

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

WARREN COUNTY,  
NORTH CAROLINA

FOR THE FISCAL YEAR  
ENDING JUNE 30, 2015



Prepared by the Warren County Finance Department

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

**WARREN COUNTY, NORTH CAROLINA  
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# **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)

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December 18, 2015

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, 2015 has been prepared in compliance with these requirements and is hereby submitted.

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

The county's financial statements have been audited by Winston, Williams, Creech, Evans & Company, LLP a firm of licensed certified public accountants. The object of the audit is to provide reasonable assurance that the financial statements of Warren County for the fiscal year ended June 30, 2015 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, 2015, present fairly the financial operations of the county, and are prepared in conformity with GAAP. The independent auditor's report is the first component of the financial section of the report.

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

As required by GAAP, the Management's 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, 2015. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A is located immediately following the report of the independent auditor.

### **Financial Reporting Entity**

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

In addition to the General Fund activities of the county, this report also includes information on other governmental funds of the county and enterprise funds. Enterprise funds account for ongoing business-type activities such as solid waste disposal/recycling and the water and sewer districts of the county. 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 approximately sixty miles northeast of the Raleigh-Durham-Chapel Hill metropolitan area. Warren County was formed in 1779 when Bute County was abolished and divided into Warren and Franklin counties. Warren County borders the state of Virginia to the north, the counties of Northampton and Halifax to the east, Nash and Franklin counties to the south and southeast and Vance County to the west. Warren County has a landmass of 429 square miles with a population of approximately 21,159.

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

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

The County Manager is the chief administrative officer of the county and serves at the pleasure of the Board. The major responsibilities of the Manager include the day-to-day general supervision of the operations of the county’s departments/agencies, attendance at Board meetings, making recommendations on matters of business and policy, and preparing and recommending the annual budget.

The county offers a wide range of services to its citizens including public safety, health and social services, solid waste disposal/recycling, water and sewer, 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 before the Board adopts the budget prior to July 1<sup>st</sup> 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, 2015.

### **Factors Affecting Financial Condition**

Over the past few years, declines in the housing market and the overall economy of the State and Nation have proven to be economic challenges for Warren County. Warren County's unemployment rate in June 2015 was 9% as compared to the State of North Carolina's rate of 6.3% during the same period. However, the County has seen increased activity in the homebuilding industry across the county, which is a good indicator that the state of the economy continues to improve.

### **Major Initiatives**

The County's economy is centered on natural resource based industries with five of the top six sectors in the agricultural and forest products industries. The county is ranked 71<sup>st</sup> among the 100 North Carolina counties in total cash receipts from agriculture.

The County's strategy is to build on its traditional strengths by adding value to agricultural and forest products. The County's long-term goal is to significantly increase the economic benefit of these industries to the County. A concerted effort has been placed on identifying and developing agribusiness opportunities, particularly for small local farmers.

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

The County's investment in water and sewer infrastructure is expanding into the northeastern and southeastern sections of the county. The County has constructed approximately 600 miles of waterline throughout the county serving approximately 4,400 customers with potable drinking water. The availability and abundance of water in the county's jurisdictional boundaries is an important economic development tool.

Natural gas has become available in parts of the County within the last fifteen years serving two of the four I-85 interchanges along with the industrial corridor along U.S. Highway 1 and Interstate 85 in the northern area of the County near the Wise community and the Town of Norlina. Natural gas service has also been extended to residents in the Town of Warrenton.

The County's involvement in renewable energy has primarily taken the form of solar array installations. Six solar projects have been completed in the County, including four ground mounted arrays and two rooftop arrays totaling a \$65 million capital investment.

Warren County has access to approximately 70,000 acres of freshwater lakes which provide a wide assortment of recreational opportunities. The Kerr Lake State Recreational Area, with two parks located in the County, is one of six State recreation areas that attracted over one million visitors in 2015. The

North Carolina Welcome Center, located on I-85, attracts over one million visitors annually. Although Lake Gaston has few public access points, home rental records show visitors from all along the eastern seaboard.

### **Cash Management**

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

### **Risk Management**

The county protects itself from loss with general liability insurance, business automobile and professional liability insurance coverage purchased through Saville Public Entity and Workers' compensation coverage through Key Risk Insurance Company.

The County further protects itself with internal policies, procedures and practices to minimize the risk of loss. Key officials are bonded and all County employees are made aware of County policies and procedures that help deter fraud, waste and abuse.

### **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 also provides private sector decision-makers with valuable information upon which to base important investment decisions.

### **Other Information and Acknowledgements**

Warren 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. The Warren County Finance Office has received this award for the past 10 years.

We appreciate the dedication of employees in all departments who carry out the services and programs approved and funded by the Board of County Commissioners. Preparation of this report would not have

been possible without the dedicated efforts of the entire Finance Department staff. We also express our thanks to the members of the Board of County Commissioners for their continued support of the financial management of Warren County.

Respectfully Submitted,

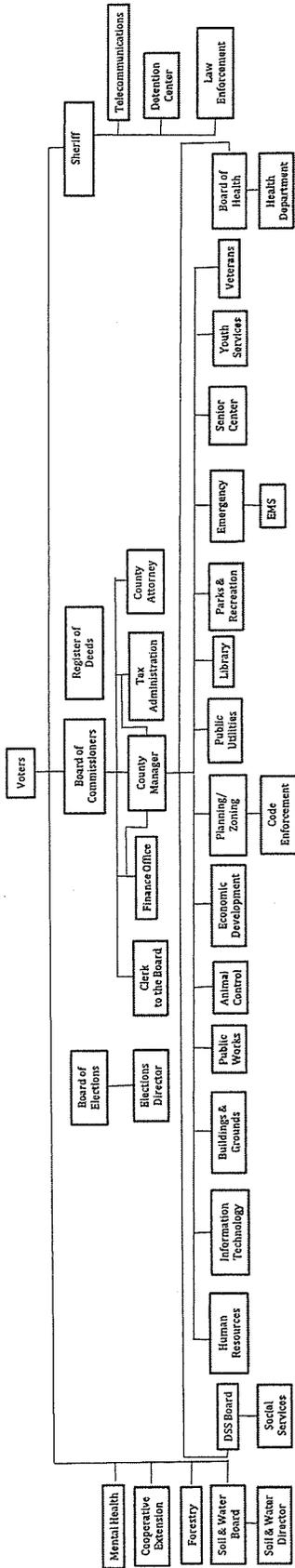


Linda T. Worth  
County Manager



Gloria M. Edmonds  
Finance Director

# Warren County Government



**WARREN COUNTY, NORTH CAROLINA  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2015**

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**Board of County  
Commissioners**

Barry Richardson, Chairperson  
Jennifer Jordan, Vice-Chairperson  
Bertadean Baker  
Tare Davis  
Victor Hunt

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

**County Officials**

Linda T. Worth	County Manager
Gloria M. Edmonds	Finance Director
Starlin Beatty	Tax Administrator
Yvonne Alston	Register of Deeds
Johnny M. Williams	Sheriff
Marshall Brothers	Public Works Director
Debbie Formyduval	Board of Elections Director
Macon Robertson	Public Utilities Director
Doug Young	Emergency Services Director
Larry West	Soil & Water Conservation Director
Ryan Whitson	Social Services Director
Jamytta Bell	Veterans Administrator
Cheryl Reddish	Library Director
Crystal Smith	Cooperative Extension Director
Charles Williams	Building, Grounds Maintenance Manager
Elma Rae Van Blitterswyk	Animal Control Director
Ken Krulik	Planning/Zoning
Ken Bowman	Economic Development Director
Andy G. Smith	Health Director
Lisa Alston	Human Resources Manager
Vacant	Information Technology/GIS Administrator
Richard Williams	Recreation Director
Debbie Scott	Youth Services Bureau Director
Alicia Giddiens	Senior Center Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Warren County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

**FINANCIAL SECTION**

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

Certified Public Accountants



America Counts on CPAs

James P. Winston II, CPA  
Gary L. Williams, CPA  
Carleen P. Evans, CPA

Jennifer T. Reese, CPA  
Curtis G. Van Horne, CPA  
Cathy E. McKinley, CPA  
Tara H. Roberson, CPA  
K. Jamison Crampton, CPA

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## Independent Auditor's Report

To the Board of County Commissioners  
Warren County, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, North Carolina, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise Warren County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of both Warren County Public Facilities Company and Warren County ABC Board. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Warren County Public Facilities Company and Warren County ABC Board, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

## **Opinions**

In our opinion, based upon our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance and Other Postemployment Benefit's Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions on Exhibits A-1 thru A-8, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Warren County's basic financial statements. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office and Management and Budget Circular A-133, *Audits of State and 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 fund financial statements, budgetary schedules, other schedules and the schedule of expenditures of federal and State awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules and the schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, on our consideration of Warren County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Warren County's internal control over financial reporting and compliance.

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

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
Oxford, North Carolina  
December 18, 2015

## 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, 2015. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### Financial Highlights

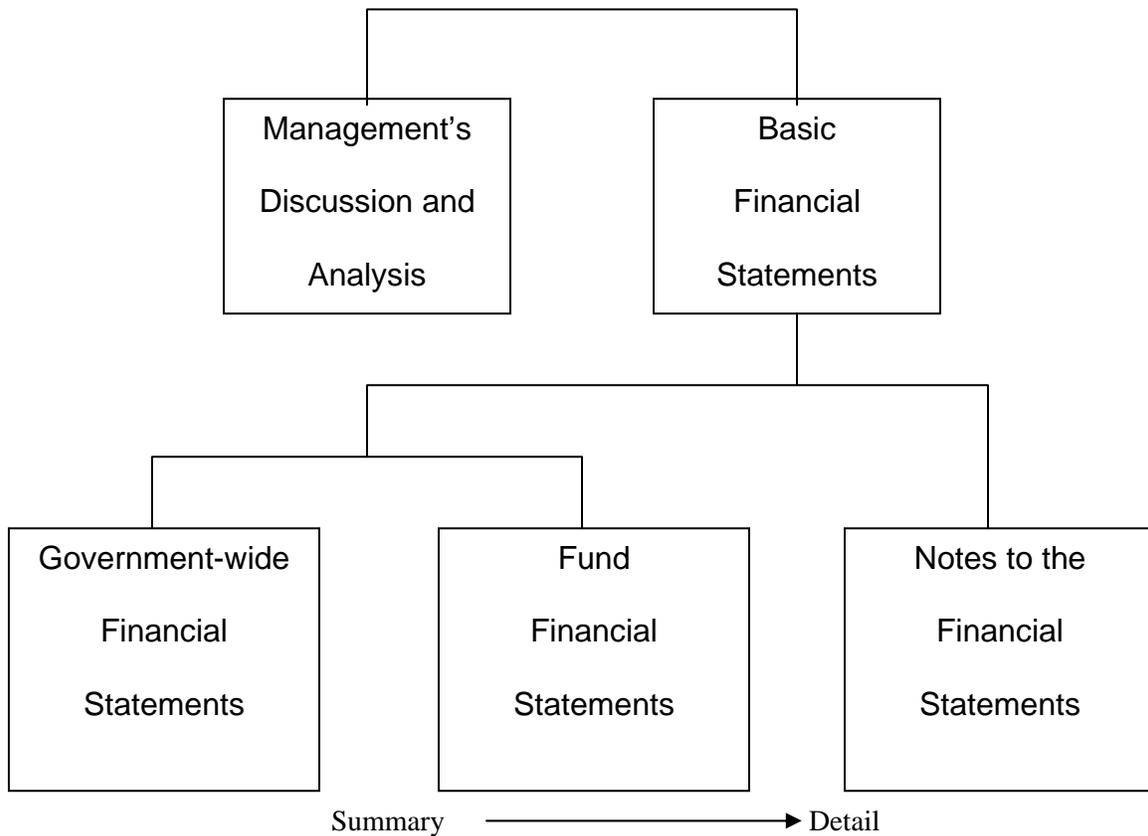
- The assets and deferred outflows of resources of Warren County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$49,446,708 (*net position*).
- The government's total net position increased by \$265,697 primarily due to increased net position in the General Fund.
- As of the close of the current fiscal year, Warren County's governmental funds reported combined ending fund balances of \$13,196,644, a decrease of \$199,809 in comparison with the prior year. Approximately 43.02 percent of this total amount or \$5,676,613 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,682,106 or 20.04% of total general fund expenditures for the fiscal year.
- Warren County's total debt decreased by \$894,800 (4.29%) during the current fiscal year.

### Overview of the Financial Statements

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

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

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

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

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

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

### **Government-wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

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

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

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

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

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

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Warren County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 78 of the report.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$ 49,446,708 as of June 30, 2015, one of the largest portions (70.81%) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), and less any related debt still outstanding that was issued to acquire those items. Warren County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Warren County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. Warren County has restricted net position of \$3,547,020. The balance of \$10,885,901 is unrestricted.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Current and other assets	\$ 16,639,251	\$ 16,110,269	\$ 2,973,759	\$ 3,041,085	\$ 19,613,010	\$ 19,151,354
Capital Assets	17,818,374	18,236,327	35,274,310	35,721,795	53,092,684	53,958,122
Total Assets	34,457,625	34,346,596	38,248,069	38,762,880	72,705,694	73,109,476
Deferred Outflows of Resources	871,816	-	42,607	-	914,423	-
Long-term liabilities outstanding	5,658,753	6,240,593	14,312,724	14,625,684	19,971,477	20,866,277
Other liabilities	1,014,511	1,087,163	670,373	766,592	1,684,884	1,853,755
Total Liabilities	6,673,264	7,327,756	14,983,097	15,392,276	21,656,361	22,720,032
Deferred Inflows of Resources	2,403,579	46,231	113,469	-	2,517,048	46,231
Net position:						
Net investment in capital assets	13,755,296	13,641,321	21,258,491	21,430,076	35,013,787	35,071,397
Restricted	3,490,530	2,463,226	56,490	-	3,547,020	2,463,266
Unrestricted	9,006,772	10,868,062	1,879,129	1,940,528	10,885,901	12,808,590
Total net position	\$ 26,252,598	\$ 26,972,609	\$ 23,194,110	\$ 23,370,604	\$ 49,446,708	\$ 50,343,213

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

- Cash and equivalents remain steady.
- Sales tax revenues, permits and fees, and sales and services exceeded budget projections.

