability	73,183	73,184	146,367
Installment purchases - noncurrent	331,034	3,161,132	3,492,166
Total noncurrent liabilities	411,276	3,237,618	3,648,894
Total liabilities	1,019,291	3,507,868	4,527,159
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	-	-	-
Total deferred inflows of resources	-	-	-
NET POSITION			
Net investment in capital assets	1,563,924	6,969,789	8,533,713
Restricted	-	-	-
Unrestricted	8,025	695,732	703,757
Total net position	\$ 1,571,949	\$ 7,665,521	\$ 9,237,470

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

TOWN OF WARRENTON, NORTH CAROLINA

EXHIBIT 8

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –
PROPRIETARY FUNDS**

YEAR ENDED JUNE 30, 2021

	Wastewater Treatment Fund	Water and Sewer Fund	Total
Operating Revenues:			
Charges for services	\$ 633,113	\$ 1,391,730	\$ 2,024,843
Other operating revenues	24,640	1,004	25,644
Total operating revenues	657,753	1,392,734	2,050,487
Operating Expenses:			
Administration	314,343	365,793	680,136
Water and sewer operations	-	799,587	799,587
Water collection and treatment	345,112	-	345,112
Depreciation	4,574	379,261	383,835
Total operating expenses	664,029	1,544,641	2,208,670
Operating loss	(6,276)	(151,907)	(158,183)
Nonoperating Revenues (Expenses):			
Investment earnings	2	75	77
Coronavirus Relief Fund revenue	729	729	1,458
Coronavirus Relief Fund expense	(729)	(729)	(1,458)
Grant match for capital project	(33,443)	-	(33,443)
Interest and other charges	-	(27,807)	(27,807)
Total nonoperating revenue (expenses)	(33,441)	(27,732)	(61,173)
Loss before contributions and transfers	(39,717)	(179,639)	(219,356)
Capital contributions	1,568,321	846,163	2,414,484
Loss on disposal	(2,007)	-	(2,007)
Transfer from other funds	32,497	14,757	47,254
Transfers to other funds	(1)	(50,949)	(50,950)
Change in net position	1,559,093	630,332	2,189,425
Total net position, beginning	12,856	7,035,189	7,048,045
Total net position, ending	\$ 1,571,949	\$ 7,665,521	\$ 9,237,470

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

TOWN OF WARRENTON, NORTH CAROLINA
STATEMENT OF CASH FLOWS—
PROPRIETARY FUNDS

EXHIBIT 9

YEAR ENDED JUNE 30, 2021

	Wastewater Treatment Fund	Water and Sewer Fund	Total
Cash Flows from Operating Activities:			
Cash received from customers	\$ 129,059	\$ 1,590,325	\$ 1,719,384
Cash paid for goods and services	(345,110)	(866,638)	(1,211,748)
Cash paid to or on behalf of employees for services	216,955	(346,301)	(129,346)
Net customer deposits	-	(1,881)	(1,881)
Net cash from operating activities	904	375,505	376,409
Cash Flows from Non-Capital Financing Activities:			
Federal Grants	729	729	1,458
Grant expense	(729)	(729)	(1,458)
Transfers (to) from other funds	(947)	(17,739)	(18,686)
Total cash from non-capital financing activities	(33,443)	(17,739)	(51,182)
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(1,878,761)	(1,297,810)	(3,176,571)
Note payable proceeds	341,456	2,895,153	3,236,609
Capital contributions	1,568,321	846,163	2,414,484
Principal paid on notes payable	-	(2,711,158)	(2,711,158)
Interest paid on notes payable	-	(27,807)	(27,807)
Net cash from capital and related financing activities	31,016	(295,459)	(264,443)
Cash Flows from Investing Activities:			
Interest and dividends	2	75	77
Net increase (decrease) in cash and cash equivalents	(1,521)	62,382	60,861
Balances, beginning	(19,984)	510,166	490,182
Balances, ending	\$ (21,505)	\$ 572,548	\$ 551,043
Reconciliation of operating income to net cash from by operating activities:			
Operating income	\$ (6,276)	\$ (151,907)	\$ (158,183)
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	4,574	379,261	383,835
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(528,692)	197,591	(331,101)
(Increase) decrease in inventory	-	(19,930)	(19,930)
(Increase) decrease in deferred outflows of resources - pensions	(7,587)	(7,587)	(15,174)
Increase (decrease) in net pension liability	25,993	25,993	51,986
Increase (decrease) in deferred inflows of resources - pensions	-	-	-
Increase (decrease) in accounts payable	512,134	(47,121)	465,013
Increase (decrease) in accrued payroll	(195)	963	768
Increase (decrease) in customer deposits	-	(1,881)	(1,881)
Increase (decrease) in compensated absences	953	123	1,076
Total adjustments	7,180	527,412	534,592
Net cash from operating activities	\$ 904	\$ 375,505	\$ 376,409

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

TOWN OF WARRENTON

NOTES TO THE FINANCIAL STATEMENTS

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TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1—Summary of significant accounting policies

The accounting policies of the Town of Warrenton (the “Town”) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town is a municipal corporation, which is governed by an elected mayor and a seven-member council. These financial statements include only the Town, as there were no component units required to be included.

B. Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. 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 Town and for each function of the Town’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 Town’s funds. Separate statements for each fund category – *governmental* and *proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor 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. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Town reports the following major governmental fund:

General Fund. This fund is the general operating fund of the Town. It is used to account for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state grants, and various other taxes and licenses. The primary expenditures are for general government, public safety, street maintenance, and construction and sanitation services.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1—Summary of significant accounting policies (continued)

The Town reports the following nonmajor governmental funds:

Coronavirus relief fund – This fund is used to account for funds received relating to the CARES Act and American Rescue Plan Act.

CDBG Fund – This fund is used to account for grant funds relating to a CDBG Neighborhood Revitalization Grant.

NC VW Settlement Fund – This fund is used to account for grant funds to purchase a replacement vehicle for the Sanitation department.

Revolving Loan Fund – This fund is used to account for funds available to promote business development in the Town.

Milano's Downtown Fund – This fund is a special revenue fund, used to account for the specific grant funding received and expended for the purposes of renovating a building in downtown Warrenton.

Frontier Warren Fund – This fund is used to account for funds relating to the use and maintenance of the Frontier Warren Building.

The Town reports the following major enterprise funds:

Enterprise Funds. The enterprise funds are used to account for those operations that (a) are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town has two enterprise funds: Water and Sewer Fund and Wastewater Treatment Fund.

The Town operates the regional wastewater treatment plant under an agreement with Warren County. The operating costs are shared with the Town of Norlina and Warren County.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes ("G.S."), all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-Wide and Proprietary Fund Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary 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 Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, 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 is recognized in the fiscal year in which all eligibility requirements have been satisfied.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1—Summary of significant accounting policies (continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the 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 nonoperating 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 Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable 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. Also, 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 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 Town, are recognized as revenue. Sales taxes are considered a shared revenue for the Town because the tax is levied by Warren County and then remitted to and distributed by the state. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. Grant revenues that are unearned at year-end are recorded as unavailable revenues. Under the terms of grant agreements, the Town 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 Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1—Summary of significant accounting policies (continued)

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for capital projects. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional 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 functional appropriations by more than \$2,500. 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.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the Town are made in Board-designated official depositories and are secured as required by state law [G.S. 159-31]. The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town 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 Town 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 Town's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value, which is the NCCMT's share price.

In accordance with state law, the Town has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. They are reported at fair value as determined by quoted market prices.

2. Cash and Cash Equivalents

The Town pools money from several funds 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.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1—Summary of significant accounting policies (continued)

3. Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected and are classified as restricted cash in the enterprise funds. Powell Bill funds are also classified as restricted cash within the General Fund because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.1.

Governmental Activities:

General Fund

Streets	\$ 1,779
USDA	5,666
Revolving loan fund	11,381
Total governmental activities	<u>\$ 18,826</u>

Business-Type Activities:

Water and Sewer Fund

Customer deposits	<u>\$ 103,133</u>
Total business-type activities	<u>\$ 103,133</u>

4. Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the Town 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, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2012. As allowed by state law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances 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 and Prepaid Items

The inventories of the Town are valued at cost (first-in, first-out), which approximates market. The Town's General Fund inventory consists of expendable supplies that are recorded as expenditures as used rather than when purchased. The inventories of the Town's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1—Summary of significant accounting policies (continued)

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, buildings, improvements, equipment, vehicles, substations, lines, and other plant and distribution systems, \$5,000; and infrastructure, \$50,000. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives to the cost of the assets:

<u>Asset Type</u>	<u>Years</u>
Buildings	40
Improvements	15
Vehicles	5
Furniture and equipment	7-10
Computer equipment	3
Infrastructure	50

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows 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 Town has two items that meet this criterion, contributions made to the pension plan in the 2021 fiscal year and pension deferrals. In addition to liabilities, the statement of financial position will sometimes 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 Town has two items that meet this criterion – property taxes receivable and deferrals of pension expense.

