

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

WARREN COUNTY,  
NORTH CAROLINA

FOR THE FISCAL YEAR  
ENDING JUNE 30, 2008



Prepared by the Warren County Finance Department

Barry J. Mayo, Finance Director  
Gloria M. Edmonds, Accounting Manager  
Debbie C. Braurer, Accounting Technician  
Evelyn R. Cooper, Accounting Technician  
Cecile J. Renn, Accounting Specialist  
Melissa Gibb, Accounting Technician

County of Warren  
P. O. Box 185  
Warrenton, NC 27589-0185

**WARREN COUNTY, NORTH CAROLINA  
TABLE OF CONTENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

---

INTRODUCTORY SECTION

Letter of Transmittal	2-6
Warren County Government	7
List of Principal Officials	8
Certificate of Achievement for Excellence in Financial Reporting	9

FINANCIAL SECTION

Independent Auditor's Report	11-12
Management's Discussion and Analysis	13-21

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

Exhibit 1	Statements of Net Assets	24
Exhibit 2	Statement of Activities	25

FUND FINANCIAL STATEMENTS:

Exhibit 3	Balance Sheet – Governmental Funds	27
Exhibit 3	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	28
Exhibit 4	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	29-30
Exhibit 4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Exhibit 5	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund and Annually Budgeted Major Special Revenue Funds	32-33
Exhibit 6	Statement of Fund Net Assets - Proprietary Fund	34
Exhibit 7	Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Fund	35
Exhibit 8	Statement of Cash Flows – Proprietary Fund	36
Exhibit 9	Statement of Fiduciary Net Assets – Fiduciary Funds	37

**WARREN COUNTY, NORTH CAROLINA  
TABLE OF CONTENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

---

NOTES TO THE FINANCIAL STATEMENTS

39-66

REQUIRED SUPPLEMENTAL FINANCIAL DATA

Exhibit A-1	Law Enforcement Officers' Special Separation Allowance – Schedule of Funding Progress	68
Exhibit A-2	Law Enforcement Officers' Special Separation Allowance – Schedule of Employer Contributions	69

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Major Governmental Funds

Exhibit B-1	General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	72-81
Exhibit B-2	Recreation Complex Phase II – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	82
Exhibit B-3	Special Fire Districts Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	83
Exhibit B-4	Emergency Telephone System Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	84
Exhibit B-5	Library/Meeting Room – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	85

Nonmajor Governmental Funds

Exhibit C-1	Nonmajor Governmental Funds - Combining Balance Sheet	87
Exhibit C-2	Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	88
Exhibit C-3	Revaluation Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	89
Exhibit C-4	CDBG Scattered Site Project – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	90
Exhibit C-5	CDBG Ephraim Place Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	91
Exhibit C-6	Buck Springs Leadership Center – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	92
Exhibit C-7	Recreation Complex Phase I – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	93

**WARREN COUNTY, NORTH CAROLINA  
TABLE OF CONTENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

---

Exhibit C-8	Ambulance Storage Facility – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	94
Exhibit C-9	Animal Control Shelter Project – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	95
Exhibit C-10	Courthouse Annex Building Renovation – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	96

Enterprise Funds

Exhibit D-1	Solid Waste Fund – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	98
Exhibit D-2	Regional Water System Fund – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	99
Exhibit D-3	Soul City Pump Station Improvements – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	100
Exhibit D-4	District One Enterprise Fund – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	101
Exhibit D-5	District Two Enterprise Fund – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	102
Exhibit D-6	District Two/Phase II Capital Project – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	103
Exhibit D-7	District Two/Wise Project – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	104
Exhibit D-8	District Three Enterprise Fund – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	105
Exhibit D-9	District Three/Phase I Capital Project– Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	106
Exhibit D-10	District Three/Phase II Capital Project – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	107

Agency Funds

Exhibit E-1	Agency Funds – Combining Statement of Changes in Assets and Liabilities	109
-------------	---	-----

**OTHER SCHEDULES**

Exhibit F-1	Schedule of Ad Valorem Taxes Receivable	111
-------------	---	-----

**WARREN COUNTY, NORTH CAROLINA  
TABLE OF CONTENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

---

Exhibit F-2	Analysis of Current Tax Levy – County-wide Levy	112
-------------	---	-----

STATISTICAL SECTION

TABLE

1	Net Assets by Components	114
2	Changes in Net Assets	115
3	Governmental Activities Tax Revenues by Sources	116
4	Fund Balances of Governmental Funds	117
5	Changes In Fund Balances of Governmental Funds	118
6	General Governmental Tax Revenues by Sources	119
7	Assessed Value and Estimated Actual Value of Taxable Property	120
8	Property Tax Rates – Direct and Overlapping Governments (Per \$100 of Assessed Value)	121
9	Principal Property Taxpayers	122
10	Property Tax Levies and Collections	123
11	Ratios of Outstanding Debt by Type	124
12	Ratio of General Bonded Debt Outstanding	125
13	Direct and Overlapping Governmental Activities Debt	126
14	Legal Debt Margin Information	127
15	Demographic and Economic Statistics	128
16	Principal Employers	129
17	Full-Time Equivalent County Employees by Function	130
18	Operating Indicators by Function	131
19	Capital Asset Statistics by Function	132

**WARREN COUNTY, NORTH CAROLINA  
TABLE OF CONTENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

---

COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	134-135
Report on Compliance With Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act	136-137
Report on Compliance With Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act	138-139
Schedule of Findings and Questioned Costs	140-141
Corrective Action Plan	142
Summary Schedule of Prior Year Audit Findings	143
Schedule of Expenditures of Federal and State Awards	144-148

# **INTRODUCTORY SECTION**

# Warren County Board of Commissioners

P. O. Box 619

Warrenton, NC 27589

Telephone: (252) 257-3115 Fax: (252) 257-5971

[www.warrencountync.com](http://www.warrencountync.com)

---

December 8, 2008

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

North Carolina State law requires that each year all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The Comprehensive Annual Financial Report for Warren County, North Carolina for the fiscal year ending June 30, 2008 has been prepared in compliance with these requirements and is hereby submitted.

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

The County's financial statements have been audited by Winston, Williams, and Creech, LLP, a firm of licensed certified public accountants. The object of the audit is to provide reasonable assurance that the financial statements of Warren County for the fiscal year ended June 30, 2008 are free from material misstatement. During the course of the audit, evidence supporting the amounts and disclosures in the statements were examined on a test basis. Based on the findings in the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2008, present fairly the financial operations of the county, and are prepared in conformity with GAAP. The independent auditor's report is the first component of the financial section of the report.

The independent audit of the financial statements of Warren County was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal

requirements involving the administration of federal awards. Information related to the Single Audit, including a schedule of expenditures of federal financial and state awards, with the auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of questioned costs is included in the compliance section of this report.

As required by GAAP, the Management Discussion and Analysis (MD&A) is presented in narrative form to introduce the basic financial statements and to provide an overview and analysis of the financial operations for the fiscal year ended June 30, 2008. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A is located immediately following the report of the independent auditor.

### **Financial Reporting Entity**

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

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

### **Profile of Warren County**

Warren County, North Carolina is located in the eastern piedmont bordered on the north by the Commonwealth of Virginia approximately sixty miles from the Raleigh-Durham-Chapel Hill metropolitan area. The County was formed in 1779 when Bute County was abolished and divided into Warren and Franklin counties. The landmass is 429 square miles with a population of 19,605. The County's history is marked by agricultural prosperity in the period just prior to the Civil War. Though the decline of agriculture has hurt the county economically, the remarkable architectural legacy from the pre-Civil War era along with shoreline on two beautiful recreational and residential lakes has provided a basis for a growing tourism industry.

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

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

The County Manager is the chief administrative officer of the County and serves at the pleasure of the Board. The major responsibilities of the Manager include the day-to-day supervision of the activities of the County departments, attendance of Board meetings, making recommendations on matters of business and preparing and recommending the annual budget.

The County offers a wide range of services to its citizens including public safety, health and social services, solid waste, water and sewer, and cultural and recreational activities. This report includes financial information on all of these services. The County also provides financial support to certain other boards and agencies in their efforts toward serving citizens. Among those are the Warren County Board of Education and Vance-Granville Community College.

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

The budget is adopted on a departmental basis, but for internal purposes, accounting records are maintained on an object, or line-item basis. The budget shown in these financial statements is the budget ordinance as amended through June 30, 2008.

### **Factors Affecting Financial Condition**

The decline in housing development and the general economy of the Nation has proven to be an economic challenge for Warren County over the past year. The unemployment rate in September 2007 was 6.4%. In September 2008 unemployment had increased to 9.7%.

Lake Gaston, a flood control lake completed in 1963 is well stocked with game fish and has over 350 miles of shoreline. It is bordered by two states and five counties. Warren County has the largest share of shoreline and has seen dramatic increases in property values in residential property on Lake Gaston; however, the homebuilding industry on Lake Gaston has seen some decline over the past year as well as retail and commercial businesses catering to the Lake Gaston residents and visitors.

## **Major Initiatives**

Warren County's pastoral and historical setting is providing a haven for those wanting to relocate from urban settings to open small businesses in a rural setting. The County's Economic Development requests for information and assistance in starting new businesses in the County remains steady.

Warren County is actively involved in an innovative four-county regional economic development initiative with Franklin, Granville and Vance counties. The driving premise behind the initiative is that by taking a regional approach to economic development, the resources of each county can be shared to hopefully attract higher quality industrial and business investments. The largest certified industrial site in the region is Warren County's 860-acre site located near two major highways, Interstate 85 and US Highway 1.

The County continues to invest in water and sewer infrastructure with the construction of rural water lines in outlying areas of the County. Currently, the construction of additional water lines is anticipated in District III and District III Phase II. The County is moving forward to begin construction of water and sewer lines to serve the Wise Interchange off of Interstate 85. Once infrastructure improvements are completed, a private developer plans to construct a service station/McDonald's restaurant creating approximately 22 full-time jobs.

On November 1, 2008, the County celebrated the dedication and grand opening of a new 13,276 square foot Public Library. The new Library replaces the approximately 3,000 square foot facility that served Warren County's citizens the past 70+ years. The new full-service Library contains a computer lab, a teen patron area, an adult reading area, an area for special collections featuring North Carolina and local history, a large children's area with early literacy computers and a Community Meeting Room.

In 2008, Warren County was the recipient of an \$800,000 grant from the Golden LEAF Foundation to renovate the former National Guard Armory building. The funds will be used along with local and other funding to convert the Armory into a multi-purpose use facility. We anticipate numerous benefits from this project including an enhanced local economy through increased tourism and small business development, and greater access for our citizens to cultural, social, and recreational activities.

## **Cash Management**

The County's investment practices emphasize strict compliance with North Carolina General Statutes and stress safety and liquidity at all times. To maximize investment of funds, all cash is combined in a single central depository. Investments utilized by the County include the North Carolina Capital Management Trust and certificates of deposit.

## **Risk Management**

The County protects itself from loss with general liability insurance, business automobile and professional liability insurance coverage purchased through Argonaut Great Central Insurance Company, and Workers' compensation coverage through Key Risk Insurance Company.

## **Long Term Financial Planning**

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

## **Other Information and Acknowledgements**

The County intends to submit this report to the Governmental Finance Officers Association (GFOA) for its Certificate of Achievement for Excellence in Financial Reporting program. This program recognizes governmental units that publish easily read and efficiently organized Comprehensive Annual Financial Reports that conform to program standards. The Certificate of Achievement is the highest form of recognition awarded in the field of governmental financial reporting.

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

Respectfully Submitted,

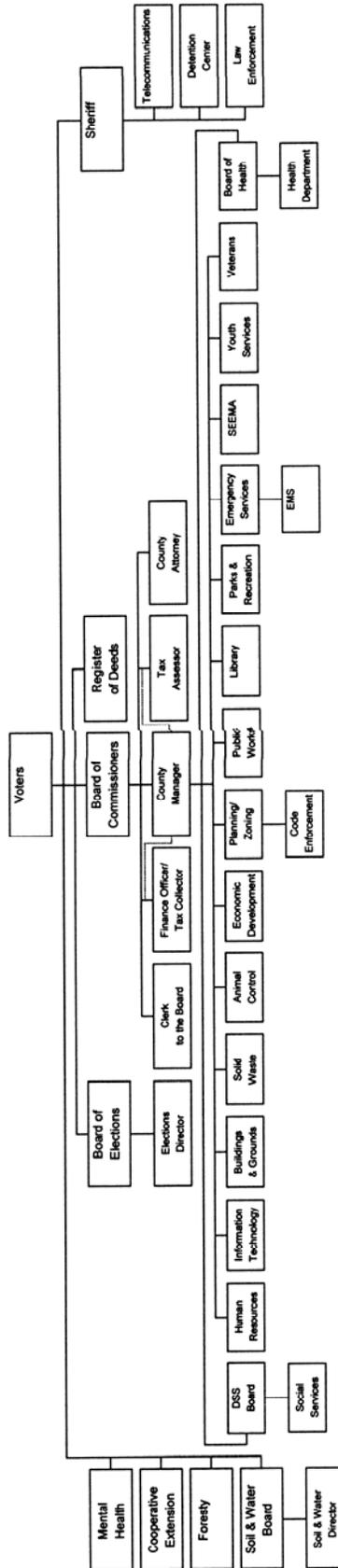


Linda T. Worth  
County Manager



Barry J. Mayo  
Finance Director

# Warren County Government



**WARREN COUNTY, NORTH CAROLINA  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2008**

---

---

**Board of County  
Commissioners**

Clinton G. Alston, Chairperson  
Ulysses S. Ross, Vice-Chairperson

William S. Davis  
Ernest Fleming  
Barry Richardson

Angelena Kearney-Dunlap, Clerk to the Board

**County Officials**

Linda Jones  
Barry J. Mayo  
Robert E. Mitchum  
Elsie Weldon  
Johnny M. Williams  
Marshall Brothers  
Debbie Formyduval  
Macon Robertson  
Christopher T. Wright  
Larry West  
Henry Hayes  
Vacant  
Dr. Sue Loper  
Tyrone Fisher

County Manager  
Finance Director  
Tax Administrator  
Register of Deeds  
Sheriff  
Solid Waste Director  
Elections Director  
Public Works Director  
Emergency Services Director  
Soil & Water Conservation Director  
Director of Social Services  
Veterans Services Director  
Library Director  
Interim Cooperative Extension Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Warren County  
North Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Charles S. Cox*

President

*Jeffrey R. Emmer*

Executive Director

**FINANCIAL SECTION**

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

Certified Public Accountants



The CPA. Never Underestimate The Value.™

James P. Winston II, CPA  
Gary L. Williams, CPA  
Leonard R. Creech, Jr. CPA  
Carleen P. Evans, CPA

Jennifer T. Reese, CPA

## Independent Auditor's Report

To the Board of County Commissioners  
Warren County, North Carolina

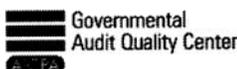
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, North Carolina, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Warren County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Warren County Public Facilities Company and Warren County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion in so far as it relates to the amounts included for Warren County Public Facilities Company and Warren County ABC Board is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Warren County Public Facilities Company and Warren County ABC Board were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit, and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Special Fire Districts Fund, and Emergency Telephone System Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 8, 2008 on our consideration of Warren County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other matters. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

102 W. Spring Street P.O. Box 1366 Oxford, NC 27565 (919) 693-5196 fax (919) 693-7614



www.wwcecpa.com



Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Warren County, North Carolina. The introductory information, combining and individual nonmajor fund statements and schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit report and the report of other auditors, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
December 8, 2008

## Management's Discussion and Analysis

As management of the County, we offer readers of Warren County's financial statements this narrative overview and analysis of the financial activities of Warren County for the fiscal year ended June 30, 2008. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### Financial Highlights

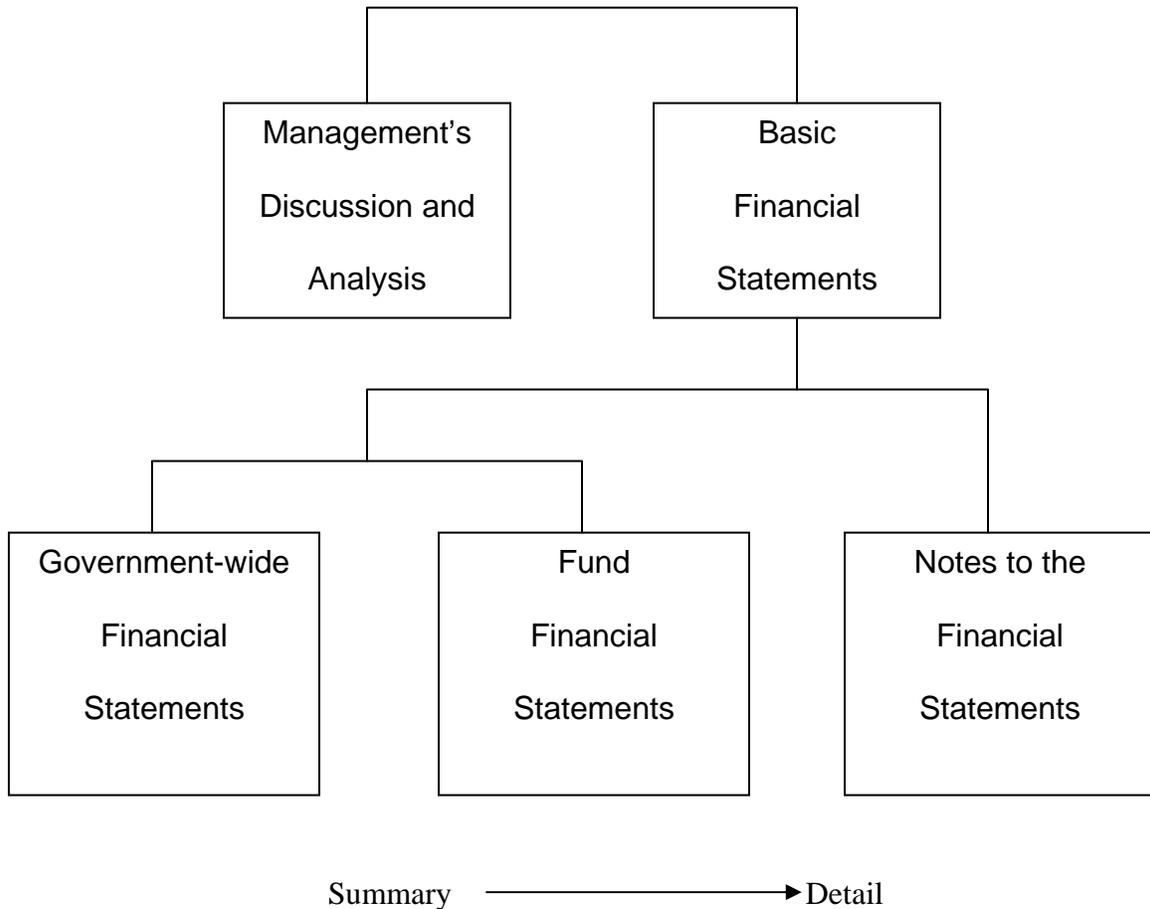
- The assets of Warren County exceeded its liabilities at the close of the fiscal year by \$37,942,665 (*net assets*).
- As of the close of the current fiscal year, Warren County's governmental funds reported combined ending fund balances of \$10,337,434, a decrease of \$68,901 in comparison with the prior year. Approximately 84.91 percent of this total amount or \$8,778,220 is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$6,344,807, or 24.71% of total general fund expenditures for the fiscal year.
- Warren County's total debt increased by \$6,155,956 (32%) during the current fiscal year.
- Warren County received a bond rating on its 2002 Refund Bonds of Baa1 from Moody's and BBB+ from Standard & Poor's.

### Overview of the Financial Statements

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

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

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

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

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details

about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes 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 County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gage the County's financial condition.

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

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

### **Fund Financial Statements**

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

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

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

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

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

**Notes to the Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 39 of this report.

**Warren County's Net Assets  
Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 14,049,253	\$ 14,020,031	\$ 2,714,134	\$ 2,010,123	\$ 16,763,387	\$ 16,030,154
Capital Assets	17,369,302	15,375,265	32,008,615	26,763,687	49,377,917	42,138,952
Total Assets	31,418,555	29,395,296	34,722,749	28,773,810	66,141,304	58,169,106
Long-term liabilities outstanding	12,734,335	11,625,638	12,858,899	7,779,588	25,593,234	19,405,226
Other liabilities	1,831,074	1,597,601	774,331	381,204	2,605,405	1,978,805
Total Liabilities	14,565,409	13,223,239	13,633,230	8,160,792	28,198,639	21,384,031
Net assets:						
Invested in capital assets, net of related debt	8,356,319	7,406,216	19,480,250	19,086,139	27,836,569	26,492,355
Restricted	10,931	119,168	-	-	10,931	119,168
Unrestricted	8,485,896	8,646,672	1,609,269	1,526,879	10,095,165	10,173,551
Total net assets	\$ 16,853,146	\$ 16,172,056	\$ 21,089,519	\$ 20,613,018	\$ 37,942,665	\$ 36,785,074

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Warren County exceeded liabilities by \$ 37,942,665 as of June 30, 2008, one of the largest portions (73.95%) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), and less any related debt still outstanding that was issued to acquire those items. Warren County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Warren County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. Of the remaining balance, \$10,931 has been restricted by the governing board. The balance of \$10,095,165 is unrestricted.

Several particular aspects of the County's financial operations positively influenced the total unrestricted governmental net assets:

- An increase of .98% in property tax collections.
- A .97% increase in sales tax collections.