Although several revenues exceeded the budgeted projections, expenses increased in the Transfer to Other Funds due to the funding of several capital projects:

- Simulcast Systems Upgrade
- Recreation Phase III
- Emergency Services Headquarters

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

	<b>Governmental Activities</b>		<b>Business-like Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 2,302,025	\$ 2,086,176	\$ 4,077,362	\$ 3,802,975	\$6,379,387	\$ 5,889,151
Operating grants and contributions	5,595,416	5,532,237	-	-	5,595,416	5,532,237
Capital grants and contributions	241,946	152,238	471,438	279,257	713,384	431,495
Property taxes	18,169,142	18,278,128	-	-	18,169,142	18,278,128
Other taxes	2,488,055	2,302,821	-	-	2,488,055	2,241,156
Grants and contributions not related to specific programs	91,956	86,345	-	-	91,956	86,345
Investment Earnings	2,767	2,279	648	296	3,415	2,575
Miscellaneous	70,088	298,443	78,203	85,921	148,291	384,364
<b>Total Revenues</b>	<b>28,961,395</b>	<b>28,738,667</b>	<b>4,627,651</b>	<b>4,168,449</b>	<b>33,589,046</b>	<b>32,845,451</b>
<b>Expenses:</b>						
General government	3,288,184	3,337,645	-	-	3,288,184	3,337,645
Public safety	8,783,520	8,385,357	-	-	8,783,520	8,385,357
Economic and physical development	822,723	582,985	-	-	822,723	582,985
Environmental protection	402,763	406,315	1,518,321	1,546,049	1,921,084	1,952,364
Human services	8,949,573	8,986,367	-	-	8,949,573	8,986,367
Cultural and recreation	915,084	886,737	-	-	915,084	886,737
Education	5,264,372	4,504,182	-	-	5,264,372	4,504,182
Interest on long-term debt	147,772	195,374	-	-	147,772	195,374
Water and sewer	-	-	3,231,037	3,201,505	3,231,037	3,201,505
<b>Total Expenses</b>	<b>28,573,991</b>	<b>27,284,962</b>	<b>4,749,358</b>	<b>4,747,554</b>	<b>33,323,349</b>	<b>32,032,516</b>
Increase in net position before transfers	387,404	1,453,705	(121,707)	(579,105)	265,697	874,600
Transfers	(174)	-	174	-	-	-
Increase in net position	387,230	1,453,705	(121,533)	(579,105)	265,697	874,600
Net position, July 1	26,972,609	25,518,904	23,370,604	24,139,482	50,343,213	49,658,386
Restatement	(1,107,241)	-	(54,961)	(189,773)	(1,162,202)	(189,773)
Net position, July 1, as restated	25,865,368	25,518,904	23,315,643	23,949,709	49,181,011	49,468,613
Net position, June 30	\$ 26,252,598	\$26,972,609	\$23,194,110	\$23,370,604	\$49,446,708	\$50,343,213

**Governmental activities.** Governmental activities increased the County's net position by \$387,230 accounting for 145.7 percent of the total growth in the net position of Warren County. Key elements of this increase are as follows:

- Permits and fees exceeded budget projections by \$18,678.
- Restricted intergovernmental revenues exceeded budget projections by \$372,513.
- Sales and services exceeded budget projections by \$274,957.
- Local option sales tax revenue exceeded budget projections by \$197,821.

**Business-type activities.** Business-type activities decreased Warren County's net position by \$121,533 or 45.7% compared to the prior year. The key elements for this decrease are net losses in the Regional Water System Fund and the District II Enterprise Fund.

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

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

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

The General Fund is the chief operating fund of Warren County. At the end of the current fiscal year, Warren County's fund balance available in the General Fund was \$9,658,233 while total fund balance reached \$11,748,301. The Governing Body of Warren County has determined that the county should maintain an available fund balance of 8% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 33.57% of general fund expenditures, while total fund balance represents 40.84% of that same amount. The contributing factor for the decrease in fund balance in the current year is primarily due to additional appropriations to the fund balance budget used specifically to fund capital projects.

At June 30, 2015, the governmental funds of Warren County reported a combined fund balance of \$13,196,644, a 1.49% decrease over last year.

**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 \$527,426 or 1.73 percent. A total increase of \$381,548 was made to transfers out to other funds.

**Proprietary Funds.** Warren County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the fiscal year amounted to \$(45,379) and those for the Water and Sewer Districts equaled \$1,924,508. Other factors concerning the finances of these funds have already been addressed in the discussion of Warren County's business-type activities.

## Capital Asset and Debt Administration

**Capital assets.** Warren County's capital assets for its governmental and business-type activities as of June 30, 2015 totals \$53,092,684 (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:

- New vehicles added
- Purchase of Public Safety Equipment
- Building Renovations
- Completion of Water Line Construction

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

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,372,406	\$ 1,375,546	\$ 233,570	\$ 233,570	\$ 1,605,976	\$ 1,609,116
Buildings	14,319,235	14,473,082	-	-	14,319,235	14,473,082
Improvements other than buildings	446,703	237,820	837,254	-	1,283,957	237,820
Land Improvements	78,498	-	-	-	78,498	-
Equipment and furniture	784,059	941,482	344,962	153,489	1,129,021	1,094,971
Water Lines/Elevated Tanks	-	-	33,812,458	21,823,541	33,812,458	21,823,541
Vehicles and motorized Equipment	613,929	543,535	46,066	45,345	659,995	588,880
Construction in progress	203,544	664,862	-	13,465,850	203,544	14,130,712
<b>Total</b>	<b>\$ 17,818,374</b>	<b>\$ 18,236,327</b>	<b>\$35,274,310</b>	<b>\$ 35,721,795</b>	<b>\$53,092,684</b>	<b>\$53,958,122</b>

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

**Long-term Debt.** As of June 30, 2015, Warren County had total bonded debt outstanding of \$13,084,000, all of which is debt backed by the full faith and credit of the County.

### Warren County's Outstanding Debt

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 37,000	\$ 164,500	\$12,947,000	\$ 13,162,000	\$13,084,000	\$13,326,500
Installment Purchases	4,332,745	4,877,839	1,068,819	1,129,719	5,401,564	6,007,558
Other Obligations	1,189,008	1,198,254	296,905	333,965	1,485,913	1,532,219
<b>Total Long-Term Debt</b>	<b>\$ 5,658,753</b>	<b>\$ 6,240,593</b>	<b>\$14,312,724</b>	<b>\$ 14,625,684</b>	<b>\$19,971,477</b>	<b>\$20,866,277</b>

During the past fiscal year, Warren County's total debt decreased by \$894,800, 4.29 percent. General obligation debt of \$242,500 was retired in governmental activities and business-type activities.

Moody's Investors Service has assigned an initial A1 rating to Warren County's \$11.55 million Limited Obligation Bonds Series 2015. Concurrently Moody's Investors Service has assigned an Aa3 Issuer Rating (general obligation equivalent) to the county. The A1 rating reflects the satisfactory legal structure, the essential nature of the originally financed project, the risk of non-appropriation, as well as the strong long-term credit characteristics of the County. The Aa3 Issuer Rating is based on the County's sound financial operations with a satisfactory reserve position, its stable tax base, and manageable debt burden.

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 \$196,304,320. The County has \$12,000,000 in bonds authorized at June 30, 2015 for Warren County Water and Sewer District Number III. Of the \$12,000,000 in bonds authorized, \$1,901,000 remains unissued.

Additional information regarding Warren County's long-term debt can be found in Note III B-8 beginning on page 69 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 slow with unemployment at 9%.

**Governmental Activities:** The County adopted a budget for fiscal year 2016 with a 2.2 percent increase in General Fund expenditures. The tax rate remained at .66 cents.

**Business-type Activities:** Due to percent changes in the allocation of expenses in the Water & Sewer Enterprise Funds, the Regional Water System budget decreased and the budgets for District I Water and Sewer Enterprise Fund, District II Water and Sewer Enterprise Fund, and District III Water and Sewer Enterprise Fund increased. The Solid Waste Enterprise Fund budget showed a minimal decrease of \$5,513.

### **Requests for Information**

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

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**WARREN COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	Governmental Activities	Business-type Activities	Total	Component Units	
				Warren County Public Facilities Co.	Warren County ABC Board
<b>ASSETS</b>					
Cash and cash equivalents	\$ 11,760,740	\$ 2,200,512	\$ 13,961,252	\$ 198,239	\$ 154,773
Restricted cash	362,094	56,490	418,584	-	7,459
Receivables (net)	2,074,097	680,964	2,755,061	-	11,238
Taxes receivable	1,221,764	-	1,221,764	-	-
Accrued interest receivable on taxes	183,573	-	183,573	-	-
Internal balances	10,764	(10,764)	-	-	-
Inventory	23,482	-	23,482	-	314,972
Prepaid expenses	-	-	-	-	7,605
Loan fees	-	-	-	-	-
Net pension asset	1,002,737	46,557	1,049,294	-	5,838
Capital assets					
Land, improvements, and construction in progress	1,575,950	233,570	1,809,520	48,087	125,000
Other capital assets, net of depreciation	16,242,424	35,040,740	51,283,164	3,493,419	704,020
Total capital assets	17,818,374	35,274,310	53,092,684	3,541,506	829,020
Total Assets	34,457,625	38,248,069	72,705,694	3,739,745	1,330,905
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	871,816	42,607	914,423	-	6,792
<b>LIABILITIES</b>					
Accounts payable & accrued expenses	989,780	247,539	1,237,319	-	184,130
Accrued interest payable	24,731	71,276	96,007	10,822	-
Customer deposits	-	351,558	351,558	-	-
Long-term liabilities:					
Due within one year					
Landfill closure payable	-	19,600	19,600	-	-
Bonds payable	29,000	224,500	253,500	-	-
Installment purchases payable	832,118	60,900	893,018	225,356	61,330
Compensated absences payable	188,790	13,216	202,006	-	-
Due in more than one year					
Accrued landfill closure cost	-	215,811	215,811	-	-
Pension obligation	301,100	-	301,100	-	-
Other postemployment benefits	132,747	8,630	141,377	-	-
Compensated absences payable	566,371	39,648	606,019	-	-
Installment purchases payable	3,500,627	1,007,919	4,508,546	3,062,151	729,198
Bonds payable	108,000	12,722,500	12,830,500	-	-
Total long-term liabilities	5,658,753	14,312,724	19,971,477	3,287,507	790,528
Total Liabilities	6,673,264	14,983,097	21,656,361	3,298,329	974,658
<b>DEFERRED INFLOWS OF RESOURCES</b>	2,403,579	113,469	2,517,048	30,812	15,226
<b>NET POSITION</b>					
Net investment in capital assets	13,755,296	21,258,491	35,013,787	253,999	45,951
Restricted for:					
Stabilization by State Statute	2,084,861	-	2,084,861	-	-
Public Safety	974,670	-	974,670	-	-
Economic Development	294,994	-	294,994	-	-
Recreation	136,005	-	136,005	-	-
Capital Improvements	-	-	-	-	236,199
Working Capital	-	-	-	-	65,663
Debt Service	-	56,490	56,490	-	-
Unrestricted	9,006,772	1,879,129	10,885,901	156,605	-
Total Net Position	\$ 26,252,598	\$ 23,194,110	\$ 49,446,708	\$ 410,604	\$ 347,813

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, 2015**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position				
	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
<b>Primary Government:</b>									
<b>Governmental Activities:</b>									
General government	\$ 3,288,184	\$ 145,657	\$ 49,856	\$ -	\$ (3,092,671)	\$ -	\$ (3,092,671)	\$ -	\$ -
Public safety	8,783,520	522,498	345,578	-	(7,915,444)	-	(7,915,444)	-	-
Economic and physical development	822,723	22,129	45,808	241,946	(512,840)	-	(512,840)	-	-
Environmental protection	402,763	-	-	-	(402,763)	-	(402,763)	-	-
Human services	8,949,573	1,553,777	5,059,178	-	(2,336,618)	-	(2,336,618)	-	-
Cultural and recreation	915,084	57,964	94,996	-	(762,124)	-	(762,124)	-	-
Education	5,264,372	-	-	-	(5,264,372)	-	(5,264,372)	-	-
Interest on long-term debt	147,772	-	-	-	(147,772)	-	(147,772)	-	-
<b>Total governmental activities</b>	<b>28,573,991</b>	<b>2,302,025</b>	<b>5,595,416</b>	<b>241,946</b>	<b>(20,434,604)</b>	<b>-</b>	<b>(20,434,604)</b>	<b>-</b>	<b>-</b>
<b>Business-type activities:</b>									
Solid Waste	1,518,321	1,418,067	-	74,016	-	(26,238)	(26,238)	-	-
Water and Sewer	3,231,037	2,659,295	-	397,422	-	(174,320)	(174,320)	-	-
<b>Total business-type activities</b>	<b>4,749,358</b>	<b>4,077,362</b>	<b>-</b>	<b>471,438</b>	<b>-</b>	<b>(200,558)</b>	<b>(200,558)</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 33,323,349</b>	<b>\$ 6,379,387</b>	<b>\$ 5,595,416</b>	<b>\$ 713,384</b>	<b>(20,434,604)</b>	<b>(200,558)</b>	<b>(20,635,162)</b>	<b>-</b>	<b>-</b>
<b>Component units:</b>									
Warren County Public Facilities Co.	\$ 116,201	\$ 221,871	\$ -	\$ -	-	-	-	105,670	-
Warren County ABC Board	2,131,532	2,210,471	-	-	-	-	-	-	78,939
<b>Total component units</b>	<b>\$ 2,247,733</b>	<b>\$ 2,432,342</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,670</b>	<b>78,939</b>
<b>General revenues:</b>									
<b>Taxes:</b>									
Property taxes, levied for general purpose					18,169,142	-	18,169,142	-	-
Local option sales tax					2,421,292	-	2,421,292	-	-
Other taxes and licenses					66,763	-	66,763	-	-
Grants and contributions not restricted to specific programs					91,956	-	91,956	-	-
Investment earnings, unrestricted					2,767	648	3,415	78	15
Miscellaneous, unrestricted					70,088	78,203	148,291	-	-
<b>Transfers</b>					(174)	174	-	-	-
<b>Total general revenues, special items and transfers</b>					<b>20,821,834</b>	<b>79,025</b>	<b>20,900,859</b>	<b>78</b>	<b>15</b>
Change in net position					387,230	(121,533)	265,697	105,748	78,954
Net position - beginning					26,972,609	23,370,604	50,343,213	304,856	278,131
Restatement					(1,107,241)	(54,961)	(1,162,202)	-	(9,272)
Net position - beginning, as restated					25,865,368	23,315,643	49,181,011	304,856	268,859
<b>Net position - ending</b>	<b>\$ 26,252,598</b>	<b>\$ 23,194,110</b>	<b>\$ 49,446,708</b>	<b>\$ 410,604</b>	<b>\$ 347,813</b>				

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, 2015**

	Major General Fund	Non-Major Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,302,712	\$ 1,458,028	\$ 11,760,740
Restricted cash	362,094	-	362,094
Accounts receivable (net)	2,055,822	18,275	2,074,097
Taxes receivable (net)	1,111,953	109,811	1,221,764
Due from other funds	10,764	-	10,764
Inventory	23,482	-	23,482
<b>Total Assets</b>	<b>\$ 13,866,827</b>	<b>\$ 1,586,114</b>	<b>\$ 15,452,941</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable & accrued liabilities	\$ 961,820	\$ 27,960	\$ 989,780
<b>Total Liabilities</b>	<b>961,820</b>	<b>27,960</b>	<b>989,780</b>
Deferred Inflows of Resources	1,156,706	109,811	1,266,517
Fund balances:			
Nonspendable:			
Inventories	23,482	-	23,482
Restricted:			
Stabilization by State Statute	2,066,586	18,275	2,084,861
Public Safety	-	974,670	974,670
Economic Development	-	294,994	294,994
Recreation	-	136,005	136,005
Committed:			
Revaluation	362,094	-	362,094
Assigned:			
Subsequent year's expenditures	3,614,033	29,892	3,643,925
Unassigned	5,682,106	(5,493)	5,676,613
<b>Total Equity</b>	<b>11,748,301</b>	<b>1,448,343</b>	<b>13,196,644</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 13,866,827</b>	<b>\$ 1,586,114</b>	<b>\$ 15,452,941</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 POSITION**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

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

Total equity (Exhibit 3)	\$ 13,196,644
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	17,818,374
Net pension asset	1,002,737
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	871,816
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	183,573
Deferred inflows of resources for taxes receivable	1,221,764
Pension related deferrals	(2,358,826)
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	(5,683,484)
Net position of governmental activities (Exhibit 1)	\$ 26,252,598