9. Long-Term Obligations

In the government-wide financial statements, and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1—Summary of significant accounting policies (continued)

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

10. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave, with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a last-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for accrual of sick leave days; there is no limit on the amount of accumulation. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have an obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has 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 externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or 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:

Non-Spendable 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.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute – portion of fund balance that is restricted by state statute (G.S. 159-8(a)).

Restricted for Streets – Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpected Powell Bill funds.

Restricted for USDA – portion of fund balance that is restricted due to grantor requirements.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1—Summary of significant accounting policies (continued)

Restricted for cultural and recreation – portion of fund balance restricted for cultural and recreation expenditures.

Restricted for Debt reserve – portion of fund balance that is restricted for debt service.

Restricted for capital outlay – portion of fund balance relating to funds due to the general fund for the purchase of a vehicle for the sanitation department

Committed Fund Balance – Portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town's governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body. The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance – Portion of fund balance that the Town intends to use for specific purposes.

Unassigned Fund Balance – Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Town Administrator will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-Town funds, and Town 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 Town Administrator has the authority to deviate from this policy if it is in the best interest of the Town.

12. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System ("LGERS") and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

13. Stewardship, Compliance and Accountability

Non compliance with North Carolina General Statutes

All Units of Government in North Carolina are required by G.S. 159-34 to receive and submit an annual audit report to the Local Government Commission. These reports are due by statute no later than four months after the close of the unit's fiscal year, October 31st of each year and there is a grace period till December 1st. The Town's FY 2021 was not submitted by December 1, 2021.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1—Summary of significant accounting policies (continued)

Deficit in Fund Balance of Individual Funds

The nonmajor NC VW Settlement Grant Fund is reporting a deficit fund balance of \$162,982 due to expenditures being made before the settlement funds were received. Settlement funds are expected to be received in Fiscal Year 2022, at which time the fund will no longer operate at a deficit.

The nonmajor Frontier Warren Fund is reporting a deficit fund balance of \$5,480 due to revenues under expected amounts.

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2021, the Town's expenditures have exceeded amounts budgeted in the general fund for the following departments:

General government: \$3,590

Note 2—Detail notes on all funds

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in the Town'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 Town, these deposits are considered to be held by the Town's agents in its name. The amount of the 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 Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no policy regarding custodial credit risks for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town 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 Town's deposits had a carrying amount of \$580,391, and \$576,696 was covered by collateral held under the Pooling Method. The Town's petty cash totaled \$100 at June 30, 2021.

2. Investments

At June 30, 2021, the Town had \$777,926, invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

TOWN OF WARRENTON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

3. Receivables - Allowances for Doubtful Accounts

The receivables shown in Exhibit 1 at June 30, 2021 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 33,043	\$ 29,178	\$ 106,976	\$ 169,197
Other governmental	-	-	7,566	7,566
Allowance for doubtful accounts	(6,249)	-	-	(6,249)
Total governmental activities	<u>\$ 26,794</u>	<u>\$ 29,178</u>	<u>\$ 114,542</u>	<u>\$ 170,514</u>
Business-Type Activities:				
Wastewater treatment	\$ 510,508	\$ -	\$ 75,867	\$ 586,375
Water and sewer	302,818	-	1,327	304,145
Allowance for doubtful accounts	(109,992)	-	-	(109,992)
Total business-type activities	<u>\$ 703,334</u>	<u>\$ -</u>	<u>\$ 77,194</u>	<u>\$ 780,528</u>

Due from other governments consisted of the following:

Warren County	10,842
Local option sales tax	77,043
Motor fuel Tax Refund	90
Franchise tax	19,001
Coronavirus Relief Fund	3,569
MS Downtown Redevelopment *	3,997
Total	<u>\$ 114,542</u>
Town of Norlina	\$ 52,580
Warren County	23,287
	<u>\$ 75,867</u>
Sales Tax Refund	\$ 1,327
	<u>\$ 1,327</u>

* The Town has one outstanding notes receivable with local businesses. The loan was made for improvements on real property, and funds were provided by the U.S. Department of Agriculture to make the loan.

TOWN OF WARRENTON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

The loan was made on December 19, 2018 in the amount of \$10,500 with an interest rate of 5%. Monthly installments are due to the Town in the amount of \$148. The loan matures on December 25, 2025. The balance of this note receivable is \$7,163 at June 30, 2021 and is considered fully collectible.

4. Capital Assets

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 29,500	\$ -	\$ -	\$ 29,500
Total capital assets not being depreciated	<u>29,500</u>	<u>-</u>	<u>-</u>	<u>29,500</u>
Capital assets being depreciated:				
Buildings	6,773	-	-	6,773
Equipment	97,556	170,017	1,820	265,753
Improvements	159,412	-	-	159,412
Vehicles and motorized equipment	<u>474,636</u>	<u>-</u>	<u>-</u>	<u>474,636</u>
Total capital assets being depreciated	<u>738,377</u>	<u>170,017</u>	<u>1,820</u>	<u>906,574</u>
Less accumulated depreciation for:				
Buildings	5,272	-	-	5,272
Equipment	76,039	5,548	880	80,707
Improvements	42,778	10,627	-	53,405
Vehicles and motorized equipment	<u>365,600</u>	<u>41,564</u>	<u>-</u>	<u>407,164</u>
Total accumulated depreciation	<u>489,689</u>	<u>\$ 57,739</u>	<u>\$ 880</u>	<u>546,548</u>
Total capital assets being depreciated, net	<u>248,688</u>			<u>360,026</u>
Governmental activity capital assets, net	<u>\$ 278,188</u>			<u>\$ 389,526</u>

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

General Government	\$ 13,791
Public Safety	32,168
Transportation	<u>11,780</u>
Total depreciation expense	<u>\$ 57,739</u>

TOWN OF WARRENTON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-Type Activities:				
Wastewater Treatment Fund				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 1,877,002	\$ -	\$ 1,877,002
Total capital assets not being depreciated	-	1,877,002	-	1,877,002
Capital assets being depreciated:				
Improvements	\$ 14,858	\$ -	\$ -	\$ 14,858
Vehicles	18,706	-	-	18,706
Equipment	136,030	1,759	(3,820)	133,969
Total capital assets being depreciated	169,594	1,759	(3,820)	167,533
Less accumulated depreciation for:				
Improvements	2,667	381	-	3,048
Vehicles	18,706	-	-	18,706
Equipment	115,021	4,193	(1,813)	117,401
Total accumulated depreciation	136,394	\$ 4,574	\$ (1,813)	139,155
Total capital assets being depreciated, net	33,200			28,378
Wastewater Treatment Fund capital assets	\$ 33,200			\$ 1,905,380
Water and Sewer Fund				
Capital assets not being depreciated:				
Land	\$ 5,250	\$ -	\$ -	\$ 5,250
Construction in progress	2,190,051	1,297,810	-	3,487,861
Total capital assets not being depreciated	2,195,301	1,297,810	-	3,493,111
Capital assets being depreciated:				
Water and sewer lines	5,853,043	-	-	5,853,043
Water and sewer plant	169,982	-	-	169,982
Improvements	4,909,994	-	-	4,909,994
Vehicles	226,908	-	-	226,908
Equipment	228,439	-	-	228,439
Total capital assets being depreciated	11,388,366	-	-	11,388,366
Less accumulated depreciation for:				
Water and sewer lines	3,636,861	227,348	-	3,864,209
Water and sewer plant	55,898	4,396	-	60,294
Improvements	166,304	127,547	-	293,851
Vehicles	190,500	15,603	-	206,103
Equipment	206,263	4,367	-	210,630
Total accumulated depreciation	4,255,826	\$ 379,261	\$ -	4,635,087
Total capital assets being depreciated, net	7,132,540			6,753,279
Water and Sewer Fund capital assets, net	9,327,841			10,246,390
Business-type activities capital assets, net	\$ 9,361,041			\$ 12,151,770

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

Construction Commitments – The identification of possible commitments is the responsibility of the Finance Department. Once identified, the department involved with the project and the Finance Department evaluates the financial statement impact by evaluating the funding and timing of the contracts. Construction commitments at June 30, 2021 for the Town Hall Renovation for Public Works and Water/Sewer Line Replacements projects are:

<u>Contract Amount</u>	<u>Expensed</u>	<u>Remaining</u>
\$ 6,180,897	\$ (6,154,897)	\$ 26,000

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town is a participating employer in the statewide 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 ("LEO") 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 LGERS is included in the Comprehensive Annual Financial Report ("CAFR") for the state of North Carolina. The state's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

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.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

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 G.S. 128-30 and may be amended only by the North Carolina General Assembly. Town employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS' Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2021, was 10.9% of compensation for law enforcement officers and 10.15% for general employees, 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 Town were \$129,830 for the year ended June 30, 2021.