**Warren County Changes in Net Assets**  
**Figure 3**

	Governmental		Business-like		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2,469,309	\$ 2,527,149	\$ 3,146,672	\$ 2,859,430	\$ 5,615,981	\$ 5,386,579
Operating grants and contributions	5,096,559	4,768,953	-	-	5,096,559	4,768,953
Capital grants and contributions	318,369	718,191	634,873	532,523	953,242	1,250,714
General revenues:						
Property taxes	12,528,996	12,297,154	-	-	12,528,996	12,297,154
Other taxes	4,051,113	3,932,017	-	-	4,051,113	3,932,017
Investment Earnings	441,867	563,824	121,544	86,377	563,411	650,201
Miscellaneous	339,918	314,462	184,466	39,978	524,384	354,440
<b>Total Revenues</b>	<b>25,246,131</b>	<b>25,121,750</b>	<b>4,087,555</b>	<b>3,518,308</b>	<b>29,333,686</b>	<b>28,640,058</b>
<b>Expenses:</b>						
General government	3,064,896	2,561,297	-	-	3,064,896	2,561,297
Public safety	5,897,695	5,432,066	-	-	5,897,695	5,432,066
Economic and physical development	479,538	547,258	-	-	479,538	547,258
Environmental protection	377,402	372,069	1,319,767	1,203,460	1,697,169	1,575,529
Human services	9,964,742	9,634,595	-	-	9,964,742	9,634,595
Cultural and recreation	678,723	476,213	-	-	678,723	476,213
Education	3,598,596	3,239,620	-	-	3,598,596	3,239,620
Interest on long-term debt	503,449	473,778	-	-	503,449	473,778
Water and sewer	-	-	2,291,284	2,224,113	2,291,284	2,224,113
<b>Total Expenses</b>	<b>24,565,041</b>	<b>22,736,896</b>	<b>3,611,051</b>	<b>3,427,573</b>	<b>28,176,092</b>	<b>26,164,469</b>
Increase in net assets before transfers	681,090	2,384,854	476,504	90,735	1,157,594	2,475,589
Transfers	-	-	-	-	-	-
Increase in net assets	681,090	2,384,854	476,504	90,735	1,157,594	2,475,589
Net assets, July 1	16,172,056	13,787,202	20,613,015	20,522,283	36,785,071	34,400,485
<b>Net assets, June 30</b>	<b>\$ 16,853,146</b>	<b>\$ 16,172,056</b>	<b>\$ 21,089,519</b>	<b>\$ 20,613,018</b>	<b>\$ 37,942,665</b>	<b>\$ 36,876,074</b>

**Governmental activities.** Governmental activities increased the County's net assets by \$681,090 accounting for all of the total growth in the net assets of Warren County. Key elements of this increase are as follows:

- Ad valorem tax collections for current and delinquent levies exceeded budgeted projections by \$236,453 as a result of continued emphasis on the delinquent tax collection program.

- Sales tax revenue increased by \$239,868, representing a 6.6% increase over the prior year, mainly due to the Medicaid hold harmless payment received.
- A decrease in interest rates resulted in a decrease in investment earnings of approximately \$131,578.
- Sales and Services and Permits and Fees revenue decreased by \$56,912 primarily due to a decrease in collections for ambulance, home health and inspection fees.

**Business-type activities.** Business-type activities increased Warren County's net assets by \$476,504 or 2.31% compared to the prior year. The key element for this increase was a grant from the North Carolina Rural Center for the District III Water and Sewer project.

### **Financial Analysis of the County's Funds**

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

**Governmental Funds.** The focus of Warren County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Warren County's financing requirements. Specifically, unreserved 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 Warren County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$6,344,807, while total fund balance reached \$7,839,005. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 24.71 percent of total General Fund expenditures, while total fund balance represents 30.52 percent of that same amount.

At June 30, 2008, the governmental funds of Warren County reported a combined fund balance of \$10,337,434, a .66% percent decrease over last year. This decrease is attributable to an access in other governmental funds' expenditures.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased the budget by \$1,022,336 or 3.8 percent. A total increase of \$317,039 was made to

account for additional grants from outside sources and to maintain services. Amendments totaling \$209,497 were made to adjust for salary increases.

**Proprietary Funds.** Warren County’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Landfill Fund at the end of the fiscal year amounted to \$445,764 and those for the Water and Sewer Districts equaled \$1,163,505. Factors concerning the finances of these two funds have already been addressed in the discussion of Warren County’s business-type activities.

### Capital Asset and Debt Administration

**Capital assets.** Warren County’s capital assets for its governmental and business-type activities as of June 30, 2008 totals \$49,377,917 (net of accumulated depreciation). These assets include buildings, water lines, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- Construction in Progress for a Recreation Complex
- Critical repairs to county facilities
- Purchase of Public Safety Equipment
- Purchased vehicles in both Governmental and Business-type Activities
- Significant Construction in Progress of Water lines

**Long-term Debt.** As of June 30, 2008, Warren County had total bonded debt outstanding of \$16,488,000 all of which is debt backed by the full faith and credit of the County.

### Warren County's Outstanding Debt

Figure 4

	Governmental Activities		Business-like Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ 3,964,500	\$ 4,782,500	\$12,523,500	\$ 7,662,500	\$16,488,000	\$12,445,000
Installment Purchases	8,041,537	6,239,724	217,108	15,048	8,258,645	6,254,772
Other Obligations	588,688	603,414	42,644	41,885	631,332	645,299
<b>Total Long-Term Debt</b>	<b>\$ 12,594,725</b>	<b>\$ 11,625,638</b>	<b>\$12,783,252</b>	<b>\$ 7,719,433</b>	<b>\$25,377,977</b>	<b>\$19,345,071</b>

During the past fiscal year, Warren County’s total debt increased by \$6,155,956, (32%) percent. General obligation debt of \$914,000 was retired in governmental activities and business-type activities. There was additional debt obtained in the business-type activities that increased general obligation debt by \$4,957,000. There was a net increase of \$2,003,873 in installment-purchase obligations.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt limit for Warren County is \$87,750,773. The County has \$12,000,000 in bonds authorized at June 30, 2008 for Warren County Water and Sewer District Number III.

Additional information regarding Warren County's long-term debt can be found in Note III B-8 beginning on page 60 of this audited financial report.

### **Economic Factors and Next Year's Budgets and Rates**

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

- The local economy remains stagnant with unemployment at 9.7%, slightly lower than it was one year ago.
- Property values continue to rise in resort property located in the county at Lake Gaston.

**Governmental Activities:** The County adopted a budget for fiscal year 2008 with a .84 percent increase in General Fund expenditures. A 2 percent employee salary increase was granted and other costs were reduced in order to maintain the same tax rate as the prior year.

**Business – type Activities:** District III water and sewer budgets decreased for fiscal year 08 while Regional Water, District I and District II budgets increased. These changes in budgets are partially due to a percent change in the allocation of expenses for each District. This change more closely distributes expenses within the Districts based on the actual number of customers.

### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Warren County, PO Box 185, Warrenton, NC 27589. Questions concerning the Warren County ABC Board and the Warren County Public Facilities Corporation should be directed to the offices of the Warren County ABC Board, 305-B East Macon Street, Warrenton, NC 27589 and the Warren County Public Facilities Corporation, PO 804, Warrenton, NC 27589.

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**WARREN COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

	Governmental Activities	Business-type Activities	Total	Component Units	
				Warren County Public Facilities Co.	Warren County ABC Board
<b>ASSETS</b>					
Cash and cash equivalents	\$ 10,522,340	\$ 1,962,679	\$ 12,485,019	\$ 63,792	\$ 111,818
Receivables (net)	1,428,804	751,455	2,180,259	-	-
Taxes receivable	1,722,346	-	1,722,346	-	-
Accrued interest receivable on taxes	246,578	-	246,578	-	-
Due from other governments	100,463	-	100,463	-	-
Inventory	18,848	-	18,848	-	233,589
Prepaid expenses	-	-	-	-	12,003
Deferred charges-issuance costs	9,874	-	9,874	-	-
Loan fees	-	-	-	13,400	-
Capital assets					
Land, improvements, and construction in progress	6,155,875	13,354,275	19,510,150	35,000	-
Other capital assets, net of depreciation	11,213,427	18,654,340	29,867,767	771,758	27,143
Total capital assets	17,369,302	32,008,615	49,377,917	806,758	27,143
Total Assets	<u>\$ 31,418,555</u>	<u>\$ 34,722,749</u>	<u>\$ 66,141,304</u>	<u>\$ 883,950</u>	<u>\$ 384,553</u>
<b>LIABILITIES</b>					
Accounts payable & accrued expenses	\$ 1,707,864	\$ 578,545	\$ 2,286,409	\$ -	\$ 277,277
Retainage payable	-	-	-	-	-
Accrued interest payable	98,053	29,212	127,265	-	-
Unearned revenue	25,157	-	25,157	9,900	-
Customer deposits	-	166,574	166,574	-	-
Long-term liabilities:					
Due within one year					
Bonds payable	799,500	5,059,000	5,858,500	-	-
Installment purchases payable	892,245	24,890	917,135	38,871	-
Compensated absences payable	147,172	10,661	157,833	-	-
Due in more than one year					
Accrued landfill closure cost	-	75,647	75,647	-	-
Pension obligation	139,610	-	139,610	-	-
Compensated absences payable	441,516	31,983	473,499	-	-
Installment purchases payable	7,149,292	192,218	7,341,510	769,328	-
Bonds payable	3,165,000	7,464,500	10,629,500	-	-
Total Liabilities	14,565,409	13,633,230	28,198,639	818,099	277,277
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	8,356,319	19,480,250	27,836,569	-	27,143
Restricted for:					
Register of Deeds	10,931	-	10,931	-	-
Capital improvements	-	-	-	-	60,000
Working capital	-	-	-	-	20,133
Unrestricted	8,485,896	1,609,269	10,095,165	65,851	-
Total Net Assets	<u>\$ 16,853,146</u>	<u>\$ 21,089,519</u>	<u>\$ 37,942,665</u>	<u>\$ 65,851</u>	<u>\$ 107,276</u>

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

**WARREN COUNTY, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-Type Activities	Total	Warren County Public Facilities Co.	Warren County ABC Board	
Primary Government:										
Governmental Activities:										
General government	\$ 3,064,896	\$ 220,303	\$ 15,310	\$ -	\$ (2,829,283)	\$ -	\$ (2,829,283)	\$ -	\$ -	\$ -
Public safety	5,897,695	278,293	298,272	-	(5,321,130)	-	(5,321,130)	-	-	-
Transportation	-	-	88,954	-	88,954	-	88,954	-	-	-
Economic and physical development	479,538	18,436	2,126	57,299	(401,677)	-	(401,677)	-	-	-
Environmental protection	377,402	-	20,928	-	(356,474)	-	(356,474)	-	-	-
Human services	9,964,742	1,911,990	4,450,788	-	(3,601,964)	-	(3,601,964)	-	-	-
Cultural and recreation	678,723	40,287	95,181	261,070	(282,185)	-	(282,185)	-	-	-
Education	3,598,596	-	125,000	-	(3,473,596)	-	(3,473,596)	-	-	-
Interest on long-term debt	503,449	-	-	-	(503,449)	-	(503,449)	-	-	-
Total governmental activities	<u>24,565,041</u>	<u>2,469,309</u>	<u>5,096,559</u>	<u>318,369</u>	<u>(16,680,804)</u>	<u>-</u>	<u>(16,680,804)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities:										
Solid Waste	1,319,767	1,257,962	-	33,302	-	(28,503)	(28,503)	-	-	-
Water and Sewer	2,291,284	1,888,710	-	601,571	-	198,997	198,997	-	-	-
Total business-type activities	<u>3,611,051</u>	<u>3,146,672</u>	<u>-</u>	<u>634,873</u>	<u>-</u>	<u>170,494</u>	<u>170,494</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 28,176,092</u>	<u>\$ 5,615,981</u>	<u>\$ 5,096,559</u>	<u>\$ 953,242</u>	<u>\$ (16,680,804)</u>	<u>\$ 170,494</u>	<u>\$ (16,510,310)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Component units:										
Warren County Public Facilities Co.	\$ 112,445	\$ 118,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,355	\$ -	\$ -
Warren County ABC Board	1,624,493	1,621,161	-	-	-	-	-	-	-	(3,332)
Total component units	<u>\$ 1,736,938</u>	<u>\$ 1,739,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,355</u>	<u>\$ -</u>	<u>(3,332)</u>
General revenues:										
Taxes:										
Property taxes, levied for general purpose					\$ 12,528,996	\$ -	\$ 12,528,996	\$ -	\$ -	\$ -
Local option sales tax					3,887,932	-	3,887,932	-	-	-
Other taxes and licenses					163,181	-	163,181	-	-	-
Grants and contributions not restricted to specific programs					199,658	-	199,658	-	-	-
Investment earnings, unrestricted					441,867	121,544	563,411	795	3,332	-
Miscellaneous, unrestricted					140,260	184,466	324,726	-	-	-
Transfers					-	-	-	-	-	-
Total general revenues, special items and transfers					<u>17,361,894</u>	<u>306,010</u>	<u>17,667,904</u>	<u>795</u>	<u>3,332</u>	<u>-</u>
Change in net assets					681,090	476,504	1,157,594	7,150	-	-
Net assets - beginning					16,172,056	20,613,015	36,785,071	58,701	107,276	-
Net assets - ending					<u>\$ 16,853,146</u>	<u>\$ 21,089,519</u>	<u>\$ 37,942,665</u>	<u>\$ 65,851</u>	<u>\$ 107,276</u>	<u>-</u>

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

**FUND  
FINANCIAL STATEMENTS**

**WARREN COUNTY, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2008**

	General Fund	Recreation Complex Phase II	Special Fire Districts Fund	Emergency Telephone System Fund	Library/ Meeting Room	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 7,856,560	\$ 10,263	\$ 8,637	\$ 529,897	\$ 1,311,552	\$ 805,431	\$ 10,522,340
Accounts receivable (net)	1,363,788	1,431	-	44,527	19,058	-	1,428,804
Taxes receivable (net)	1,600,987	-	121,359	-	-	-	1,722,346
Due from other governments	100,463	-	-	-	-	-	100,463
Due from other funds	168	-	-	-	-	-	168
Inventory	18,848	-	-	-	-	-	18,848
<b>Total Assets</b>	<b>\$ 10,940,814</b>	<b>\$ 11,694</b>	<b>\$ 129,996</b>	<b>\$ 574,424</b>	<b>\$ 1,330,610</b>	<b>\$ 805,431</b>	<b>\$ 13,792,969</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable & accrued liabilities	\$ 1,475,665	\$ 7,753	\$ 8,567	\$ -	\$ 198,304	\$ 17,575	\$ 1,707,864
Retainage payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	168	168
Deferred revenue	1,600,987	-	121,359	-	-	-	1,722,346
Unearned revenue	25,157	-	-	-	-	-	25,157
<b>Total Liabilities</b>	<b>3,101,809</b>	<b>7,753</b>	<b>129,926</b>	<b>-</b>	<b>198,304</b>	<b>17,743</b>	<b>3,455,535</b>
Fund balances:							
Reserved by State Statute	1,464,419	1,431	-	44,527	19,058	-	1,529,435
Reserved for:							
Inventory	18,848	-	-	-	-	-	18,848
Register of Deeds	10,931	-	-	-	-	-	10,931
Unreserved :							
Undesignated	4,160,879	2,510	70	(66,818)	1,113,248	-	5,209,889
Designated for subsequent year's expenditures	2,183,928	-	-	596,715	-	105,649	2,886,292
Unreserved, reported in nonmajor							
Special revenue funds	-	-	-	-	-	37,836	37,836
Capital projects funds	-	-	-	-	-	644,203	644,203
<b>Total Equity</b>	<b>7,839,005</b>	<b>3,941</b>	<b>70</b>	<b>574,424</b>	<b>1,132,306</b>	<b>787,688</b>	<b>10,337,434</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,940,814</b>	<b>\$ 11,694</b>	<b>\$ 129,996</b>	<b>\$ 574,424</b>	<b>\$ 1,330,610</b>	<b>\$ 805,431</b>	<b>\$ 13,792,969</b>

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

**WARREN COUNTY, NORTH CAROLINA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO**  
**THE STATEMENT OF NET ASSETS**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2008**

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

Total equity (Exhibit 3)	\$ 10,337,434
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	17,369,302
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements	246,578
Deferred charges related to advance refunding bond issued - included on government-wide statements as these funds are not available and therefore deferred in the fund statements	9,874
Liabilities for revenue deferred but earned and therefore recorded in the fund statements but not the government-wide	1,722,346
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the fund statements	<u>(12,832,388)</u>
Net assets of governmental activities (Exhibit 1)	<u>\$ 16,853,146</u>

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

**WARREN COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	General Fund	Recreation Complex Phase II	Special Fire Districts Fund	Emergency Telephone System Fund	Library/ Meeting Room	Other Governmental Funds	Total Governmental Funds
<b><u>REVENUES</u></b>							
Ad valorem taxes	\$ 12,069,157	\$ -	\$ 588,711	\$ -	\$ -	\$ -	\$ 12,657,868
Local option sales taxes	3,887,932	-	-	-	-	-	3,887,932
Other taxes and licenses	100,812	-	-	62,369	-	-	163,181
Unrestricted intergovernmental	199,658	-	-	180,752	-	-	380,410
Restricted intergovernmental	4,978,848	261,070	-	-	-	57,299	5,297,217
Permits and fees	350,392	-	-	-	-	-	350,392
Sales and services	2,055,876	-	-	-	-	-	2,055,876
Investment earnings	342,023	978	-	27,928	43,467	27,471	441,867
Miscellaneous	124,348	1,431	-	-	19,058	-	144,837
<b>Total Revenues</b>	<b>24,109,046</b>	<b>263,479</b>	<b>588,711</b>	<b>271,049</b>	<b>62,525</b>	<b>84,770</b>	<b>25,379,580</b>
<b><u>EXPENDITURES</u></b>							
Current:							
General government	3,180,965	-	-	-	-	-	3,180,965
Public safety	5,641,989	-	588,753	-	-	-	6,230,742
Environmental protection	372,892	-	-	-	-	-	372,892
Economic and physical development	482,802	-	-	-	-	26,099	508,901
Human services	9,770,819	-	-	-	-	-	9,770,819
Cultural and recreational	661,340	-	-	-	-	-	661,340
Intergovernmental:							
Education	3,598,499	-	-	-	-	-	3,598,499
Capital outlay	-	155,777	-	-	1,489,023	120,185	1,764,985

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

**WARREN COUNTY, NORTH CAROLINA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	General Fund	Recreation Complex Phase II	Special Fire Districts Fund	Emergency Telephone System Fund	Library/ Meeting Room	Other Governmental Funds	Total Governmental Funds
Debt service:							
Principal	1,477,511	-	-	-	-	-	1,477,511
Interest and other charges	491,027	-	-	-	-	-	491,027
Total Expenditures	25,677,844	155,777	588,753	-	1,489,023	146,284	28,057,681
Revenues Over (Under) Expenditures	(1,568,798)	107,702	(42)	271,049	(1,426,498)	(61,514)	(2,678,101)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>							
Transfers in from other funds	516,224	-	-	-	71,571	500,000	1,087,795
Transfers out to other funds	(571,571)	-	-	(300,812)	-	(215,412)	(1,087,795)
Debt issued	180,680	-	-	-	2,428,520	-	2,609,200
Total Other Financing Sources (Uses)	125,333	-	-	(300,812)	2,500,091	284,588	2,609,200
Net Change in Fund Balances	(1,443,465)	107,702	(42)	(29,763)	1,073,593	223,074	(68,901)
Fund Balance - July 1	9,282,470	(103,761)	112	604,187	58,713	564,614	10,406,335
Fund Balance - June 30	<u>\$ 7,839,005</u>	<u>\$ 3,941</u>	<u>\$ 70</u>	<u>\$ 574,424</u>	<u>\$ 1,132,306</u>	<u>\$ 787,688</u>	<u>\$ 10,337,434</u>

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

**WARREN COUNTY, NORTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

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

Net change in fund balances - total governmental funds (Exhibit 4)	\$ (68,901)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over the life of the asset.	2,557,765
Cost of disposed assets not recorded in the fund statements	(4,577)
The allocation of the costs of assets over the life of the assets through depreciation is not a current financial use in the funds; therefore, depreciation expense is not recorded in these statements.	(559,150)
The issuance of long-term debt (e.g., bonds and installment debt) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.	(983,813)
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	(131,362)
Some revenues reported in the statements of activities that do not provide current resources are not recorded as revenues in the fund statements	<u>(128,872)</u>
Total changes in net assets of governmental activities (Exhibit 2)	<u><u>\$ 681,090</u></u>

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

**WARREN COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	General Fund				Special Fire Districts Fund				Emergency Telephone System Fund			
	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
<b>REVENUES</b>												
Ad valorem taxes	\$ 11,832,704	\$ 11,832,704	\$ 12,069,157	\$ 236,453	\$ 549,362	\$ 598,338	\$ 588,711	\$ (9,627)	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	3,115,287	3,189,287	3,887,932	698,645	-	-	-	-	-	-	-	-
Other taxes and licenses	100,000	100,000	100,812	812	-	-	-	-	224,000	124,000	62,369	(61,631)
Unrestricted intergovernmental	119,800	119,800	199,658	79,858	-	-	-	-	-	-	-	-
Restricted intergovernmental	4,537,465	5,057,912	4,978,848	(79,064)	-	-	-	-	-	100,000	180,752	80,752
Permits and fees	319,475	323,475	350,392	26,917	-	-	-	-	-	-	-	-
Sales and services	1,817,061	1,843,912	2,055,876	211,964	-	-	-	-	-	-	-	-
Investment earnings	310,000	310,000	342,023	32,023	-	-	-	-	18,000	18,000	27,928	9,928
Miscellaneous	2,500	87,416	124,348	36,932	-	-	-	-	-	-	-	-
Total revenues	22,154,292	22,864,506	24,109,046	1,244,540	549,362	598,338	588,711	(9,627)	242,000	242,000	271,049	29,049
<b>EXPENDITURES</b>												
Current:												
General government	3,075,519	3,358,236	3,180,965	177,271	-	-	-	-	-	-	-	-
Public safety	5,817,653	5,963,838	5,641,989	321,849	549,362	598,338	588,753	9,585	242,000	60,765	-	60,765
Environmental protection	388,089	392,271	372,892	19,379	-	-	-	-	-	-	-	-
Economic and physical development	546,971	583,075	482,802	100,273	-	-	-	-	-	-	-	-
Human services	10,022,984	10,397,114	9,770,819	626,295	-	-	-	-	-	-	-	-
Cultural and recreational	650,824	713,603	661,340	52,263	-	-	-	-	-	-	-	-
Intergovernmental:												
Education	3,497,982	3,621,147	3,598,499	22,648	-	-	-	-	-	-	-	-
Debt service	1,839,088	1,968,597	1,968,538	59	-	-	-	-	-	-	-	-
Contingency	278,441	20,435	-	20,435	-	-	-	-	-	-	-	-
Total Expenditures	26,117,551	27,018,316	25,677,844	1,340,472	549,362	598,338	588,753	9,585	242,000	60,765	-	60,765
Revenues Over (Under) Expenditures	(3,963,259)	(4,153,810)	(1,568,798)	2,585,012	-	-	(42)	(42)	-	181,235	271,049	89,814