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, 2015**

	Major	Non-Major	
	General	Other	Total
	Fund	Governmental	Governmental
		Funds	Funds
<b>REVENUES</b>			
Ad valorem taxes	\$ 17,487,108	\$ 885,743	\$ 18,372,851
Local option sales taxes	2,421,292	-	2,421,292
Other taxes and licenses	66,763	-	66,763
Unrestricted intergovernmental	126,836	-	126,836
Restricted intergovernmental	5,439,429	371,613	5,811,042
Permits and fees	244,753	-	244,753
Sales and services	2,034,487	-	2,034,487
Investment earnings	2,590	177	2,767
Miscellaneous	93,079	-	93,079
<b>Total Revenues</b>	<b>27,916,337</b>	<b>1,257,533</b>	<b>29,173,870</b>
<b>EXPENDITURES</b>			
Current:			
General government	3,274,768	-	3,274,768
Public safety	8,013,103	1,001,736	9,014,839
Environmental protection	404,163	-	404,163
Economic and physical development	587,671	243,827	831,498
Human services	9,227,386	-	9,227,386
Cultural and recreational	799,852	-	799,852
Intergovernmental:			
Education	5,264,372	-	5,264,372
Capital outlay	-	17,000	17,000
Debt service:			
Principal	640,618	-	640,618
Interest and other charges	144,976	-	144,976
<b>Total Expenditures</b>	<b>28,356,909</b>	<b>1,262,563</b>	<b>29,619,472</b>
Revenues Over (Under) Expenditures	(440,572)	(5,030)	(445,602)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in from other funds	-	700,975	700,975
Transfers out to other funds	(655,548)	(45,601)	(701,149)
Debt issued	245,967	-	245,967
<b>Total Other Financing Sources (Uses)</b>	<b>(409,581)</b>	<b>655,374</b>	<b>245,793</b>
Net Change in Fund Balances	(850,153)	650,344	(199,809)
Fund Balance - July 1	12,598,454	797,999	13,396,453
Fund Balance - June 30	<b>\$ 11,748,301</b>	<b>\$ 1,448,343</b>	<b>\$ 13,196,644</b>

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, 2015**

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)	\$ (199,809)
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.	519,694
Cost of disposed capital asset not recorded in fund statements	(25,032)
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.	(928,881)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	720,685
Some revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements	(187,443)
The issuance of long-term debt (e.g., bonds and installment debt) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.	572,594
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	<u>(84,578)</u>
Total changes in net position of governmental activities (Exhibit 2)	<u>\$ 387,230</u>

**WARREN COUNTY, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund			Variance with Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Ad valorem taxes	\$ 17,824,724	\$ 17,824,724	\$ 17,487,108	\$ (337,616)
Local option sales taxes	2,189,971	2,223,471	2,421,292	197,821
Other taxes and licenses	58,000	58,000	66,763	8,763
Unrestricted intergovernmental	111,200	111,200	126,836	15,636
Restricted intergovernmental	4,936,104	5,066,916	5,439,429	372,513
Permits and fees	226,075	226,075	244,753	18,678
Sales and services	1,753,230	1,759,530	2,034,487	274,957
Investment earnings	3,000	3,000	2,526	(474)
Miscellaneous	6,500	27,939	93,079	65,140
Total revenues	<u>27,108,804</u>	<u>27,300,855</u>	<u>27,916,273</u>	<u>615,418</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,888,063	3,718,140	3,269,768	448,372
Public safety	8,464,016	8,601,467	8,013,103	588,364
Environmental protection	414,231	414,231	404,163	10,068
Economic and physical development	626,346	707,932	587,671	120,261
Human services	9,694,105	9,962,082	9,227,386	734,696
Cultural and recreational	813,056	823,097	799,852	23,245
Intergovernmental:				
Education	5,264,372	5,264,372	5,264,372	-
Debt service	948,504	785,754	785,594	160
Contingency	39,741	21,237	-	21,237
Total Expenditures	<u>30,152,434</u>	<u>30,298,312</u>	<u>28,351,909</u>	<u>1,946,403</u>
Revenues Over (Under) Expenditures	<u>(3,043,630)</u>	<u>(2,997,457)</u>	<u>(435,636)</u>	<u>2,561,821</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out to other funds	(324,000)	(705,548)	(705,548)	-
Debt issued	248,297	248,297	245,967	(2,330)
Appropriated fund balance	3,119,333	3,454,708	-	(3,454,708)
Total Other Financing Sources (Uses)	<u>3,043,630</u>	<u>2,997,457</u>	<u>(459,581)</u>	<u>(3,457,038)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>(895,217)</u>	<u>\$ (895,217)</u>
Fund Balance - July 1			<u>12,281,424</u>	
Fund Balance - June 30			<u>11,386,207</u>	
A legally budgeted Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			64	
Transfer in from General Fund			50,000	
Expenditures			(5,000)	
Fund Balance, Beginning			<u>317,030</u>	
Fund Balance, Ending			<u>\$ 11,748,301</u>	

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

**WARREN COUNTY, NORTH CAROLINA**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2015**

	Proprietary Funds					
	Major Funds				Non-Major Fund	
	Regional Water System Fund	District I Enterprise Fund	District II Enterprise Fund	District III Enterprise Fund	Solid Waste Fund	Total
<b>ASSETS</b>						
Current Assets:						
Cash and cash equivalents	\$ 376,965	\$ 895,338	\$ 885,194	\$ 43,015	\$ -	\$ 2,200,512
Restricted cash	-	-	-	56,490	-	56,490
Receivables (net)	103,009	70,157	55,910	74,582	377,306	680,964
Total Current Assets	<u>479,974</u>	<u>965,495</u>	<u>941,104</u>	<u>174,087</u>	<u>377,306</u>	<u>2,937,966</u>
Noncurrent Assets:						
Net pension assets	6,177	11,766	9,119	2,353	17,142	46,557
Capital assets:						
Land, improvements, and construction in progress	48,265	-	70,725	-	114,580	233,570
Other capital assets, net of depreciation	3,994,612	3,436,983	8,564,816	18,988,131	56,198	35,040,740
Total Capital Assets	<u>4,042,877</u>	<u>3,436,983</u>	<u>8,635,541</u>	<u>18,988,131</u>	<u>170,778</u>	<u>35,274,310</u>
Total Assets	<u>4,529,028</u>	<u>4,414,244</u>	<u>9,585,764</u>	<u>19,164,571</u>	<u>565,226</u>	<u>38,258,833</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>5,674</u>	<u>10,809</u>	<u>8,377</u>	<u>2,162</u>	<u>15,585</u>	<u>42,607</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts payable and accrued liabilities	92,959	4,075	4,114	2,515	143,876	247,539
Accrued interest payable	2,599	5,151	9,196	54,330	-	71,276
Due to General Fund	-	-	-	-	10,764	10,764
Customer deposits	15,425	102,759	74,385	158,989	-	351,558
Accrued landfill closure	-	-	-	-	19,600	19,600
Compensated absences	1,703	3,245	2,515	649	5,104	13,216
Installment obligations	37,261	9,565	14,074	-	-	60,900
General obligation bonds payable	-	33,000	49,500	142,000	-	224,500
Total Current Liabilities	<u>149,947</u>	<u>157,795</u>	<u>153,784</u>	<u>358,483</u>	<u>179,344</u>	<u>999,353</u>
Noncurrent Liabilities:						
Accrued landfill closure cost	-	-	-	-	215,811	215,811
Compensated absences	5,110	9,734	7,544	1,947	15,313	39,648
OPEB obligation	1,503	2,202	1,486	274	3,165	8,630
Installment obligations	632,339	136,323	239,257	-	-	1,007,919
General obligation bonds payable	-	1,231,000	2,221,500	9,270,000	-	12,722,500
Total Noncurrent Liabilities	<u>638,952</u>	<u>1,379,259</u>	<u>2,469,787</u>	<u>9,272,221</u>	<u>234,289</u>	<u>13,994,508</u>
Total Liabilities	<u>788,899</u>	<u>1,537,054</u>	<u>2,623,571</u>	<u>9,630,704</u>	<u>413,633</u>	<u>14,993,861</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>15,055</u>	<u>28,676</u>	<u>22,224</u>	<u>5,735</u>	<u>41,779</u>	<u>113,469</u>
<b>NET POSITION</b>						
Net investment in capital assets	3,373,277	2,027,095	6,111,210	9,576,131	170,778	21,258,491
Restricted	-	-	-	56,490	-	56,490
Unrestricted	357,471	832,228	837,136	(102,327)	(45,379)	1,879,129
Total Net Position	<u>\$ 3,730,748</u>	<u>\$ 2,859,323</u>	<u>\$ 6,948,346</u>	<u>\$ 9,530,294</u>	<u>\$ 125,399</u>	<u>\$ 23,194,110</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 POSITION - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Proprietary Funds					Total
	Major Funds				Non-Major Fund	
	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	\$ 843,115	\$ 553,845	\$ 504,320	\$ 758,015	\$ 1,418,067	\$ 4,077,362
Miscellaneous	37,635	4,739	25,271	6,485	4,073	78,203
Total Operating Revenues	<u>880,750</u>	<u>558,584</u>	<u>529,591</u>	<u>764,500</u>	<u>1,422,140</u>	<u>4,155,565</u>
<b>OPERATING EXPENSES</b>						
Salaries and employee benefits	85,473	166,289	129,943	33,192	228,841	643,738
Water purchases	493,047	112,589	86,539	119,946	-	812,121
Contracted services	-	-	-	-	1,211,619	1,211,619
Other operating expenses	246,009	78,758	113,252	51,013	100,494	589,526
Landfill closure/postclosure costs	-	-	-	-	(38,501)	(38,501)
Depreciation	255,974	146,135	303,965	187,031	15,868	908,973
Total Operating Expenses	<u>1,080,503</u>	<u>503,771</u>	<u>633,699</u>	<u>391,182</u>	<u>1,518,321</u>	<u>4,127,476</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(199,753)</u>	<u>54,813</u>	<u>(104,108)</u>	<u>373,318</u>	<u>(96,181)</u>	<u>28,089</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest earnings	189	163	205	84	7	648
Interest expense	(19,809)	(61,999)	(111,248)	(428,826)	-	(621,882)
Total Nonoperating Revenues (Expenses) - Net	<u>(19,620)</u>	<u>(61,836)</u>	<u>(111,043)</u>	<u>(428,742)</u>	<u>7</u>	<u>(621,234)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(219,373)</u>	<u>(7,023)</u>	<u>(215,151)</u>	<u>(55,424)</u>	<u>(96,174)</u>	<u>(593,145)</u>
Capital Contributions	-	-	10,356	387,066	74,016	471,438
Transfers in (out) General Fund	174	-	-	-	-	174
<b>TOTAL CONTRIBUTIONS AND TRANSFERS</b>	<u>174</u>	<u>-</u>	<u>10,356</u>	<u>387,066</u>	<u>74,016</u>	<u>471,612</u>
<b>CHANGE IN NET POSITION</b>	<u>(219,199)</u>	<u>(7,023)</u>	<u>(204,795)</u>	<u>331,642</u>	<u>(22,158)</u>	<u>(121,533)</u>
<b>TOTAL NET POSITION-BEGINNING</b>	<u>3,957,239</u>	<u>2,880,236</u>	<u>7,163,906</u>	<u>9,201,430</u>	<u>167,793</u>	<u>23,370,604</u>
<b>RESTATEMENT</b>	<u>(7,292)</u>	<u>(13,890)</u>	<u>(10,765)</u>	<u>(2,778)</u>	<u>(20,236)</u>	<u>(54,961)</u>
<b>TOTAL NET POSITION-BEGINNING, AS RESTATED</b>	<u>3,949,947</u>	<u>2,866,346</u>	<u>7,153,141</u>	<u>9,198,652</u>	<u>147,557</u>	<u>23,315,643</u>
<b>TOTAL NET POSITION-ENDING</b>	<u>\$ 3,730,748</u>	<u>\$ 2,859,323</u>	<u>\$ 6,948,346</u>	<u>\$ 9,530,294</u>	<u>\$ 125,399</u>	<u>\$ 23,194,110</u>

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

**WARREN COUNTY, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Proprietary Funds					
	Major Funds				Non-Major Fund	
	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	\$ 814,506	\$ 537,930	\$ 503,496	\$ 754,712	\$ 1,439,495	\$ 4,050,139
Cash paid for goods and services	(751,125)	(196,211)	(202,085)	(174,174)	(1,415,104)	(2,738,699)
Cash paid to employees for services	(85,473)	(166,289)	(129,943)	(33,192)	(228,841)	(643,738)
Miscellaneous operating revenue	37,635	4,739	25,271	6,485	4,073	78,203
Net cash provided by operating activities	<u>15,543</u>	<u>180,169</u>	<u>196,739</u>	<u>553,831</u>	<u>(200,377)</u>	<u>745,905</u>
Cash flows from noncapital financing activities:						
Increase (decrease) in due to general fund	-	-	-	-	10,764	10,764
Transfers in	174	-	-	-	-	174
Net cash provided by noncapital and financing activities	<u>174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,764</u>	<u>10,938</u>
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	-	-	181	(461,670)	-	(461,489)
Debt issued	-	-	-	-	-	-
Principal paid on debt	(37,261)	(42,566)	(61,074)	(135,000)	-	(275,901)
Interest paid on debt	(19,809)	(61,999)	(111,248)	(428,826)	-	(621,882)
State grants	-	-	10,356	387,066	74,016	471,438
Net cash provided by capital and related financing activities	<u>(57,070)</u>	<u>(104,565)</u>	<u>(161,785)</u>	<u>(638,430)</u>	<u>74,016</u>	<u>(887,834)</u>
Cash flows from investing activities:						
Interest on investments	189	163	205	84	7	648
Net cash provided by investing activities	<u>189</u>	<u>163</u>	<u>205</u>	<u>84</u>	<u>7</u>	<u>648</u>
Net increase in cash and cash equivalents	<u>(41,164)</u>	<u>75,767</u>	<u>35,159</u>	<u>(84,515)</u>	<u>(115,590)</u>	<u>(130,343)</u>
Cash and cash equivalents, July 1	<u>418,129</u>	<u>819,571</u>	<u>850,035</u>	<u>184,020</u>	<u>115,590</u>	<u>2,387,345</u>
Cash and cash equivalents, June 30	<u>\$ 376,965</u>	<u>\$ 895,338</u>	<u>\$ 885,194</u>	<u>\$ 99,505</u>	<u>\$ -</u>	<u>\$ 2,257,002</u>
Reconciliation of operating income to net cash provided by operating activities:						
Operating income (loss)	\$ (199,753)	\$ 54,813	\$ (104,108)	\$ 373,318	\$ (96,181)	\$ 28,089
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	255,974	146,135	303,965	187,031	15,868	908,973
Pension expense	628	1,195	927	239	1,741	4,730
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	(28,609)	(15,915)	(824)	(3,303)	21,428	(27,223)
Increase (decrease) in accounts payable and accrued liabilities	(9,803)	(2,411)	(1,489)	(9,941)	(93,030)	(116,674)
Increase (decrease) in accrued interest payable	2,599	17	21	(1,069)	-	1,568
Increase (decrease) in customer deposits	835	4,901	3,817	9,335	-	18,888
Increase (decrease) in accrued landfill closure cost	-	-	-	-	(38,501)	(38,501)
Increase (decrease) in compensated absences	(1,803)	54	1,110	(55)	693	(1)
Increase (decrease) in deferred outflows of resources for pensions	(4,716)	(8,984)	(6,963)	(1,797)	(12,926)	(35,386)
Increase (decrease) in OPEB obligation	191	364	283	73	531	1,442
Total adjustments	<u>215,296</u>	<u>125,356</u>	<u>300,847</u>	<u>180,513</u>	<u>(104,196)</u>	<u>717,816</u>
Net cash provided by operating activities	<u>\$ 15,543</u>	<u>\$ 180,169</u>	<u>\$ 196,739</u>	<u>\$ 553,831</u>	<u>\$ (200,377)</u>	<u>\$ 745,905</u>

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

**WARREN COUNTY, NORTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 27,698
Accounts receivable	<u>5,970</u>
Total Assets	<u><u>\$ 33,668</u></u>
<b>LIABILITIES AND NET POSITION</b>	
<b>Liabilities:</b>	
Miscellaneous liabilities	<u>\$ 33,668</u>
Total Liabilities	<u><u>\$ 33,668</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, 2015**

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**I. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

**Discretely Presented Component Units**

*Warren County ABC Board*

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

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

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

*Warren County Industrial Facility and Pollution Control Financing Authority*

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

*Warren County Public Facilities Company*

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

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

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

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**Government-wide Statements:** The statement of net position and the statement of activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. However, some interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The County reports the following major governmental funds:

**General Fund.** This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

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

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

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

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

The County reports the following fund 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 the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Warren County Board of Education; the Municipal Tax Fund, which accounts for funds that are billed and collected by the county for various municipalities and special districts within the County but that are not revenues to the County.