Refunds of Contributions. Town 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 Town reported a liability of \$365,918 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 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 Town's proportion of the net pension liability was based on a projection of the Town'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, 2020 (the measurement date), the Town's proportion was 0.01024%, which was an increase of 0.0016% from its proportion measured as of June 30, 2019.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

For the year ended June 30, 2021, the Town recognized pension expense of \$151,234. At June 30, 2021, the Town 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	\$ 46,209	\$ -
Changes of assumptions	27,232	-
Net difference between projected and actual earnings on pension plan investments	51,493	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	78,783	-
Town contributions subsequent to the measurement date	129,830	-
Total	<u>\$ 333,547</u>	<u>\$ -</u>

\$129,830 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,

2022	\$ 69,065
2023	72,648
2024	46,765
2025	15,239
	<u>\$ 203,717</u>

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%
Salary increases	3.50 to 8.10%, including inflation and productivity factor
Investment rate of return	7%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 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 cost of living adjustment amounts are not considered to be substantively automatic and, are therefore, not included in the measurement.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 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	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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 Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Town'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%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the net pension liability (asset)	\$ 742,409	\$ 365,918	\$ 53,029

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued CAFR for the state of North Carolina.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description

The Town administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the Town’s qualified sworn law enforcement officers under the age 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. The Separation Allowance is equal to 0.85% 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 North Carolina General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Town 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	4
Total	<u>4</u>

2. Summary of Significant Accounting Policies

Basis of Accounting. The Town 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 and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following 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 in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.25 to 7.75%, including inflation and productivity factor
Discount rate	1.93%

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

Mortality rates are based on the Pub 2010 amount-weighted tables with adjustments for mortality improvements based on Scale MP-2019.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

4. Contributions

The Town 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 employees. The Town'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 Town paid \$-0- 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 Town reported a total pension liability of \$66,852. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the Town recognized pension expense of (\$818).

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,237	\$ 15,104
Changes of assumptions	24,852	1,131
Total	<u>\$ 29,089</u>	<u>\$ 16,235</u>

\$-0- 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:

Years Ending June 30,

2022	\$ (237)
2023	(237)
2024	(119)
2025	2,807
2026	4,104
Thereafter	6,536
	<u>\$ 12,854</u>

Sensitivity of the Town's Total Pension Liability to Changes in the Discount Rate. The following presents the Town's total pension liability calculated using the discount rate of 1.93 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (.93%) or 1-percentage-point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 72,754	\$ 66,852	\$ 61,370

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance

	<u>2021</u>
Beginning balance	\$ 31,828
Service Cost	3,522
Interest on the total pension liability	1,038
Differences between expected and actual experience in the measurement of the total pension liability	3,809
Changes of assumptions or other inputs	<u>26,655</u>
Ending balance of the total pension liability	<u>\$ 66,852</u>

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 five year period ending December 31, 2019.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (the "Plan"), a defined contribution pension plan, administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may also make voluntary contributions to the plan.

The Town made contributions of \$9,568 for the reporting year. No amounts were forfeited.

d. Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the LGERS ("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 LGERS, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the LGERS 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 may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town 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 Town considers these contributions to be immaterial.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

3. Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year-end is comprised of the following:

<u>Source</u>	<u>Amount</u>
Contributions to pension plan in current fiscal year	\$ 129,830
Pension deferrals	232,807
	<u>\$ 362,637</u>

Deferred inflows of resources at year-end is comprised of the following:

<u>Source</u>	<u>Amount</u>
Taxes receivable (General Fund)	\$ 29,178
Pension deferrals (Government Wide)	16,235

4. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess, and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the North Carolina League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The Town has made the decision not to purchase flood insurance at this time. The Town does not deem the risk of flooding to outweigh the cost of insurance.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The Town Administrator/Clerk is bonded for \$50,000, the Finance Officer is bonded for \$50,000, and the Police Chief is bonded for \$10,000. The remaining employees that have access to funds are bonded for \$5,000 per occurrence.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

5. Long-Term Obligations

a. Installment Purchases

As authorized by state law (G.S. 160A-20 and 153A-158.1), the Town financed various property and equipment acquisitions by installment purchases. Installment purchase contracts at June 30, 2021 are comprised of the following individual agreements:

Government Activities:

An agreement was executed on March 22, 2007 for \$143,000 to purchase new sewer lines. This agreement requires 15 annual payments of \$12,835, including interest of 3.97% per annum. (45.75% of this note is held by the General Fund and 54.25% is held by the Water and Sewer Fund)

\$ 5,664

An agreement was executed on September 26, 2013 for \$150,000 for replacement and repair of the Town Hall roof. This agreement requires 120 monthly payments of \$1,417, including interest at 2.54%. (67% of this note is held by the General Fund and 33% is held by the Water and Sewer Fund)

25,026

An agreement was executed on December 7, 2016 for \$8,500 to finance the purchase of surveillance cameras. This agreement requires 7 annual payments of \$1,333, including interest at 2.375%.

3,812

An agreement was executed on July 18, 2017 for \$29,500 to finance the purchase of two patrol cars. This agreement requires 7 annual payments of \$4,780, beginning in 2018, including interest at 3.25%.

17,662

An agreement was executed on November 20, 2019 for \$33,800 to finance the purchase of two patrol cars. This agreement requires 7 annual payments of \$5,426, beginning in 2020, including interest at 3.0%.

29,391

Total governmental activities

\$ 81,555



TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

Business-Type Activities:

An agreement was executed on March 22, 2007 for \$143,000 to purchase new sewer lines. This agreement requires 15 annual payments of \$12,835, including interest at 3.97% per annum. (45.75% of this note is held by the General Fund and 54.25% is held by the Water and Sewer Fund) \$ 6,681

An agreement was executed on September 26, 2013 for \$150,000 for replacement and repair of the Town Hall roof. This agreement requires 120 monthly payments of \$1,417, including interest at 2.54%. (67% of this note is held by the General Fund and 33% is held by the Water and Sewer Fund) 12,510

An agreement was executed on October 24, 2017 for \$36,000 to finance the purchase of two public works trucks. This agreement requires 7 annual payments of \$5,834, beginning in 2018, including interest at 3.25%. 21,550

An agreement was executed on April 2, 2020 for sewer upgrades in the amount of \$115,000. This agreement requires 20 annual payments of \$5,750, beginning in 2021, at 106,623

An agreement was executed on April 2, 2020 for sewer upgrades in the amount of \$184,531. This agreement requires 20 annual payments of \$9,227, beginning in 2021, at 172,237

NCDENR funded a project for sewer system rehabilitation and related loan proceeds for \$275,000. This agreement requires annual principal payments of \$13,750 plus interest at 2.00% per annum beginning May 1, 2014. Maturity is May 2033. 165,000

An agreement was executed on May 5, 2020 for upgrades to the Waste Water Treatment Plant in the amount of \$472,132. This agreement requires 20 annual payments of \$23,606, beginning in 2022, at 0% interest. * 341,456

An agreement was executed on December 17, 2020 for \$228,000 to finance the renovations to Town Hall. This agreement requires 40 annual payments of \$7,280, beginning in 2022, including interest at 1.25%. 228,000

\$1,846,000 of Water Bonds executed on August 28, 2020 are due on June 1 in installments of \$36,000 to \$56,000 through June 1, 2060. Interest rates from 1.125% 1,810,000

\$769,000 of Water Bonds executed on August 28, 2020 are due on June 1 in installments of \$15,000 to \$24,000 through June 1, 2060. Interest rates from 1.125% 754,000

\$ 3,618,057

* The Town expects to receive \$13,184 of the principal payments for this debt going forward from Warren County and the Town of Norlina beginning with the initial principal payment due in May of 2022. These contributions will represent 55.85% of the total debt service payments and are expected to continue until the debt is satisfied.