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

**WARREN COUNTY, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	General Fund				Special Fire Districts Fund				Emergency Telephone System Fund			
	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers in from other funds	384,383	534,547	516,224	(18,323)	-	-	-	-	-	-	-	-
Transfers out to other funds	(450,000)	(571,571)	(571,571)	-	-	-	-	-	-	(319,135)	(300,812)	18,323
Debt issued	257,630	240,680	180,680	(60,000)	-	-	-	-	-	-	-	-
Appropriated fund balance	3,771,246	3,950,154	-	(3,950,154)	-	-	-	-	-	137,900	-	(137,900)
Total Other Financing Sources (Uses)	3,963,259	4,153,810	125,333	(4,028,477)	-	-	-	-	-	(181,235)	(300,812)	(119,577)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ -	(1,443,465)	\$ (1,443,465)	\$ -	\$ -	(42)	\$ (42)	\$ -	\$ -	(29,763)	\$ (29,763)
Fund Balance - July 1			9,282,470				112				604,187	
Fund Balance - June 30			\$ 7,839,005				\$ 70				\$ 574,424	

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

**WARREN COUNTY, NORTH CAROLINA**  
**STATEMENT OF FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2008**

	Enterprise Funds					
	Major Funds					Total
	Regional Water System Fund	District I Enterprise Fund	District II Enterprise Fund	District III Enterprise Fund	Solid Waste Fund	
<b><u>ASSETS</u></b>						
Current Assets:						
Cash and cash equivalents	\$ 448,839	\$ 478,048	\$ 282,806	\$ 482,632	\$ 270,354	\$ 1,962,679
Receivables (net)	101,749	57,064	59,642	167,930	365,070	751,455
Total Current Assets	<u>550,588</u>	<u>535,112</u>	<u>342,448</u>	<u>650,562</u>	<u>635,424</u>	<u>2,714,134</u>
Noncurrent Assets:						
Capital assets:						
Land, improvements, and construction in progress	95,676	-	497,217	12,646,802	114,580	13,354,275
Other capital assets, net of depreciation	4,497,111	4,088,398	9,927,490	82,966	58,375	18,654,340
Total Capital Assets	<u>4,592,787</u>	<u>4,088,398</u>	<u>10,424,707</u>	<u>12,729,768</u>	<u>172,955</u>	<u>32,008,615</u>
Total Assets	<u>\$ 5,143,375</u>	<u>\$ 4,623,510</u>	<u>\$ 10,767,155</u>	<u>\$ 13,380,330</u>	<u>\$ 808,379</u>	<u>\$ 34,722,749</u>
<b><u>LIABILITIES</u></b>						
Current Liabilities:						
Accounts payable and accrued liabilities	\$ 84,691	\$ 4,943	\$ 13,956	\$ 378,691	\$ 96,264	\$ 578,545
Accrued interest payable	-	5,795	10,131	13,286	-	29,212
Customer deposits	11,700	69,524	50,225	35,125	-	166,574
Installment purchase	-	-	20,025	-	4,865	24,890
Compensated absences	1,743	3,112	1,245	124	4,437	10,661
General obligation bonds payable	-	25,000	36,000	4,998,000	-	5,059,000
Total Current Liabilities	<u>98,134</u>	<u>108,374</u>	<u>131,582</u>	<u>5,425,226</u>	<u>105,566</u>	<u>5,868,882</u>
Noncurrent Liabilities:						
Accrued landfill closure cost	-	-	-	-	75,647	75,647
Compensated absences	5,228	9,336	3,734	373	13,312	31,983
Installment purchase	-	-	192,218	-	-	192,218
General obligation bonds payable	-	1,439,000	2,523,500	3,502,000	-	7,464,500
Total Noncurrent Liabilities	<u>5,228</u>	<u>1,448,336</u>	<u>2,719,452</u>	<u>3,502,373</u>	<u>88,959</u>	<u>7,764,348</u>
Total Liabilities	<u>103,362</u>	<u>1,556,710</u>	<u>2,851,034</u>	<u>8,927,599</u>	<u>194,525</u>	<u>13,633,230</u>
<b><u>NET ASSETS</u></b>						
Invested in capital assets, net of related debt	4,592,787	2,624,398	7,865,207	4,229,768	168,090	19,480,250
Unrestricted	447,226	442,402	50,914	222,963	445,764	1,609,269
Total Net Assets	<u>\$ 5,040,013</u>	<u>\$ 3,066,800</u>	<u>\$ 7,916,121</u>	<u>\$ 4,452,731</u>	<u>\$ 613,854</u>	<u>\$ 21,089,519</u>

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

**WARREN COUNTY, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	Proprietary Funds					Total
	Major Funds					
	Regional Water System Fund	District I Enterprise Fund	District II Enterprise Fund	District III Enterprise Fund	Solid Waste Fund	
<b>OPERATING REVENUES</b>						
Charges for services	\$ 717,700	\$ 412,943	\$ 372,885	\$ 385,182	\$ 1,257,962	\$ 3,146,672
Miscellaneous	4,401	2,225	25,226	140,502	3,289	175,643
Total Operating Revenues	<u>722,101</u>	<u>415,168</u>	<u>398,111</u>	<u>525,684</u>	<u>1,261,251</u>	<u>3,322,315</u>
<b>OPERATING EXPENSES</b>						
Salaries and employee benefits	88,246	162,896	63,309	3,271	196,872	514,594
Water purchases	372,784	87,225	66,784	45,612	-	572,405
Contracted services	-	-	-	-	980,448	980,448
Other operating expenses	199,020	67,178	65,235	14,156	114,243	459,832
Depreciation	253,776	143,169	296,773	8,590	27,864	730,172
Total Operating Expenses	<u>913,826</u>	<u>460,468</u>	<u>492,101</u>	<u>71,629</u>	<u>1,319,427</u>	<u>3,257,451</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(191,725)</u>	<u>(45,300)</u>	<u>(93,990)</u>	<u>454,055</u>	<u>(58,176)</u>	<u>64,864</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest earnings	14,412	21,197	18,748	55,866	11,321	121,544
Premium on sale of bonds	-	-	-	8,823	-	8,823
Interest expense	-	(70,585)	(123,057)	(159,618)	(340)	(353,600)
Total Nonoperating Revenues (Expenses) - Net	<u>14,412</u>	<u>(49,388)</u>	<u>(104,309)</u>	<u>(94,929)</u>	<u>10,981</u>	<u>(223,233)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(177,313)</u>	<u>(94,688)</u>	<u>(198,299)</u>	<u>359,126</u>	<u>(47,195)</u>	<u>(158,369)</u>
Capital Contributions	15,475	-	10,356	575,740	33,302	634,873
Transfers in (out)						
General Fund	-	-	-	-	-	-
General Fund	-	-	-	-	-	-
<b>TOTAL CONTRIBUTIONS AND TRANSFERS</b>	<u>15,475</u>	<u>-</u>	<u>10,356</u>	<u>575,740</u>	<u>33,302</u>	<u>634,873</u>
<b>CHANGE IN NET ASSETS</b>	<u>(161,838)</u>	<u>(94,688)</u>	<u>(187,943)</u>	<u>934,866</u>	<u>(13,893)</u>	<u>476,504</u>
<b>TOTAL NET ASSETS-BEGINNING</b>	<u>5,201,851</u>	<u>3,161,488</u>	<u>8,104,064</u>	<u>3,517,865</u>	<u>627,747</u>	<u>20,613,015</u>
<b>TOTAL NET ASSETS-ENDING</b>	<u>\$ 5,040,013</u>	<u>\$ 3,066,800</u>	<u>\$ 7,916,121</u>	<u>\$ 4,452,731</u>	<u>\$ 613,854</u>	<u>\$ 21,089,519</u>

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

**WARREN COUNTY, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Enterprise Funds					
	Major Funds					
	Regional Water System Fund	District I Enterprise Fund	District II Enterprise Fund	District III Enterprise Fund	Solid Waste Fund	Total
Cash flows from operating activities:						
Cash received from customers	\$ 713,538	\$ 411,284	\$ 374,571	\$ 284,573	\$ 1,275,814	\$ 3,059,780
Cash paid for goods and services	(549,185)	(141,592)	(115,870)	274,720	(1,071,381)	(1,603,308)
Cash paid to employees for services	(88,246)	(162,896)	(63,309)	(3,271)	(196,872)	(514,594)
Miscellaneous nonoperating revenue	4,401	2,225	25,226	140,502	3,289	175,643
Net cash provided by operating activities	<u>80,508</u>	<u>109,021</u>	<u>220,618</u>	<u>696,524</u>	<u>10,850</u>	<u>1,117,521</u>
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(9,719)	-	(392,140)	(5,573,241)	-	(5,975,100)
Debt issued	-	-	212,243	4,957,000	-	5,169,243
Debt premium	-	-	-	8,823	-	8,823
Principal paid on debt	-	(24,000)	(34,000)	(38,000)	(10,183)	(106,183)
Interest paid on debt	-	(70,585)	(123,057)	(159,618)	(340)	(353,600)
State grants	15,475	-	10,356	575,740	33,302	634,873
Net cash provided by capital and related financing activities	<u>5,756</u>	<u>(94,585)</u>	<u>(326,598)</u>	<u>(229,296)</u>	<u>22,779</u>	<u>(621,944)</u>
Cash flows from investing activities:						
Interest on investments	14,412	21,197	18,748	55,866	11,321	121,544
Net cash provided by investing activities	<u>14,412</u>	<u>21,197</u>	<u>18,748</u>	<u>55,866</u>	<u>11,321</u>	<u>121,544</u>
Net increase in cash and cash equivalents	<u>100,676</u>	<u>35,633</u>	<u>(87,232)</u>	<u>523,094</u>	<u>44,950</u>	<u>617,121</u>
Cash and cash equivalents, July 1	348,163	442,415	370,038	(40,462)	225,404	1,345,558
Cash and cash equivalents, June 30	<u>\$ 448,839</u>	<u>\$ 478,048</u>	<u>\$ 282,806</u>	<u>\$ 482,632</u>	<u>\$ 270,354</u>	<u>\$ 1,962,679</u>
Reconciliation of operating income to net cash provided by operating activities:						
Operating income (loss)	\$ (191,725)	\$ (45,300)	\$ (93,990)	\$ 454,055	\$ (58,176)	\$ 64,864
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	253,776	143,169	296,773	8,590	27,864	730,172
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	(4,162)	(1,659)	1,686	(100,609)	17,852	(86,892)
Increase (decrease) in accounts payable and accrued liabilities	21,171	661	9,436	329,592	8,233	369,093
Increase (decrease) in accrued interest payable	-	(95)	(135)	(143)	-	(373)
Increase (decrease) in customer deposits	1,830	7,625	6,850	8,100	-	24,405
Increase (decrease) in accrued landfill closure cost	-	-	-	-	15,492	15,492
Increase (decrease) in compensated absences	(382)	4,620	(2)	(3,061)	(415)	760
Total adjustments	<u>272,233</u>	<u>154,321</u>	<u>314,608</u>	<u>242,469</u>	<u>69,026</u>	<u>1,052,657</u>
Net cash provided by operating activities	<u>\$ 80,508</u>	<u>\$ 109,021</u>	<u>\$ 220,618</u>	<u>\$ 696,524</u>	<u>\$ 10,850</u>	<u>\$ 1,117,521</u>

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

**WARREN COUNTY, NORTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2008**

---

---

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	<u>\$          47,012</u>
Total Assets	<u><u>\$          47,012</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
Liabilities:	
Miscellaneous liabilities	<u>\$          47,012</u>
Total Liabilities	<u><u>\$          47,012</u></u>

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

**NOTES TO THE BASIC FINANCIAL  
STATEMENTS**

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

---

**I. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

**Discretely Presented Component Units**

*Warren County ABC Board*

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

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

Warren County ABC Board  
104 College Street  
Warrenton, North Carolina 27589

*Warren County Industrial Facility and Pollution Control Financing Authority*

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

*Warren County Public Facilities Company*

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

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

Warren County Public Facilities Company  
130 North Main Street  
Warrenton, North Carolina 27589

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

---

**B. Basis of Presentation, Basis of Accounting**

**Basis of Presentation, Measurement Focus – Basis of Accounting**

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

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

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

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

The County reports the following major governmental funds:

**General Fund.** This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Recreation Complex Phase II.** This is the County's capital project fund used to account for funds set aside to construct Phase II of a recreation complex.

**Special Fire Districts Fund.** This is the County's special revenue fund used to account for the tax revenues collected by the County on behalf of the various fire districts located within the County.

**Emergency Telephone System Fund.** This is the County's special revenue fund used to account for the 911 revenues collected by the telephone industry to fund the 911 emergency system.

**Library/Meeting Room Fund.** This is the County's capital project fund used to account for funds set aside to construct a library and meeting room.

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

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

---

**Regional Water System Enterprise Fund**

**District One Enterprise Fund**

**District Two Enterprise Fund**

**District Three Enterprise Fund**

**Solid Waste Fund**

The County reports the following fund type:

**Agency Funds** – Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains three agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for moneys deposited with the County and then remitted to the Warren County Board of Education and the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; and the Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities and special districts within the County.

**C. Measurement Focus and Basis of Accounting**

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

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

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

Proprietary funds distinguish operating revenues and expenses from 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 County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

---

**Governmental Fund Financial Statements.** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, 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, Warren County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system and for vehicles newly-registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes that were billed during this period are shown as a receivable on the financial statements.

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

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

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**D. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and three of the Special Revenue Funds (the Revaluation Fund, the Special Fire Districts Fund, and the Emergency Telephone System Fund). An annual budget is also adopted for the five Enterprise Funds (the Solid Waste Fund, the District One Enterprise Fund, the District Two Enterprise Fund, the District Three Enterprise Fund, and the Regional Water System Enterprise Fund). Project ordinances are prepared for two of the Special Revenue Funds (the CDBG Scattered Sites Project and the CDBG Ephraim Place Project) and the Capital Projects Funds. Project ordinances are also adopted for five Enterprise Capital Projects Funds (the Soul City Pump Station Improvements Capital Project, the District Two/Phase II Capital Project, the District II/Wise Capital Project, the District Three/Phase I Capital

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

---

Project. and the District Three/Phase II Capital Project), which are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the departmental level for the Special Revenue and Enterprise Funds, and at the object level for the Capital Projects Funds. The governing board must approve all amendments. During the year, several immaterial amendments to the original budget were necessary.

**E. Assets, Liabilities, and Fund Equity**

**1. Deposits and Investments**

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

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

The County's and the ABC Board's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

**2. Cash and Cash Equivalents**

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

**3. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2007. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

**4. Allowance for Doubtful Accounts**

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

**5. Inventory**

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

**6. Capital Assets**

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. Minimum capitalization costs is: \$50,000 for buildings and building improvements; and \$5,000 for equipment, vehicles, and furniture. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

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

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

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

---

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

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

**7. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**8. Compensated Absences**

The vacation policies of the County and the ABC Board provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The county's liability for accumulated earned vacation and the salary-related payments as of June 30, 2008 is recorded in the government-wide and proprietary fund financial statements on a LIFO basis.

The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since none of the entities have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County or the ABC Board.

**9. Net Assets/Fund Balances**

**Net Assets**

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

**Fund Balances**

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

**Reserved**

**Reserved by State Statute** – portion of fund balance, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which are not offset by deferred revenues.

**Reserved for inventory** – portion of fund balance not available for appropriation because it represents the year-end fund balance of ending inventories, which are not expendable, available resources.

**Reserved for Register of Deeds** – portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the Register of Deeds' office. The funds are available for appropriation but are legally restricted for computer and imaging technology in the Register of Deeds.

**Unreserved**

**Designated for subsequent year's expenditures** – portion of total fund balance available for appropriation which has been designated for the adopted 2008-2009 budget ordinance.

**Undesignated** – portion or total fund balance available for appropriation which is uncommitted at year-end.

**F. Reconciliation of Government-Wide and Fund Financial Statements**

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

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$ 6,515,712 consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	
	\$ 23,630,045
Less Accumulated Depreciation	<u>(6,260,743)</u>
Net capital assets	<u>17,369,302</u>
 Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements.	
	 246,578

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Deferred charges related to advance refunding bond issued – included on government-wide statements as these funds are not available and therefore deferred in the fund statements	9,874
Liabilities for revenue deferred but earned and therefore recorded in the fund statements but not the government-wide	1,722,346
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Bonds, leases, and installment financing	(12,006,037)
Compensated absences	(588,688)
Net pension obligation	(139,610)
Accrued interest payable	(98,053)
Total adjustment	\$ 6,515,712

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

The government fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$ 749,991 as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 2,557,765
Cost of disposed capital assets not recorded in fund statements	(4,577)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(559,150)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities – it affects only the government-wide statement of net assets	(2,609,200)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements	1,625,387
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Amortization on deferred charges-issuance costs that is recorded in the statement of activities but not in the fund statements	(2,194)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	(4,284)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(108,326)
Net pension obligation is accrued in the government-wide statements but not in the fund statements because it does not use current resources	(16,558)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements	
Reversal of deferred tax revenue recorded at 7-1-2007	(1,836,730)
Recording of tax receipts deferred in the fund statements as of 6-30-2008	1,722,346
Increase in accrued taxes receivable for year ended 6-30-2008	<u>(14,488)</u>
Total adjustment	<u>\$ 749,991</u>

**II. Stewardship, Compliance, and Accountability**

**A. Noncompliance with North Carolina General Statutes**

During the fiscal year, Warren County had expenditures in excess of budgetary appropriations in the General Fund for the following departments: \$15,657 in Elections and \$1,192 in Child Support Officer. The County failed to anticipate the additional expenditures made in these categories. The County will strive in the future to more accurately estimated appropriate budget amendments.

The County does not have the finance officer adequately bonded in accordance with G.S. 159-29. The finance officer should be bonded for at least \$50,000 and is only bonded for \$10,000. Additional bonding will be obtained during 08-09 to correct this oversight.

**B. Deficit Fund Balance or Retained Earnings of Individual Funds**

In Exhibit B-1, the CDBG Ephraim Place Project Fund had a deficit fund balance in the amount of \$48 and the CDBG Scattered Site Fund had a deficit fund balance in the amount of \$9,156. These deficit fund balances resulted from the requirement to incur expenses prior to requesting reimbursement.

**III. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

All of the County's, the ABC Board's, and the Public Facilities Company's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

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

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

At June 30, 2008, the County's deposits had a carrying amount of \$2,786,177 and a bank balance of \$3,239,568. Of the bank balance, \$300,000 was covered by federal depository insurance, and \$2,939,568 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2008, Warren County had \$1,625 cash on hand.

At June 30, 2008, the ABC Board's deposits had a carrying amount of \$109,818 and a bank balance of \$169,389. All of the bank balance was covered by federal depository insurance. At June 30, 2008, the ABC Board had \$2,000 cash on hand.

**2. Investments**

At June 30, 2008, the County's investments consisted of \$9,744,229 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy on credit risk.

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

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

<u>Year</u> <u>Levied</u>	<u>Total</u> <u>Taxes</u>	<u>Interest</u>	<u>Total</u>
------------------------------	------------------------------	-----------------	--------------

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

2005	\$ 172,895	\$ 56,623	\$ 229,518
2006	169,650	40,292	209,942
2007	176,929	26,096	203,025
2008	<u>237,235</u>	<u>13,641</u>	<u>250,876</u>
Totals	<u>\$ 756,709</u>	<u>\$ 133,652</u>	<u>\$ 893,361</u>

**4. Receivables**

Receivables at the government-wide level at June 30, 2008, were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from other governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,363,788	\$ 2,347,565	\$ 100,463	\$ 3,811,816
Recreation Complex Phase II	1,431	-	-	1,431
Special Fire Districts	-	126,359	-	126,359
Emergency Telephone System	44,527	-	-	44,527
Library/Meeting Room	<u>19,058</u>	<u>-</u>	<u>-</u>	<u>19,058</u>
Total Receivables	1,428,804	2,473,924	100,463	4,003,193
Allowance for doubtful accounts	<u>-</u>	<u>(505,000)</u>	<u>-</u>	<u>(505,000)</u>
Total-governmental activities	<u>\$ 1,428,804</u>	<u>\$ 1,968,924</u>	<u>\$ 100,463</u>	<u>\$ 3,498,191</u>
Business-type Activities:				
Solid Waste	\$ 481,198	\$ -	\$ -	\$ 481,198
Water & Sewer	<u>386,385</u>	<u>-</u>	<u>-</u>	<u>386,385</u>
Total Receivables	867,583	-	-	867,583
Allowance for doubtful accounts	<u>(116,128)</u>	<u>-</u>	<u>-</u>	<u>(116,128)</u>
Total-business-type activities	<u>\$ 751,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 751,455</u>

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

Sales tax refund	<u>\$ 100,463</u>
Total	<u>\$ 100,463</u>

**5. Capital Assets**

Capital asset activity for the year ended June 30, 2008, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 709,233	\$ 104,247	\$ -	\$ 813,480
Construction in Progress	<u>4,759,403</u>	<u>1,764,985</u>	<u>(1,181,993)</u>	<u>5,342,395</u>
Total capital assets not being depreciated	<u>5,468,636</u>	<u>1,869,232</u>	<u>(1,181,993)</u>	<u>6,155,875</u>
Capital assets being depreciated:				
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Buildings	12,687,702	1,181,331	-	13,869,033
Equipment	1,749,302	224,880	-	1,974,182
Vehicles	<u>1,621,142</u>	<u>464,315</u>	<u>(454,502)</u>	<u>1,630,955</u>
Total capital assets being depreciated	<u>16,058,146</u>	<u>1,870,526</u>	<u>(454,502)</u>	<u>17,474,170</u>
Less accumulated depreciation for:				
Buildings	3,961,622	309,563	-	4,271,185
Equipment	949,386	99,967	-	1,049,353
Vehicles	<u>1,240,510</u>	<u>149,620</u>	<u>(449,925)</u>	<u>940,205</u>
Total accumulated depreciation	<u>6,151,518</u>	<u>\$ 559,150</u>	<u>\$ (449,925)</u>	<u>6,260,743</u>
Total capital assets being depreciated, net	<u>9,906,628</u>			<u>11,213,427</u>
Governmental activity capital assets, net	<u>\$ 15,375,264</u>			<u>\$ 17,369,302</u>

**Business-type activities:**

**Solid Waste**

Capital assets not being depreciated:				
Land	<u>\$ 114,580</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,580</u>
Total capital assets not being depreciated	<u>114,580</u>	<u>-</u>	<u>-</u>	<u>114,580</u>
Capital assets being depreciated:				
Buildings	215,824	-	-	215,824
Land improvements	17,743	-	-	17,743
Equipment	94,064	-	-	94,064
Vehicles	<u>112,811</u>	<u>-</u>	<u>-</u>	<u>112,811</u>
Total capital assets being depreciated	<u>440,442</u>	<u>-</u>	<u>-</u>	<u>440,442</u>
Less accumulated depreciation for:				
Buildings	180,488	14,643	-	195,131
Land improvements	17,743	-	-	17,743
Equipment	68,065	3,450	-	71,515
Vehicles	<u>87,908</u>	<u>9,770</u>	<u>-</u>	<u>97,678</u>
Total accumulated depreciation	<u>\$ 354,204</u>	<u>\$ 27,864</u>	<u>\$ -</u>	<u>\$ 382,067</u>
Total capital assets being depreciated, net	<u>86,238</u>			<u>58,375</u>
Solid Waste capital assets, net	<u>\$ 200,818</u>			<u>\$ 172,955</u>