**Non-major Funds** – The County maintains five legally budgeted special revenue funds and six legally budgeted capital projects funds. The Special Fire Districts Fund, the Emergency Telephone System Fund, the CDBG Infra Water Hookup 2010, the CDBG Scattered Sites 2011, and the CDBG Ephraim Place are reported as non-major special revenue funds. The Buck Springs Leadership Center, Ambulance Storage Facility, Simulcast System Upgrade, Energy Efficient Grant, Emergency Services Headquarters, and Recreation Complex Phase III are reported as capital projects funds. The Solid Waste Fund is the only enterprise fund that is a non-major fund.

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

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

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

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

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

**C. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and two of the Special Revenue Funds; the Special Fire Districts Fund and the Emergency Telephone System Fund. An annual budget is also adopted for the five Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the CDBG Special Revenue funds, the Capital Projects Funds, and the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating funds for reporting purposes.

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

**1. Deposits and Investments**

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

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

The County and the ABC Board's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a 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 and which are not limited as to use to be cash and cash equivalents.

**3. Restricted Cash**

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

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Warren County Restricted Cash**

Governmental Activities			
General Fund	Tax Revaluation	\$	362,094
Business-type Activities			
District III Enterprise Fund	RD Reserve for USDA loans		56,490
Total		\$	<u>418,584</u>

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2014. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

**5. Allowance for Doubtful Accounts**

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

**6. Inventory**

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

**7. Capital Assets**

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

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

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

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

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

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

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

**8. Deferred Outflows/Inflows of Resources**

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

**9. Long-Term Obligations**

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

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

**10. Compensated Absences**

The vacation policies of the County and the ABC Board provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. An expense and

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide, proprietary fund. For the County's government-wide and proprietary funds and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The county's liability for accumulated earned vacation and the salary-related payments as of June 30, 2015 is recorded in the government-wide and proprietary fund financial statements on a LIFO basis.

The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

**11. Net Position/Fund Balances**

**Net Position**

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

**Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

**Committed Fund Balance-**Portion of fund balance that can only be used for specific purpose imposed by resolution of Warren County's Board of Commissioners (highest level of decision-

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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making authority). Any changes or removal of specific purposes requires resolution by the Board of Commissioners.

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

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

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

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

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

**12. Defined Benefit Pension Plans**

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

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

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

The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$13,055,954 consists of several elements as follows:

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 29,354,813
Less Accumulated Depreciation	<u>(11,536,439)</u>
Net capital assets	<u>17,818,374</u>
 Net pension asset	 1,002,737
 Contributions to the pension plan in the current fiscal year	 871,816
 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.	 183,573
 Deferred inflows of resources for taxes receivable	 1,221,764
 Pension related deferrals	 (2,358,826)
 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	(4,469,745)
Compensated absences	(755,161)
Other postemployment benefits	(132,747)
Net pension obligation	(301,100)
Accrued interest payable	<u>(24,731)</u>
 Total adjustment	 <u>\$ 13,055,954</u>

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

The government fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$ 587,039 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	\$ 519,694
 Cost of capital assets sold not recorded in fund statements	 (25,032)
 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	 (928,881)

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities – it affects only the government-wide statement of net position	(245,967)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	818,561
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	720,685
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	3,893
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	36,585
Other postemployment benefits are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(10,734)
Net pension obligation is accrued in the government-wide statements but not in the fund statements because it does not use current resources	(16,605)
County’s portion of collective pension expense	(97,717)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements	
Fair value of assets donated that is not recorded in the fund statements but is recorded in the government-wide statements	16,266
Increase in deferred inflows of resources – taxes receivable – at end of year	(185,254)
Increase in accrued taxes receivable at end of year	<u>(18,455)</u>
Total adjustment	<u>\$ 587,039</u>

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

**A. Deficit Fund Balance or Net Position of Individual Funds**

In Exhibit C-1, the Special Fire Districts Fund had a deficit fund balance of \$300. This deficit fund balance resulted from overpayment of funds to the fire departments. Additional measures have been put into place to ensure that this does not occur in the future.

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**III. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

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

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

At June 30, 2015, the County's deposits had a carrying amount of \$1,254,151 and a bank balance of \$1,633,077. Of the bank balance, \$280,247 was covered by federal depository insurance, and \$1,352,830 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2015, Warren County had \$2,057 cash on hand.

At June 30, 2015, the ABC Board's deposits had a carrying amount of \$160,233 and a bank balance of \$168,037. All of the bank balance was covered by federal depository insurance. At June 30, 2015, the ABC Board had \$1,999 cash on hand.

**2. Investments**

At June 30, 2015, the County's investments consisted of \$13,151,326 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.

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of

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securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

*Credit Risk.* The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organization (NRSROs). The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2015.

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

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

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

<u>Year Levied</u>	<u>Total Taxes</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 747,923	\$ 110,315	\$ 858,238
2013	848,462	125,149	973,611
2014	867,519	127,957	995,476
2015	<u>874,582</u>	<u>69,966</u>	<u>944,548</u>
Totals	<u>\$ 3,338,486</u>	<u>\$ 433,387</u>	<u>\$ 3,771,873</u>

**4. Receivables**

Receivables at the government-wide level at June 30, 2015, were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 2,561,022	\$ 1,795,526	\$ 577,309	\$ 4,933,857
Other Governmental	<u>15,999</u>	<u>114,811</u>	<u>2,276</u>	<u>133,086</u>
Total Receivables	2,577,021	1,910,337	579,585	5,066,943
Allowance for Doubtful Accounts	<u>(1,082,509)</u>	<u>(505,000)</u>	<u>-</u>	<u>(1,587,509)</u>
Total-Governmental Activities	<u>\$ 1,494,512</u>	<u>\$ 1,405,337</u>	<u>\$ 579,585</u>	<u>\$ 3,479,434</u>
<b>Business-Type Activities:</b>				
Solid Waste	\$ 528,706	\$ -	\$ 13,229	\$ 541,935
Water & Sewer	<u>319,226</u>	<u>-</u>	<u>11,336</u>	<u>330,562</u>
Total Receivables	847,932	-	24,565	872,497
Allowance for Doubtful Accounts	<u>(191,533)</u>	<u>-</u>	<u>-</u>	<u>(191,533)</u>
Total-Business-Type Activities	<u>\$ 656,399</u>	<u>\$ -</u>	<u>\$ 24,565</u>	<u>\$ 680,964</u>

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

Sales tax refund	\$ 113,686
Sales tax	478,725
White goods	1,461
Scrap tire	6,937
Solid waste	<u>3,341</u>
Total	<u>\$ 604,150</u>

**5. Capital Assets**

Capital asset activity for the year ended June 30, 2015, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,375,546	\$ 21,892	\$ (25,032)	\$ 1,372,406
Construction in Progress	<u>664,862</u>	<u>17,000</u>	<u>(478,318)</u>	<u>203,544</u>
Total capital assets not being depreciated	<u>2,040,408</u>	<u>38,892</u>	<u>(503,350)</u>	<u>1,575,950</u>
Capital assets being depreciated:				
Buildings	21,629,938	377,928	-	22,007,866
Land Improvements	-	78,498	-	78,498
Improvements	274,483	223,842	-	498,325
Equipment	2,833,267	27,426	-	2,860,693
Vehicles	<u>2,259,584</u>	<u>267,692</u>	<u>(193,795)</u>	<u>2,333,481</u>
Total capital assets being depreciated	<u>26,997,272</u>	<u>975,386</u>	<u>(193,795)</u>	<u>27,778,863</u>
Less accumulated depreciation for:				
Buildings	7,156,856	531,775	-	7,688,631
Improvements	36,663	14,959	-	51,622
Equipment	1,891,785	184,849	-	2,076,634
Vehicles	<u>1,716,049</u>	<u>197,298</u>	<u>(193,795)</u>	<u>1,719,552</u>
Total accumulated depreciation	<u>10,801,353</u>	<u>\$ 928,881</u>	<u>\$ (193,795)</u>	<u>11,536,439</u>
Total capital assets being depreciated, net	<u>16,195,919</u>			<u>16,242,424</u>
Governmental activity capital assets, net	<u>\$ 18,236,327</u>			<u>\$ 17,818,374</u>

**Business-type activities:**

**Solid Waste**

Capital assets not being depreciated:

Land	\$ 114,580	\$ -	\$ -	\$ 114,580
Total capital assets not being depreciated	<u>114,580</u>	<u>-</u>	<u>-</u>	<u>114,580</u>

Capital assets being depreciated:

Buildings	215,824	-	-	215,824
Land improvements	17,743	-	-	17,743
Equipment	191,255	-	-	191,255
Vehicles	<u>124,759</u>	<u>-</u>	<u>-</u>	<u>124,759</u>
Total capital assets being depreciated	<u>549,581</u>	<u>-</u>	<u>-</u>	<u>549,581</u>

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	Beginning <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balances</u>
Less accumulated depreciation for:				
Buildings	215,824	-	-	215,824
Land improvements	17,743	-	-	17,743
Equipment	123,488	12,428	-	135,916
Vehicles	<u>120,460</u>	<u>3,440</u>	-	<u>123,900</u>
Total accumulated depreciation	<u>477,515</u>	<u>\$ 15,868</u>	<u>\$ -</u>	<u>493,383</u>
Total capital assets being depreciated, net	<u>72,066</u>			<u>56,198</u>
Solid Waste capital assets, net	<u>\$ 186,646</u>			<u>\$ 170,778</u>
 <b>Regional Water</b>				
Capital assets not being depreciated:				
Land	\$ 48,265	\$ -	\$ -	\$ 48,265
Construction in progress	<u>837,254</u>	<u>-</u>	<u>(837,254)</u>	<u>-</u>
Total capital assets not being depreciated	<u>885,519</u>	<u>-</u>	<u>(837,254)</u>	<u>48,265</u>
Capital assets being depreciated:				
Equipment	91,036	-	-	91,036
Improvements	-	837,254	-	837,254
Vehicles	50,627	-	(4,668)	45,959
Water distribution lines	<u>7,735,882</u>	<u>-</u>	<u>-</u>	<u>7,735,882</u>
Total capital assets being Depreciated	<u>7,877,545</u>	<u>837,254</u>	<u>(4,668)</u>	<u>8,710,131</u>
Less accumulated depreciation for:				
Equipment	62,569	1,305	-	63,874
Vehicles	42,778	1,625	(4,668)	39,735
Water distribution lines	<u>4,358,866</u>	<u>253,044</u>	<u>-</u>	<u>4,611,910</u>
Total accumulated depreciation	<u>4,464,213</u>	<u>\$ 255,974</u>	<u>\$ (4,668)</u>	<u>4,715,519</u>
Total capital assets being depreciated, net	<u>3,413,332</u>			<u>3,994,612</u>
Regional water capital assets, net	<u>\$ 4,298,851</u>			<u>\$ 4,042,877</u>
 <b>Water District One</b>				
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	106,637	-	(4,668)	101,969
Water distribution lines	<u>5,761,577</u>	<u>-</u>	<u>-</u>	<u>5,761,577</u>
Total capital assets being depreciated	<u>5,896,787</u>	<u>-</u>	<u>(4,668)</u>	<u>5,892,119</u>

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	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Less accumulated depreciation for:				
Equipment	23,796	472	-	24,268
Vehicles	98,787	1,623	(4,668)	95,742
Water distribution lines	<u>2,191,086</u>	<u>144,040</u>	-	<u>2,335,126</u>
Total accumulated depreciation	<u>2,313,669</u>	<u>\$ 146,135</u>	<u>\$ (4,668)</u>	<u>2,455,136</u>
Total capital assets being depreciated, net	<u>3,583,118</u>			<u>3,436,983</u>
Water District One capital assets, net	<u>\$ 3,583,118</u>			<u>\$ 3,436,983</u>
<b>Water District Two</b>				
Capital assets not being depreciated:				
Land	\$ 70,725	\$ -	\$ -	\$ 70,725
Construction in progress	<u>233,535</u>	<u>(181)</u>	<u>(233,354)</u>	<u>-</u>
Total capital assets not being depreciated	<u>304,260</u>	<u>(181)</u>	<u>(233,354)</u>	<u>70,725</u>
Capital assets being depreciated:				
Equipment	28,572	233,354	-	261,926
Vehicles	31,270	-	(4,668)	26,602
Elevated tanks	950,448	-	-	950,448
Water distribution lines	<u>11,124,320</u>	<u>-</u>	<u>-</u>	<u>11,124,320</u>
Total capital assets being depreciated	<u>12,134,610</u>	<u>233,354</u>	<u>(4,668)</u>	<u>12,363,296</u>
Less accumulated depreciation for:				
Equipment	23,796	472	-	24,268
Vehicles	23,419	1,624	(4,668)	20,375
Elevated tanks	297,014	23,761	-	320,775
Water distribution lines	<u>3,154,954</u>	<u>278,108</u>	-	<u>3,433,062</u>
Total accumulated depreciation	<u>3,499,183</u>	<u>\$ 303,965</u>	<u>\$ (4,668)</u>	<u>3,798,480</u>
Total capital assets being depreciated, net	<u>8,635,427</u>			<u>8,564,816</u>
Water District Two capital assets, net	<u>\$ 8,939,687</u>			<u>\$ 8,635,541</u>
<b>Water District Three</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 12,395,061	\$ 461,670	\$(12,856,731)	\$ -
Total capital assets not being depreciated	<u>12,395,061</u>	<u>461,670</u>	<u>(12,856,731)</u>	<u>-</u>
Capital assets being depreciated:				
Equipment	63,271	-	-	63,271
Vehicles	90,987	-	(4,668)	86,319
Water distribution lines	<u>6,771,312</u>	<u>12,856,731</u>	<u>-</u>	<u>19,628,043</u>
Total capital assets being depreciated	<u>6,925,570</u>	<u>12,856,731</u>	<u>(4,668)</u>	<u>19,777,633</u>

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	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Less accumulated depreciation for:				
Equipment	35,360	7,413	-	42,773
Vehicles	54,123	10,335	(4,668)	59,790
Water distribution lines	<u>517,656</u>	<u>169,283</u>	-	<u>686,939</u>
Total accumulated depreciation	<u>607,139</u>	<u>\$ 187,031</u>	<u>\$ (4,668)</u>	<u>789,502</u>
Capital assets being depreciated, net	<u>6,318,431</u>			<u>18,988,131</u>
 Water District Three capital assets, net	 <u>\$ 18,713,492</u>			 <u>\$ 18,988,131</u>
 Business-type activities capital assets, net	 <u>\$ 35,721,794</u>			 <u>\$ 35,274,310</u>

**Depreciation Expense**

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

General Government	\$ 183,987
Public Safety	430,001
Economic and Physical Development	15,431
Environmental Protection	5,041
Human Services	149,878
Cultural and Recreational	<u>144,543</u>
Total Depreciation Expense	<u>\$ 928,881</u>

**Discretely presented component units**

Activity for the ABC Board for the year ended June 30, 2015, was as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Amount</u>
Land	\$ 125,000	-	\$ 125,000
Building	629,717	8,396	621,321
Furniture/Equipment	188,942	106,243	82,699
Vehicles	17,472	17,472	-
Leasehold improvements	<u>47,125</u>	<u>47,125</u>	<u>-</u>
	<u>\$ 1,008,256</u>	<u>\$ 179,236</u>	<u>\$ 829,020</u>

Activity for the Warren County Public Facilities Company for the year ended June 30, 2015, was as follows:

	<u>Cost</u>
Land	\$ 48,087
Land improvements	14,400
Building	<u>3,844,498</u>
Property and equipment, total	3,906,985
Less: Accumulated depreciation	<u>(365,479)</u>
Property and equipment, net	<u>\$ 3,541,506</u>

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**B. Liabilities**

**I. Payables**

Payables at the government-wide level at June 30, 2015, were as follows:

	<u>Vendors</u>
Governmental Activities:	
General	\$ 961,820
Other governmental	27,960
Total-governmental activities	\$ 989,780
Business-type Activities:	
Solid Waste	\$ 143,876
Water & Sewer Fund	103,663
Total-business-type activities	\$ 247,539

**II. Pension Plan and Other Postemployment Obligations**

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

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

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

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$754,946 for the year ended June 30, 2015.