TOWN OF WARRENTON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

b. Changes in Long-Term Liabilities

A summary of changes in long-term obligations follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities:			
2022	\$ 30,862	\$ 2,294	\$ 33,156
2023	21,405	1,468	22,873
2024	13,424	944	14,368
2025	9,593	613	10,206
2026	5,115	311	5,426
2027	1,156	158	1,314
	<u>\$ 81,555</u>	<u>\$ 5,788</u>	<u>\$ 87,343</u>
Business-Type Activities:			
Water and Sewer Fund:			
2022	\$ 125,891	\$ 36,193	\$ 162,084
2023	121,536	34,725	156,261
2024	117,620	33,508	151,128
2025	116,438	32,385	148,823
2026	111,851	31,262	143,113
2027-2061	3,024,721	536,113	3,560,834
	<u>\$3,618,057</u>	<u>\$ 704,186</u>	<u>\$4,322,243</u>

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>	<u>Current Portion of Balance</u>
Governmental Activities:					
Installment purchases	\$ 120,426	\$ -	\$ 38,871	\$ 81,555	\$ 30,862
Net pension liability (LGERS)	141,571	77,980	-	219,551	-
Total pension liability (LEOSSA)	31,828	35,024	-	66,852	-
Compensated absences	27,827	8,039	1,548	34,318	21,620
Total	<u>\$ 321,652</u>	<u>\$ 121,043</u>	<u>\$ 40,419</u>	<u>\$ 402,276</u>	<u>\$ 52,482</u>
Business-Type Activities:					
Installment purchases	\$ 3,092,606	\$ 3,236,609	\$ 2,711,158	\$ 3,618,057	\$ 125,891
Net pension liability (LGERS)	94,381	51,986	-	146,367	-
Compensated absences	26,929	4,478	3,401	28,006	17,644
Total	<u>\$ 3,213,916</u>	<u>\$ 3,293,073</u>	<u>\$ 2,714,559</u>	<u>\$ 3,792,430</u>	<u>\$ 143,535</u>

At June 30, 2021, the Town had a legal debt margin of \$5,870,572.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2—Detail notes on all funds (continued)

c. Commitments

The Town has entered into a contract with Soul City Sanitary District for the sale of water to the Town until March 20, 2037. The Town is obligated to purchase a minimum of 250,000 gallons of water per day under the terms of this agreement.

The Town has entered into a contract with the Town of Norlina and Warren County in which the Town has agreed to operate the wastewater treatment facility, and the cost of these operations is allocated between the parties as follows: Warren County – 31.17%, Warrenton – 44.15%, and Norlina 24.68%. The Town charges all related expenses to the Wastewater Treatment Fund and bills Warren County and Norlina monthly for their share of the expenses. This agreement is in effect until a new agreement or an amendment is made.

The Town has entered into a contract with Warrenton Rural Voluntary Fire Association, Inc. for fire protection services until June 30, 2024. The Town is obligated to pay \$70,000 annually under the terms of this contract.

The Town has entered into a contract with Harris Investments, Inc. to lease land from November 1, 2015 through October 31, 2025 for \$1,000 per year for the purpose of placing yard waste, leaves, and storm debris.

C. Interfund Balances and Activity

At June 30, 2021, the Water and Sewer Fund paid \$273,821 to the Wastewater Treatment Fund for the Town's share of wastewater treatment operations. As this amount represents interfund services provided and used, it is recorded as revenue in the Wastewater Treatment Fund and as an expense in the Water and Sewer Fund.

During the year, the equity of two funds were transferred from the Water Sewer Fund to the General Fund and one to its own Special Revenue Fund.

D. Fund Balance

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

Total fund balance - General Fund	\$ 1,075,211
Less:	
Stabilization by state statue	270,269
USDA	5,666
Streets - Powell Bill	1,779
Appropriated Fund Balance in 2022 budget	13,255
Remaining Fund Balance	\$ 784,242

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Town Administrator will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-Town funds, and Town 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 Town Administrator has the authority to deviate from this policy if it is in the best interest of the Town.

The Town has officially adopted a fund balance policy to maintain an available fund balance of 45% of the general fund expenditures.

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

Note 3—Jointly governed organization

The Kerr-Tar Council of Government (the “Council”) is a voluntary association of five county and fifteen Town and town governments, including the Town, established to coordinate federal and state projects of a planning nature in the five county area in central North Carolina. Each county, Town, and town appoints one member to the Council’s governing body and his governing body selects the management and determines the budget and financing requirements of the Council. The Town contributed \$577 to the Council during the year ended June 30, 2021.

Note 4—Summary disclosure of significant contingencies

Federal and State Assisted Programs

The Town 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 monies 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 monies.

Note 5— Subsequent events

The Town has evaluated events from the date of the balance sheet through the date the report is available to be issued which is the date of the report of independent auditor. The Town has not evaluated subsequent events after that date. There were no subsequent events during this period that require disclosure.

TOWN OF WARRENTON

REQUIRED SUPPLEMENTARY FINANCIAL DATA

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

- Local Government Employees' Retirement System – Schedule of the Proportionate Share of Net Pension Liability (Asset)
- Local Government Employees' Retirement System – Schedule of Contributions
- Law Enforcement Officers' Special Separation Allowance – Schedule of Changes in Total Pension Obligation
- Law Enforcement Officers' Special Separation Allowance – Schedule of Total Pension Obligation as a Percentage of Covered Payroll

TOWN OF WARRENTON, NORTH CAROLINA**SCHEDULE 1****REQUIRED SUPPLEMENTARY INFORMATION****LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM –****SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)***LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
Warrenton's proportion of the net pension liability (asset) (%)	0.01024%	0.00864%	0.00870%	0.01100%	0.01191%	0.01015%	0.00907%	0.00400%
Warrenton's proportion of the net pension liability (asset) (\$)	\$ 365,919	\$ 235,952	\$ 206,394	\$ 168,050	\$ 252,770	\$ 45,552	\$ (53,490)	\$ 48,215
Warrenton's covered payroll	\$ 744,419	\$ 693,583	\$ 661,731	\$ 693,131	\$ 674,953	\$ 610,237	\$ 488,917	\$ 484,406
Warrenton's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	49.15%	34.02%	31.19%	24.25%	37.45%	7.46%	-10.94%	9.95%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

**This will be the same percentage for all participant employers in the LGERS plan

Note: Ten years of information will be presented as it becomes available.

TOWN OF WARRENTON, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM –
SCHEDULE OF CONTRIBUTIONS

SCHEDULE 2

LAST EIGHT FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 129,830	\$ 120,920	\$ 104,607	\$ 95,971	\$ 97,279	\$ 88,326	\$ 83,130	\$ 32,304
Contributions in relation to the contractually required contribution	129,830	120,920	104,607	95,971	97,279	88,326	83,130	32,304
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Warrenton's covered payroll	\$ 775,836	\$ 744,419	\$ 693,583	\$ 661,731	\$ 693,131	\$ 674,953	\$ 610,237	\$ 488,917
Contributions as a percentage of covered payroll	16.73%	16.24%	15.08%	14.50%	14.03%	13.09%	13.62%	6.61%

Note: Ten years of information will be presented as it becomes available.

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TOWN OF WARRENTON, NORTH CAROLINA**SCHEDULE 3****REQUIRED SUPPLEMENTARY INFORMATION****LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE –****SCHEDULE OF CHANGES IN TOTAL PENSION OBLIGATION***LAST FIVE YEARS*

	2021	2020	2019	2018	2017
Beginning balance	\$ 31,828	\$ 25,977	\$ 26,571	\$ 50,058	\$ 46,433
Service Cost	3,522	2,461	2,643	2,444	3,361
Interest on the total pension liability	1,038	946	840	1,932	1,658
Differences between the expected and actual experience in the measurement of the total pension liability	3,809	1,357	(2,861)	(29,964)	-
Changes of assumptions or other inputs	26,655	1,087	(1,216)	2,101	(1,394)
Ending balance of the total pension liability	<u>\$ 66,852</u>	<u>\$ 31,828</u>	<u>\$ 25,977</u>	<u>\$ 26,571</u>	<u>\$ 50,058</u>

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

Note: Ten years of information will be presented as it becomes available.

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TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 4

REQUIRED SUPPLEMENTARY INFORMATION**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE –****SCHEDULE OF TOTAL PENSION OBLIGATION AS A PERCENTAGE OF COVERED PAYROLL***LAST FIVE YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 66,852	\$ 31,828	\$ 25,977	\$ 26,571	\$ 50,058
Covered payroll	\$ 180,318	\$ 128,043	\$ 119,611	\$ 156,513	\$ 180,588
Total pension liability as a percentage of covered payroll	37.07%	24.86%	21.72%	16.98%	27.72%

Notes to the schedules:

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

Note: Ten years of information will be presented as it becomes available.