**Regional Water**

Capital assets not being depreciated:				
Land	<u>\$ 48,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,265</u>
Construction in progress	<u>37,692</u>	<u>9,719</u>	<u>-</u>	<u>47,411</u>
Total capital assets not being depreciated	<u>85,957</u>	<u>9,719</u>	<u>-</u>	<u>95,676</u>

	<u>Beginning</u>			<u>Ending</u>
	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Capital assets being depreciated:				

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Equipment	91,036	-	-	91,036
Vehicles	56,386	-	-	56,386
Water distribution lines	<u>7,306,651</u>	<u>-</u>	<u>-</u>	<u>7,306,651</u>
Total capital assets being depreciated	<u>7,454,073</u>	<u>-</u>	<u>-</u>	<u>7,454,073</u>
Less accumulated depreciation for:				
Equipment	30,145	6,382	-	36,527
Vehicles	42,559	5,081	-	47,640
Water distribution lines	<u>2,630,482</u>	<u>242,313</u>	<u>-</u>	<u>2,872,795</u>
Total accumulated depreciation	<u>\$ 2,703,186</u>	<u>\$ 253,368</u>	<u>\$ -</u>	<u>\$ 2,956,962</u>
Total capital assets being depreciated, net	<u>4,750,887</u>			<u>4,497,111</u>
Regional water capital assets, net	<u>\$ 4,836,844</u>			<u>\$ 4,592,787</u>

**Water District One**

Capital assets not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets being depreciated:				
Equipment	28,573	-	-	28,573
Vehicles	98,516	-	-	98,516
Water distribution lines	<u>5,414,450</u>	<u>-</u>	<u>-</u>	<u>5,414,450</u>
Total capital assets being depreciated	<u>5,541,539</u>	<u>-</u>	<u>-</u>	<u>5,541,539</u>
Less accumulated depreciation for:				
Equipment	8,148	2,636	-	10,784
Vehicles	84,301	5,171	-	89,472
Water distribution lines	<u>1,217,523</u>	<u>135,361</u>	<u>-</u>	<u>1,352,884</u>
Total accumulated depreciation	<u>1,309,972</u>	<u>\$ 143,169</u>	<u>\$ -</u>	<u>1,453,141</u>
Total capital assets being depreciated, net	<u>4,231,567</u>			<u>4,088,398</u>
Water District One capital assets, net	<u>\$ 4,231,567</u>			<u>\$ 4,088,398</u>

**Water District Two**

Capital assets not being depreciated:				
Land	\$ 70,725	\$ -	\$ -	\$ 70,725
Construction in progress	<u>34,352</u>	<u>392,140</u>	<u>-</u>	<u>426,492</u>
Total capital assets not being depreciated	<u>105,077</u>	<u>392,140</u>	<u>-</u>	<u>497,217</u>
Capital assets being depreciated:				
Equipment	28,573	-	-	28,573
Vehicles	23,149	-	-	23,149
Elevated tanks	950,447	-	-	950,447
Water distribution lines	<u>10,629,833</u>	<u>-</u>	<u>-</u>	<u>10,629,833</u>
	Beginning			Ending
	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Total capital assets being			<u>-</u>	

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>11,632,002</u>	<u>-</u>		<u>11,632,002</u>
depreciated				
Less accumulated depreciation for:				
Equipment	8,149	2,636	-	10,785
Vehicles	11,258	4,630	-	15,888
Elevated tanks	130,686	23,761	-	154,447
Water distribution lines	<u>1,257,646</u>	<u>265,746</u>	-	<u>1,523,392</u>
Total accumulated depreciation	<u>1,407,739</u>	<u>\$ 296,773</u>	<u>\$ -</u>	<u>1,704,512</u>
Total capital assets being depreciated, net	<u>10,224,263</u>			<u>9,927,490</u>
Water District Two capital assets, net	<u>\$ 10,329,340</u>			<u>\$ 10,424,707</u>
<b>Water District Three</b>				
Capital assets not being depreciated:				
Construction in progress	<u>\$ 7,073,561</u>	<u>\$ 5,573,241</u>	<u>\$ -</u>	<u>\$ 12,646,802</u>
Total capital assets not being depreciated	<u>7,073,561</u>	<u>5,573,241</u>	<u>-</u>	<u>12,646,802</u>
Capital assets being depreciated:				
Equipment	28,574	-	-	28,574
Vehicles	21,795	-	-	21,795
Water distribution lines	<u>63,827</u>	<u>-</u>	<u>-</u>	<u>63,827</u>
Total capital assets being depreciated	<u>114,196</u>	<u>-</u>	<u>-</u>	<u>114,196</u>
Less accumulated depreciation for:				
Equipment	8,148	2,636	-	10,784
Vehicles	11,066	4,359	-	15,425
Water distribution lines	<u>3,425</u>	<u>1,596</u>	<u>-</u>	<u>5,021</u>
Total accumulated depreciation	<u>22,639</u>	<u>\$ 8,591</u>	<u>\$ -</u>	<u>31,230</u>
Capital assets being depreciated, net	<u>91,557</u>			<u>82,966</u>
Water District Three capital assets, net	<u>\$ 7,165,118</u>			<u>\$ 12,729,768</u>
Business-type activities capital assets, Net	<u>\$ 26,763,687</u>			<u>\$ 32,008,615</u>

**Depreciation Expense**

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

General Government	\$ 76,034
Public Safety	279,814
Economic and Physical Development	348
Environmental Protection	8,627
Human Services	168,036
Cultural and Recreational	<u>26,291</u>
Total Depreciation Expense	<u>\$ 559,150</u>

**Discretely presented component units**

Activity for the ABC Board for the year ended June 30, 2008, was as follows:

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Amount</u>
Buildings	\$ -	\$ -	\$ -
Furniture/Equipment	91,836	76,502	15,334
Vehicles	17,472	12,872	4,600
Leasehold improvements	<u>47,125</u>	<u>39,916</u>	<u>7,209</u>
	<u>\$ 156,433</u>	<u>\$ 129,290</u>	<u>\$ 27,143</u>

Activity for the Warren County Public Facilities Company for the year ended June 30, 2008, was as follows:

	<u>Cost</u>
Land	\$ 35,000
Land improvements	14,400
Building	<u>929,211</u>
	978,611
Less: Accumulated depreciation	<u>(171,853)</u>
	<u>\$ 806,758</u>

**Construction and Other Commitments**

At June 30, 2008, the County was obligated under construction projects as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Water and Sewer Projects	\$ 6,816,913	\$ -
Animal Control Shelter	607,810	-
Recreation Complex-Phase I	882,585	-
Recreation Complex-Phase II	2,530,558	-
Library/Meeting Room	<u>1,427,758</u>	<u>859,242</u>
Total	<u>\$ 12,265,624</u>	<u>\$ 859,242</u>

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2008, were as follows:

	<u>Vendors</u>
Governmental Activities:	
General	\$ 1,476,562
Recreation Complex Phase II	7,753
Special Fire Districts	8,567
Library/Meeting Room	198,304
Other governmental	<u>17,575</u>
Total-governmental activities	<u>\$ 1,708,761</u>
	<u>Vendors</u>
Business-type Activities:	
Solid Waste	\$ 96,364

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

---

Water & Sewer Fund	<u>482,281</u>
Total-business-type activities	<u>\$ 578,545</u>

**2. Pension Plan Obligations**

**a. Local Governmental Employees' Retirement System**

*Plan Description* – Warren County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy* – Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.92% and 4.86%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 4.8% of annual covered payroll. The contribution requirements of members and of the County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2006, 2007, and 2008 were \$341,846, \$361,022, and \$423,070, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2006, 2007, and 2008 were \$3,607, \$3,853, and \$4,175, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

**b. Law Enforcement Officer's Special Separation Allowance**

**1. Plan Description**

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2007, the Separation Allowance's membership consisted of:

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

Retirees receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>26</u>
Total	<u>26</u>

**2. Summary of Significant Accounting Policies:**

*Basis of Accounting* –Employer contributions to the plan are recognized on an actuarial basis and a provision for future payments is recognized as part of long-term debt. See footnote on page 63.

**3. Contributions**

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. A copy of the actuarial valuation report is available from the Finance Department. For the current year, there were no contributions made by the County or by its employees. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5-12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll dollars on a closed basis. The remaining amortization period at December 31, 2007, was 23 years.

<u>Fiscal Year Ended</u>	<u>Three-Year Trend Information</u>		<u>Net Pension Obligation</u>
	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	
6/30/06	\$ 15,635	27.29%	\$ 107,793
6/30/07	15,259	0.00%	123,052
6/30/08	\$ 16,558	0.00%	\$ 139,610

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending 6/30/08

Employer annual required contribution	\$ 15,198
Interest on net pension obligation	8,921

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Adjustment to annual required contribution	(7,561)
Annual pension cost	16,558
Employer contributions made for fiscal year ending 6/30/07	-
Increase (decrease) in net pension obligation	16,558
Net pension obligation beginning of fiscal year	123,052
Net pension obligation end of fiscal year	<u>\$ 139,610</u>

**4. Funded Status and Funding Progress.**

As of December 31, 2007, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$100,344, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$100,344. The covered payroll (annual payroll of active employees covered by the plan) was \$829,993, and the ratio of the UAAL to the covered payroll was 12.09 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**c. Supplemental Retirement Income Plan for Law Enforcement Officers**

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

*Funding Policy* – Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer’s salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2008, were \$102,035, which consisted of \$45,662 from the County and \$56,373 from the law enforcement officers.

**d. Registers of Deeds’ Supplemental Pension Fund**

*Plan Description* – Warren County also contributes to the Registers of Deeds’ Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds that is retired under the Local Government Employees’ Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds’ Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes financial statements and required supplementary information for the Registers of Deeds’ Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy* – On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2008, the County's required and actual contributions were \$5,128.

**e. Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. 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. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2008, the County made contributions to the State for death benefits of \$11,097. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .13% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount.

**3. Deferred Revenues/Unearned Revenues**

The balance in deferred or unearned revenue on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following elements:

	<u>Unearned or Deferred Revenue</u>	<u>Full Accrual Unearned Revenue</u>
Prepaid taxes not yet earned		
General Fund	\$ 25,157	\$ 25,157
Taxes receivable, net		
General Fund	\$ 1,600,987	\$ -
Special Revenue Fund	121,359	-
Total	<u>\$ 1,722,346</u>	<u>\$ -</u>

**4. Risk Management**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general,

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, workers' compensation coverage up to the statutory limits, and health and dental insurance for County employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health and dental insurance, the county is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through a commercial carrier for individual losses in excess of \$100,000.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance and tax collector are each individually bonded for \$10,000 and \$20,000, respectively. The Register of Deeds and Sheriff are each bonded for \$10,000 and \$20,000, respectively. Additional bonding will be obtained during 08-09 to be in compliance with General Statutes.

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

Warren County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

**5. Commitments**

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

At June 30, 2008, the County was obligated under several operating leases for office space, equipment and solid waste convenience sites. Rent expense for the year ended June 30, 2008 was \$71,363. Future rent payments total:

For Year Ending <u>June 30</u>	General <u>Fund</u>	Enterprise <u>Fund</u>	<u>Total</u>
2009	72,730	27,168	99,898
2010	46,159	27,168	73,327
2011	22,400	23,444	45,844
2012	-	20,400	20,400
2013	-	10,800	10,800

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

2014	-	3,000	3,000
	\$ 141,289	\$ 111,980	\$ 253,269

The County has made and entered into an agreement on May 25, 2008 with Waste Industries, Inc. to operate eight Manned Convenience Center sites at the landfill. The agreement calls for charges on a monthly basis at the following rates:

Monthly charge for all sites                      \$ 43,982 per month

The County has made and entered into an agreement on May 25, 2006 with Waste Industries, Inc to operate a Transfer Station to transport certain solid waste from the station to a permitted landfill. Mutual consent Compensation is paid monthly at the following rates:

a) Hauling cost    \$ 53.75 per ton

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

**6. Postclosure Care Costs – Solid Waste Landfill Facility**

State and federal laws and regulations required the County to place a final cover on its Solid Waste Landfill Facility when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County reports a portion of these post closure care costs as an operating expense in each period.

**7. Contingent Liabilities**

At June 30, 2008, the County was a defendant to various lawsuits. In the opinion of the County’s management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County’s financial position.

**8. Long-Term Obligations**

**a. Installment Purchases**

On October 29, 1997, the County entered into an installment purchase contract to finance renovations and improvements to the John Graham Building. The financing contract required semi-annual principal and interest payments beginning April 1999, with an interest rate of 4.78%. This contract was refinanced during fiscal year 2004. The new contract requires semi-annual payments in the amount of \$132,153.67 beginning April 2004, with an interest rate of 4.19%.

On March 14, 2003, the County entered into an installment purchase agreement to finance the construction of a Law Enforcement Center. The installment purchase requires semiannual principal payments of \$77,500, plus interest, beginning July 2003 and ending January 2018. The interest rate is 3.99%.

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

On September 29, 2004, the County entered into an installment purchase agreement to purchase eight vehicles and a John Deere tractor. The installment purchase requires monthly payments of \$4,962, beginning October 2004 and ending September 2007. The interest rate is 2.69%.

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

On November 25, 2005, the County entered into an installment purchase agreement to purchase four vehicles and a control panel. The installment purchase requires monthly payments of \$6,970, beginning February 2005 and ending January 2008. The interest rate is 3.53%.

On September 20, 2006, the County entered into an installment purchase agreement to purchase 5 vehicles. The installment purchase requires monthly payments of \$3,475, beginning October 2006 and ending September 2009. The interest rate is 3.93%.

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

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

On January 18, 2008, the County entered into an installment purchase agreement with RBC Centura to finance the purchase of nine vehicles (6 sheriff, 2 code enforce & 1 DSS). The installment requires monthly payments of \$5,262.36, including interest, beginning February 2008 and ending January 2011.

On May 28, 2008, the County entered into an installment agreement with Halifax Electric Membership Corporation. The installment requires monthly payments of \$2,526.70, interest free, beginning January 2009 and ending December 2015.

For Warren County, the future minimum payments as of June 30, 2008, including \$1,637,593 of interest, are:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Installment Purchases		Installment Purchases	
	Principal	Interest	Principal	Interest
2009	\$ 807,387	\$ 312,560	\$ 20,025	\$ 58
2010	833,622	278,344	30,320	-
2011	805,086	245,500	30,320	-
2012	778,821	213,758	30,320	-
2013	657,293	181,962	30,320	-
2014-2018	2,639,256	349,226	75,801	-
2019-2021	1,435,214	56,186	-	-
	<u>\$ 8,041,537</u>	<u>\$ 1,637,535</u>	<u>\$ 217,108</u>	<u>\$ 58</u>

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

**b. Long-term Indebtedness**

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

Bonds payable at June 30, 2008 are comprised of the following individual issues:

**General Obligation Bonds**

Serviced by the County's General Fund:

<b>\$3,615,000</b> 1995 Refunding Bonds due on April 1 and October 1 in installments of \$215,000 - \$265,000 through April 1, 2010; interest at 4.5% - 5.0%	\$ 435,000
<b>\$500,000</b> Public Improvement serial bonds due on June 1 in installments of \$7,500 to \$40,000 through June 1, 2020 including interest at 6%	299,500
<b>\$6,235,000</b> 2002 Refunding General School Bonds due on June 1 in installments of \$265,000 - \$770,000 through June 1, 2013; interest at 3.00% - 4.25%	<u>3,230,000</u>
<b>Total</b>	<u>\$ 3,964,500</u>

**Business-type Activity:**

**Water Bonds**

Serviced by the Water and Sewer District One Fund:

<b>\$1,629,000</b> Water notes issued on September 8, 1999 and due June 1 in various installments of \$18,000 - \$72,000 from 2002 to 2038; interest at 4.25%	\$ 1,464,000
---	--------------

Serviced by the Water and Sewer District Two Fund:

<b>\$2,715,000</b> Water bonds issued April 15, 2002 and due June 1 in various installments from 2004 to 2041; interest at 4.75%	2,559,500
--	-----------

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Serviced by the Water and Sewer District Three Fund:

<b>\$2,900,000</b>	Water bonds issued June 1, 2006 and due June 1 in various installments from 2008 to 2045; interest at 4.5%	2,869,000
<b>\$681,000</b>	Water bonds issued June 1, 2006 and due June 1 in various installments from 2008 to 2045; interest at 4.5%	674,000
<b>\$4,957,000</b>	Water bond anticipation notes issued November 20, 2007 and due in full in August 2008; interest at 3.75%. Bonds are expected to be issued during fiscal year 08-09.	<u>4,957,000</u>
<b>Total</b>		<u>\$ 12,523,500</u>

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

Year Ending <u>June 30,</u>	General Obligation Bonds		Water Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 799,500	\$ 170,895	\$ 5,059,000	\$ 486,352
2010	785,500	136,925	105,500	345,809
2011	791,500	103,745	110,000	340,902
2012	703,000	71,655	116,000	335,788
2013	694,500	41,375	121,000	330,393
2014-2018	142,500	40,680	692,500	1,562,268
2019-2023	48,000	3,960	864,000	1,386,071
2024-2028	-	-	1,086,500	1,165,475
2028-2033	-	-	1,365,000	887,809
2033-2038	-	-	1,599,000	545,895
2038-2043	-	-	1,101,000	203,445
2043-204	-	-	<u>304,000</u>	<u>20,520</u>
<b>Total</b>	<u>\$ 3,964,500</u>	<u>\$ 569,235</u>	<u>\$12,523,500</u>	<u>\$ 7,610,726</u>

At June 30, 2008, Warren County had \$12,000,000 in bonds authorized at June 30, 2008 for Warren County Water and Sewer District Number III. During the year, no bond anticipation notes were retired. Warren County had a legal debt margin of \$87,750,773.

**9. Long Term Obligation Activity**

The following is a summary of changes in general long-term debt for the year ended June 30, 2008:

	Balance <u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2008</u>	Current <u>Portion</u>
<b>Governmental Activities:</b>					
General obligation bonds	\$ 4,782,500	\$ -	\$ (818,000)	\$ 3,964,500	\$ 799,500
Installment purchases	6,239,724	2,609,200	(807,387)	8,041,537	892,245
Pension obligation	123,052	16,558	-	139,610	-
Compensated absences	<u>480,362</u>	<u>520,889</u>	<u>(412,563)</u>	<u>588,688</u>	<u>147,172</u>
<b>Total</b>	<u>\$ 11,625,638</u>	<u>\$ 3,146,647</u>	<u>\$ (2,037,950)</u>	<u>\$ 12,734,335</u>	<u>\$ 1,838,917</u>

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Balance <u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2008</u>	Current <u>Portion</u>
<b>Business-type Activities:</b>					
Water Bonds	\$ 7,662,500	\$ 4,957,000	\$ (96,000)	\$ 12,523,500	\$ 5,059,000
Installment purchase	15,048	212,243	(10,183)	217,108	24,890
Compensated absences	<u>41,855</u>	<u>42,644</u>	<u>(41,855)</u>	<u>42,644</u>	<u>10,661</u>
Total	<u>\$ 7,719,403</u>	<u>\$ 5,211,887</u>	<u>\$ (148,038)</u>	<u>\$ 12,783,252</u>	<u>\$ 5,094,551</u>

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

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

Bank loan, at 8.75%, due in monthly installments of \$9,000, beginning July 5, 2001 with final payment due May 5, 2011 secured by real estate and building and guaranteed by FMHA. \$ 808,199  
Interest paid for the year was \$ 73,579.

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

2009	\$ 38,871
2010	42,425
2011	<u>726,903</u>
Total	<u>\$ 808,199</u>

**10. Conduit Debt Obligations**

Warren County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2008, the outstanding balance of the industrial revenue bonds was \$0.

**C. Interfund Activity**

From	To	Amount	Reason
<b><u>General Fund</u></b>			
General Fund	Revaluation Fund	\$ 50,000	Required annual contributions for revaluation
General Fund	Library/Meeting Room	71,571	County's cash contribution to capital project
General Fund	Courthouse Annexation	250,000	County's cash contribution to capital project
General Fund	Ambulance Storage Facility	200,000	County's cash contribution to capital project
		<u>\$ 571,571</u>	
<b><u>Special Revenue Funds</u></b>			
Revaluation Fund	General Fund	\$ 215,412	Reimbursement for expenses paid
Emergency Telephone Sys.	General Fund	300,812	Reimbursement for expenses paid
		<u>\$ 516,224</u>	
<b><u>Due from/to Other Funds</u></b>			
CDBG Scattered Site Project	General Fund	\$ 120	
CDBG Ephraim Place	General Fund	48	
		<u>\$ 168</u>	

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

---

**IV. Joint Ventures**

**D. Area Mental Health District**

The Area Mental Health District was established to provide mental health services for five counties: Franklin, Warren, Granville, Vance, and Nash. Each county has one board member on the Area Mental Health Board, but none individually has authority to designate management. The County contributed \$59,527 to the Area Mental Health during the fiscal year ended June 30, 2008. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2008. The County has an ongoing financial responsibility to the District because of statutory requirements to provide funding. Complete financial statements for the Area Mental Health can be obtained from their administrative offices at 107 Industrial Drive, Louisburg, N.C. 27549.

**E. Kerr Area Rural Transportation Authority**

The Kerr Area Rural Transportation Authority (K.A.R.T.S.) is an association of five County governments, including Warren County. K.A.R.T.S. is a joint venture of the participating counties for the purpose of providing a safe, adequate and convenient transportation system for the jurisdictional area creating the authority and its immediate environs. The counties served by K.A.R.T.S. in addition to Warren County are Granville, Vance, Franklin, and Person. General support of K.A.R.T.S. is provided by Federal, State and local grants and users' fees. Each county appoints two members of the Authority management body and this governing body determines the budget and financing requirements of the Authority. The County has an ongoing financial responsibility for the joint venture because K.A.R.T.S.' continued existence depends on the participant governments' continued findings. The County contributed \$20,482 to K.A.R.T.S. during the fiscal year ended June 30, 2008. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2008. Complete financial statements for K.A.R.T.S. can be obtained from their administrative offices at 943 W. Andrews Avenue, Henderson, N.C. 27536.