*Refunds of Contributions* – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2015, the County reported an asset of \$1,014,304 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was .172%, which was an increase of .013% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$103,028. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 110,830
Net difference between projected and actual earnings on pension plan investments	-	2,361,278
Changes in proportion and differences between County contributions and proportionate share of contributions	157,351	-
County contributions subsequent to the measurement date	754,946	-
Total	<u>\$ 912,297</u>	<u>\$ 2,472,108</u>

\$754,946 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (578,660)
2017	(578,660)
2018	(578,660)
2019	(578,777)

*Actuarial Assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and

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the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 3,442,988	\$ (1,014,304)	\$ (4,767,201)

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

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

**1. Plan Description**

Warren County administers a public employee retirement system (*the Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers. 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, 2014, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>36</u>
Total	<u>38</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 72.

**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, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25-7.85% per year. Both (a) and (b) included an inflation component of 3.00%. 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 on a closed basis. The remaining amortization period at December 31, 2014, was 16 years.

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Three-Year Trend Information			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/13	\$ 26,548	0.00%	\$ 265,627
6/30/14	21,876	13.75%	284,495
6/30/15	\$ 24,687	32.74%	\$ 301,100

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending 6/30/15

Employer annual required contribution	\$ 34,495
Interest on net pension obligation	14,225
Adjustment to annual required contribution	<u>(24,033)</u>
Annual pension cost	24,687
Employer contributions made for fiscal year ending 6/30/15	<u>8,082</u>
Increase (decrease) in net pension obligation	16,605
Net pension obligation beginning of fiscal year	<u>284,495</u>
Net pension obligation end of fiscal year	<u>\$ 301,100</u>

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

As of December 31, 2014, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$234,476, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$234,476. The covered payroll (annual payroll of active employees covered by the plan) was \$1,348,542 and the ratio of the UAAL to the covered payroll was 17.39 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. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy* – Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer’s salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2015, were \$199,915, which consisted of \$67,757 from the County and \$132,158 from the law enforcement officers.

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

*Plan Description.* Warren County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$1,127 for the year ended June 30, 2015.

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

At June 30, 2015, the County reported an asset of \$34,990 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2014, the County's proportion was .154%, which was a decrease of .005% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$(581). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 320	\$ -
Net difference between projected and actual earnings on pension plan investments	-	187
Changes in proportion and differences between County contributions and proportionate share of contributions	679	-
County contributions subsequent to the measurement date	1,127	-
Total	\$ 2,126	\$ 187

\$1,127 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 408
2017	408
2018	44
2019	(48)

*Actuarial Assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed

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income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%:

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County’s proportionate share of the net pension asset to changes in the discount rate.* The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County’s proportionate share of the net pension liability (asset)	\$ (31,419)	\$ (34,990)	\$ (38,059)

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

**e. Other Postemployment Benefits**

**Healthcare Benefits**

*Plan Description* –Under the terms of a County ordinance, the County administers a single-employer defined benefit Healthcare Benefits Plan (HCB Plan). As of July 1, 2007, this plan provides postemployment healthcare benefits to retirees of the County, provided they have at least twenty years of continuous employment with the County, or have at least thirty years of creditable service in the Local/State Government Retirement System with at least twenty years of continuous employment with Warren County government and be at least 55 years of age at retirement to be eligible for this benefit. Those retirees that meet the years of employment requirements but do not meet the age requirements will be eligible to enroll in the county’s group benefits insurance plan upon reaching the required age. County Commissioners must have served a minimum of three consecutive terms on the Board of Commissioners and be at least sixty years of age in order to be eligible. The retirees and County Commissioner will pay the full cost of coverage for these benefits based on the County’s group insurance rates. Also, the County’s retirees can continue to purchase coverage until the retiree reaches the age of 65. The County Board of Commissioners

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may amend the benefit provisions. There is no separate, audited GAAP-basis plan report available for the postemployment benefit plan.

Membership of the HCB Plan consisted of the following at December 31, 2014, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees receiving benefits	4	-
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	<u>246</u>	<u>35</u>
Total	<u>250</u>	<u>35</u>

*Funding Policy* – The retiree pays the full cost of coverage for the healthcare benefits paid under a County resolution that can be amended by the County Board of Commissioners. The County doesn't offer the option for dependent coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 0.29% of annual covered payroll. For the current year, the County contributed \$0 or 0.00% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions, under a County resolution, for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% of covered payroll, respectively. The County's obligation to contribute to HCB Plan is established and may be amended by the County Board of Commissioners.

*Summary of Significant Accounting Policies* – Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

*Annual OPEB Cost and Net OPEB Obligation* – The County's annual other postemployment benefit OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 31,233
Interest on net OPEB obligation	5,168
Adjustment to annual required contribution	<u>4,937</u>
Annual OPEB cost (expense)	31,464
Contributions made	<u>19,287</u>
Increase (decrease) in net OPEB obligation	12,177
Net OPEB obligation, beginning of year	<u>129,200</u>
Net OPEB obligation, end of year	<u>\$ 141,377</u>

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The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the HCB plan, and the net OPEB obligation for 2015 were as follows:

For Year Ended <u>June 30</u>	Annual OPEB <u>Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2015	\$ 31,464	61.3%	\$ 141,377
2014	27,933	47.5%	129,200
2013	\$ 27,087	19.8%	\$ 114,535

*Funded Status and Funding Process* – As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$370,807. The covered payroll (annual payroll of active employees covered by the plan) was \$10,076,547 and the ratio of the UAAL to the covered payroll was 3.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding process, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions* – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 3.00 percent inflation assumption. The medical cost trend increase of 7.50 to 5.00 percent annually. The actuarial value of assets, in any was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014, was 30 years.

**f. Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death

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are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

For the fiscal year ended June 30, 2015, the County made contributions to the State for death benefits of \$0. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% of covered payroll respectively.

Due to a surplus in the death benefit, a decision was made by the State to temporarily stop employer contributions to the LGERS Death Benefit Plan beginning July 1, 2012. A temporary relief period based on the number of years the employer has contributed as of December 31, 2010 was established as follows:

<u>No. Years Contributing</u>	<u>Years Relief</u>	<u>FY Contributions Resume</u>
10-20	2	2015
20 or more	3	2016

The period of reprieve is determined separately for law enforcement officers. Warren County will have a three year reprieve because it has been contributing for more than 20 years. Contributions will resume in the fiscal year beginning July 1, 2015.

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

State and federal laws and regulations require the County to place a final cover on its Solid Waste Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Warren County landfill closed in 1993. The \$235,411 reported as accrued landfill closure liability at June 30, 2015 represents the latest estimate for costs remaining.

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

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**4. Deferred Outflows and Inflows of Resources**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions – difference between expected and actual experience		
LGERS	\$ -	110,830
Register of Deeds	320	-
Pensions – difference between projected and actual investment earnings	-	2,361,465
Pensions-changes in proportion and difference between employer contributions and proportionate share of contributions	158,030	-
Contributions to pension plan in 2014-2015 fiscal year	756,073	-
Prepaid taxes not yet earned (General)	-	44,753
Taxes receivable, net (General)	-	1,111,953
Taxes receivable, net (Special Revenue Fund)	-	109,811
Total	\$ 914,423	\$ 3,738,812

**5. Risk Management**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. The County protects itself from loss with general liability insurance, business automobile insurance, professional and umbrella liability insurance coverage purchased through State National Insurance Company, Inc. and Workers' Compensation coverage through Key Risk Insurance Company. The County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$1,283,615, with a deductible of \$1,000 for any one occurrence; general, auto, professional, and employment practices liability coverage of \$1,000,000 per occurrence; and Workers' compensation coverage up to the statutory limits. The County provides competitive employee health, dental and vision benefits through Blue Cross Blue Shield of NC.

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

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

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

Warren County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The 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

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coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

**6. Commitments**

The County agreed to take over a contract entered into by Soul City Sanitary District to 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, 2015, 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, 2015 was \$86,186. Future rent payments total:

For Year Ending <u>June 30</u>	General <u>Fund</u>	Enterprise <u>Fund</u>	<u>Total</u>
2016	\$ 69,912	\$ 28,820	\$ 98,732
2017	69,912	18,725	88,637
2018	62,664	12,875	75,539
2019	55,416	9,000	64,416
2020	<u>35,806</u>	<u>9,000</u>	<u>44,806</u>
Total	<u>\$ 293,710</u>	<u>\$ 78,420</u>	<u>\$ 372,130</u>

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                      \$ 50,019 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:

Hauling cost    \$ 62.67 per ton

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

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

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

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**7. Contingent Liabilities**

At June 30, 2015, 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 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%.

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

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

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

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

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

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

On January 28, 2013 the County entered into an installment purchase agreement with BB&T to purchase various vehicles for the Sheriff, Animal Control, and EMS departments. The installment agreement requires monthly payments of \$5,893.79 due at the end of each month beginning February 28, 2013 and ending January 31, 2016.

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

On May 24, 2013, the County entered into an installment agreement through DENR for \$802,080 for sewer improvements. The loan requires annual principal payments in the amount of \$40,104 and semiannual interest payments at a rate of 2.455%. Loan payments begin in May 2014 and continue through May 2033.

On May 29, 2014, the County entered into an installment agreement to purchase an ambulance for \$132,000. The installment agreement requires monthly payments of \$3,756.09 at an interest rate of 1.57%. Payments begin in June 2014 and continue through May 2017.

On May 29, 2014, the County entered into an installment agreement to purchase three Dodge Caravans and four Dodge Chargers. The installment agreement requires monthly payments of \$4,570.50 at an interest rate of 2.42%. Payments begin in June 2014 and continue through May 2017.

On April 15, 2015, the County entered into an installment agreement to purchase six vehicles. The installment agreement requires monthly payments of \$6,993.71 at an interest rate of 1.52%. Payments begin in May 2015 and continue through April 2018.

For Warren County, the future minimum payments as of June 30, 2015, including \$665,511 of interest, are:

Year Ending June 30,	Governmental Activities <u>Installment Purchases</u>		Business-type Activities <u>Installment Purchases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 832,118	\$ 123,282	\$ 60,900	\$ 17,722
2017	785,976	111,669	60,900	16,737
2018	682,570	81,369	60,900	15,753
2019	458,118	63,523	60,900	14,768
2020	458,118	48,480	60,900	13,784
2021-2025	1,115,845	68,830	304,502	54,150
2026-2030	-	-	304,502	29,537
2031-2033	-	-	<u>155,315</u>	<u>5,907</u>
Total	<u>\$ 4,332,745</u>	<u>\$ 497,153</u>	<u>\$ 1,068,819</u>	<u>\$ 168,358</u>

**b. General Obligation Indebtedness**

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

Bonds payable at June 30, 2015 are comprised of the following individual issues:

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**General Obligation Bonds**

Serviced by the County's General Fund:

<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%	<u>\$ 137,000</u>
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**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%	\$ 1,264,000
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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%	2,271,000
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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%	2,606,000
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<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%	612,000
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<b>\$4,957,000</b>	Series 2009 Water bonds issued February 9, 2009 in various installments from 2009 to 2048; interest at 4.75%	4,673,000
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<b>\$1,561,000</b>	Water bonds issued January 25, 2012 and due June 1 in various installments from 2012 to 2051; interest at 3.75%	<u>1,521,000</u>
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Total		<u>\$ 12,947,000</u>
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Annual debt service requirements to maturity for the County's and the District's general obligation bonds and water bonds are as follows:

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Year Ending June 30,	General Obligation Bonds		Water Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 29,000	\$ 8,220	\$ 224,500	\$ 591,727
2017	30,000	6,480	234,000	581,414
2018	30,000	4,680	246,000	570,664
2019	30,000	2,880	256,000	559,361
2020	18,000	1,080	267,500	547,589
2021-2025	-	-	1,534,000	2,541,760
2026-2030	-	-	1,926,000	2,154,433
2031-2035	-	-	2,392,000	1,668,478
2036-2040	-	-	2,652,000	1,082,190
2041-2045	-	-	2,199,000	510,677
2046-2050	-	-	964,000	108,187
2051	-	-	52,000	1,950
Total	<u>\$ 137,000</u>	<u>\$ 23,340</u>	<u>\$12,947,000</u>	<u>\$ 10,918,430</u>

At June 30, 2015, Warren County had \$12,000,000 in bonds authorized at June 30, 2015 for Warren County Water and Sewer District Number III. As of June 30, 2015, \$1,901,000 of the \$12,000,000 remains unissued. Warren County had a legal debt margin of \$196,304,320.

**c. Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Current Portion
<b>Governmental Activities:</b>					
General obligation bonds	\$ 164,500	\$ -	\$ (27,500)	\$ 137,000	\$ 29,000
Installment purchases	4,877,839	245,967	(791,061)	4,332,745	832,118
Pension obligation	284,495	16,605	-	301,100	-
Other postemployment benefits	122,013	10,734	-	132,747	-
Compensated absences	791,746	751,751	(788,336)	755,161	188,790
Net pension liability (LGERS)	1,822,741	-	(1,822,741)	-	-
Total	<u>\$ 8,063,334</u>	<u>\$ 1,025,057</u>	<u>\$ (3,429,638)</u>	<u>\$ 5,658,753</u>	<u>\$ 1,049,908</u>
<b>Business-type Activities:</b>					
Water Bonds	\$ 13,162,000	\$ -	\$ (215,000)	\$ 12,947,000	\$ 224,500
Installment purchases	1,129,719	-	(60,900)	1,068,819	60,900
Other postemployment benefits	7,187	1,443	-	8,630	-
Compensated absences	52,866	44,494	(44,496)	52,864	13,216
Net pension liability (LGERS)	87,693	-	(87,693)	-	-
Accrued landfill closure	273,912	-	(38,501)	235,411	19,600
Total	<u>\$ 14,713,377</u>	<u>\$ 45,937</u>	<u>\$ (446,590)</u>	<u>\$ 14,312,724</u>	<u>\$ 318,216</u>

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

Bank loan, with 83 monthly consecutive principal and interest payments of \$29,439 each, beginning March 1, 2015, with interest calculated on unpaid principal balances using an interest rate of 3.95%; and one principal and interest payment of entire balance due on February 1, 2022, with unpaid principal balances using an interest rate of 3.95%.	\$ 3,287,507
Less: Current portion	<u>(225,356)</u>
Long-Term Debt	<u>\$ 3,062,151</u>

For the year end June 30, 2015 interest paid was \$112,697. This amount includes \$58,727 in capitalized interest, and \$10,822 of accrued interest.