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TOWN OF WARRENTON

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 5

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL – GENERAL FUND**

YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	\$ -	\$ 437,659	-
Motor vehicles taxes	-	40,762	-
Penalties and interest	-	3,239	-
Total	<u>496,486</u>	<u>481,660</u>	<u>(14,826)</u>
Unrestricted intergovernmental:			
Local option sales taxes	-	279,115	-
Utility franchise tax	-	86,459	-
Beer and wine tax	-	3,396	-
Gas tax refund	-	1,225	-
Refund Sales Tax	-	-	-
Total	<u>330,600</u>	<u>370,195</u>	<u>39,595</u>
Restricted intergovernmental:			
Powell Bill allocation	-	24,128	-
Total	<u>25,583</u>	<u>24,128</u>	<u>(1,455)</u>
Permits and fees:			
Zoning fees	-	700	-
Code enforcement	-	2,575	-
Parking fees and enforcement	-	210	-
Court fees	-	302	-
Cemetery fees	-	1,000	-
Total	<u>6,340</u>	<u>4,787</u>	<u>(1,553)</u>
Sales and services:			
Landfill fees	-	178,626	-
Cell tower rent	-	32,340	-
Miscellaneous	-	5,618	-
Total	<u>221,830</u>	<u>216,584</u>	<u>(5,246)</u>
Investment earnings	<u>6,050</u>	<u>123</u>	<u>(5,927)</u>
Total revenues	<u>1,086,889</u>	<u>1,097,477</u>	<u>10,588</u>

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 5

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL – GENERAL FUND (CONTINUED)**

YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures:			
General Government			
Governing Body			
Personnel services	\$ -	\$ 1,624	\$ -
Operating expenditures	-	225	-
Total	<u>2,165</u>	<u>1,849</u>	<u>316</u>
Administration			
Personnel services	-	236,329	-
Operating expenditures	-	95,882	-
Capital outlay	-	7,035	-
Administrative fee paid by Water and Sewer	-	(121,966)	-
Total	<u>213,690</u>	<u>217,280</u>	<u>(3,590)</u>
Total general government	<u>215,855</u>	<u>219,129</u>	<u>(3,274)</u>
Public Safety			
Police			
Personnel services	-	345,159	-
Operating expenditures	-	95,437	-
Total	<u>470,837</u>	<u>440,596</u>	<u>30,241</u>
Fire			
Personnel services	-	3,106	-
Operating expenditures	-	86,734	-
Total	<u>90,285</u>	<u>89,840</u>	<u>445</u>
Total public safety	<u>561,122</u>	<u>530,436</u>	<u>30,686</u>
Streets			
Street repair and construction			
Personnel services	-	93,885	-
Operating expenditures	-	139,346	-
Mowing fees paid by Water and Sewer	-	(13,500)	-
Total	<u>228,088</u>	<u>219,731</u>	<u>8,357</u>
Total streets	<u>228,088</u>	<u>219,731</u>	<u>8,357</u>

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 5

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL – GENERAL FUND (CONTINUED)**

YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
Environmental Protection			
Sanitation			
Personnel services	\$ -	\$ 68,986	\$ -
Operating expenditures	-	34,218	-
Total	<u>110,255</u>	<u>103,204</u>	<u>7,051</u>
Total environmental protection	<u>110,255</u>	<u>103,204</u>	<u>7,051</u>
Debt service			
Principal retirement	-	37,749	-
Interest and other charges	-	3,578	-
Total	<u>51,193</u>	<u>41,327</u>	<u>9,866</u>
Total expenditures	<u>1,166,513</u>	<u>1,113,827</u>	<u>52,686</u>
Revenues over (under) expenditures	<u>(79,624)</u>	<u>(16,350)</u>	<u>63,274</u>
Other financing sources (uses):			
Gain on sale of fixed assets	-	1,766	1,766
Transfers	32,497	(14,756)	(47,253)
Fund balance appropriated	<u>47,127</u>	<u>-</u>	<u>(47,127)</u>
Total	<u>79,624</u>	<u>(12,990)</u>	<u>(92,614)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>(29,340)</u>	<u>\$ (29,340)</u>
Fund balances, beginning		<u>1,104,551</u>	
Fund balances, ending		<u>\$ 1,075,211</u>	

TOWN OF WARRENTON, NORTH CAROLINA
COMBINING BALANCE SHEET –
NONMAJOR GOVERNMENTAL FUNDS

SCHEDULE 6

JUNE 30, 2021

	Coronavirus Relief Grant	Neighborhood Revitalization CDBG Grant	NC VW Settlement Grant	Revolving Loan Fund	Milano's Downtown	Frontier Warren Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	\$ -	\$ (3,569)	\$ -	\$ 11,381	\$ -	(5,840)	\$ 1,972
Accounts receivable	-	-	-	10,347	-	360	10,707
Due from other governments	-	3,569	-	-	3,997	-	7,566
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,728</u>	<u>\$ 3,997</u>	<u>\$ (5,480)</u>	<u>\$ 20,245</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ 162,982	\$ -	\$ 3,212	\$ -	\$ 166,194
FUND BALANCES							
Restricted:							
Cultural and recreation	-	-	-	-	785	-	785
Economic and physical development	-	-	-	-	-	(5,480)	(5,480)
Debt reserve	-	-	-	21,728	-	-	21,728
Unassigned	-	-	(162,982)	-	-	-	(162,982)
Total fund balances	<u>-</u>	<u>-</u>	<u>(162,982)</u>	<u>21,728</u>	<u>785</u>	<u>(5,480)</u>	<u>(145,949)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,728</u>	<u>\$ 3,997</u>	<u>\$ (5,480)</u>	<u>\$ 20,245</u>

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TOWN OF WARRENTON, NORTH CAROLINA
SCHEDULE 7
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2021

	Coronavirus Relief Fund	Neighborhood Revitalization CDBG Grant	NC VW Settlement Grant	Revolving Loan Fund	Milano's Downtown	Frontier Warren Fund	Total Nonmajor Governmental Funds
Revenues:							
Restricted intergovernmental	\$ 40,958	\$ 3,569	\$ -	\$ 3,276	\$ 408	\$ -	\$ 48,211
Miscellaneous	-	-	-	-	-	42,403	42,403
Total revenues	<u>40,958</u>	<u>3,569</u>	<u>-</u>	<u>3,276</u>	<u>408</u>	<u>42,403</u>	<u>90,614</u>
Expenditures:							
Public safety	40,958	-	-	-	-	-	40,958
Economic and physical development	-	3,569	-	-	(377)	47,883	51,075
Capital Outlay	-	-	162,982	-	-	-	162,982
Total expenditures	<u>40,958</u>	<u>3,569</u>	<u>162,982</u>	<u>-</u>	<u>(377)</u>	<u>47,883</u>	<u>255,015</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(162,982)</u>	<u>3,276</u>	<u>785</u>	<u>(5,480)</u>	<u>(164,401)</u>
Other financing sources							
Transfer from general fund	-	-	-	18,452	-	-	18,452
Total other financings sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,452</u>	<u>-</u>	<u>-</u>	<u>18,452</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(162,982)</u>	<u>21,728</u>	<u>785</u>	<u>(5,480)</u>	<u>(145,949)</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (162,982)</u>	<u>\$ 21,728</u>	<u>\$ 785</u>	<u>\$ (5,480)</u>	<u>\$ (145,949)</u>

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 8

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL (NON-GAAP) – SPECIAL REVENUE FUND –
CORONAVIRUS RELIEF FUND***FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021*

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
NC Coronavirus Relief	\$ 96,548	\$ -	\$ 40,958	40,958	\$ (55,590)
Expenditures:					
Current:					
Public Safety					
Coronavirus relief expenses	96,548	-	40,958	40,958	55,590
Revenues under expenditures	-	-	-	-	-
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balances, beginning			<u>-</u>		
Fund balances, ending			<u>\$ -</u>		

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 9

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL (NON-GAAP) – SPECIAL REVENUE FUND – NEIGHBORHOOD
REVITALIZATION CDBG GRANT FUND***FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021*

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
CDBG Grant Revenue	\$ 750,000	\$ -	\$ 3,569	\$ 3,569	\$ (746,431)
Expenditures:					
Current:					
Economic & Physical Dev					
Project cost	680,000	-	-	-	680,000
Administrative Expense	70,000	-	3,569	3,569	66,431
	750,000	-	3,569	3,569	746,431
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balances, beginning			-		
Fund balances, ending			<u>\$ -</u>		

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 10

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL (NON-GAAP) – SPECIAL REVENUE FUND – VW SETTLEMENT
GRANT FUND***FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021*

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
NC VW Settlement Grant	\$ 218,780	\$ -	\$ -	\$ -	\$ (218,780)
Expenditures:					
Current:					
Public Works					
Capital outlay	224,260	-	162,982	162,982	61,278
Revenues under expenditures	(5,480)	-	(162,982)	(162,982)	(157,502)
Other Financing Sources:					
Town contribution	5,480	-	-	-	5,480
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	(162,982)	<u>\$ (162,982)</u>	<u>\$ (152,022)</u>
Fund balances, beginning			-		
Fund balances, ending			<u>\$ (162,982)</u>		

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TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 11

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL (NON-GAAP) – SPECIAL REVENUE FUND – REVOLVING
LOAN FUND***FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021*

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Principal payments	\$ 2,832	\$ -	\$ 2,832	\$ 2,832	\$ -
Interest income	444	-	444	444	-
	3,276	-	3,276	3,276	-
Revenues and other financing sources over expenditures	<u>\$ 2,832</u>	<u>\$ -</u>	3,276	<u>\$ 3,276</u>	<u>\$ -</u>
Fund balances, beginning			18,452		
Fund balances, ending			<u>\$ 21,728</u>		