**F. Vance Granville Community College**

The County, in conjunction with the State of North Carolina, Vance County, Granville County, Warren County, Vance County Board of Education, and Warren County Board of Education, participates in a joint venture to operate the Vance Granville Community College. The State, Vance County, Granville County, Vance County Board of Education, and Granville County Board of Education appoint the twelve voting members of the board of trustees. Warren County appoints a nonvoting member of the board of trustees. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$147,380 and \$5,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2008. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2008. Complete financial statements for the community college may be obtained from the community college's administrative offices at P.O. Box 917, Henderson, N.C. 27536.



## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

---

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

---

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Notes to Required Schedules for the Law Enforcement Officers' Special Separation Allowance

**WARREN COUNTY, NORTH CAROLINA**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2007	\$ -	\$ 100,344	\$ 100,344	0.00%	\$ 829,993	12.09%
12/31/2006	-	81,439	81,439	0.00%	750,773	10.85%
12/31/2005	-	74,547	74,547	0.00%	747,850	9.97%
12/31/2004	\$ -	\$ 79,829	\$ 79,829	0.00%	\$ 662,873	12.04%

**WARREN COUNTY, NORTH CAROLINA  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 16,558	0.00%
2007	15,259	0.00%
2006	15,635	27.29%
2005	\$ 15,592	32.84%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as for the latest actuarial valuation follows:

Valuation date	12/31/2007
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	23 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5 - 12.3%
Cost-of-living adjustments	N/A

\*Includes inflation at 3.75% percent.

**COMBINING AND INDIVIDUAL FUND**  
**STATEMENTS AND SCHEDULES**

## MAJOR GOVERNMENTAL FUNDS

---

- **General Fund:** This fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.
- **Recreation Complex Phase II Fund:** This capital project fund is used to account for funds set aside to construct phase II of a recreation complex.
- **Special Fire Districts Fund:** This special revenue fund is used to account for the tax revenues collected by the County on behalf of the various fire districts located within the County.
- **Emergency Telephone System Fund:** This special revenue fund is used to account for the 911 revenues collected by the telephone industry to fund the 911 emergency system.
- **Library/Meeting Room Fund:** This capital project fund is used to account for funds set aside to construct a library and meeting room.

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		2007	
	Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad Valorem Taxes:				
Taxes		\$ 11,878,948		\$ 11,292,490
Penalties and interest		190,209		120,170
Total	11,832,704	12,069,157	236,453	11,412,660
Local Option Sales Taxes:				
Article 39 one percent		774,599		748,016
Article 40 one-half of one percent		1,106,863		1,126,000
Article 42 one-half of one percent		1,103,622		1,122,965
Article 44		647,471		651,083
Medicaid hold harmless		255,377		-
Total	3,189,287	3,887,932	698,645	3,648,064
Other taxes and licenses:				
Excise tax stamps		100,812		158,896
Total	100,000	100,812	812	158,896
Unrestricted intergovernmental:				
Payment in lieu of taxes		2,763		2,613
Gasoline tax refund		12,211		16,250
Beer and wine tax		82,174		82,376
ABC Profits		54,562		18,918
Other		47,948		45,365
Total	119,800	199,658	79,858	165,522
Restricted intergovernmental:				
Federal and State grants		4,811,237		4,697,906
Court facility fees		63,041		63,969
ABC bottles taxes		6,602		6,333
Other		97,968		96,650
Total	5,057,912	4,978,848	(79,064)	4,864,858

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Permits and fees:				
Register of Deeds fees		118,190		130,514
Inspection fees		176,699		180,243
Other		55,503		44,205
Total	323,475	350,392	26,917	354,962
Sales and services:				
Rents		30,159		43,926
Franchise fees		14,385		9,725
Recreation fees		28,079		10,861
Jail fees		28,309		26,559
Sheriff's fees		7,966		5,753
Ambulance fees		558,053		596,529
Health fees		1,353,937		1,381,475
Library fees		12,208		12,198
Animal control fees		2,278		2,635
4-H activity fees		-		-
Other		20,502		18,557
Total	1,843,912	2,055,876	211,964	2,108,218
Investment earnings	310,000	342,023	32,023	473,601
Micellaneous Revenues				
Donations and private grants		38,804		6,833
Insurance proceeds		68,063		9,246
Other		17,481		54,561
Total	87,416	124,348	36,932	70,640
Total Revenues	22,864,506	24,109,046	1,244,540	23,257,421

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b><u>EXPENDITURES</u></b>				
<b><u>General Government</u></b>				
Governing Body:				
Salaries and employee benefits		79,444		78,179
Other operating expenditures		71,522		42,304
Insurance other than property		316,318		376,306
Total	497,167	467,284	29,883	496,789
Administration:				
Salaries and employee benefits		172,116		150,478
Other operating expenditures		15,034		14,263
Total	189,029	187,150	1,879	164,741
Human Resources:				
Salaries and employee benefits		77,598		52,801
Other operating expenditures		8,021		48,279
Total	100,021	85,619	14,402	101,080
Elections:				
Salaries and employee benefits		100,879		78,671
Other operating expenditures		124,733		68,226
Capital outlay		-		-
Total	209,955	225,612	(15,657)	146,897
Finance:				
Salaries and employee benefits		267,887		234,063
Other operating expenditures		78,869		73,131
Capital outlay		-		6,119
Total	367,300	346,756	20,544	313,313
Tax Assessor:				
Salaries and employee benefits		176,417		141,074
Other operating expenditures		240,282		126,184
Capital outlay		3,800		-
Total	462,346	420,499	41,847	267,258
Tax Collections:				
Salaries and employee benefits		192,419		164,920
Other operating expenditures		57,616		55,907
Total	272,842	250,035	22,807	220,827
Legal:				
Contracted services	44,500	32,166	12,334	33,916

**WARREN COUNTY, NORTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b>Register of Deeds:</b>				
Salaries and employee benefits		141,881		139,446
Other operating expenditures		59,901		55,716
Capital outlay		487		781
Total	214,205	202,269	11,936	195,943
<b>Public Buildings:</b>				
Salaries and employee benefits		372,443		249,475
Other operating expenditures		129,755		72,843
Capital outlay		75,049		6,300
Total	603,673	577,247	26,426	328,618
<b>Data Processing:</b>				
Salaries and employee benefits		54,177		48,488
Other operating expenditures		74,424		69,448
Capital outlay		155,762		36,972
Total	286,154	284,363	1,791	154,908
<b>Court Facilities:</b>				
Operating expenditures	58,070	51,669	6,401	49,397
<b>Miscellaneous Appropriations:</b>				
Payments to local organizations	52,974	50,296	2,678	42,259
Total General Government	3,358,236	3,180,965	177,271	2,515,946
<b><u>Public Safety</u></b>				
<b>Sheriff:</b>				
Salaries and employee benefits		1,270,248		1,109,803
Other operating expenditures		401,054		333,968
Capital outlay		148,712		86,977
Total	1,859,159	1,820,014	39,145	1,530,748
<b>Child Support Officer:</b>				
Salaries and employee benefits		36,504		35,081
Other operating expenditures		9,577		4,965
Total	44,889	46,081	(1,192)	40,046
<b>Jail:</b>				
Salaries and employee benefits		607,777		527,305
Other operating expenditures		333,173		569,296
Capital outlay		44,780		45,569
Total	1,088,548	985,730	102,818	1,142,170

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Central Communications:				
Salaries and employee benefits		372,331		318,606
Other operating expenditures		158,614		156,356
Capital outlay		-		95,633
Total	557,139	530,945	26,194	570,595
Emergency Management:				
Salaries and employee benefits		89,910		84,026
Other operating expenditures		83,814		29,751
Capital outlay		25,380		117,876
Total	215,132	199,104	16,028	231,653
Fire:				
Assistance to local fire departments	259,200	257,160	2,040	256,675
Emergency Medical Services:				
Salaries and employee benefits		800,605		724,135
Other operating expenditures		237,730		198,571
Capital outlay		289,822		-
Total	1,374,286	1,328,157	46,129	922,706
Halifax County EMS	54,521	47,346	7,175	44,920
Code Enforcement:				
Salaries and employee benefits		132,115		120,241
Other operating expenditures		26,764		19,969
Capital outlay		36,697		-
Total	245,055	195,576	49,479	140,210
Medical Examiner:				
Contracted Services	11,000	4,900	6,100	9,200

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Animal Control:				
Salaries and employee benefits		131,895		88,192
Other operating expenditures		51,687		48,606
Capital Outlay		22,912		-
Total	234,427	206,494	27,933	136,798
KARTS				
Other operating expenditures	20,482	20,482	-	19,899
Total Public Safety	5,963,838	5,641,989	321,849	5,045,620
<u>Environmental Protection</u>				
Soil Conservation:				
Salaries and employee benefits		123,461		111,801
Other operating expenditures		36,204		39,534
Capital outlay		-		-
Total	166,554	159,665	6,889	151,335
Forestry Service	104,241	97,227	7,014	103,241
Lake Gaston Weed Control	116,000	116,000	-	116,000
PCB Program:				
Other operating expenditures		-		-
Total	5,476	-	5,476	-
Total Environmental Protection	392,271	372,892	19,379	370,576
<u>Economic and Physical Development</u>				
Planning:				
Salaries and employee benefits		121,610		73,373
Other operating expenditures		10,364		9,102
Capital outlay		1,020		-
Total	154,500	132,994	21,506	82,475
Economic Development:				
Salaries and employee benefits		119,990		110,852
Other operating expenditures		41,306		43,778
Capital outlay		-		3,200
Total	177,874	161,296	16,578	157,830

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Agricultural Extension:				
Salaries and employee benefits		93,313		121,299
Other operating expenditures		45,399		43,680
Capital outlay		8,185		-
Total	193,106	146,897	46,209	164,979
Buck Springs Camp Development:				
Other operating expenditures		1,615		2,909
Total	17,595	1,615	15,980	2,909
Kerr Tar Hub	40,000	40,000	-	40,000
Total Economic and Physical Development	583,075	482,802	100,273	448,193
<u>Human Services</u>				
Health Clinic/Home Health:				
Salaries and employee benefits		1,863,605		1,658,601
Other operating expenditures		858,731		877,149
Capital outlay		13,125		-
Total	3,000,819	2,735,461	265,358	2,535,750
Area Mental Health District	61,399	59,527	1,872	57,512
Youth and Family Programs:				
Juvenile Crime Prevention Program		4,920		4,430
North Central Alliance for Youth		22,000		20,295
Tri-County Conflict Management		4,060		4,294
Total	31,347	30,980	367	29,019
Veteran Services:				
Salaries and employee benefits		77,940		68,063
Other operating expenditures		6,720		7,657
Total	89,218	84,660	4,558	75,720
Senior Citizens Services:				
Contracted services	298,168	276,418	21,750	298,337

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b>Youth Services Bureau:</b>				
Salaries and employee benefits		95,386		74,821
Other operating expenditures		45,601		39,278
Capital outlay		1,717		-
Total	149,561	142,704	6,857	114,099
<b>Rural Operating Assistance Program:</b>				
Contracted services		51,846		56,400
Other operating expenditures		75,873		57,575
Total	128,033	127,719	314	113,975
<b>Social Services:</b>				
Salaries and employee benefits		2,699,756		2,496,302
Other operating expenditures		609,836		599,427
Crisis Intervention		2,149		1,598
Work First Demonstration grant		126		48,019
Capital outlay		19,094		16,566
Total	3,543,267	3,330,961	212,306	3,161,912
<b>Public Assistance:</b>				
Child Day Care		970,980		858,750
Medicaid		1,481,616		1,705,485
Special Assistance to Adults		294,130		318,425
Other Programs		223,632		247,112
Total	3,082,012	2,970,358	111,654	3,129,772
<b>Armory</b>				
Other operating expenditures	13,290	12,031	1,259	12,110
Total Human Services	10,397,114	9,770,819	626,295	9,528,206
<b><u>Cultural and Recreational</u></b>				
<b>Recreation:</b>				
Salaries and employee benefits		131,753		90,430
Other operating expenditures		154,887		136,181
Capital outlay		32,550		-
Total	361,588	319,190	42,398	226,611

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Libraries:				
Salaries and employee benefits		246,001		194,871
Other operating expenditures		96,149		90,493
Capital outlay		-		-
Total	352,015	342,150	9,865	285,364
Total Cultural and Recreational	713,603	661,340	52,263	511,975
<u>Education</u>				
Haliwa Saponi Charter School				
Capital outlay	10,000	10,000	-	100,000
Warren County Public Schools				
Current expense		2,705,609		2,610,104
Capital outlay		592,644		249,054
Total	3,298,694	3,298,253	441	2,859,158
Vance Granville Community College				
Current expense		147,380		136,924
Capital outlay		5,000		5,000
Total	152,380	152,380	-	141,924
Science, Engineering, Math and Aerospace				
Salaries and employee benefits		87,610		69,155
Other operating expenditures		50,256		68,287
Total	160,073	137,866	22,207	137,442
Total Education	3,621,147	3,598,499	22,648	3,238,524
<u>Debt Service</u>				
Principal retirement		1,477,511		1,296,450
Interest and fees		491,027		432,168
Total Debt Service	1,968,597	1,968,538	59	1,728,618
<u>Contingency</u>	20,435	-	20,435	-
Total Expenditures	27,018,316	25,677,844	1,340,472	23,387,658
Revenues Over (Under) Expenditures	(4,153,810)	(1,568,798)	2,585,012	(130,237)

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in				
Emergency Telephone System Fund	319,135	300,812	(18,323)	170,855
Library/Meeting Room	-	-	-	250,000
Revaluation Fund	215,412	215,412	-	80,000
Recreation Complex Phase II	-	-	-	119,865
Total	<u>534,547</u>	<u>516,224</u>	<u>(18,323)</u>	<u>620,720</u>
Transfers out				
Revaluation Fund	(50,000)	(50,000)	-	(50,000)
Recreation Project Fund	-	-	-	(17,125)
Animal Shelter Project Fund	-	-	-	(37,338)
Courthouse Annex Renovation	(250,000)	(250,000)	-	-
Ambulance Storage	(200,000)	(200,000)	-	-
Library/Meeting Room	(71,571)	(71,571)	-	(325,402)
Total	<u>(571,571)</u>	<u>(571,571)</u>	<u>-</u>	<u>(429,865)</u>
Other financing sources (uses):				
Installment purchase obligations issued	240,680	180,680	(60,000)	117,821
Appropriated Fund Balance	3,950,154	-	(3,950,154)	-
Total Other Financial Sources (Uses)	<u>4,153,810</u>	<u>125,333</u>	<u>(4,028,477)</u>	<u>308,676</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>(1,443,465)</u>	<u>\$ (1,443,465)</u>	<u>178,439</u>
Fund Balance-July 1		<u>9,282,470</u>		<u>9,104,031</u>
Fund Balance-June 30		<u>\$ 7,839,005</u>		<u>\$ 9,282,470</u>

**WARREN COUNTY, NORTH CAROLINA  
RECREATION COMPLEX PHASE II  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Restricted intergovernmental					
PARTF Grant	\$ 500,000	\$ 433,930	\$ 66,070	\$ 500,000	\$ -
NCDOT Reimbursement	195,000	-	195,000	195,000	-
Investment earnings	9,260	8,204	978	9,182	(78)
Miscellaneous income	62,522	61,167	1,431	62,598	76
Total	<u>766,782</u>	<u>503,301</u>	<u>263,479</u>	<u>766,780</u>	<u>(2)</u>
<b>EXPENDITURES</b>					
Capital outlay					
Survey		-	-	-	
Legal and administrative		4,478	-	4,478	
Engineering/Design		136,000	-	136,000	
Engineering/Inspection		85,453	-	85,453	
Engineering/Additional Services		2,251	14,915	17,166	
Electrical Service Entrance		7,188	-	7,188	
Construction Contract		2,463,271	67,287	2,530,558	
Soil Investigations		2,805	-	2,805	
Equipment/Capital		-	35,734	35,734	
Lighting/Walking Trail		-	25,264	25,264	
Utility Building Construction		-	12,577	12,577	
Contingency		-	-	-	
Total	<u>2,861,166</u>	<u>2,701,446</u>	<u>155,777</u>	<u>2,857,223</u>	<u>3,943</u>
Revenues Over (Under)					
Expenditures	<u>(2,094,384)</u>	<u>(2,198,145)</u>	<u>107,702</u>	<u>(2,090,443)</u>	<u>3,941</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds of installment purchase	2,214,249	2,214,249	-	2,214,249	-
Transfer in (out)					
General Fund	<u>(119,865)</u>	<u>(119,865)</u>	<u>-</u>	<u>(119,865)</u>	<u>-</u>
Total	<u>2,094,384</u>	<u>2,094,384</u>	<u>-</u>	<u>2,094,384</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (103,761)</u>	<u>107,702</u>	<u>\$ 3,941</u>	<u>\$ 3,941</u>
Fund Balance - July 1			<u>(103,761)</u>		
Fund Balance - June 30			<u>\$ 3,941</u>		

**WARREN COUNTY, NORTH CAROLINA  
SPECIAL FIRE DISTRICTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<u>REVENUES</u>				
Ad Valorem taxes	\$ 598,338	\$ 588,711	\$ (9,627)	\$ 528,197
<u>EXPENDITURES</u>				
Public safety	598,338	588,753	9,585	528,085
Revenues Over (Under) Expenditures	<u>\$ -</u>	(42)	<u>\$ (42)</u>	112
Fund Balance - July 1		112		-
Fund Balance - June 30		<u>\$ 70</u>		<u>\$ 112</u>

**WARREN COUNTY, NORTH CAROLINA  
EMERGENCY TELEPHONE SYSTEM FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<u>REVENUES</u>				
Other taxes and licenses				
E911 fees	\$ 124,000	\$ 62,369	\$ (61,631)	\$ 125,056
Restricted intergovernmental				
Wireless communications	100,000	180,752	80,752	118,064
Investment earnings				
E-911	10,000	17,083	7,083	16,177
Wireless	8,000	10,845	2,845	11,695
Total Revenues	242,000	271,049	29,049	270,992
<u>EXPENDITURES</u>				
Public safety - E911	60,765	-	60,765	-
Revenues Over (Under) Expenditures	181,235	271,049	89,814	270,992
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer in (out)				
General Fund	(319,135)	(300,812)	18,323	(170,854)
Appropriated fund balance	137,900	-	(137,900)	
Total	(181,235)	(300,812)	(119,577)	(170,854)
Revenues Over (Under) Expenditures and Other Uses	\$ -	(29,763)	\$ (29,763)	100,138
Fund Balance - July 1		604,187		504,049
Fund Balance - June 30		\$ 574,424		\$ 604,187

**WARREN COUNTY, NORTH CAROLINA  
LIBRARY/MEETING ROOM  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Investment earnings	\$ 49,640	\$ 6,817	\$ 43,467	\$ 50,284	\$ 644
Miscellaneous income	10,000	-	19,058	19,058	9,058
Total	<u>59,640</u>	<u>6,817</u>	<u>62,525</u>	<u>69,342</u>	<u>9,702</u>
<b>EXPENDITURES</b>					
Capital outlay					
Asbestos abatement		13,815	-	13,815	
Construction contract		-	1,427,758	1,427,758	
Legal and administrative		55	4,743	4,798	
Architectural fees		142,063	55,322	197,385	
Additional services		7,686	1,200	8,886	
Demolition		46,432	-	46,432	
Total	<u>2,821,678</u>	<u>210,051</u>	<u>1,489,023</u>	<u>1,699,074</u>	<u>1,122,604</u>
Revenues Over (Under)					
Expenditures	<u>(2,762,038)</u>	<u>(203,234)</u>	<u>(1,426,498)</u>	<u>(1,629,732)</u>	<u>1,132,306</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds of installment purchase	2,428,520	-	2,428,520	2,428,520	-
Transfer in (out)					
Administrative Building Capital Reserve Fund	186,545	186,545	-	186,545	-
General Fund	396,973	325,402	71,571	396,973	-
General Fund	(250,000)	(250,000)	-	(250,000)	-
Total	<u>2,762,038</u>	<u>261,947</u>	<u>2,500,091</u>	<u>2,762,038</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 58,713</u>	1,073,593	<u>\$ 1,132,306</u>	<u>\$ 1,132,306</u>
Fund Balance - July 1			<u>58,713</u>		
Fund Balance - June 30			<u>\$ 1,132,306</u>		

# NONMAJOR GOVERNMENTAL FUNDS

---

## Special Revenue Funds

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

- **Revaluation Fund:** This fund is used to account for funds set aside each year to pay for the revaluation for tax purposes of real property every eight years.
- **CDBG (Community Development Block Grant) Scattered Site Fund:** This fund is used to account for revenues and expenditures to rehabilitate substandard rural housing at scattered sites.
- **CDBG Ephraim Place Fund:** This fund is used to account for revenues and expenditures to rehabilitate substandard rural housing at Ephraim Place.

## Capital Project Funds

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

- **Buck Springs Leadership Center Fund:** This fund is used to account for funds set aside to construct a leadership center.
- **Recreation Complex Phase I Fund:** This fund is used to account for funds set aside to construct phase I of a recreation complex.
- **Ambulance Storage Facility Fund:** This fund is used to account for funds set aside to construct an ambulance storage facility.
- **Animal Control Shelter Project Fund:** This fund is used to account for funds set aside to construct an animal control shelter.
- **Courthouse Annex Building Renovation:** This fund is used to account for funds set aside to construct an annex to the courthouse.