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

2016	\$ 225,356
2017	234,897
2018	244,479
2019	254,452
2020	264,593
Thereafter	<u>2,063,730</u>
Total	<u>\$ 3,287,507</u>

**d. Conduit Debt Obligations**

Warren County Industrial Facility and Pollution Control Authority have issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County nor the Authority nor the State nor any political subdivision thereof, is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2015, the outstanding balance of the industrial revenue bonds was \$0.

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**C. Interfund Balances and Activity**

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Reason</u>
<b><u>Transfers From/To Other Funds:</u></b>			
General Fund	Revaluation Fund	\$ 50,000	Required annual contributions for revaluation
General Fund	CDBG Ephraim Place Project	19,000	Supplemental funding for project
General Fund	Simulcast System Upgrade Fund	397,750	Supplemental funding for project
General Fund	EMS Headquarters Fund	100,000	Supplemental funding for project
General Fund	Recreation Project Phase III Project Fund	136,000	Supplemental funding for project
General Fund	Wastewater Treatment Plant Project Fund	174	Supplemental funding to close out project
General Fund	Energy Efficient Grant Fund	351	Supplemental funding to close out project
General Fund	Emergency Telephone System Fund	2,273	Funding to adjust E911 balance to PSAP report
Ambulance Storage Facility Fund	Emergency Services Headquarters	<u>45,601</u>	Transfer of funding to close out project
		<u>\$ 751,149</u>	
<b><u>Due From/To Other Funds:</u></b>			
Solid Waste Fund	General Fund	<u>\$ 10,764</u>	Central depository overdraft

**D. Net Investment in Capital Assets**

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

	Governmental Activities	Business-type Activities
Net capital assets	\$ 17,818,374	\$ 35,274,310
Capital debt calculation:		
Total debt, gross	4,469,745	14,015,819
Less:		
School debt for assets to which the county does not hold title	<u>(406,667)</u>	<u>-</u>
Total capital debt	<u>4,063,078</u>	<u>14,015,819</u>
Net investment in capital assets	<u>\$ 13,755,296</u>	<u>\$ 21,258,491</u>

**E. Fund Balance**

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

Total Fund Balance-General Fund	\$ 11,748,301
Less:	
Inventories	23,482
Stabilization by State Statute	2,066,586
Revaluation	362,094
Appropriated fund balance in 2016 budget	3,614,033
Remaining Fund Balance	\$ 5,682,106

**III. Joint Ventures**

**A. Area Mental Health District**

Warren County participates with Alamance, Cabarrus, Caswell, Chatham, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, and Vance counties in an Area Authority and Managed Care Organization operated by Cardinal Innovations Healthcare Solutions. Each participating government appoints representation on the Oversight Board and has representation on the Board of Directors of Cardinal Innovations. The County contributed

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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\$59,411 to the Area Mental Health during the fiscal year ended June 30, 2015. The County does not retain an equity interest in the program. Complete financial statements for Cardinal Innovations Health Care Solutions may be obtained from their administrative offices located at 4855 Milestone Avenue, Kannapolis, NC 28081.

**B. Kerr Area Rural Transportation Authority**

The Kerr Area Rural Transportation Authority (K.A.R.T.S.) is an association of five County governments, including Warren County. K.A.R.T.S. is a joint venture of the participating counties for the purpose of providing a safe, adequate and convenient transportation system for the jurisdictional area creating the authority and its immediate environs. The counties served by K.A.R.T.S. in addition to Warren County are Granville, Vance, Franklin, and Person. General support of K.A.R.T.S. is provided by Federal, State and local grants and users' fees. Each county appoints two members of the Authority management body and this governing body determines the budget and financing requirements of the Authority. The County has an ongoing financial responsibility for the joint venture because K.A.R.T.S. continued existence depends on the participant governments' continued findings. The County contributed \$70,095 to K.A.R.T.S. during the fiscal year ended June 30, 2015. 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, 2015. Complete financial statements for K.A.R.T.S. can be obtained from their administrative offices at 943 W. Andrews Avenue, Henderson, N.C. 27536.

**C. Vance Granville Community College**

The County, in conjunction with the State of North Carolina, Vance County, Granville County, Warren County, Vance County Board of Education, and Warren County Board of Education, participates in a joint venture to operate the Vance Granville Community College. The State, Vance County, Granville County, Vance County Board of Education, and Granville County Board of Education appoint the twelve voting members of the board of trustees. Warren County appoints a nonvoting member of the board of trustees. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$181,712 and \$32,660 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2015. 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, 2015. 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.

**IV. Jointly Governed Organization**

The Kerr-Tar Council of Government is a voluntary association of five county governments, including Warren County, established to coordinate federal and State projects of a planning nature in the five-county area in Central North Carolina. Each county appoints one member to the Council's governing body and this governing body selects the management and determines the budget and financing requirements of the Council. The County contributed \$10,760 to the Council during the fiscal year ended June 30, 2015.

**WARREN COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**V. Benefit Payments Issued by the State**

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	<u>Federal</u>	<u>State</u>
Temporary Assistance to Needy Families	\$ 167,493	\$ -
CWS Adoption Subsidy	-	52,808
IV-E Foster Care	47,077	15,032
IV-E Adoption Subsidy	45,217	11,439
Medical Assistance Program	24,889,008	14,141,530
Health Choice	258,907	81,732
Women, Infants and Children	361,940	-
SC/SA Adult Care Payments	<u>-</u>	<u>271,338</u>
Totals	<u>\$ 25,769,642</u>	<u>\$ 14,573,879</u>

**VI. Summary Disclosure of Significant Commitments and Contingencies**

**Federal and State Assisted Programs**

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

**VII. Significant Effects of Subsequent Events**

The County has evaluated events and transactions that occurred between June 30, 2015 and December 11, 2015, which is the date that the financial statements were available to be issued for possible recognition or disclosure in the financial statements. The County refinanced USDA bonds in the amount of \$11,426,000 in November 2015.

**VIII. Change in Accounting Principles/Restatement**

The County implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$1,107,241 and \$54,961, respectively.

# **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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

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- 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
- Schedule of Funding Progress for Other Postemployment Benefits
- Schedule of Employer Contributions for Other Postemployment Benefits
- Notes to Required Schedules for Other Postemployment Benefits
- Schedule of County's Proportionate Share of the Net Pension Liability (Asset) – Local Governmental Employees' Retirement System
- Schedule of County Contributions – Local Governmental Employees' Retirement System
- Schedule of County's Proportionate Share of the Net Pension Liability (Asset) – Register of Deeds' Supplemental Pension Fund
- Schedule of County Contributions – Register of Deeds' Supplemental Pension Fund

**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)
12/31/2009	\$ -	\$ 180,286	\$ 180,286	0.00%	\$ 1,187,652	15.18%
12/31/2010	-	164,000	164,000	0.00%	1,162,023	14.11%
12/31/2011	-	169,136	169,136	0.00%	1,172,344	14.43%
12/31/2012	-	184,833	184,833	0.00%	1,137,515	16.25%
12/31/2013	-	197,084	197,084	0.00%	1,185,857	16.62%
12/31/2014	\$ -	\$ 234,476	\$ 234,476	0.00%	\$ 1,348,542	17.39%

**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
2010	\$ 21,086	0.00%
2011	31,749	0.00%
2012	29,096	0.00%
2013	29,472	0.00%
2014	30,236	9.95%
2015	\$ 34,495	23.43%

**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	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	16 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25 - 7.85%
Cost-of-living adjustments	N/A

\*Includes inflation at 3.00% percent.

**WARREN COUNTY, NORTH CAROLINA  
OTHER POSTEMPLOYMENT BENEFITS  
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)
12/31/2009	\$ -	\$ 225,315	\$ 225,315	0.00%	\$ 9,668,915	2.3%
12/31/2010	-	281,413	281,413	0.00%	9,343,905	3.0%
12/31/2011	-	282,447	282,447	0.00%	8,979,565	3.1%
12/31/2013	-	335,367	335,367	0.00%	10,006,830	3.4%
12/31/2014	\$ -	\$ 370,807	\$ 370,807	0.00%	\$ 10,076,547	3.7%

**WARREN COUNTY, NORTH CAROLINA  
OTHER POSTEMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2010	\$ 23,673	0.00%
2011	23,673	8.30%
2012	28,644	18.70%
2013	26,921	19.94%
2014	27,729	47.85%
2015	\$ 31,233	61.75%

**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	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend rate*	7.5 - 5.0%
Year of Ultimate trend rate	2020

\*Includes inflation at 3.00% percent.

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

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.172%	0.159%
County's proportionate share of the net pension liability (asset)	(1,014,304)	1,910,534
County's covered-employee payroll	\$ 10,049,579	\$ 9,342,823
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-10.09%	20.45%
Plan fiduciary net position as a percentage of the total pension liability	102.64%	94.35%

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

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

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 754,946	\$ 713,109
Contributions in relation to the contractually required contribution	<u>754,946</u>	<u>713,109</u>
Contribution deficiency (excess)	-	-
County's covered-employee payroll	\$ 10,470,638	\$ 10,049,579
Contributions as a percentage of covered-employee payroll	7.21%	7.10%

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

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.154%	0.159%
County's proportionate share of the net pension liability (asset)	\$ (34,990)	\$ (33,962)
County's covered-employee payroll	\$ 50,465	\$ 49,120
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-69.34%	-69.14%
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%

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

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

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,127	\$ 1,260
Contributions in relation to the contractually required contribution	<u>1,127</u>	<u>1,260</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
County's covered-employee payroll	\$ 50,465	\$ 49,120
Contributions as a percentage of covered-employee payroll	2.23%	2.57%

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

## MAJOR GOVERNMENTAL FUNDS

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

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
<b>REVENUES</b>				
Ad Valorem Taxes:				
Taxes		\$ 17,343,799		\$ 17,266,645
Penalties and interest		143,309		158,290
Total	\$ 17,824,724	17,487,108	\$ (337,616)	17,424,935
Local Option Sales Taxes:				
Article 39 one percent		900,198		824,639
Article 40 one-half of one percent		1,169,316		1,085,240
Article 42 one-half of one percent		493,522		456,780
Article 44		(4,457)		356
Medicaid hold harmless		(137,287)		(125,859)
Total	2,223,471	2,421,292	197,821	2,241,156
Other taxes and licenses:				
Excise tax stamps		66,763		61,665
Total	58,000	66,763	8,763	61,665
Unrestricted intergovernmental:				
Payment in lieu of taxes		4,252		4,668
Beer and wine tax		87,704		81,677
Other		34,880		33,986
Total	111,200	126,836	15,636	120,331
Restricted intergovernmental:				
Federal and State grants		5,282,343		5,137,450
Court facility fees		22,785		22,401
ABC bottles taxes		7,467		7,668
Other		126,834		140,059
Total	5,066,916	5,439,429	372,513	5,307,578
Permits and fees:				
Register of Deeds fees		75,146		84,025
Inspection fees		111,990		102,267
Other		57,617		63,831
Total	226,075	244,753	18,678	250,123
Sales and services:				
Rents		5,790		11,625
Franchise fees		16,949		13,737
Recreation fees		47,870		30,974
Jail fees		108,333		52,058
Sheriff's fees		12,327		14,032
Ambulance fees		671,454		408,854
Health fees		793,241		841,069
Library fees		10,094		14,649
Animal control fees		18,911		18,283
Other		349,518		422,546
Total	1,759,530	2,034,487	274,957	1,827,827

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Investment earnings	3,000	2,526	(474)	2,166
Micellaneous Revenues				
Donations and private grants		14,226		8,339
Insurance proceeds		36,902		8,175
Other		41,951		24,091
Total	27,939	93,079	65,140	40,605
Total Revenues	27,300,855	27,916,273	615,418	27,276,386
<b><u>EXPENDITURES</u></b>				
<b><u>General Government</u></b>				
Governing Body:				
Salaries and employee benefits		87,272		86,073
Other operating expenditures		43,552		35,090
Insurance other than property		489,940		497,859
Total	687,546	620,764	66,782	619,022
Administration:				
Salaries and employee benefits		206,998		194,389
Other operating expenditures		11,357		11,696
Total	220,255	218,355	1,900	206,085
Human Resources:				
Salaries and employee benefits		113,384		110,503
Other operating expenditures		14,021		22,282
Total	142,886	127,405	15,481	132,785
Fleet Services:				
Salaries and employee benefits		7,541		7,400
Other operating expenditures		7,826		1,105
Capital outlay		-		21,900
Total	16,954	15,367	1,587	30,405
Elections:				
Salaries and employee benefits		139,349		134,220
Other operating expenditures		110,712		120,022
Total	300,528	250,061	50,467	254,242
Finance:				
Salaries and employee benefits		313,193		295,771
Other operating expenditures		145,039		124,748
Total	482,494	458,232	24,262	420,519
Tax Assessor:				
Salaries and employee benefits		164,202		158,751
Other operating expenditures		39,393		47,568
Capital outlay		1,420		276
Total	260,121	205,015	55,106	206,595

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
<b>Tax Collections:</b>				
Salaries and employee benefits		214,359		225,027
Other operating expenditures		62,051		76,317
Total	333,690	276,410	57,280	301,344
<b>Legal:</b>				
Contracted services	165,825	164,622	1,203	138,269
<b>Register of Deeds:</b>				
Salaries and employee benefits		153,113		146,411
Other operating expenditures		78,538		73,641
Capital outlay		10,710		3,782
Total	261,260	242,361	18,899	223,834
<b>Public Buildings:</b>				
Salaries and employee benefits		258,680		250,456
Other operating expenditures		162,902		157,565
Capital outlay		38,457		14,200
Total	523,801	460,039	63,762	422,221
<b>Data Processing:</b>				
Salaries and employee benefits		-		37,150
Other operating expenditures		37,676		28,976
Total	107,145	37,676	69,469	66,126
<b>Court Facilities:</b>				
Operating expenditures		57,606		65,720
Capital outlay		49,450		-
Total	125,835	107,056	18,779	65,720
<b>Miscellaneous Appropriations:</b>				
Payments to local organizations	89,800	86,405	3,395	54,552
Total General Government	3,718,140	3,269,768	448,372	3,141,719
<b>Public Safety</b>				
<b>Sheriff:</b>				
Salaries and employee benefits		1,922,906		1,776,152
Other operating expenditures		508,013		479,653
Capital outlay		74,741		91,416
Total	2,614,177	2,505,660	108,517	2,347,221
<b>Child Support Officer:</b>				
Salaries and employee benefits		45,350		42,801
Other operating expenditures		8,667		4,855
Total	55,738	54,017	1,721	47,656
<b>Jail:</b>				
Salaries and employee benefits		819,211		762,515
Other operating expenditures		325,044		384,445
Capital outlay		47,416		-
Total	1,329,838	1,191,671	138,167	1,146,960

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Central Communications:				
Salaries and employee benefits		663,678		580,727
Other operating expenditures		37,754		32,221
Capital outlay		-		300
Total	725,191	701,432	23,759	613,248
Emergency Management:				
Salaries and employee benefits		108,546		105,346
Other operating expenditures		62,466		41,881
Total	184,053	171,012	13,041	147,227
Fire:				
Assistance to local fire departments	328,115	326,425	1,690	330,585
Emergency Medical Services:				
Salaries and employee benefits		1,831,678		1,547,578
Other operating expenditures		467,599		404,851
Capital outlay		133,674		166,526
Total	2,697,231	2,432,951	264,280	2,118,955
Halifax County EMS	87,418	87,418	-	92,449
Code Enforcement:				
Salaries and employee benefits		158,371		153,900
Other operating expenditures		20,889		21,212
Capital outlay		7,199		-
Total	191,611	186,459	5,152	175,112
Medical Examiner:				
Contracted Services	12,000	4,650	7,350	4,000
Animal Control:				
Salaries and employee benefits		206,554		183,952
Other operating expenditures		74,759		68,166
Total	306,000	281,313	24,687	252,118
KARTS				
Other operating expenditures	70,095	70,095	-	34,299
Total Public Safety	8,601,467	8,013,103	588,364	7,309,830