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 12

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET TO ACTUAL (NON-GAAP) – SPECIAL REVENUE FUND –
 MILANO'S DOWNTOWN FUND**
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Prior Years	Actual	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
Reimbursable grant	\$ 500,000	\$ 279,882	\$ -	\$ 279,882	\$ (220,118)
Reimbursable COG fee	5,000	5,000	408	5,408	408
Total	<u>505,000</u>	<u>284,882</u>	<u>408</u>	<u>285,290</u>	<u>(219,710)</u>
Total revenues	<u>505,000</u>	<u>284,882</u>	<u>408</u>	<u>285,290</u>	<u>(219,710)</u>
Expenditures:					
Economic and Physical Development:					
Building renovation	500,000	279,882	(377)	279,505	220,495
COG fee	5,000	5,000	-	5,000	-
Total	<u>505,000</u>	<u>284,882</u>	<u>(377)</u>	<u>284,505</u>	<u>220,495</u>
Total expenditures	<u>505,000</u>	<u>284,882</u>	<u>(377)</u>	<u>284,505</u>	<u>220,495</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>785</u>	<u>\$ 785</u>	<u>\$ 785</u>
Fund balances, beginning			-		
Fund balances, ending			<u>\$ 785</u>		

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 13

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET TO ACTUAL (NON-GAAP) – SPECIAL REVENUE FUND –
 FRONTIER WARREN FUND**
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Rental income	\$ 22,000	\$ -	\$ 25,850	\$ -	\$ (22,000)
Contribution from other government	10,000	-	10,000	-	(10,000)
Miscellaneous income	476	-	1,231	-	(476)
Donations	24,024	-	5,322	-	(24,024)
	<u>56,500</u>	<u>-</u>	<u>42,403</u>	<u>-</u>	<u>(56,500)</u>
Expenditures:					
Current:					
Economic development					
Operating expenses	<u>56,500</u>	<u>-</u>	<u>47,883</u>	<u>-</u>	<u>8,617</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(5,480)</u>	<u>\$ -</u>	<u>\$ (13,383)</u>
Fund balances, beginning			<u>-</u>		
Fund balances, ending			<u>\$ (5,480)</u>		

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TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 14

**SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL (NON-GAAP) –
WASTEWATER TREATMENT PLANT FUND**

YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services:			
Wastewater Treatment	\$ -	\$ 633,113	\$ -
Total	694,797	633,113	(61,684)
Total operating revenues	694,797	633,113	(61,684)
Nonoperating revenues:			
Interest earnings	-	2	-
Miscellaneous revenue	19,832	24,640	-
Total nonoperating revenues	19,832	24,642	4,810
Total revenues	714,629	657,755	(56,874)
Expenditures:			
Operating expenditures:			
Salaries and benefits		254,708	-
Audit		8,694	-
Telephone and postage		8,305	-
Freight		2,015	-
Office supplies		1,612	-
Light and heat		85,701	-
Insurance and bonds		20,023	-
Materials and supplies		33,482	-
Vehicle maintenance		3,873	-
Truck expense		5,589	-
Equipment and plant maintenance		87,452	-
Uniforms		2,844	-
Sludge hauling		36,433	-
Influent debris removal		4,040	-
Kerr-Pamlico Basin Association		2,880	-
Permits and fees		6,194	-
OSHA compliance		1,009	-
Lab analysis		15,763	-
Certified lab expense		9,217	-
Computer improvements		5,110	-
Continuing education		525	-
Advertising		1,117	-
Capital outlay		1,759	-
Administrative fee		43,510	-
Total	681,186	641,855	39,331

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 14

**SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL (NON-GAAP) –
WASTEWATER TREATMENT PLANT FUND (CONTINUED)**

YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfer in	\$ 32,497	32,497	\$ -
Coronavirus Relief Fund revenue	-	729	(729)
Coronavirus Relief Fund expense	-	(729)	729
Grant match for capital project	(33,443)	(33,443)	-
Transfer out	(32,497)	(1)	(32,496)
Total other financing sources (uses)	(33,443)	(947)	(32,496)
Revenues and other sources over expenditures and other uses	\$ -	\$ 14,953	\$ 14,953

**Reconciliation from budgetary basis
(modified accrual) to full accrual:**

Revenues and other sources over expenditures and other uses	\$ 14,953
Reconciling items:	
Depreciation	(4,574)
Loss on disposal	(2,007)
Increase in compensated absences	(953)
Capital Outlay	1,759
Revenue and other financing sources from capital projects	1,568,321
Decrease in deferred outflows of resources - pensions	7,587
Decrease in net pension liability	(25,993)
Increase in deferred inflows of resources - pensions	-
Total reconciling items	1,544,140
Net income	\$ 1,559,093

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 15

**SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL (NON-GAAP) –
WWTP GRANT, DIVISION OF WATER INFRASTRUCTURE FUND – CAPITAL PROJECT FUND**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Contributions					
Grant	\$ 1,600,000	\$ -	\$ 1,534,878	1,534,878	\$ (65,122)
Town match	33,443		33,443	33,443	-
	<u>1,633,443</u>	<u>-</u>	<u>1,568,321</u>	<u>1,568,321</u>	<u>(65,122)</u>
Expenditures:					
Construction costs:					
Construction costs	1,701,585	-	1,565,912	1,565,912	135,673
Contingency	<u>52,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,177</u>
Total construction costs	<u>1,753,762</u>	<u>-</u>	<u>1,565,912</u>	<u>1,565,912</u>	<u>187,850</u>
Engineering costs:					
Engineering design	100,650	-	100,650	100,650	-
Construction administration	64,000	-	51,200	51,200	12,800
Construction inspection	<u>100,000</u>	<u>-</u>	<u>77,077</u>	<u>77,077</u>	<u>22,923</u>
Total engineering costs	<u>264,650</u>	<u>-</u>	<u>228,927</u>	<u>228,927</u>	<u>35,723</u>
Administration costs:					
Grant/loan administration	30,000	-	30,000	30,000	-
ER preparation	20,000	-	15,000	15,000	5,000
Legal, fiscal, admin, permitting	3,720	670	3,050	3,720	-
Closing costs	<u>33,443</u>	<u>-</u>	<u>33,443</u>	<u>33,443</u>	<u>-</u>
Total administration costs	<u>87,163</u>	<u>670</u>	<u>81,493</u>	<u>82,163</u>	<u>5,000</u>
Total expenditures	<u>2,105,575</u>	<u>670</u>	<u>1,876,332</u>	<u>1,877,002</u>	<u>228,573</u>
Other financing sources					
USDA loan	<u>472,132</u>	<u>-</u>	<u>341,456</u>	<u>341,456</u>	<u>(130,676)</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ (670)</u>	<u>\$ 33,445</u>	<u>\$ 32,775</u>	<u>\$ 32,775</u>

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 16

**SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL (NON-GAAP) –
WATER AND SEWER FUND**

YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services:			
Water and sewer sales	\$ -	\$ 1,382,736	\$ -
Water and sewer taps	-	8,994	-
Total operating revenues	<u>1,451,285</u>	<u>1,391,730</u>	<u>(59,555)</u>
Nonoperating revenues:			
Interest earnings	-	75	-
Miscellaneous revenue	-	1,004	-
Total nonoperating revenues	<u>-</u>	<u>1,079</u>	<u>1,079</u>
Total revenues	<u>1,451,285</u>	<u>1,392,809</u>	<u>(58,476)</u>
Expenditures:			
Operating expenditures:			
Salaries and benefits	-	288,960	-
Water purchases	-	228,100	-
Sewer purchases	-	273,821	-
Audit	-	8,694	-
Equipment maintenance	-	8,751	-
Water tank maintenance	-	15,163	-
Building maintenance	-	5,880	-
Contracted services	-	66,425	-
Insurance and bonds	-	14,452	-
Departmental supplies and materials	-	42,422	-
Uniforms	-	3,988	-
Telephone and postage	-	16,703	-
Office supplies	-	4,472	-
Lights and heat	-	8,367	-
Advertising	-	486	-
Easements	-	1,000	-
Truck expense	-	12,231	-
Continuing education	-	485	-
Dues and permits	-	3,065	-
Certified lab expense	-	1,820	-
Computer improvements	-	9,947	-
Contract maintenance	-	16,782	-
Wastewater treatment plant rehab	-	22,881	-
Debt service	-	96,158	-
Interest	-	27,807	-
Capital outlay	-	-	-
Mowing fee	-	13,500	-
Administrative fee	-	78,456	-
Total	<u>1,418,788</u>	<u>1,270,816</u>	<u>147,972</u>

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 16

**SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL (NON-GAAP) –
WATER AND SEWER FUND (CONTINUED)**

YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfer from General Fund	\$ -	\$ 14,757	\$ 14,757
Transfer to other funds	(32,497)	(50,949)	(18,452)
Coronavirus Relief Fund revenue	-	729	729
Coronavirus Relief Fund expense	-	(729)	(729)
Total other financing sources (uses)	(32,497)	(36,192)	(3,695)
Revenues and other sources under expenditures and other uses	\$ -	\$ 85,801	\$ 85,801