**WARREN COUNTY, NORTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2008**

	Special Revenue Funds			Capital Projects Funds					Total Nonmajor Governmental Funds
	Revaluation Fund	CDBG Scattered Site Project	CDBG Ephraim Place	Buck Springs Leadership Center	Recreation Complex Phase I	Ambulance Storage Facility	Animal Control Shelter	Courthouse Annex Building Renovation	
<b>ASSETS</b>									
Current Assets:									
Cash and cash equivalents	\$ 152,689	\$ -	\$ -	\$ 285,296	\$ 25,815	\$ 178,300	\$ 12,970	\$ 150,361	\$ 805,431
Accounts receivable, net	-	-	-	-	-	-	-	-	-
Taxes receivable, net	-	-	-	-	-	-	-	-	-
Restricted Assets:									
Cash reserved for construction	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 152,689</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 285,296</b>	<b>\$ 25,815</b>	<b>\$ 178,300</b>	<b>\$ 12,970</b>	<b>\$ 150,361</b>	<b>\$ 805,431</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable and accrued liabilities	\$ -	\$ 9,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,539	\$ 17,575
Retainage payable	-	-	-	-	-	-	-	-	-
Due to General Fund	-	120	48	-	-	-	-	-	168
Deferred revenue	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>9,156</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,539</b>	<b>17,743</b>
Fund Balances:									
Reserved by State Statute Designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	-
Unreserved	105,649	-	-	-	-	-	-	-	105,649
	47,040	(9,156)	(48)	285,296	25,815	178,300	12,970	141,822	682,039
<b>Total fund balances</b>	<b>152,689</b>	<b>(9,156)</b>	<b>(48)</b>	<b>285,296</b>	<b>25,815</b>	<b>178,300</b>	<b>12,970</b>	<b>141,822</b>	<b>787,688</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 152,689</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 285,296</b>	<b>\$ 25,815</b>	<b>\$ 178,300</b>	<b>\$ 12,970</b>	<b>\$ 150,361</b>	<b>\$ 805,431</b>

**WARREN COUNTY, NORTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental Funds
	Revaluation Fund	CDBG Scattered Site Project	CDBG Ephraim Place	Buck Springs Leadership Center	Recreation Complex Phase I	Ambulance Storage Facility	Animal Control Shelter	
<b>REVENUES</b>								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-	-	-	-	-
Restricted intergovernmental	-	27,897	29,402	-	-	-	-	57,299
Investment earnings	14,373	-	-	11,809	932	357	-	27,471
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	14,373	27,897	29,402	11,809	932	357	-	84,770
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Economic and physical development	-	15,760	10,339	-	-	-	-	26,099
Capital outlay	-	-	-	-	-	12,007	-	120,185
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	-	15,760	10,339	-	-	12,007	-	146,284
Revenues Over (Under) Expenditures	14,373	12,137	19,063	11,809	932	(11,650)	(108,178)	(61,514)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers to other funds	(215,412)	-	-	-	-	-	-	(215,412)
Transfers from other funds	50,000	-	-	-	-	200,000	-	500,000
Debt issued	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses) - Net	(165,412)	-	-	-	-	200,000	-	284,588
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(151,039)	12,137	19,063	11,809	932	188,350	-	223,074
Fund Balance - July 1	303,728	(21,293)	(19,111)	273,487	24,883	(10,050)	12,970	564,614
Fund Balance - June 30	\$ 152,689	\$ (9,156)	\$ (48)	\$ 285,296	\$ 25,815	\$ 178,300	\$ 12,970	\$ 787,688

**WARREN COUNTY, NORTH CAROLINA  
REVALUATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		2007	
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Investment earnings	\$ 10,000	\$ 14,373	\$ 4,373	\$ 18,279
<u>EXPENDITURES</u>				
General government	-	-	-	-
Revenues Over (Under) Expenditures	10,000	14,373	4,373	18,279
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer in (out)				
General Fund	50,000	50,000	-	50,000
General Fund	(215,412)	(215,412)	-	(80,000)
Appropriated fund balance	155,412	-	(155,412)	-
	(10,000)	(165,412)	(155,412)	(30,000)
Excess of Revenues and Other Sources Over (Under) Expenditures	\$ -	(151,039)	\$ (151,039)	(11,721)
Fund Balance - July 1		303,728		315,449
Fund Balance - June 30		\$ 152,689		\$ 303,728

**WARREN COUNTY, NORTH CAROLINA  
CDBG SCATTERED SITE PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Restricted intergovernmental	\$ 400,000	\$ 362,422	\$ 27,897	\$ 390,319	\$ (9,681)
<b><u>EXPENDITURES</u></b>					
Economic and Physical Development	400,000	383,715	15,760	399,475	525
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (21,293)</u>	12,137	<u>\$ (9,156)</u>	<u>\$ (9,156)</u>
Fund Balance - July 1			<u>(21,293)</u>		
Fund Balance - June 30			<u>\$ (9,156)</u>		

**WARREN COUNTY, NORTH CAROLINA  
CDBG EPHRIAM PLACE PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Actual Total to Date</u>	<u>Variance Positive (Negative)</u>
<b><u>REVENUES</u></b>					
Restricted intergovernmental	\$ 190,000	\$ 111,196	\$ 29,402	\$ 140,598	\$ (49,402)
<b><u>EXPENDITURES</u></b>					
Economic and Physical Development	190,000	130,307	10,339	140,646	49,354
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (19,111)</u>	19,063	<u>\$ (48)</u>	<u>\$ (48)</u>
Fund Balance - July 1			<u>(19,111)</u>		
Fund Balance - June 30			<u>\$ (48)</u>		

**WARREN COUNTY, NORTH CAROLINA  
BUCK SPRINGS LEADERSHIP CENTER  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Restricted intergovernmental:					
Kellogg Grant	\$ 50,000	\$ 79,379	\$ -	\$ 79,379	\$ 29,379
Private Contributions	238,476	221,702	-	221,702	(16,774)
Investment Earnings	-	28,471	11,809	40,280	40,280
Total Revenues	<u>288,476</u>	<u>329,552</u>	<u>11,809</u>	<u>341,361</u>	<u>52,885</u>
<b><u>EXPENDITURES</u></b>					
Capital outlay					
Survey	11,500	11,500	-	11,500	-
Legal & administrative	42	-	-	-	42
Soil investigations	4,588	2,100	-	2,100	2,488
Architectural fees	272,346	42,465	-	42,465	229,881
	<u>288,476</u>	<u>56,065</u>	<u>-</u>	<u>56,065</u>	<u>232,411</u>
Revenues Over (Under)					
Expenditures	-	273,487	11,809	285,296	285,296
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfer in (out)					
General Fund	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 273,487</u>	11,809	<u>\$ 285,296</u>	<u>\$ 285,296</u>
Fund Balance - July 1			<u>273,487</u>		
Fund Balance - June 30			<u>\$ 285,296</u>		

**WARREN COUNTY, NORTH CAROLINA  
RECREATION COMPLEX PHASE I  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Restricted intergovernmental:					
PARTF Grant	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ -
Investment earnings	17,292	17,552	932	18,484	1,192
Miscellaneous revenue	-	16,859	-	16,859	16,859
	<u>267,292</u>	<u>284,411</u>	<u>932</u>	<u>285,343</u>	<u>18,051</u>
<b>EXPENDITURES</b>					
Capital outlay					
Appraisal Services		4,036	-	4,036	
Engineering & Technical Services		99,098	-	99,098	
Legal & Administrative		7,915	-	7,915	
Engineering/Design		8,000	-	8,000	
Engineering/Additional Services		14,011	-	14,011	
Soil Investigations		1,582	-	1,582	
Electrical Service Entrance		-	-	-	
Land & Right of Ways		104,247	-	104,247	
Construction Contract		912,585	-	912,585	
Contingency		-	-	-	
Equipment/Capital		31,439	-	31,439	
Signage		1,885	-	1,885	
Total		<u>1,184,798</u>	<u>-</u>	<u>1,184,798</u>	
Debt Service					
Principal			-		
Interest			-		
Total		<u>17,125</u>	<u>-</u>	<u>17,125</u>	
Total	<u>1,209,445</u>	<u>1,201,923</u>	<u>-</u>	<u>1,201,923</u>	<u>7,522</u>
Revenues Over (Under)					
Expenditures	<u>(942,153)</u>	<u>(917,512)</u>	<u>932</u>	<u>(916,580)</u>	<u>25,573</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Installment purchase obligations issued	321,758	322,000	-	322,000	242
Transfer in (out)					
General Fund	620,395	620,395	-	620,395	-
Total	<u>942,153</u>	<u>942,395</u>	<u>-</u>	<u>942,395</u>	<u>242</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 24,883</u>	<u>932</u>	<u>\$ 25,815</u>	<u>\$ 25,815</u>
Fund Balance - July 1			<u>24,883</u>		
Fund Balance - June 30			<u>\$ 25,815</u>		

**WARREN COUNTY, NORTH CAROLINA  
AMBULANCE STORAGE FACILITY  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Investment Earnings	\$ -	\$ -	357	\$ 357	\$ 357
<b>EXPENDITURES</b>					
Capital outlay					
Survey	2,000	-	-	-	2,000
Legal & Administrative	1,000	-	7	7	993
Soil Investigations	5,000	-	-	-	5,000
Architectural Fees	40,000	10,050	12,000	22,050	17,950
Construction Contract	210,000	-	-	-	210,000
Contingency	195,000	-	-	-	195,000
Total	<u>453,000</u>	<u>10,050</u>	<u>12,007</u>	<u>22,057</u>	<u>430,943</u>
Revenues Over (Under)					
Expenditures	<u>(453,000)</u>	<u>(10,050)</u>	<u>(11,650)</u>	<u>(21,700)</u>	<u>431,300</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Installment purchase obligations issued	253,000	-	-	-	(253,000)
Transfer in (out)					
General Fund	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total	<u>453,000</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>(253,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (10,050)</u>	188,350	<u>\$ 178,300</u>	<u>\$ 178,300</u>
Fund Balance - July 1			<u>(10,050)</u>		
Fund Balance - June 30			<u>\$ 178,300</u>		

**WARREN COUNTY, NORTH CAROLINA  
ANIMAL CONTROL SHELTER PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Investment earnings	\$ 10,666	\$ 10,666	\$ -	\$ 10,666	\$ -
Miscellaneous income	6,232	6,229	-	6,229	(3)
Total	<u>16,898</u>	<u>16,895</u>	<u>-</u>	<u>16,895</u>	<u>(3)</u>
<b><u>EXPENDITURES</u></b>					
Capital outlay					
Survey		1,000	-	1,000	
Legal and administrative		2,064	-	2,064	
Reimbursables/Testing		5,026	-	5,026	
Architectural fees		36,025	-	36,025	
Construction contract		607,810	-	607,810	
Contingency		-	-	-	
Telephone system		3,939	-	3,939	
Total		<u>655,864</u>	<u>-</u>	<u>655,864</u>	
Debt service					
Principal			-		
Interest			-		
Total		<u>33,399</u>	<u>-</u>	<u>33,399</u>	
Total	<u>702,236</u>	<u>689,263</u>	<u>-</u>	<u>689,263</u>	<u>12,973</u>
Revenues Over (Under)					
Expenditures	<u>(685,338)</u>	<u>(672,368)</u>	<u>-</u>	<u>(672,368)</u>	<u>(12,970)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Proceeds of installment purchase	628,000	628,000	-	628,000	-
Transfer in (out)					
General Fund	<u>57,338</u>	<u>57,338</u>	<u>-</u>	<u>57,338</u>	<u>-</u>
Total	<u>685,338</u>	<u>685,338</u>	<u>-</u>	<u>685,338</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 12,970</u>	<u>-</u>	<u>\$ 12,970</u>	<u>\$ 12,970</u>
Fund Balance - July 1			<u>12,970</u>		
Fund Balance - June 30			<u>\$ 12,970</u>		

**WARREN COUNTY, NORTH CAROLINA  
COURTHOUSE ANNEX BUILDING RENOVATION  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous income	-	-	-	-	-
Total	-	-	-	-	-
<b>EXPENDITURES</b>					
Capital outlay					
Construction contract		-	91,168	91,168	
Architectural fees		-	8,500	8,500	
Telephone System		-	8,381	8,381	
Utilities		-	129	129	
Total	250,000	-	108,178	108,178	141,822
Revenues Over (Under)					
Expenditures	(250,000)	-	(108,178)	(108,178)	141,822
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in (out)					
General Fund	250,000	-	250,000	250,000	-
Total	250,000	-	250,000	250,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	141,822	\$ 141,822	\$ 141,822
Fund Balance - July 1			-		
Fund Balance - June 30			\$ 141,822		

## ENTERPRISE FUNDS

---

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

---

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

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

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

**WARREN COUNTY, NORTH CAROLINA**  
**SOLID WASTE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues				
Charges for services	\$ 1,183,050	\$ 1,257,962	\$ 74,912	\$ 1,178,027
Nonoperating Revenues				
State grants and reimbursements				
Tire Disposal Tax	20,000	22,435	2,435	26,368
White Goods Disposal Tax	6,500	10,867	4,367	11,687
Miscellaneous	3,200	3,289	89	5,718
Interest earnings	5,000	11,321	6,321	12,978
Total Nonoperating Revenues	34,700	47,912	13,212	56,751
Total Revenues	1,217,750	1,305,874	88,124	1,234,778
<b>EXPENDITURES</b>				
Salaries and employee benefits		197,287		148,412
Other operating expenditures		114,243		79,370
Contracted services		980,448		943,468
Capital outlay		-		-
Debt service:				
Interest and other charges		340		856
Debt principal		10,183		18,768
Total Expenditures	1,320,016	1,302,501	17,515	1,190,874
Revenues Over (Under) Expenditures	(102,266)	3,373	105,639	43,904
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in (out)				
General Fund	-	-	-	-
Installment purchase obligations issued	-	-	-	-
Appropriated fund balance	102,266	-	(102,266)	-
Total Other Financing Sources (Uses)	102,266	-	(102,266)	-
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 3,373	\$ 3,373	\$ 43,904
<b>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</b>				
Revenues and other financing sources under expenditures		\$ 3,373		\$ 43,904
Capital outlay		-		-
Debt service payment		10,183		18,768
Depreciation		(27,864)		(29,377)
Proceeds on installment purchase		-		-
Increase in vacation pay		415		(1,977)
		\$ (13,893)		\$ 31,318

**WARREN COUNTY, NORTH CAROLINA  
REGIONAL WATER SYSTEM FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating Revenues				
Water and Sewer Charges	\$ 689,718	\$ 717,700	\$ 27,982	\$ 677,288
Nonoperating Revenues				
State Grants	-	15,475	15,475	-
Permits and Fees	200	225	25	250
Impact Fees	-	4,050	4,050	-
Miscellaneous Revenue	-	126	126	9,050
Interest Earnings	13,000	13,897	897	14,568
Total Nonoperating Revenues	<u>13,200</u>	<u>33,773</u>	<u>20,573</u>	<u>23,868</u>
Total Revenues	<u>702,918</u>	<u>751,473</u>	<u>48,555</u>	<u>701,156</u>
<b>EXPENDITURES</b>				
Salaries and employee benefits		88,628		83,569
Water purchases		372,784		376,119
Other operating expenditures		199,020		196,625
Contracted services		-		-
Capital outlay		-		6,994
Total Expenditures	<u>702,918</u>	<u>660,432</u>	<u>42,486</u>	<u>663,307</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>91,041</u>	<u>91,041</u>	<u>37,849</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)				
District II Enterprise Fund	-	-	-	-
Soul City Pump Station Improvements	-	-	-	-
Soul City and Pleasant Hill Capital Project	-	-	-	-
General Fund	-	-	-	-
Appropriated Fund Balance	-	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 91,041</u>	<u>\$ 91,041</u>	<u>\$ 37,849</u>
<b>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</b>				
Excess of revenues over (under) expenditures		\$ 91,041		\$ 37,849
Capital outlay		-		6,994
Depreciation		(253,776)		(253,368)
(Increase) decrease in compensated absences payable		382		(5,846)
Net Income		<u>(162,353)</u>		<u>(214,371)</u>
Soul City and Pleasant Hill Capital Project		<u>515</u>		<u>442</u>
Net Income for Regional Water Enterprise Fund		<u>\$ (161,838)</u>		<u>\$ (213,929)</u>

**WARREN COUNTY, NORTH CAROLINA**  
**SOUL CITY PUMP STATION IMPROVEMENTS**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Restricted intergovernmental:					
Rural Center Grant	\$ 350,000	\$ -	\$ -	\$ -	\$ (350,000)
Investment earnings	-	1,538	515	2,053	2,053
Total Revenues	<u>350,000</u>	<u>1,538</u>	<u>515</u>	<u>2,053</u>	<u>(347,947)</u>
<b><u>EXPENDITURES</u></b>					
Capital Outlay	<u>395,000</u>	<u>37,692</u>	<u>9,719</u>	<u>47,411</u>	<u>347,589</u>
Revenues Over (Under) Expenditures	<u>(45,000)</u>	<u>(36,154)</u>	<u>(9,204)</u>	<u>(45,358)</u>	<u>(358)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers in (out)					
Regional Water Enterprise Fund	45,000	45,000	-	45,000	-
General Fund	-	-	-	-	-
Total	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>45,000</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 8,846</u>	<u>\$ (9,204)</u>	<u>\$ (358)</u>	<u>\$ (358)</u>
<b><u>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</u></b>					
Revenues and other sources over (under) expenditures			\$ (9,204)		
Capital outlay			<u>9,719</u>		
Net Income			<u>\$ 515</u>		

**WARREN COUNTY, NORTH CAROLINA**  
**DISTRICT ONE ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b><u>REVENUES</u></b>				
Operating Revenues				
Water and Sewer Charges	\$ 410,240	\$ 412,943	\$ 2,703	\$ 422,704
Other operating revenues	2,425	2,225	(200)	12,584
Total Operating Revenues	<u>412,665</u>	<u>415,168</u>	<u>2,503</u>	<u>435,288</u>
Nonoperating Revenues				
Interest Earnings	21,500	21,197	(303)	20,860
Total Revenues	<u>434,165</u>	<u>436,365</u>	<u>2,200</u>	<u>456,148</u>
<b><u>EXPENDITURES</u></b>				
Salaries and employee benefits		158,276		88,960
Water purchases		87,225		77,839
Other operating expenditures		67,178		52,505
Contracted services		-		-
Capital outlay		-		7,445
Debt service:				
Interest and other charges		70,585		71,681
Debt principal		24,000		23,000
Total Expenditures	<u>434,165</u>	<u>407,264</u>	<u>26,901</u>	<u>321,430</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>29,101</u>	<u>29,101</u>	<u>134,718</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in (out)				
General Fund	-	-	-	-
Fund balance appropriated	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 29,101</u>	<u>\$ 29,101</u>	<u>\$ 134,718</u>

**RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL**

Excess of revenues over (under) expenditures	\$ 29,101	\$ 134,718
Debt service payment	24,000	23,000
Capital outlay	-	7,445
Depreciation	(143,169)	(144,332)
Increase in accrued compensated absences	<u>(4,620)</u>	<u>375</u>
Net Income	<u>\$ (94,688)</u>	<u>\$ 21,206</u>

**WARREN COUNTY, NORTH CAROLINA**  
**DISTRICT TWO ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating Revenues				
Water and sewer charges	\$ 329,740	\$ 369,810	\$ 40,070	\$ 347,248
Other charges for services	-	-	-	-
Total Operating Revenues	<u>329,740</u>	<u>369,810</u>	<u>40,070</u>	<u>347,248</u>
Nonoperating Revenues				
Debt reimbursement	10,356	10,356	-	10,356
Rents	-	11,250	11,250	-
Miscellaneous	10,934	7,665	(3,269)	7,062
Interest Earnings	17,000	18,301	1,301	19,531
Total Nonoperating Revenues	<u>38,290</u>	<u>47,572</u>	<u>9,282</u>	<u>36,949</u>
Total Revenues	<u>368,030</u>	<u>417,382</u>	<u>49,352</u>	<u>384,197</u>
<b>EXPENDITURES</b>				
Salaries and employee benefits		63,311		56,612
Water purchases		66,784		60,521
Other operating expenditures		65,235		57,619
Capital outlay		-		4,738
Debt service:				
Interest and other charges		123,057		124,606
Principal		34,000		32,500
Total Expenditures	<u>368,030</u>	<u>352,387</u>	<u>15,643</u>	<u>336,596</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>64,995</u>	<u>64,995</u>	<u>47,601</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)				
General Fund		-	-	-
Fund balance appropriated	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 64,995</u>	<u>\$ 64,995</u>	<u>\$ 47,601</u>
<b>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</b>				
Excess of revenues over (under) expenditures		\$ 64,995		\$ 47,601
Depreciation		(296,773)		(296,497)
Capital outlay		-		4,738
Debt service payment		34,000		32,500
(Increase) decrease in compensated absences payable		2		376
Net Income		<u>(197,776)</u>		<u>(211,282)</u>
District Two/Phase II Capital Project		9,833		751
District Two/Wise Project		-		-
Net Income for District Two Enterprise Fund		<u>\$ (187,943)</u>		<u>\$ (210,531)</u>

**WARREN COUNTY, NORTH CAROLINA**  
**DISTRICT TWO/ PHASE II CAPITAL PROJECT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Charges for services	\$ -	\$ 600	\$ 3,075	\$ 3,675	\$ 3,675
Restricted intergovernmental:					
State reimbursements	400,000	-	-	-	(400,000)
Investment earnings	-	2,548	447	2,995	2,995
Miscellaneous	-	-	6,311	6,311	6,311
	<u>400,000</u>	<u>3,148</u>	<u>9,833</u>	<u>12,981</u>	<u>(387,019)</u>
<b><u>EXPENDITURES</u></b>					
Construction	444,923	34,352	351,000	385,352	59,571
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfer in (out)					
District Two Enterprise Fund	44,923	44,923	-	44,923	-
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 13,719</u>	<u>\$ (341,167)</u>	<u>\$ (327,448)</u>	<u>\$ (327,448)</u>
<b><u>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</u></b>					
Revenues and other sources over (under) expenditures			\$ (341,167)		
Capital outlay			<u>351,000</u>		
Net income			<u>\$ 9,833</u>		

**WARREN COUNTY, NORTH CAROLINA**  
**DISTRICT TWO/ WISE PROJECT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental:					
State reimbursements	212,243	-	-	-	(212,243)
Investment earnings	-	-	-	-	-
Miscellaneous	-	-	-	-	-
	<u>212,243</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(212,243)</u>
<b><u>EXPENDITURES</u></b>					
Construction	424,485	-	41,140	41,140	383,345
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Proceeds from debt	191,018	-	212,243	212,243	21,225
Transfer in (out)					
General Fund	21,224	-	-	-	(21,224)
Total	<u>212,242</u>	<u>-</u>	<u>212,243</u>	<u>212,243</u>	<u>1</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,103</u>	<u>\$ 171,103</u>	<u>\$ 171,103</u>

**RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL**

Revenues and other sources over (under) expenditures	\$ 171,103
Proceeds from debt	(212,243)
Capital outlay	<u>41,140</u>
Net income	<u>\$ -</u>