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
<u>Environmental Protection</u>				
Soil Conservation:				
Salaries and employee benefits		145,920		141,225
Other operating expenditures		33,679		34,528
Total	184,286	179,599	4,687	175,753
Forestry Service	113,945	108,564	5,381	107,987
Lake Gaston Weed Control	116,000	116,000	-	116,000
Total Environmental Protection	414,231	404,163	10,068	399,740
<u>Economic and Physical Development</u>				
Planning:				
Salaries and employee benefits		128,987		141,775
Other operating expenditures		25,780		12,949
Capital outlay		4,984		-
Total	170,231	159,751	10,480	154,724
Economic Development:				
Salaries and employee benefits		140,159		69,989
Other operating expenditures		105,664		56,570
Total	296,762	245,823	50,939	126,559
Agricultural Extension:				
Salaries and employee benefits		100,382		74,929
Other operating expenditures		35,434		73,405
Capital outlay		-		-
Total	167,684	135,816	31,868	148,334
Buck Springs Camp Development:				
Other operating expenditures		10,281		1,928
Total	37,255	10,281	26,974	1,928
Kerr Tar Hub	36,000	36,000	-	36,000
Total Economic and Physical Development	707,932	587,671	120,261	467,545

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
<u>Human Services</u>				
Health Clinic/Home Health:				
Salaries and employee benefits		2,004,171		2,039,005
Other operating expenditures		676,685		715,881
Capital outlay		138,723		-
Total	3,180,773	2,819,579	361,194	2,754,886
Area Mental Health District	60,146	59,411	735	59,814
Youth and Family Programs:				
Juvenile Crime Prevention Program		11,448		9,879
Emergency Shelter Care		3,273		12,858
Total	18,601	14,721	3,880	22,737
Veteran Services:				
Salaries and employee benefits		86,777		79,366
Other operating expenditures		8,988		6,711
Capital outlay		1,150		-
Total	99,513	96,915	2,598	86,077
Senior Citizens Services:				
Salaries and employee benefits		205,942		174,658
Contracted services		269,176		239,504
Capital outlay		-		21,900
Total	492,422	475,118	17,304	436,062
Youth Services Bureau:				
Salaries and employee benefits		131,843		127,846
Other operating expenditures		37,266		30,131
Total	190,897	169,109	21,788	157,977
Rural Operating Assistance Program:				
Contracted services		47,076		61,602
Other operating expenditures		63,853		54,743
Total	110,929	110,929	-	116,345
Social Services:				
Salaries and employee benefits		2,760,994		2,789,167
Other operating expenditures		921,113		841,557
Capital outlay		-		21,900
Total	3,858,138	3,682,107	176,031	3,652,624

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Public Assistance:				
Child Day Care		826,787		761,016
Special Assistance to Adults		271,338		280,926
Other Programs		228,842		157,698
Total	1,447,358	1,326,967	120,391	1,199,640
DSS Child Support				
Salaries and employee benefits		273,913		258,392
Other operating expenditures		132,338		84,739
Total	434,180	406,251	27,929	343,131
Armory				
Other operating expenditures	69,125	66,279	2,846	25,647
Total Human Services	9,962,082	9,227,386	706,767	8,854,940
<u>Cultural and Recreational</u>				
Recreation:				
Salaries and employee benefits		192,249		185,000
Other operating expenditures		138,150		133,945
Capital outlay		8,691		90,965
Total	351,329	339,090	12,239	409,910
Libraries:				
Salaries and employee benefits		353,599		347,940
Other operating expenditures		107,163		107,345
Total	471,768	460,762	11,006	455,285
Total Cultural and Recreational	823,097	799,852	23,245	865,195
<u>Education</u>				
Warren County Public Schools				
Current expense		4,579,940		3,775,219
Capital outlay		470,060		180,050
Total	5,050,000	5,050,000	-	3,955,269
Vance Granville Community College				
Current expense		181,712		177,112
Capital outlay/expansion		32,660		241,258
Total	214,372	214,372	-	418,370
Science, Engineering, Math and Aerospace				
Salaries and employee benefits		-		108,797
Other operating expenditures		-		10,841
Total	-	-	-	119,638
Total Education	5,264,372	5,264,372	-	4,493,277

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
<u>Debt Service</u>				
Principal retirement		640,618		639,118
Interest and fees		144,976		205,376
Total Debt Service	785,754	785,594	160	844,494
<u>Contingency</u>				
	21,237	-	21,237	-
Total Expenditures	30,298,312	28,351,909	1,946,403	26,376,740
Revenues Over (Under) Expenditures	(2,997,457)	(435,636)	2,561,821	899,646
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out				
Revaluation Fund	(50,000)	(50,000)	-	(50,000)
CDBG Ephraim Place Project	(19,000)	(19,000)	-	(19,000)
EMS Headquarters Fund	(100,000)	(100,000)	-	-
Recreation Project Phase III Project Fund	(136,000)	(136,000)	-	-
Wastewater Treatment Plant Project Fund	(174)	(174)	-	-
Energy Efficient Grant Fund	(351)	(351)	-	-
Simulcast System Upgrade Fund	(397,750)	(397,750)	-	(100,000)
Emergency Telephone System Fund	(2,273)	(2,273)	-	-
Total	(705,548)	(705,548)	-	(169,000)
Installment purchase obligations issued	248,297	245,967	(2,330)	290,553
Appropriated Fund Balance	3,454,708	-	(3,454,708)	-
Total Other Financial Sources (Uses)	2,997,457	(459,581)	(3,457,038)	121,553
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses				
	\$ -	(895,217)	\$ (895,217)	1,021,199
Fund Balance-July 1		12,281,424		11,260,225
Fund Balance-June 30		\$ 11,386,207		\$ 12,281,424

**WARREN COUNTY, NORTH CAROLINA  
REVALUATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
<u>REVENUES</u>				
Investment earnings	\$ 35	\$ 64	\$ 29	\$ 32
<u>EXPENDITURES</u>				
General government	55,035	5,000	50,035	5,000
Revenues Over (Under) Expenditures	(55,000)	(4,936)	50,064	(4,968)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer in (out)				
General Fund	50,000	50,000	-	50,000
Appropriated fund balance	5,000	-	(5,000)	-
	<u>55,000</u>	<u>50,000</u>	<u>(5,000)</u>	<u>50,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	45,064	<u>\$ 45,064</u>	45,032
Fund Balance - July 1		317,030		271,998
Fund Balance - June 30		<u>\$ 362,094</u>		<u>\$ 317,030</u>

# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds

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

- **Special Fire Districts Fund:** This special revenue fund is used to account for the tax revenues collected by the County on behalf of the various fire districts located within the County.
- **Emergency Telephone System Fund:** This special revenue fund is used to account for the 911 revenues collected by the telephone industry to fund the 911 emergency system.
- **CDBG (Community Development Block Grant) Infra Hook-up 2010 Fund:** This fund is used to account for revenues and expenditures to rehabilitate substandard rural housing for infra water hook-up.
- **CDBG Scattered Sites 2011 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.
- **Ambulance Storage Facility Fund:** This fund is used to account for funds set aside to construct an ambulance storage facility.
- **Simulcast System Upgrade:** This capital project fund is used to account for funds set aside to upgrade the Simulcast system.
- **Energy Efficient Grant:** This capital project fund is used to account for funds set aside to update the County's energy efficiency.
- **Emergency Services Headquarters:** This capital project fund is used to account for funds set aside to construct the emergency services headquarters.
- **Recreation Complex Phase III:** This capital project fund is used to account for funds set aside to update the County's recreation complex.

**WARREN COUNTY, NORTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2015**

	Special Revenue Funds					Capital Projects Funds						Total Nonmajor Governmental Funds
	Special Fire Districts Fund	Emergency Telephone System Fund	CDBG Infra Hook-up 2010	CDBG Scattered Sites 2011	CDBG Ephraim Place	Buck Springs Leadership Center	Ambulance Storage Facility	Simulcast System Upgrade	Energy Efficient Grant	Emergency Services Headquarters	Recreation Complex Phase III	
<b>ASSETS</b>												
Current Assets:												
Cash and cash equivalents	\$ 14,467	\$ 442,064	\$ -	\$ -	\$ 3,480	\$ 291,514	\$ -	\$ 424,890	\$ -	\$ 145,608	\$ 136,005	\$ 1,458,028
Accounts receivable, net	5,193	13,082	-	-	-	-	-	-	-	-	-	18,275
Taxes receivable, net	109,811	-	-	-	-	-	-	-	-	-	-	109,811
<b>Total Assets</b>	<b>\$ 129,471</b>	<b>\$ 455,146</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,480</b>	<b>\$ 291,514</b>	<b>\$ -</b>	<b>\$ 424,890</b>	<b>\$ -</b>	<b>\$ 145,608</b>	<b>\$ 136,005</b>	<b>\$ 1,586,114</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>												
Liabilities:												
Accounts payable and accrued liabilities	\$ 19,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ 27,960
<b>Total liabilities</b>	<b>19,960</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,960</b>
Deferred inflows of resources	109,811	-	-	-	-	-	-	-	-	-	-	109,811
Fund Balances:												
Restricted:												
Stabilization by State Statute	5,193	13,082	-	-	-	-	-	-	-	-	-	18,275
Public Safety	-	412,172	-	-	-	-	416,890	-	145,608	-	-	974,670
Economic Development	-	-	-	-	3,480	291,514	-	-	-	-	-	294,994
Recreation	-	-	-	-	-	-	-	-	-	-	136,005	136,005
Assigned:												
Subsequent years' expenditures	-	29,892	-	-	-	-	-	-	-	-	-	29,892
Unassigned:	(5,493)	-	-	-	-	-	-	-	-	-	-	(5,493)
<b>Total fund balances</b>	<b>(300)</b>	<b>455,146</b>	<b>-</b>	<b>-</b>	<b>3,480</b>	<b>291,514</b>	<b>-</b>	<b>416,890</b>	<b>-</b>	<b>145,608</b>	<b>136,005</b>	<b>1,448,343</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 129,471</b>	<b>\$ 455,146</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,480</b>	<b>\$ 291,514</b>	<b>\$ -</b>	<b>\$ 424,890</b>	<b>\$ -</b>	<b>\$ 145,608</b>	<b>\$ 136,005</b>	<b>\$ 1,586,114</b>

**WARREN COUNTY, NORTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds					Capital Projects Fund						Total Nonmajor Governmental Funds
	Special Fire Districts Fund	Emergency Telephone System Fund	CDBG Infra Hook-up 2010	CDBG Scattered Site 2011	CDBG Ephraim Place	Buck Springs Leadership Center	Ambulance Storage Facility	Simulcast System Upgrade	Energy Efficient Grant	Emergency Services Headquarters	Recreation Complex Phase III	
<b>REVENUES</b>												
Ad valorem taxes	\$ 885,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 885,743
Restricted intergovernmental	-	129,667	-	224,827	17,119	-	-	-	-	-	-	371,613
Investment earnings	-	76	-	-	-	53	5	31	-	7	5	177
Total Revenues	885,743	129,743	-	224,827	17,119	53	5	31	-	7	5	1,257,533
<b>EXPENDITURES</b>												
Public safety	885,678	116,058	-	-	-	-	-	-	-	-	-	1,001,736
Economic and physical development	-	-	-	224,827	19,000	-	-	-	-	-	-	243,827
Capital outlay	-	-	-	-	-	-	-	17,000	-	-	-	17,000
Total Expenditures	885,678	116,058	-	224,827	19,000	-	-	17,000	-	-	-	1,262,563
Revenues Over (Under) Expenditures	65	13,685	-	-	(1,881)	53	5	(16,969)	-	7	5	(5,030)
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers to other funds	-	-	-	-	-	-	(45,601)	-	-	-	-	(45,601)
Transfers from other funds	-	2,273	-	-	19,000	-	-	397,750	351	145,601	136,000	700,975
Total Other Financing Sources (Uses) - Net	-	2,273	-	-	19,000	-	(45,601)	397,750	351	145,601	136,000	655,374
Net change in Fund Balances	65	15,958	-	-	17,119	53	(45,596)	380,781	351	145,608	136,005	650,344
Fund Balance - July 1	(365)	439,188	-	-	(13,639)	291,461	45,596	36,109	(351)	-	-	797,999
Fund Balance - June 30	\$ (300)	\$ 455,146	\$ -	\$ -	\$ 3,480	\$ 291,514	\$ -	\$ 416,890	\$ -	\$ 145,608	\$ 136,005	\$ 1,448,343

**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, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
<u>REVENUES</u>				
Ad Valorem taxes	\$ 962,517	\$ 885,743	\$ (76,774)	\$ 847,131
<u>EXPENDITURES</u>				
Public safety	962,517	885,678	76,839	846,600
Revenues Over (Under) Expenditures	<u>\$ -</u>	65	<u>\$ 65</u>	531
Fund Balance - July 1		<u>(365)</u>		<u>(896)</u>
Fund Balance - June 30		<u>\$ (300)</u>		<u>\$ (365)</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, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
<u>REVENUES</u>				
Restricted intergovernmental				
Wireless communications	\$ 129,667	\$ 129,667	\$ -	\$ 232,784
Investment earnings	24	76	52	35
Total Revenues	<u>129,691</u>	<u>129,743</u>	<u>52</u>	<u>232,819</u>
<u>EXPENDITURES</u>				
Public safety	<u>129,691</u>	<u>116,058</u>	<u>13,633</u>	<u>152,056</u>
Revenues Over (Under) Expenditures	-	13,685	13,685	80,763
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer in (out)				
General Fund	-	2,273	2,273	-
Total	<u>-</u>	<u>2,273</u>	<u>2,273</u>	<u>-</u>
Revenues Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>15,958</u>	<u>\$ 15,958</u>	<u>80,763</u>
Fund Balance - July 1		<u>439,188</u>		<u>358,425</u>
Fund Balance - June 30		<u>\$ 455,146</u>		<u>\$ 439,188</u>

Fund Balance agrees to Balance on the PSAP Revenue-Expenditure Report.