**Reconciliation from budgetary basis
(modified accrual) to full accrual:**

Revenues and other sources under expenditures and other uses	\$ 85,801
Reconciling items:	
Principal retirement	96,158
Capital outlay	-
Increase in deferred outflows of resources - pensions	7,587
Increase in net pension liability	(25,993)
Decrease in deferred inflows of resources - pensions	-
Revenue and other financing sources from capital projects	846,163
Depreciation	(379,261)
Increase in compensated absences	(123)
Total reconciling items	544,531
Net income	\$ 630,332

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 17

**SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL (NON-GAAP) –
WATER ASSET MAPPING GRANT FUND – CAPITAL PROJECT FUND***FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021*

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Contributions					
Town match	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -
Grant	100,000	80,200	16,538	96,738	(3,262)
Total revenues	105,000	85,200	16,538	101,738	(3,262)
Expenditures:					
Engineering	105,000	85,200	16,300	101,500	3,500
Revenues under expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238</u>	<u>\$ 238</u>	<u>\$ 238</u>

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TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 18

**SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL (NON-GAAP) –
USDA RURAL DEVELOPMENT GRANT FUND – CAPITAL PROJECT FUND**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			Variance
	Project	Prior	Current	Total to	Positive
	Authorization	Years	Year	Date	(Negative)
Revenues:					
Contributions					
Grant	\$ 3,420,000	\$1,414,474	\$ 689,106	2,103,580	\$(1,316,420)
Expenditures:					
Water and sewer line					
replacements	3,321,907	880,210	423,224	1,303,434	2,018,473
Construction	1,932,489	143,525	652,961	796,486	1,136,003
Architect fees	60,000	-	13,042	13,042	46,958
Contingency	293,638	102,067	2,063	104,130	189,508
Engineering fees	223,325	9,262	62,176	71,438	151,887
Administration	61,750	-	-	-	61,750
Interest	86,891	-	(12,725)	(12,725)	99,616
Service easement	30,000	-	-	-	30,000
Legal and administrative	25,000	11,850	12,590	24,440	560
Total expenditures	6,035,000	1,146,914	1,153,331	2,300,245	3,734,755
Revenues under expenditures	(2,615,000)	267,560	(464,225)	(196,665)	2,418,335
Other financing sources					
USDA loan	2,615,000	-	228,000	228,000	(2,387,000)
Revenues and other financing					
sources over (under)					
expenditures	\$ -	\$ 267,560	\$ (236,225)	\$ 31,335	\$ 31,335

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 19

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET TO ACTUAL (NON-GAAP) –
 SEWER ASSET MAPPING GRANT FUND**
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Contributions					
Town match	\$ 7,500	\$ 5,250	\$ -	\$ 5,250	\$ (2,250)
Grant	150,000	103,950	41,157	145,107	(4,893)
Total revenues	157,500	109,200	41,157	150,357	(7,143)
Expenditures:					
Engineering	157,500	109,200	40,800	150,000	7,500
Revenues under expenditures	\$ -	\$ -	\$ 357	\$ 357	\$ 357

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TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 20

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET TO ACTUAL (NON-GAAP) –
 BATTLE AVENUE SEWER REPLACEMENT GRANT FUND**
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Contributions					
Town match	\$ 11,995	\$ 11,995	\$ -	\$ 11,995	\$ -
Grant	553,594	459,318	85,075	544,393	(9,201)
Total revenues	565,589	471,313	85,075	556,388	(9,201)
Expenditures:					
Engineering	738,125	627,126	97,489	724,615	13,510
Grant fee	8,304	-	-	-	8,304
Loan fee	3,691	3,641	3,641	7,282	(3,591)
Total expenditures	750,120	630,767	101,130	731,897	18,223
Revenues under expenditures	(184,531)	(159,454)	(16,055)	(175,509)	9,022
Other financing sources					
NC DEQ loan	184,531	153,105	28,358	181,463	(3,068)
Revenues and other financing sources under expenditures	\$ -	\$ (6,349)	\$ 12,303	\$ 5,954	\$ 5,954

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE 21

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET TO ACTUAL (NON-GAAP) –
 BUTE/UNITY SEWER REPLACEMENT GRANT FUND**
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Contributions					
Town match	\$ 7,475	\$ 7,475	\$ -	\$ 7,475	\$ -
Grant	345,000	265,320	71,387	336,707	(8,293)
Total revenues	352,475	272,795	71,387	344,182	(8,293)
Expenditures:					
Engineering	460,000	405,593	43,349	448,942	11,058
Grant fee	5,175	5,175	-	5,175	-
Loan fee	2,300	2,300	-	2,300	-
Total expenditures	467,475	413,068	43,349	456,417	11,058
Revenues under expenditures	<u>(115,000)</u>	<u>(140,273)</u>	<u>28,038</u>	<u>(112,235)</u>	<u>2,765</u>
Other financing sources					
NC DEQ loan	115,000	88,440	23,795	112,235	(2,765)
Revenues and other financing sources under expenditures	<u>\$ -</u>	<u>\$ (51,833)</u>	<u>\$ 51,833</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF WARRENTON

OTHER SCHEDULES

This section contains additional information required on property taxes.

- Schedule of Ad Valorem Taxes Receivable – General Fund
- Analysis of Current Tax Levy – Town-Wide Levy

TOWN OF WARRENTON, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE – GENERAL FUND

SCHEDULE 22

YEAR ENDED JUNE 30, 2021

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections And Credits	Uncollected Balance June 30, 2021
2020- 2021	\$ -	\$ 476,984	\$ 465,913	\$ 11,071
2019- 2020	11,492	-	7,093	4,399
2018- 2019	7,389	-	5,514	1,875
2017- 2018	2,244	-	513	1,731
2016- 2017	1,580	-	-	1,580
2015- 2016	1,575	-	-	1,575
2014- 2015	1,351	-	-	1,351
2013- 2014	2,133	-	-	2,133
2012- 2013	1,476	-	159	1,317
2011- 2012	1,054	-	-	1,054
2010- 2011	1,092	-	-	1,092
2009- 2010	1,211	-	1,211	-
	<u>\$ 32,597</u>	<u>\$ 476,984</u>	<u>\$ 480,403</u>	<u>\$ 29,178</u>

Reconcilement with revenues:

Ad valorem taxes - General Fund	\$ 481,660
Reconciling items:	
Adjustments	1,982
Interest collected	(3,239)
Releases	-
Subtotal	<u>(1,257)</u>
Total collections and credits	<u>\$ 480,403</u>

TOWN OF WARRENTON, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY – TOWN-WIDE LEVY

SCHEDULE 23

YEAR ENDED JUNE 30, 2021

	Town-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at					
current year rate	\$ 67,511,231	0.65	\$ 438,823	\$ 438,823	\$ -
Discoveries	-	0.65	-	-	-
Registered motor vehicles	5,870,923	0.65	38,161	-	38,161
Total Property Valuation	<u>\$ 73,382,154</u>		<u>\$ 476,984</u>	<u>\$ 438,823</u>	<u>\$ 38,161</u>
Net levy			\$ 476,984	\$ 438,823	\$ 38,161
Uncollected taxes at June 30, 2021			<u>(11,071)</u>	<u>(10,719)</u>	<u>(352)</u>
Current year's taxes collected			<u>\$ 465,913</u>	<u>\$ 428,104</u>	<u>\$ 37,809</u>
Current levy collection percentage			<u>97.68%</u>	<u>97.56%</u>	<u>99.08%</u>

TOWN OF WARRENTON

COMPLIANCE SECTION

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**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Honorable Mayor and
Board of Commissioners
Town of Warrenton, North Carolina

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

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 financial statements. 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2021-001.