**WARREN COUNTY, NORTH CAROLINA**  
**DISTRICT THREE ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating Revenues				
Water and sewer charges	\$ 243,200	\$ 251,325	\$ 8,125	\$ 214,588
Other charges for services	257	9,857	9,600	-
Total Operating Revenues	<u>243,457</u>	<u>261,182</u>	<u>17,725</u>	<u>214,588</u>
Nonoperating Revenues				
Restricted intergovernmental:				
State grants	-	-	-	-
Miscellaneous	505	825	320	5,314
Interest Earnings	7,000	3,353	(3,647)	4,267
Total Nonoperating Revenues	<u>7,505</u>	<u>4,178</u>	<u>(3,327)</u>	<u>9,581</u>
Total Revenues	<u>250,962</u>	<u>265,360</u>	<u>14,398</u>	<u>224,169</u>
<b>EXPENDITURES</b>				
Salaries and employee benefits		6,331		40,438
Water purchases		45,612		32,722
Other operating expenditures		14,156		32,258
Contracted services		-		-
Capital outlay		-		3,384
Debt Service				
Principal paid		38,000		-
Interest expense		159,618		162,469
Total Expenditures	<u>270,962</u>	<u>263,717</u>	<u>7,245</u>	<u>271,271</u>
Revenues Over (Under) Expenditures	<u>(20,000)</u>	<u>1,643</u>	<u>21,643</u>	<u>(47,102)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)				
District II/Phase I Capital Project	-	-	-	31,500
General Fund	-	-	-	-
Fund balance appropriated	20,000	-	(20,000)	-
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>31,500</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 1,643</u>	<u>\$ 1,643</u>	<u>\$ (15,602)</u>
<b>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</b>				
Excess of revenues over (under) expenditures		\$ 1,643		\$ (15,602)
Depreciation		(8,590)		(8,394)
Capital outlay		-		3,384
Principal paid		38,000		-
Increase in vacation pay		3,060		(1,884)
Net Income		<u>34,113</u>		<u>(22,496)</u>
District Three/Phase I Capital Project		11,929		482,700
District Three/Phase II Capital Project		<u>888,824</u>		<u>2,467</u>
Net Income for District Three Enterprise Fund		<u>\$ 934,866</u>		<u>\$ 462,671</u>

**WARREN COUNTY, NORTH CAROLINA**  
**DISTRICT THREE/PHASE I CAPITAL PROJECT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Restricted intergovernmental:					
Federal grants	\$ 2,621,000	\$ 2,577,940	\$ -	\$ 2,577,940	\$ (43,060)
State grants	400,000	400,000	-	400,000	-
Charges for services	212,600	210,918	275	211,193	(1,407)
Miscellaneous	-	158,388	-	158,388	158,388
Investment earnings	-	53,554	11,654	65,208	65,208
Total Revenues	<u>3,233,600</u>	<u>3,400,800</u>	<u>11,929</u>	<u>3,412,729</u>	<u>179,129</u>
<b><u>EXPENDITURES</u></b>					
Construction	<u>6,814,600</u>	<u>6,636,057</u>	<u>46,200</u>	<u>6,682,257</u>	<u>132,343</u>
Revenues Over (Under) Expenditures	<u>(3,581,000)</u>	<u>(3,235,257)</u>	<u>(34,271)</u>	<u>(3,269,528)</u>	<u>311,472</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers out					
District III Enterprise Fund	-	(31,500)	-	(31,500)	(31,500)
Bond premium	-	18,012	-	18,012	18,012
Bonds issued	3,581,000	3,581,000	-	3,581,000	-
Total Other Financing Sources (Uses) - Net	<u>3,581,000</u>	<u>3,567,512</u>	<u>-</u>	<u>3,567,512</u>	<u>(13,488)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 332,255</u>	<u>\$ (34,271)</u>	<u>\$ 297,984</u>	<u>\$ 297,984</u>

**RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL**

Revenues and other sources over (under) expenditures	\$ (34,271)
Capital outlay	<u>46,200</u>
	<u>\$ 11,929</u>

**WARREN COUNTY, NORTH CAROLINA**  
**DISTRICT THREE/PHASE II CAPITAL PROJECT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Restricted intergovernmental:					
Federal grants	\$ 3,955,000	\$ -	\$ 575,740	\$ 575,740	\$ (3,379,260)
State grants	1,040,000	40,000	-	40,000	(1,000,000)
Charges for services	104,000	9,925	123,725	133,650	29,650
Investment earnings	-	343	40,859	41,202	41,202
Miscellaneous	22,700	-	139,677	139,677	116,977
Total Revenues	<u>5,121,700</u>	<u>50,268</u>	<u>880,001</u>	<u>930,269</u>	<u>(4,191,431)</u>
<b><u>EXPENDITURES</u></b>					
Construction	<u>10,083,200</u>	<u>437,505</u>	<u>5,527,041</u>	<u>5,964,546</u>	<u>4,118,654</u>
Revenues Over (Under) Expenditures	<u>(4,961,500)</u>	<u>(387,237)</u>	<u>(4,647,040)</u>	<u>(5,034,277)</u>	<u>(72,777)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfer from General Fund	4,500	9,000	-	9,000	4,500
Bonds issued	4,957,000	-	4,957,000	4,957,000	-
Premium on bonds issued	-	-	8,823	8,823	8,823
Total Other Financing Sources (Uses) - Net	<u>4,961,500</u>	<u>9,000</u>	<u>4,965,823</u>	<u>4,974,823</u>	<u>13,323</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (378,237)</u>	<u>\$ 318,783</u>	<u>\$ (59,454)</u>	<u>\$ (59,454)</u>
<b><u>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</u></b>					
Revenues and other sources over (under) expenditures			\$ 318,783		
Capital outlay			5,527,041		
Bonds issued			<u>(4,957,000)</u>		
Net Income			<u>\$ 888,824</u>		

## AGENCY FUNDS

---

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

---

- **Social Services Fund:** This agency fund is used to account for the funds held by the County Department of Social Services for the benefit of certain individuals in the County.
- **Fines and Forfeitures and DMV Interest Fund:** This agency fund is used to account for fines and forfeitures collected by the County that are required to be turned over to the Warren County Board of Education and moneys collected for 3% interest on tax payments that is required to be turned over to the NC DMV.
- **Motor Vehicles Tax Fund:** This agency fund is used to account for the proceeds of the Ad Valorem taxes that are collected by the County on behalf of municipalities within the County.

**WARREN COUNTY, NORTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>Social Services</u>				
Assets				
Cash	\$ 42,435	\$ 131,607	\$ 127,927	\$ 46,115
Liabilities				
Miscellaneous liabilities	\$ 42,435	\$ 131,607	\$ 127,927	\$ 46,115
<u>Fines and Forfeitures and DMV Interest</u>				
Assets				
Cash	\$ 809	\$ 249,779	\$ 249,691	\$ 897
Liabilities				
Intergovernmental payable	\$ -	\$ 236,271	\$ 236,271	\$ -
Due to DMV	809	13,508	13,420	897
Total	\$ 809	\$ 249,779	\$ 249,691	\$ 897
<u>Motor Vehicle Tax</u>				
Assets				
Cash	\$ -	\$ 628,920	\$ 628,920	\$ -
Liabilities				
Intergovernmental payable	\$ -	\$ 628,920	\$ 628,920	\$ -
<u>Totals - All Agency Funds</u>				
Assets				
Cash	\$ 47,182	\$ 1,010,306	\$ 1,006,538	\$ 47,012
Liabilities				
Miscellaneous liabilities	\$ 47,182	\$ 131,607	\$ 127,927	\$ 46,115
Intergovernmental payable	-	865,191	865,191	-
Due to DMV	809	13,508	13,420	897
Total liabilities	\$ 47,991	\$ 1,010,306	\$ 1,006,538	\$ 47,012

## **OTHER SCHEDULES**

---

This schedule contains additional information required on property taxes.

---

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

**WARREN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Fiscal Year	Uncollected Balance July 1, 2007	Additions	Collections and Adjustments	Uncollected Balance June 30, 2008
2007-2008	\$ -	\$ 11,649,169	\$ 10,946,698	\$ 702,471
2006-2007	791,293	-	446,726	344,567
2005-2006	351,035	-	121,895	229,140
2004-2005	231,513	-	70,344	161,169
2003-2004	165,605	-	48,624	116,981
2002-2003	220,284	-	37,838	182,446
2001-2002	204,564	-	25,563	179,001
2000-2001	114,727	-	13,021	101,706
1999-2000	51,425	-	7,069	44,356
1998-1999	46,011	-	6,861	39,150
1997-1998	37,858	-	37,858	-
	<u>\$ 2,214,315</u>	<u>\$ 11,649,169</u>	<u>\$ 11,762,497</u>	<u>\$ 2,100,987</u>
				Less: allowance for uncollectible accounts: <u>500,000</u>
				Ad valorem taxes receivable - net: <u>\$ 1,600,987</u>
<hr/>				
Reconciliation with revenues:				
Ad valorem taxes - General Fund				<u>\$ 12,069,157</u>
Reconciling items:				
Amounts written off for 1997-1998 levy				33,497
Interest and Discounts				(340,157)
Total Reconciling Items				<u>(306,660)</u>
Total Collections and Credits				<u>\$ 11,762,497</u>

**WARREN COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
JUNE 30, 2008**

	County-wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy: Property taxed at current year's rate	\$ 1,386,805,824	0.840	\$ 11,649,169	\$ 10,729,811	\$ 919,358
Discoveries:	44,820,238	0.840	376,490	376,490	-
Abatements	<u>(25,408,333)</u>	0.840	<u>(213,430)</u>	<u>(213,430)</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 1,406,217,729</u></u>				
Net Levy			11,812,229	10,892,871	919,358
Uncollected taxes at June 30, 2007			<u>702,471</u>	<u>499,494</u>	<u>202,977</u>
Current year's taxes collected			<u><u>\$ 11,109,758</u></u>	<u><u>\$ 10,393,377</u></u>	<u><u>\$ 716,381</u></u>
Current levy collection percentage			<u><u>94.05%</u></u>	<u><u>95.41%</u></u>	<u><u>77.92%</u></u>

## **STATISTICAL SECTION**

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

**WARREN COUNTY, NORTH CAROLINA**  
**NET ASSETS BY COMPONENTS**  
**LAST FIVE FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	<b>Fiscal Years</b>				
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ 5,318,311	\$ 5,450,318	\$ 6,013,698	\$ 7,406,216	\$ 8,356,319
Restricted	-	636,545	54,916	119,168	10,931
Unrestricted	3,708,387	4,807,363	7,718,588	8,646,672	8,485,896
<b>Total governmental activities net assets</b>	<b>\$ 9,026,698</b>	<b>\$ 10,894,226</b>	<b>\$ 13,787,202</b>	<b>\$ 16,172,056</b>	<b>\$ 16,853,146</b>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 17,416,727	\$ 20,419,414	\$ 19,286,085	\$ 19,086,139	\$ 19,480,250
Restricted	-	-	-	-	-
Unrestricted	1,774,845	(2,253,750)	1,236,198	1,526,879	1,609,269
<b>Total business-type activities net assets</b>	<b>\$ 19,191,572</b>	<b>\$ 18,165,664</b>	<b>\$ 20,522,283</b>	<b>\$ 20,613,018</b>	<b>\$ 21,089,519</b>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 22,735,038	\$ 25,869,732	\$ 25,299,783	\$ 26,492,355	\$ 27,836,569
Restricted	-	636,545	54,916	119,168	10,931
Unrestricted	5,483,232	2,553,613	8,954,786	10,173,551	10,095,165
<b>Total primary government net assets</b>	<b>\$ 28,218,270</b>	<b>\$ 29,059,890</b>	<b>\$ 34,309,485</b>	<b>\$ 36,785,074</b>	<b>\$ 37,942,665</b>

**WARREN COUNTY, NORTH CAROLINA**  
**CHANGES IN NET ASSETS**  
**LAST FIVE FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

Expenses	Fiscal Years				
	2004	2005	2006	2007	2008
Governmental activities:					
General government	\$ 2,295,882	\$ 2,499,642	\$ 2,214,866	\$ 2,561,297	\$ 3,064,896
Public safety	4,282,062	4,446,747	5,199,174	5,432,066	5,897,695
Economic development	629,167	640,594	378,250	547,258	479,538
Environmental protection	226,995	228,788	279,035	372,069	377,402
Human services	8,685,370	8,955,055	8,932,781	9,634,595	9,964,742
Culture and recreation	427,444	473,935	459,433	476,213	678,723
Education	2,644,396	2,917,144	2,926,413	3,239,620	3,598,596
Interest on long-term debt	522,050	464,609	475,435	473,778	503,449
Total governmental activities expenses	19,713,366	20,626,514	20,865,387	22,736,896	24,565,041
Business-type activities					
Solid Waste	1,133,055	1,217,341	1,210,403	1,203,460	1,319,767
Water and Sewer	1,705,079	1,855,912	1,850,972	2,224,113	2,291,284
Total business-type activities expenses	2,838,134	3,073,253	3,061,375	3,427,573	3,611,051
Total primary government expenses	\$ 22,551,500	\$ 23,699,767	\$ 23,926,762	\$ 26,164,469	\$ 28,176,092
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 244,474	\$ 234,884	\$ 246,568	\$ 235,715	\$ 220,303
Public safety	84,810	193,446	310,715	279,159	278,293
Economic and physical development	-	15,329	13,111	11,212	18,436
Human services	1,486,101	1,892,895	2,132,383	1,978,004	1,911,990
Culture and recreation	22,675	23,079	24,280	23,059	40,287
Operating grants and contributions	4,803,520	4,619,374	4,689,246	4,768,953	5,096,559
Capital grants and contributions	150,000	462,491	354,356	718,191	318,369
Total governmental activities program revenue	6,791,580	7,441,498	7,770,659	8,014,293	7,884,237
Business-type activities					
Charges for services:					
Solid Waste	1,186,161	1,145,235	1,176,871	1,178,027	1,257,962
Water and Sewer	827,422	1,139,443	1,413,610	1,681,403	1,888,710
Capital grants and contributions	1,339,916	231,482	2,549,686	532,523	634,873
Total business-type activities program revenues	3,353,499	2,284,678	5,140,167	3,391,953	3,781,545
Total primary government program revenues	\$ 10,145,079	\$ 9,726,176	\$ 12,910,826	\$ 11,406,246	\$ 11,665,782
Net (expenses)/revenue					
Governmental activities	\$ (12,921,786)	\$ (13,185,016)	\$ (13,094,728)	\$ (14,722,603)	\$ (16,680,804)
Business-type activities	515,365	(557,093)	2,078,792	(35,620)	170,494
Total primary government net expenses	\$ (12,406,421)	\$ (13,742,109)	\$ (11,015,936)	\$ (14,758,223)	\$ (16,510,310)
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 11,576,957	\$ 10,876,517	\$ 11,878,217	\$ 12,297,154	\$ 12,528,996
Local option sales taxes	2,857,560	3,119,926	3,292,261	3,648,064	3,887,932
Other taxes and licenses	928,792	237,987	265,569	283,953	163,181
Unrestricted grants and contributions	-	131,026	125,192	165,522	199,658
Investment earnings, unrestricted	64,840	177,394	414,341	563,824	441,867
Miscellaneous	92,886	48,992	68,593	148,940	140,260
Transfers	(253,360)	546,655	(56,469)	-	-
Total governmental activities	15,267,675	15,138,497	15,987,704	17,107,457	17,361,894
Business-type activities:					
Investment earnings	16,386	64,374	58,335	86,377	121,544
Miscellaneous	80,401	13,466	163,023	39,978	184,466
Transfers	253,360	(546,655)	56,469	-	-
Total business-type activities	350,147	(468,815)	277,827	126,355	306,010
Total primary government	\$ 15,617,822	\$ 14,669,682	\$ 16,265,531	\$ 17,233,812	\$ 17,667,904
<b>Changes in Net Assets</b>					
Governmental activities	\$ 2,345,889	\$ 1,953,481	\$ 2,892,976	\$ 2,384,854	\$ 681,090
Business-type activities	865,512	(1,025,908)	2,356,619	90,735	476,504
Total primary government	\$ 3,211,401	\$ 927,573	\$ 5,249,595	\$ 2,475,589	\$ 1,157,594

TABLE 3

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local Sales Tax</b>	<b>Other Taxes</b>	<b>Motor Fuel Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Total</b>
2004	11,576,957	2,857,560	928,792	12,921	4,499	15,380,729
2005	10,876,517	3,119,926	237,987	9,807	4,507	14,248,744
2006	11,878,217	3,292,261	265,569	18,792	5,557	15,460,396
2007	12,297,154	3,648,064	283,953	16,250	6,333	16,251,754
2008	12,528,996	3,887,932	144,368	12,211	6,602	16,580,109

**WARREN COUNTY, NORTH CAROLINA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST FIVE FISCAL YEARS**  
**(MODIFIED ACCURAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Years				
	2004	2005	2006	2007	2008
General fund					
Reserved by state statute	\$ 2,051,718	\$ 1,268,739	\$ 1,328,415	\$ 1,524,375	\$ 1,464,419
Reserved For					
Inventory	6,315	5,002	8,002	14,771	18,848
Register of Deeds	5,450	-	2,326	2,363	10,931
Unreserved					
Undesignated	3,803,527	5,821,619	5,849,224	3,719,715	4,160,879
Designated for Library	60,391	60,401	60,402	-	-
Designated for recreation	88,214	84,065	61,890	-	-
Designated for Haliwa Saponi Recreation Project	-	50,000	50,000	-	-
Designated for Courthouse Annex Renovation	-	-	-	250,000	-
Designated for subsequent year's expenditures	1,099,929	1,141,509	1,743,772	3,771,246	2,183,928
Total general fund	<u>\$ 7,115,544</u>	<u>\$ 8,431,335</u>	<u>\$ 9,104,031</u>	<u>\$ 9,282,470</u>	<u>\$ 7,839,005</u>
All other governmental funds					
Reserved by state statute	\$ 335,629	\$ 17,379	\$ 337,064	\$ 358,214	\$ 65,016
Reserved For					
Construction	-	-	-	-	-
Unreserved, reported in:					
Undesignated	-	-	-	(411,581)	1,049,010
Designated for subsequent year's expenditures	-	-	-	155,412	702,364
Special revenue funds	499,869	578,760	952,191	678,950	37,836
Capital projects funds	-	245,614	601,092	342,870	644,203
Total all other fund	<u>\$ 835,498</u>	<u>\$ 841,753</u>	<u>\$ 1,890,347</u>	<u>\$ 1,123,865</u>	<u>\$ 2,498,429</u>

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

	Fiscal Years					
	2003	2004	2005	2006	2007	2008
<b>Revenues</b>						
Ad Valorem taxes	\$ 10,611,442	\$ 10,962,711	\$ 11,457,516	\$ 11,748,015	\$ 11,940,857	\$ 12,657,868
Local option sales taxes	2,597,758	2,857,560	3,119,926	3,292,261	3,648,064	3,887,932
Other taxes and licenses	195,518	209,916	237,987	265,569	283,953	163,181
Unrestricted Intergovernmental	126,955	122,665	140,833	143,984	165,522	380,410
Restricted Intergovernmental	5,226,044	5,595,178	5,127,823	5,088,306	5,551,113	5,297,217
Permits and fees	295,823	292,661	280,957	388,895	354,962	350,392
Sales and services	1,966,811	1,486,759	2,022,911	2,274,666	2,108,218	2,055,876
Investment earnings	81,339	64,840	177,394	414,341	563,824	441,867
Miscellaneous	37,504	96,573	48,992	76,362	148,940	144,837
Total Revenues	<u>21,139,194</u>	<u>21,688,863</u>	<u>22,614,339</u>	<u>23,692,399</u>	<u>24,765,453</u>	<u>25,379,580</u>
<b>Expenditures</b>						
Current:						
General government	2,969,465	2,308,718	2,496,824	2,498,608	2,515,946	3,180,965
Public safety	3,752,294	4,398,852	4,513,470	5,151,737	5,573,705	6,230,742
Environmental protection	109,265	220,848	244,756	272,848	370,576	372,892
Economic and physical development	538,278	638,925	581,475	384,721	544,662	508,901
Human services	8,397,783	8,640,782	8,848,709	8,833,292	9,528,206	9,770,819
Cultural and recreation	365,386	410,777	478,667	448,659	511,975	661,340
Intergovernmental:						
Education	2,463,352	2,624,383	2,916,338	2,925,857	3,238,524	3,598,499
Capital outlay	620,012	1,509,801	245,699	958,343	3,622,830	1,764,985
Debt service:						
Principal	1,070,620	1,216,266	1,197,741	1,191,690	1,328,116	1,477,511
Interest and other charges	485,312	496,117	462,986	412,662	451,026	491,027
Total expenditures	<u>20,771,767</u>	<u>22,465,469</u>	<u>21,986,665</u>	<u>23,078,417</u>	<u>27,685,566</u>	<u>28,057,681</u>
Excess of revenues over (under) expenditures	<u>367,427</u>	<u>(776,606)</u>	<u>627,674</u>	<u>613,982</u>	<u>(2,920,113)</u>	<u>(2,678,101)</u>
<b>Other financing sources (uses)</b>						
Transfers in from other funds	468,544	363,573	1,002,559	771,938	1,237,130	1,087,795
Transfers out to other funds	(887,460)	(616,933)	(455,904)	(828,407)	(1,237,130)	(1,087,795)
Proceeds from the issuance of debt	2,513,150	253,791	147,717	1,163,777	2,332,070	2,609,200
Total other financing sources (uses)	<u>2,094,234</u>	<u>431</u>	<u>694,372</u>	<u>1,107,308</u>	<u>2,332,070</u>	<u>2,609,200</u>
Net change in fund balances	<u>\$ 2,461,661</u>	<u>\$ (776,175)</u>	<u>\$ 1,322,046</u>	<u>\$ 1,721,290</u>	<u>\$ (588,043)</u>	<u>\$ (68,901)</u>
Debt service as a percentage of noncapital expenditures	7.72%	8.17%	7.64%	7.25%	7.51%	7.72%

TABLE 6

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Other Taxes</b>	<b>Motor Fuel Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Total</b>
2004	10,962,711	2,857,560	928,792	12,921	4,499	14,766,483
2005	11,457,516	3,119,926	237,987	9,807	4,507	14,829,743
2006	11,240,566	3,292,261	265,569	18,792	5,557	14,822,745
2007	11,412,660	3,648,064	158,896	16,250	6,333	15,242,203
2008	12,069,157	3,887,932	100,812	12,211	6,602	16,076,714

TABLE 7

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

Fiscal Year Ended December 31	Real Property			Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Net Property	Motor Vehicles	Other					
2004	1,010,621	90,298	1,100,919	110,309	70,297	9,579	1,271,946	0.82	1,604,574	79.27%
2005	1,034,307	97,608	1,131,915	109,950	65,019	9,655	1,297,229	0.84	1,574,307	82.40%
2006	1,066,168	100,318	1,166,486	119,000	56,490	9,880	1,332,096	0.84	1,585,829	84.00%
2007	1,066,168	100,318	1,166,486	127,570	62,375	9,999	1,346,432	0.84	1,648,810	81.66%
2008	1,130,181	106,341	1,236,522	109,142	69,974	9,421	1,406,217	0.92	1,898,566	74.07%

**WARREN COUNTY, NORTH CAROLINA**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2008**  
(UNAUDITED)

---

---

<b>Fiscal Year</b>	<b>Town of Warrenton</b>	<b>Town of Norlina</b>	<b>Town of Macon</b>	<b>County of Warren</b>
2004	0.65	0.64	0.30	0.84
2005	0.65	0.64	0.30	0.84
2006	0.65	0.64	0.30	0.84
2007	0.65	0.64	0.30	0.84
2008	0.70	0.64	0.30	0.92