Town's Response to Findings

The Town's responses to the finding identified in our audit was described in the accompanying schedule of finding and responses. The Town'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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Raleigh, North Carolina
June XX, 2022

DRAFT

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act

To the Honorable Mayor and
Board of Commissioners
Town of Warrenton, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Town of Warrenton, North Carolina (the "Town"), 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 the Town's major federal program for the year ended June 30, 2021. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal program 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, the 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 the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, 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 Town'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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Raleigh, North Carolina
June XX, 2022

**Report of Independent Auditor on Compliance with Requirements Applicable for Each Major
State Program and on Internal Control over Compliance Required by
the Uniform Guidance and the State Single Audit Implementation Act**

To the Honorable Mayor and
Board of Commissioners
Town of Warrenton, North Carolina

Report on Compliance for Each Major State Program

We have audited the Town of Warrenton, North Carolina's (the "Town") 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 the Town's major state program for the year ended June 30, 2021. The Town's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major state program 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, the Uniform Guidance and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town'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 state program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major State Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, 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 Town'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 a 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Raleigh, North Carolina
June XX, 2022

TOWN OF WARRENTON, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2021

	Assistance Listing Number	State/Pass-through Grantor's Number	Federal Expenditures	State Expenditures
Federal Awards:				
<u>U.S. Department of Agriculture</u>				
Water and Waste Disposal				
Rural Development Grant Town Hall				
Systems for Rural Communities	10.760		1,153,331	-
			1,153,331	
<u>U.S. Department of Treasury</u>				
Passed-Through Warren County				
Coronavirus Relief Fund and CARES Act - COVID-19	21.019		40,985	-
<u>State Awards:</u>				
CDBG Neighborhood Revitalization				3,569
<u>North Carolina Department of Environmental Quality</u>				
VW-On Road Program - Class 4-7		45864VW		162,982
Norht Carolina Revolving Loan & Grant Program, WWTP		E-SRP-W-17-0038		1,876,332
Water Asset Inventory & Assessment Grant		H-AIA-D-17-0104	-	16,300
Sewer Asset Inventory & Assessment Grant		E-AIA-W-18-0131	-	40,800
Connect NC Bonds Tax Exempt Program				
Unity/Bute Sewer Rehab		E-SRP-W-17-0102	-	43,349
Battle Ave Sewer Rehab		E-SRP-W-17-0052	-	101,130
Total North Carolina Department of Environmental Quality			-	2,240,893
Total Federal and State Awards			\$ 1,194,316	\$ 2,244,462

TOWN OF WARRENTON, NORTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2021

Note 1—Basis of Presentation

The accompanying schedule of expenditures of Federal and State awards (SEFSA) includes the federal and State grant activity of the Town of Warrenton 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 SEFSA presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

Note 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 reimbursement. Therefore, some amounts presented in this schedule may differ from those amounts presented in, or used in the preparation of, the basic financial statements.

The Town of Warrenton has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

The Town did not incur any passed-through sub-recipient expenditures during the fiscal year ended June 30, 2021.

Note 3—Outstanding Loans

The Town had obtained two loans under the United States Department of Agriculture Water and Waste Disposal, Rural Development Grant Town Hall Systems for Rural Communities program (assistance listing number #10.760) during the year ended June 30, 2021. The Town's loan proceeds and qualified expenditures incurred during the project are included in the accompanying SEFSA in accordance with 2 CFR §200.502(b). The project is still open as of year-end. Once the project is completed, the Town will not be required to report any outstanding loan balances as the loans are no longer considered to have continuing compliance requirements. The balance of loans outstanding at June 30, 2021 totaled \$2,564,000.

The Town received no interest financing under the North Carolina Department of Environmental Quality, Water Infrastructure Fund, Connect NC tax exempt bond program. Total obligations due by the Town under the program at June 30, 2021 totaled 278,860.

TOWN OF WARRENTON, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued as to whether the financial statements are presented in accordance with U.S. GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that is not considered to be material weakness ☐ yes ☒ none reported

Noncompliance material to financial statements noted

☒ yes ☐ no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses ☐ yes ☒ none reported

Noncompliance material to federal awards

☐ yes ☒ no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ yes ☒ no

Identification of major federal programs:

CFDA No.

10.760

Name of Federal Program or Cluster

Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to distinguish between Type A and Type B Programs

\$750,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no

TOWN OF WARRENTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

State Awards

Internal control over major state programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported
- Noncompliance material to state awards noted? _____ yes X no

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

_____ yes X no

Identification of major state programs:

Program Name

North Carolina Revolving Loan & Grant Program

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TOWN OF WARRENTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2021

Section II. Financial Statement Findings

Finding 2021-001 Untimely Audit Submission

Criteria: An audit of the financial statements to be completed within 120 days after year-end per North Carolina State General Statute G.S. 159.

Condition: Personnel changes at both audit firms retained by the Town prevented timely completion of financial statements.

Effect: Audit was unable to be completed within 120 days after year-end due to changes in personnel at both retained audit firms.

Recommendation: Prepare for unforeseen circumstances.

Management Response: Management agrees with this finding.

Section III. Federal Award Findings and Questioned Costs

None reported.

Section IV. State Award Findings and Questioned Costs

None reported.

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TOWN OF WARRENTON, NORTH CAROLINA
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2021

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TOWN OF WARRENTON, NORTH CAROLINA
SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2021

Status of Prior Year Audit Findings:

None noted.

DRAFT



Walter M. Gardner, Jr. – Mayor
Robert Davie – Town Administrator

P.O. Box 281
Warrenton, NC 27589-0281
(252) 257-1122 Fax (252) 257-9219
www.warrenton.nc.gov

Audit of Financial Statements for the Fiscal Year Ending 6/30/2019
CORRECTIVE ACTION PLAN

Finding 2019-001:
Non-material Non-compliance-Advertising the Budget

Name of Contact Person: Robert Davie

In the past the Town has relied on procedures performed in the past. The Town has re-familiarized itself with General Statutes 159.8-17 and will comply with the General Statutes in the future.

Proposed Completion Date: April 30, 2019

Warrenton Budget Amendments

Date:

7/11/2022

Number:

#1

Purpose of Amendment:

This budget amendment is to address the unexpected change in health insurance expense.

Fund Name:

All funds except WS/WWTP

Revenue

[illegible]

Subtotal

14,453

—

Total

14,453

Grand Total

—

Expenditure

[illegible]

14,453

14,453



Walter M. Gardner, Jr. – Mayor
Robert F. Davie, Jr. – Town Administrator

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ARP Funding Request

Sewer Main Located in John Riggan's Pasture

Creek flowing too close to the sewer main and encroaching to the danger point. Reinforced sewer line and shifted the creek bed and reinforced the bank in two spots with rip rap.

Mobility 3 pieces	\$600
Labor and equipment	\$5000
Casing and labor	\$3800
Fabric	\$345
Rip-rap 103.33 tons @\$29.00	\$2996.57
Freight 6 loads @ \$150	\$900
Concrete 5 cubic yards	\$773.94
Support and planning	\$1000
Subtotal	\$15,415.51
18% OH&P	<u>\$2,774.79</u>
Total	\$18,190.30

James C Harris, Jr
Harris Equipment Company

Budget vs Actual

7/5/2022 11:15:45 AM

Page 1 Of 1

Period Ending 6/30/2022

70 SR American Rescue Plan Grant								
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent	
Revenues								
70-335-338 SR American Rescue Plan Grant Revenue	265,475	0.00	0.00	0.00	132,737.49	(132,737.51)	50%	
Revenues Totals:	265,475	0.00	0.00	0.00	132,737.49	(132,737.51)	50%	
Expenses								
70-431-700 Provision of General Admin Services SR ARP Expense	159,095	0.00	14.99	44.97	59.96	159,035.44	0%	
70-431-701 Provision of Water/Sewer Services SR ARP Grant	26,250	0.00	980.00	980.00	1,230.00	25,020.00	5%	
70-431-702 Provision of Park Services SR ARP Grant	23,100	0.00	0.00	0.00	23,100.00	0.00	100%	
70-902-702 Transfer Out to GF Expense from ARP Grant	27,486	0.00	0.00	0.00	27,485.93	0.00	100%	
70-902-703 Transfer Out to WS Expense from ARP Grant	29,544	0.00	1,470.00	1,470.00	29,542.67	1.00	100%	
Totals:	265,475	0.00	2,464.99	2,494.97	81,418.56	184,056.44	31%	
Expenses Totals:	265,475	0.00	2,464.99	2,494.97	81,418.56	184,056.44	31%	
70 SR American Rescue Plan Grant	Revenues Over/(Under) Expenses:		(2,464.99)	(2,494.97)	51,318.93			



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Remaining Issues Related to Downtown Development Grant (Milano's)

1. Ventilation to the side of the building instead of through the roof was not approved by State Historic Preservation Office. Concern is that Commerce will claw back funds from the Town for non-compliance.
2. Brick on bottom façade was not approved by SHPO or local Historic District Commission. Specifically denied by HDC. Should be replaced with black tile as proscribed by SHPO. Again, concern is that Commerce will claw back funds from the Town for non-compliance.
3. Architect plans used for Phase II, developed by Belk Architecture, were not paid for. A balance of \$25,856 remains which is \$12,306 less than the original contract. By direction of Commerce, the Town has the contract with the architect. Milano's already paid for the architect fees for Phase I. My recommendation would be to determine if the architect fees can be taken from the remaining balance of grant funds.
4. A balance of \$2500 is owed to the Town for prepaying Kerr-Tar COG for CDBG project management.
5. A balance of \$1,285 is owed to the Town for insuring the building for approximately 18 months in the absence of insurance by the owner.

Much, but not all, of the reimbursement paperwork has been to Kerr-Tar COG and the Town for the remaining grant funds -- \$221,206.60