TABLE 9

**WARREN COUNTY, NORTH CAROLINA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**JUNE 30, 2008 & 10 YEARS AGO**  
(UNAUDITED)

<u>Taxpayer</u>	<u>2008</u>			<u>1998</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Progress Energy	\$ 16,599,355	1	1.16%	\$ -		
Inland Paperboard & Packaging	15,793,291	2	1.11%	-		
Halifax EMC	13,241,432	3	0.93%	6,460,354	4	0.89
Glen Raven Mills, Inc.	12,207,319	4	0.86%	25,445,694	1	3.49
Carolina Telephone	7,661,384	5	0.54%	7,188,400	3	0.99
Forest Investment Assoc	4,815,488	6	0.34%	-		
LMSW Kidney Center, LLC	4,722,235	7	0.33%	-		
Lake Gaston Plaza II	3,726,746	8	0.26%	-		
Cochrane Furniture Co., Inc.	3,710,936	9	0.26%	4,509,059	8	0.62
Lowes Food Stores, Inc.	3,367,473	10	0.24%	-		
Sustainable Forests	3,249,955	11	0.23%	-		
Carrolls Foods Farm	3,128,469	12	0.22%	-		
Peck Manufacturing Company	2,433,217	13	0.17%	18,819,679	2	2.58
Georgia Pacific	-			4,990,382	7	0.62
International Paper	-			3,857,457	9	0.53
General Electric Capital Corp	-			2,790,720	10	0.38
Champion International	-			6,119,907	5	0.84
Carolina Power & Light	-			5,235,875	6	0.72
Totals	<u>\$ 94,657,300</u>		<u>6.64%</u>	<u>\$ 85,417,527</u>		<u>11.66</u>

TABLE 10

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

<b>Fiscal Year Ended December 31</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2004	10,471	9,900	94.5%	371	10,271	98.1%
2005	10,930	10,362	94.8%	275	10,637	97.3%
2006	11,246	10,612	94.4%	-	10,612	94.4%
2007	11,648	10,857	93.2%	-	10,857	93.2%
2008	11,812	11,109	94.0%	-	11,109	94.0%

TABLE 11

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Sewer Bonds	General Obligation Bonds	Capital Leases			
2004	7,311	-	4,372	-	4,241	18	15,942	4.47%	803
2005	6,456	-	3,970	-	7,771	28	18,225	4.79%	916
2006	5,615	-	4,609	-	7,718	34	17,976	4.72%	889
2007	4,783	-	6,240	-	7,663	15	18,701	4.91%	954
2008	3,965	-	8,042	-	12,524	217	24,748	6.50%	1,262

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2004	7,312	-	7,312	0.45%	369
2005	6,456	-	6,456	0.41%	325
2006	5,615	-	5,615	0.35%	278
2007	4,783	-	4,783	0.29%	244
2008	3,965	-	3,965	0.21%	202

**WARREN COUNTY, NORTH CAROLINA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2008**  
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
County of Warren	\$ 24,746,645	100.00%	\$ 24,746,645
Underlying:			
Town of Warrenton	-		-
Town of Norlina	-		-
Town of Macon	-		-
	<u>\$ 24,746,645</u>		<u>\$ 24,746,645</u>

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

	Fiscal Years				
	2004	2005	2006	2007	2008
Debt limit	\$ 102,522	\$ 104,551	\$ 107,358	\$ 108,514	\$ 112,497
Total net debt applicable to limit	11,552	14,227	13,333	12,446	16,489
Legal debt margin	<u>\$ 90,970</u>	<u>\$ 90,324</u>	<u>\$ 94,025</u>	<u>\$ 96,068</u>	<u>\$ 96,008</u>
Total net debt applicable to the limit as a percentage of debt limit	11.27%	13.61%	12.42%	11.47%	14.66%
<b>Legal Debt Margin Calculation for Fiscal Year 2008</b>					
Total assessed value					1,406,217
Debt limit (8% of total assessed value)					112,497
Debt applicable to limit:					
General obligation bonds					16,489
Less: Amount set aside for repayment of general obligation debt					-
Total net debt applicable to limit					<u>16,489</u>
Legal debt margin					<u>\$ 96,008</u>

TABLE 15

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>Education Level in Years of Formal Schooling</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2004	19,831	356,376	17,971	40.69	*	3,128	8.7%
2005	19,890	368,825	18,543	41.02	*	3,069	7.6%
2006	20,215	380,630	19,164	41.35	*	2,812	7.3%
2007	19,605	399,315	20,368	39.79	*	2,704	6.5%
2008	19,605	288,507	14,716	37.00	*	3,074	9.7%

\*information not available

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

<b>Employer</b>	<b>2008</b>			<b>2003</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
State of North Carolina	489	1	10.88%	478	1	11.50%
Warren County Schools	425	2	9.45%	454	2	11.00%
County of Warren	336	3	7.47%	250	3	6.00%
Elberta Crate & Box Company	200	4	4.45%	83	7	2.00%
Glen Raven Mills	154	5	3.43%	146	6	3.50%
Temple-Inland	138	6	3.07%	148	5	3.50%
Warren Hills Nursing Center	135	7	3.00%	160	4	3.80%
Cochrane Furniture Company	-	-	0.00%	148	5	3.50%
Cast Stone Systems, Inc.	90	8	2.00%	N/A	N/A	0.00%
Total	<u>1,967</u>		<u>43.75%</u>	<u>1,867</u>		<u>44.80%</u>

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

Function	Fiscal Years				
	2004	2005	2006	2007	2008
General Government	40	41	40	45	57
Public Safety					
Sheriff	25	29	33	35	35
Central Communications	10	12	12	13	13
Detention	17	18	17	19	19
Emergency Management	2	2	2	2	2
Emergency Services	18	17	20	22	19
Code Enforcement	3	3	3	3	4
Animal Control	2	2	3	4	4
Environmental Protection	4	4	4	4	4
Economic & Physical Development	12	11	12	13	13
Human Services	108	110	115	120	120
Culture and recreation	10	10	7	11	20
Education	3	3	3	3	13
Solid Waste	4	4	5	5	5
Public Works	2	7	7	8	8
<b>Total</b>	<b>260</b>	<b>273</b>	<b>283</b>	<b>307</b>	<b>336</b>

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

Function	Fiscal Years				
	2004	2005	2006	2007	2008
<b>Public Safety</b>					
Animal Control- Dogs & Cats picked up	376	285	704	1,202	961
Fire Calls	363	303	1,383	2,618	2,741
Breaking and entering investigations	331	273	463	350	211
EMS Calls	1,731	1,830	2,381	2,576	2,439
Code Enforcement Inspections	4,094	4,160	3,709	3,968	723
<b>Human Services</b>					
Number of home health visits	5,555	5,023	5,340	5,252	4,917
Number of home health patients	359	366	559	314	468
<b>Environmental Protection</b>					
Tons of Solid Waste Collected	8,685	8,156	10,345	10,986	10,600
<b>Culture and recreation</b>					
Recreation Youth Participants	581	595	650	675	850
Library Items Circulated	67,461	80,080	79,612	80,489	68,690
Number of Library Visits	43,618	56,500	52,588	53,172	44,532

TABLE 19

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

Function	Fiscal Years				
	2004	2005	2006	2007	2008
General Government					
Buildings & Grounds Motor Vehicles	5	3	3	9	12
Public Safety					
Sheriff's Patrol Units	29	33	33	36	36
Ambulances	4	4	4	5	8
Other Motor Vehicles	7	7	7	8	7
Environmental Protection					
Motor Vehicles	5	4	4	6	1
Economic & Physical Development					
Motor Vehicles	1	1	1	4	4
Human Services					
Motor Vehicles	22	22	22	24	23
Culture and recreation					
Park Acreage	1	31	31	36	40
Parks	2	3	3	3	3
Library motor vehicles	1	1	1	1	1
Water & Sewer					
Motor Vehicles & Equipment	3	3	3	8	8
Fire Hydrants	187	187	187	337	344
Pump Stations	8	8	8	13	13
Miles of Water Main	247	247	247	324	329
Elevated Tanks	4	4	4	6	6
Miles of Gravity Sewer Lines	5	5	5	5	5
Miles of Sewer Force Main	23	23	23	23	23

**COMPLIANCE SECTION**

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

Certified Public Accountants



The CPA. Never Underestimate The Value.™

James P. Winston II, CPA  
Gary L. Williams, CPA  
Leonard R. Creech, Jr. CPA  
Carleen P. Evans, CPA

---

Jennifer T. Reese, CPA

---

## Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

To The Board of County Commissioners  
Warren County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, North Carolina as of and for the year ended June 30, 2008, which collectively comprises Warren County's basic financial statements, and have issued our report thereon dated December 8, 2008. We did not audit the financial statements of Warren County Public Facility Company and the Warren County ABC Board. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for Warren County Public Facility Company and the Warren County ABC Board, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Warren County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Warren County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Warren County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when designed or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Warren County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally

accepted accounting principles such that there is more than a remote likelihood that a misstatement of Warren County's financial statements that is more than inconsequential will not be prevented or detected by Warren County's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting (08-1 and 08-2).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Warren County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider 08-1 and 08-2 as material weaknesses.

### **Compliance and Other Matters**

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

Warren County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Warren County's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Board, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
December 8, 2008

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

Certified Public Accountants



The CPA. Never Underestimate The Value.™

James P. Winston II, CPA  
Gary L. Williams, CPA  
Leonard R. Creech, Jr. CPA  
Carleen P. Evans, CPA

---

Jennifer T. Reese, CPA

## Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of County Commissioners  
Warren County, North Carolina

### Compliance

We have audited the compliance of Warren County, North Carolina, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2008. Warren County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Warren County's management. Our responsibility is to express an opinion on Warren County's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Warren County, North Carolina'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. Our audit does not provide a legal determination on Warren County's compliance with those requirements.

In our opinion, Warren County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

---

102 W. Spring Street P.O. Box 1366 Oxford, NC 27565 (919) 693-5196 fax (919) 693-7614

www.wwcecpa.com



### **Internal Control Over Compliance**

The management of Warren County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Warren County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a federal program that is more than inconsequential will not be prevented or detected by Warren County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Warren County's internal control.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Board of County Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
December 8, 2008

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

Certified Public Accountants



The CPA. Never Underestimate The Value.™

James P. Winston II, CPA  
Gary L. Williams, CPA  
Leonard R. Creech, Jr. CPA  
Carleen P. Evans, CPA

---

Jennifer T. Reese, CPA

---

## Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance With Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of County Commissioners  
Warren County, North Carolina

### Compliance

We have audited the compliance of Warren County, North Carolina, with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2008. Warren County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Warren County's management. Our responsibility is to express an opinion on Warren County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, as described in the Audit Manual for Governmental Auditor's in North Carolina and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Warren County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Warren County's compliance with those requirements.

In our opinion, Warren County, North Carolina complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2008.

---

102 W. Spring Street P.O. Box 1366 Oxford, NC 27565 (919) 693-5196 fax (919) 693-7614

www.wwcecpa.com



### **Internal Control Over Compliance**

The management of Warren County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Warren County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Warren County's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a State program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a State program such that is more than a remote likelihood that noncompliance with a type of compliance requirement of a State program that is more than inconsequential will not be prevented or detected by Warren County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Warren County's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Board of County Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
December 8, 2008

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

---

**I. Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant Deficiency(s) identified that are not considered to be material weaknesses?  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(s) 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 programs: Unqualified.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.778	Medical Assistance Program
10.551,10.561	Food Stamp Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, & Children

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 879,770

Auditee qualified as low-risk auditee?  Yes  No

State Awards

Internal Control Over Major Programs:

Material weakness(es) identified?  Yes  No

Significant Deficiency(s) identified that are not considered to be material weaknesses?  Yes  No

Noncompliance material to state awards  Yes  No

Type of auditors' report issued on compliance for major state program: Unqualified

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

---

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?       Yes       No

Identification of major state Programs:

Program Name

Medical Assistance

**II. Financial Statement Findings**

**08-1 Segregation of Duties**

MATERIAL WEAKNESS

Criteria: Duties should be segregated to provide reasonable assurance that transactions are handled appropriately.

Condition: There is a lack of segregation of duties among County personnel.

Effect: Transactions could be mishandled.

Cause: There are a limited number of personnel for certain functions.

Recommendation: The duties should be separated as much as possible, and alternative controls should be used to compensate for lack of separation. The governing board should provide some of these controls.

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

**08-2 Preparation of Financial Statements**

MATERIAL WEAKNESS

Criteria: Management staff should have adequate knowledge to be able to prepare the financial statements to ensure material errors are detected.

Condition: There is limited knowledge of management staff in preparation of the County's financial statements.

Effect: Financial statements could be presented with material misstatements.

Cause: Management has limited knowledge regarding GAAP and its application to the financial statements.

Recommendation: Management should obtain additional training to become proficient with the rules of GAAP and its application to the financial statements.

Views of responsible officials and planned corrective actions: The County agrees with this finding. Additional training will be sought for management personnel.

**E. Federal Award Findings and Questioned Costs**

None reported.

**F. State Award Findings and Questioned Costs**

None reported.

**WARREN COUNTY, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

---

**Section II - Financial Statement Findings**

MATERIAL WEAKNESS

08-1 Segregation of Duties

Name of contact person: Barry Mayo, Finance Officer

Corrective Action: The duties will be separated as much as possible and alternative controls will be used to compensate for lack of separation. The governing board will become more involved in providing some of these controls.

Proposed Completion Date: The Board will implement the above procedure immediately.

MATERIAL WEAKNESS

08-2 Preparation of financial statements

Name of contact person: Barry Mayo, Finance Officer

Corrective Action: Management personnel will obtain additional training to enhance their knowledge of GAAP and the preparation of the financial statements.

Proposed Completion Date: The management personnel will obtain additional training during fiscal year 08-09.

WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

---

**Prior Year Audit Findings:**

B. Financial Award Findings and Questioned Costs

**Finding: 07-1**

Status: The County continues to try to keep duties separated among personnel as much as possible.

**Finding: 07-2**

Status: The County continues to try to obtain additional knowledge concerning preparation of financial statements.

**Finding: 07-3**

Status: Significant improvement has been made in documentation. Since recertifications were done annually, it is expected that the problem should be fully corrected by fiscal year 08-09.

**WARREN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES
<b>FEDERAL AWARDS:</b>			
<u>U.S. Dept. of Agriculture</u>			
Passed-through the N.C. Dept. of Health and Human Services: Division of Social Services: Administration: Food Stamp Cluster:			
Food Stamp Program - Direct Benefit Payment	10.551	3,744,483	-
State Administrative Matching Grants for the Food Stamp Program	10.561	270,069	-
Total Food Stamp Cluster		4,014,552	-
Passed-through the N.C. Dept. of Health and Human Services: Division of Public Health: Administration: Special Supplemental Nutrition Program for Women, Infants,, & Children	10.557	118,612	-
Direct Benefit Payments: Special Supplemental Nutrition Program for Women, Infants,, & Children	10.557	485,492	-
Passed-through the Kerr-Tar Council of Governments: Nutrition Program for the Elderly	10.570	14,567	-
Total U.S. Dept. of Agriculture		4,633,223	-
<u>Rural Utilities Service</u>			
Direct Program: Water and Wastewater Disposal Systems for Rural Communities (Note 3)	10.760	575,740	-
Total Rural Utilities Service		575,740	-
<u>U.S. Dept. of Housing and Urban Development</u>			
Passed-through the N.C. Department of Commerce: Community Development Block Grant	14.228	57,299	-
<u>Department of Transportation</u>			
Governor's Highway Safety	20.601	14,491	-
<u>U.S. Election Assistance Commission</u>			
Passed through State Board of Elections: HAVA Grant	90.401	216	-
Total General Services Administration		216	-
<u>Department of Homeland Security</u>			
Passed-through the N.C. Department of Crime Control: Emergency Management Performance Grant	97.042	21,900	-
Food and Shelter Program	97.024	3,837	-
Total Department of Homeland Security		25,737	-
<u>National Aeronautics and Space Administration</u>			
Direct Program: Science and Math Grant	43.001	125,000	-

**WARREN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES
<u>U.S. Dept. of Health and Human Services</u>			
<u>Administration on Aging</u>			
Passed-through the Kerr-Tar Council of Governments:			
Agency Cluster:			
Special Programs for the Aging - Title III B			
Grants for Supportive Services	93.044	45,039	124,716
Special Programs for the Aging - Title III C			
Nutrition Services	93.045	45,576	24,594
Total Administration on Aging		90,615	149,310
<u>Administration for Children and Families</u>			
Passed-through the N.C. Dept. of Health			
Human Services:			
Division of Social Services:			
<u>Foster Care and Adoption Cluster:</u>			
Title IV-E Foster Care	93.658	45,275	17,467
Adoption Assistance	93.659	24,871	7,317
Adoption Assistance - Direct Benefits Payments	93.659	52,478	25,869
Total Foster Care and Adoption Cluster		122,624	50,653
Temporary Assistance for Needy Families			
Administration	93.558	561,288	-
Direct Benefit Payments	93.558	315,895	-
Low-Income Home Energy Assistance Block Grant:			
Administration	93.568	89,526	-
Direct Benefit Payments	93.568	90,069	-
Promoting Safe and Stable Families	93.556	2,727	-
Child Welfare Services	93.645	5,873	1,509
Social Services Block Grant	93.667	148,445	27,520
Independent Living Grant	93.674	2,836	708
Voting Access	93.617	15,094	-
Division of Child Development:			
Subsidized Child Care:			
<u>Child Care and Development Fund Cluster:</u>			
Division of Social Services			
Child Care Development Fund-Administration	93.596	60,825	-
<u>Division of Child Development</u>			
Child Care and Development Fund-Discretionary	93.575	290,420	-
Child Care and Development Fund-Mandatory	93.596	119,337	-
Child Care and Development Fund-Match	93.596	163,104	91,217
Total Child Care Fund Cluster		633,686	91,217
Social Services Block Grant	93.667	6,299	-
Temporary Assistance for Needy Families	93.558	105,294	-
State Appropriations		-	42,158
Smart Start		-	14,219
TANF-MOE		-	143,183
Total Subsidized Child Care Cluster		745,279	290,777
Total Administration for Children and Families		2,099,656	371,167
<u>Health Care Financing Administration</u>			
Passed-through the N.C. Dept. of Health and			
Human Services:			
Division of Medical Assistance:			
Medical Assistance Program - Direct Benefits			
Payments	93.778	20,757,182	10,952,878
Division of Social Services:			
Administration:			
Medical Assistance Program	93.778	590,629	71,410
Health Choice	93.767	36,648	1,968
Total Health Care Financing Administration		21,384,459	11,026,256

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES
<u>Centers for Disease Control</u>			
Passed through the N.C. Dept. of Health and Human Services:			
Division of Public Health:			
Family Planning Services	93.217	34,381	-
Immunization Program/Aid to County Funding	93.268	7,976	-
Bioterrorism Grant	93.283	84,401	-
Temporary Assistance for Needy Families	93.558	2,894	-
Statewide Health Promotion Program	93.991	15,622	-
Maternal and Child Health Services Block Grant	93.994	173,956	-
Total Centers for Disease Control		319,230	-
Total U.S. Dept. of Health and Human Services		23,893,960	11,546,733
Total federal awards		29,325,666	11,546,733
 <b>STATE AWARDS:</b>			
<u>N.C. Dept. of Cultural Resources</u>			
State Library of North Carolina:			
State Aid to Public Libraries		-	95,181
		-	95,181
<u>N.C. Dept. of Health and Human Services</u>			
<u>Division of Social Services:</u>			
State/County Special Assistance for Adults - Direct			
Benefit Payments		-	294,130
CWS Direct Benefit Payments		-	24,442
State Aid to Counties		-	23,002
Incentive/Prog Integrity		-	1,429
State Adult Protective Services		-	27,142
State Foster Care Benefits Program - Direct		-	48,467
Energy Assistance		-	2,633
Smart Start		-	16,550
Total Division of Social Services		-	437,795
<u>Division of Public Health:</u>			
General		-	55,912
Communicable Disease		-	9,592
Tuberculosis		-	2,946
AIDS-State		-	500
Breast and Cervical Cancer		-	11,445
Healthy Carolinas Partnership Support		-	12,048
Risk Reduction/Health Promotion		-	18,769
TB Medical Services		-	540
Total Division of Public Health		-	111,752
Total N.C. Dept. of Health and Human Services		-	549,547
<u>N.C. Dept. of Administration</u>			
Veteran Services Officer		-	2,000

**WARREN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES
<u>N.C. Dept of Environment and Natural Resources</u>			
Division of Soil and Water Conservation			
Soil Technician Grant		-	20,928
Environmental Health			
Environmental Health Services		-	6,000
Food/Lodging Fee Collection		-	2,886
Lead Prevention		-	5,500
Administration		-	40,000
Smith Creek Agricultural Sediment Grant		-	1,318
Division of Parks and Recreation			
Parks and Recreation Trust Fund		-	66,070
Total N.C. Dept. of Environment and Natural Resources		-	142,702
<u>N.C. Dept. of Transportation</u>			
Elderly and Disabled Transportation Assistance Program		-	64,898
Work First		-	2,208
Rural General Public Program		-	51,639
Highway Construction Program		-	269,463
Total N.C. Dept. of Transportation		-	388,208
<u>N.C. Dept. Juvenile Justice and Delinquency Prevention</u>			
Governor's One-on-One Volunteer Program		-	26,900
Juvenile Crime Prevention Council Program		-	4,920
Youth Services Bureau		-	56,461
Conflict Management		-	4,060
North Central Alliance for Youth		-	12,100
Total N.C. Dept. of Juvenile Justice and Delinquency Prevention		-	104,441
<u>N.C. Rural Economic Development Center</u>			
Rural Center Development Grant		-	15,475
Total N.C. Rural Economic Development Center		-	15,475
Total State Awards		-	1,297,554
Total federal and State awards		\$ 29,325,666	\$ 12,844,287

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

---

**NOTES TO PRECEDING SCHEDULE OF FEDERAL AND STATE AWARDS:**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Warren County, North Carolina, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133. Audits of State, Local Governments, Non-Profit Organizations and State Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Certain benefit payments are paid directly to recipients and are not included in the county's general purpose financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the county and are included on this schedule.

**2. SUBRECIPIENTS**

Of the federal and state expenditures presented in this schedule, Warren County provided federal and State awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Special Program for the Aging - Title III B	93.044	45,039	124,716
Special Program for the Aging - Title III C	93.045	45,576	24,594
NC Dept of Justice			
North Central Alliance for Youth	-	-	12,100
Conflict Management	-	-	4,060