**WARREN COUNTY, NORTH CAROLINA**  
**CDBG INFRA HOOK-UP 2010**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Actual Total to Date</u>	<u>Variance Positive (Negative)</u>
<u>REVENUES</u>					
Restricted intergovernmental CDBG Infra-Hookup grant	\$ -	\$ 181,617	\$ -	\$ 181,617	\$ 181,617
<u>EXPENDITURES</u>					
Economic and physical development Administration	-	22,192	-	22,192	(22,192)
Water improvements	-	159,425	-	159,425	(159,425)
Total	-	181,617	-	181,617	(181,617)
Revenues Over (Under) Expenditures	\$ -	\$ -	-	\$ -	\$ -
Fund Balance - July 1			-		
Fund Balance - June 30			\$ -		

**WARREN COUNTY, NORTH CAROLINA**  
**CDBG SCATTERED SITE 2011**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<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 CDBG Scattered Site grant	\$ 400,000	\$ 41,836	\$ 224,827	\$ 266,663	\$ (133,337)
<b><u>EXPENDITURES</u></b>					
Economic and physical development					
Administration	33,000	16,852	9,112	25,964	7,036
Planning	7,000	-	-	-	7,000
Rehabilitation	128,785	-	40,950	40,950	87,835
Relocation	15,000	-	-	-	15,000
Clearance	16,000	-	6,000	6,000	10,000
Reconstruction	200,215	24,984	168,765	193,749	6,466
Total	<u>400,000</u>	<u>41,836</u>	<u>224,827</u>	<u>266,663</u>	<u>133,337</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - July 1			-		
Fund Balance - June 30			<u>\$ -</u>		

**WARREN COUNTY, NORTH CAROLINA  
CDBG EPHRAIM PLACE PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted intergovernmental	\$ 467,690	\$ 351,199	\$ 17,119	\$ 368,318	\$ (99,372)
Miscellaneous	-	2,880	-	2,880	2,880
Total	<u>467,690</u>	<u>354,079</u>	<u>17,119</u>	<u>371,198</u>	<u>(96,492)</u>
<u>EXPENDITURES</u>					
Economic and Physical Development	<u>525,690</u>	<u>406,718</u>	<u>19,000</u>	<u>425,718</u>	<u>99,972</u>
Revenues Over (Under) Expenditures	(58,000)	(52,639)	(1,881)	(54,520)	3,480
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer in (out) General Fund	<u>58,000</u>	<u>39,000</u>	<u>19,000</u>	<u>58,000</u>	<u>-</u>
Revenues Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (13,639)</u>	17,119	<u>\$ 3,480</u>	<u>\$ 3,480</u>
Fund Balance - July 1			<u>(13,639)</u>		
Fund Balance - June 30			<u>\$ 3,480</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, 2015**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b>REVENUES</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	-	46,445	53	46,498	46,498
Total Revenues	<u>288,476</u>	<u>347,526</u>	<u>53</u>	<u>347,579</u>	<u>59,103</u>
<b>EXPENDITURES</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
Total Expenditures	<u>288,476</u>	<u>56,065</u>	<u>-</u>	<u>56,065</u>	<u>232,411</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 291,461</u>	<u>53</u>	<u>\$ 291,514</u>	<u>\$ 291,514</u>
Fund Balance - July 1			<u>291,461</u>		
Fund Balance - June 30			<u>\$ 291,514</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, 2015**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Investment Earnings	\$ 3,617	\$ 3,612	\$ 5	\$ 3,617	\$ -
<b>EXPENDITURES</b>					
Capital outlay					
Survey	2,104	2,104	-	2,104	-
Legal & Administrative	2,384	2,384	-	2,384	-
Land	20,000	20,000	-	20,000	-
Furniture/Fixtures Generator	32,400	32,400	-	32,400	-
Site Development	7,274	7,274	-	7,274	-
Architectural Fees	36,370	36,370	-	36,370	-
Construction Contract	281,860	281,860	-	281,860	-
Telephone System	13,929	13,929	-	13,929	-
Contingency	3,500	3,500	-	3,500	-
Total	<u>399,821</u>	<u>399,821</u>	<u>-</u>	<u>399,821</u>	<u>-</u>
Revenues Over (Under)					
Expenditures	<u>(396,204)</u>	<u>(396,209)</u>	<u>5</u>	<u>(396,204)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Installment purchase obligations issued	340,000	340,000	-	340,000	-
Transfer in (out)					
General Fund	279,785	279,785	-	279,785	-
Emergency Services Headquarters	<u>(223,581)</u>	<u>(177,980)</u>	<u>(45,601)</u>	<u>(223,581)</u>	<u>-</u>
Total	<u>396,204</u>	<u>441,805</u>	<u>(45,601)</u>	<u>396,204</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 45,596</u>	<u>(45,596)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - July 1			<u>45,596</u>		
Fund Balance - June 30			<u>\$ -</u>		

**WARREN COUNTY, NORTH CAROLINA  
SIMULCAST SYSTEM UPGRADE  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Investment earnings	\$ 116	\$ 117	\$ 31	\$ 148	\$ 32
Total	<u>116</u>	<u>117</u>	<u>31</u>	<u>148</u>	<u>32</u>
<u>EXPENDITURES</u>					
Capital outlay					
Legal and administrative		1,873	-	1,873	
Engineering/General		43,507	17,000	60,507	
Engineering/Capital		112,875	-	112,875	
Land		28,288	-	28,288	
Total	<u>1,207,651</u>	<u>186,543</u>	<u>17,000</u>	<u>203,543</u>	<u>1,004,108</u>
Revenues Over (Under)					
Expenditures	<u>(1,207,535)</u>	<u>(186,426)</u>	<u>(16,969)</u>	<u>(203,395)</u>	<u>1,004,140</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds of installment purchase	587,250	-	-	-	(587,250)
Transfer in (out)					
General Fund	497,750	100,000	397,750	497,750	-
Emergency Telephone System Fund	122,535	122,535	-	122,535	-
Total	<u>1,207,535</u>	<u>222,535</u>	<u>397,750</u>	<u>620,285</u>	<u>(587,250)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 36,109</u>	380,781	<u>\$ 416,890</u>	<u>\$ 416,890</u>
Fund Balance - July 1			<u>36,109</u>		
Fund Balance - June 30			<u>\$ 416,890</u>		

**WARREN COUNTY, NORTH CAROLINA**  
**ENERGY EFFICIENT GRANT**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted intergovernmental					
Federal and state grants	\$ 182,964	\$ 182,964	\$ -	\$ 182,964	\$ -
Miscellaneous income	25,871	25,870	-	25,870	(1)
Total	<u>208,835</u>	<u>208,834</u>	<u>-</u>	<u>208,834</u>	<u>(1)</u>
<u>EXPENDITURES</u>					
Capital outlay					
Contracted services		26,117	-	26,117	
Postage		2	-	2	
Advertising		461	-	461	
Construction contract		182,605	-	182,605	
Total	<u>209,185</u>	<u>209,185</u>	<u>-</u>	<u>209,185</u>	<u>-</u>
Revenues Over (Under)					
Expenditures	(350)	(351)	-	(351)	(1)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer in (out)					
General Fund	350	-	351	351	1
Total	<u>350</u>	<u>-</u>	<u>351</u>	<u>351</u>	<u>1</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (351)</u>	351	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - July 1			<u>(351)</u>		
Fund Balance - June 30			<u>\$ -</u>		

**WARREN COUNTY, NORTH CAROLINA  
EMERGENCY SERVICES HEADQUARTERS  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Restricted intergovernmental					
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	7	7	7
Total	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>7</u>
<b><u>EXPENDITURES</u></b>					
Capital outlay					
Contracted services		-	-	-	
Postage		-	-	-	
Advertising		-	-	-	
Construction contract		-	-	-	
Total	<u>145,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,601</u>
Revenues Over (Under)					
Expenditures	<u>(145,601)</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>145,608</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfer in (out)					
Ambulance Storage Facility Fund	45,601	-	45,601	45,601	-
General Fund	100,000	-	100,000	100,000	-
Total	<u>145,601</u>	<u>-</u>	<u>145,601</u>	<u>145,601</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	145,608	<u>\$ 145,608</u>	<u>\$ 145,608</u>
Fund Balance - July 1			<u>-</u>		
Fund Balance - June 30			<u>\$ 145,608</u>		

**WARREN COUNTY, NORTH CAROLINA  
RECREATION COMPLEX PHASE III PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Restricted intergovernmental					
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	5	5	5
Total	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>5</u>
<b><u>EXPENDITURES</u></b>					
Capital outlay					
Survey		-	-	-	
Legal/Administrative		-	-	-	
Land		-	-	-	
Total	<u>136,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,000</u>
Revenues Over (Under)					
Expenditures	<u>(136,000)</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>136,005</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfer in (out)					
General Fund	<u>136,000</u>	<u>-</u>	<u>136,000</u>	<u>136,000</u>	<u>-</u>
Total	<u>136,000</u>	<u>-</u>	<u>136,000</u>	<u>136,000</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>136,005</u>	<u>\$ 136,005</u>	<u>\$ 136,005</u>
Fund Balance - July 1			<u>-</u>		
Fund Balance - June 30			<u>\$ 136,005</u>		

## ENTERPRISE FUNDS

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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.

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

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

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

**WARREN COUNTY, NORTH CAROLINA**  
**REGIONAL WATER SYSTEM FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating Revenues				
Water and Sewer Charges	\$ 837,992	\$ 843,115	\$ 5,123	\$ 740,978
Nonoperating Revenues				
Permits and Fees	200	1,025	825	150
Miscellaneous Revenue	36,383	36,610	227	35,876
Interest Earnings	50	183	133	40
Total Nonoperating Revenues	<u>36,633</u>	<u>37,818</u>	<u>1,185</u>	<u>36,066</u>
Total Revenues	<u>874,625</u>	<u>880,933</u>	<u>6,308</u>	<u>777,044</u>
<b>EXPENDITURES</b>				
Salaries and employee benefits		91,173		110,516
Water purchases		493,047		454,606
Other operating expenditures		246,009		248,371
Capital outlay		-		8,121
Debt service				
Principal		37,261		37,261
Interest		19,809		20,101
Total Expenditures	<u>939,748</u>	<u>887,299</u>	<u>52,449</u>	<u>878,976</u>
Revenues Over (Under) Expenditures	<u>(65,123)</u>	<u>(6,366)</u>	<u>58,757</u>	<u>(101,932)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)				
Soul City Pump Station Improvements	37,883	37,883	-	-
Appropriated Fund Balance	<u>27,240</u>	<u>-</u>	<u>(27,240)</u>	<u>-</u>
Total Transfers	<u>65,123</u>	<u>37,883</u>	<u>(27,240)</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 31,517</u>	<u>\$ 31,517</u>	<u>\$ (101,932)</u>
<b>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</b>				
Excess of revenues and other sources over (under) expenditures and other uses		\$ 31,517		\$ (101,932)
Reconciling items:				
Capital outlay		-		8,121
Depreciation		(255,974)		(256,214)
Principal payment		37,261		37,261
Contributions to the pension plan in the current fiscal year		4,716		-
(Increase) decrease in compensated absences payable		1,803		117
(Increase) decrease in OPEB obligation		(191)		(216)
Pension expense		(628)		-
Interest income from Soul City Pump Station Improvements		6		4
Transfers for Soul City Pump Station Improvements		(37,883)		-
Transfers for Waste Water Treatment Plant		174		-
Miscellaneous income from Waste Water Treatment Plant		-		11,192
Total		<u>(250,716)</u>		<u>(199,735)</u>
Change in net position		<u>\$ (219,199)</u>		<u>\$ (301,667)</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, 2015**

	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	\$ -	\$ 350,000	\$ -
Investment earnings	2,091	2,085	6	2,091	-
Miscellaneous	43,663	43,663	-	43,663	-
Total Revenues	<u>395,754</u>	<u>395,748</u>	<u>6</u>	<u>395,754</u>	<u>-</u>
<b><u>EXPENDITURES</u></b>					
Capital Outlay	<u>429,230</u>	<u>429,230</u>	<u>-</u>	<u>429,230</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(33,476)</u>	<u>(33,482)</u>	<u>6</u>	<u>(33,476)</u>	<u>-</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers in (out)					
Regional Water Enterprise Fund	66,184	66,184	-	66,184	-
Regional Water Enterprise Fund	(37,883)	-	(37,883)	(37,883)	-
General Fund	5,175	5,175	-	5,175	-
Total	<u>33,476</u>	<u>71,359</u>	<u>(37,883)</u>	<u>33,476</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 37,877</u>	<u>\$ (37,877)</u>	<u>\$ -</u>	<u>\$ -</u>

**WARREN COUNTY, NORTH CAROLINA**  
**WASTE WATER TREATMENT PLANT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	29,516	29,517	-	29,517	1
Total Revenues	<u>29,516</u>	<u>29,517</u>	<u>-</u>	<u>29,517</u>	<u>1</u>
<b><u>EXPENDITURES</u></b>					
Capital Outlay	837,253	837,253	-	837,253	-
Revenues Over (Under) Expenditures	<u>(807,737)</u>	<u>(807,736)</u>	<u>-</u>	<u>(807,736)</u>	<u>1</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Debt proceeds	802,080	737,914	-	737,914	(64,166)
Transfers in (out)					
General Fund	174	-	174	174	-
Regional Water Enterprise Fund	5,044	5,044	-	5,044	-
District I Enterprise Fund	110	110	-	110	-
District II Enterprise Fund	329	329	-	329	-
Total	<u>807,737</u>	<u>743,397</u>	<u>174</u>	<u>743,571</u>	<u>(64,166)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (64,339)</u>	<u>\$ 174</u>	<u>\$ (64,165)</u>	<u>\$ (64,165)</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, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating Revenues				
Water and Sewer Charges	\$ 517,150	\$ 553,845	\$ 36,695	\$ 494,387
Other operating revenues	3,767	4,739	972	7,031
Total Operating Revenues	<u>520,917</u>	<u>558,584</u>	<u>37,667</u>	<u>501,418</u>
Nonoperating Revenues				
Interest Earnings	100	163	63	99
Total Nonoperating Revenues	<u>100</u>	<u>163</u>	<u>63</u>	<u>99</u>
Total Revenues	<u>521,017</u>	<u>558,747</u>	<u>37,730</u>	<u>501,517</u>
<b>EXPENDITURES</b>				
Salaries and employee benefits		173,660		165,781
Water purchases		112,589		106,595
Other operating expenditures		78,758		78,019
Capital outlay		-		8,121
Debt service:				
Interest and other charges		61,999		63,351
Debt principal		42,566		39,566
Total Expenditures	<u>521,017</u>	<u>469,572</u>	<u>51,445</u>	<u>461,433</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 89,175</u>	<u>\$ 89,175</u>	<u>\$ 40,084</u>
<b>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</b>				
Excess of revenues and other sources over (under) expenditures and other uses		\$ 89,175		\$ 40,084
Reconciling items:				
Debt service payment		42,566		39,566
Depreciation		(146,135)		(146,376)
Capital outlay		-		8,121
Contributions to the pension plan in the current fiscal year		8,984		-
(Increase) decrease in compensated absences payable		(54)		(136)
(Increase) decrease in OPEB obligation		(364)		(323)
Pension expense		(1,195)		-
Total		<u>(96,198)</u>		<u>(99,148)</u>
Change in net position		<u>\$ (7,023)</u>		<u>\$ (59,064)</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, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating Revenues				
Water and sewer charges	\$ 506,250	\$ 502,370	\$ (3,880)	\$ 481,625
Other charges for services	-	1,950	1,950	-
Total Operating Revenues	<u>506,250</u>	<u>504,320</u>	<u>(1,930)</u>	<u>481,625</u>
Nonoperating Revenues				
Debt reimbursement	10,356	10,356	-	10,356
Rents	20,850	20,850	-	21,150
Miscellaneous	3,894	4,421	527	2,914
Interest Earnings	85	205	120	88
Total Nonoperating Revenues	<u>35,185</u>	<u>35,832</u>	<u>647</u>	<u>34,508</u>
Total Revenues	<u>541,435</u>	<u>540,152</u>	<u>(1,283)</u>	<u>516,133</u>
<b>EXPENDITURES</b>				
Salaries and employee benefits		134,587		114,023
Water purchases		86,539		87,855
Other operating expenditures		113,252		104,022
Capital outlay				8,121
Debt service:				
Interest and other charges		111,248		113,375
Principal		61,074		59,074
Total Expenditures	<u>541,435</u>	<u>506,700</u>	<u>34,735</u>	<u>486,470</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 33,452</u>	<u>\$ 33,452</u>	<u>\$ 29,663</u>
<b>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</b>				
Excess of revenues and other sources over (under) expenditures and other uses		\$ 33,452		\$ 29,663
Reconciling items:				
Depreciation		(303,965)		(304,205)
Capital outlay		-		8,121
Debt service payment		61,074		59,074
Contributions to the pension plan in the current fiscal year		6,963		-
(Increase) decrease in compensated absences payable		(1,110)		(526)
(Increase) decrease in OPEB obligation		(282)		(224)
Pension expense		(927)		-
Total		<u>(238,247)</u>		<u>(237,760)</u>
Change in net position		<u>\$ (204,795)</u>		<u>\$ (208,097)</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, 2015**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Restricted intergovernmental:					
DENR Water Revolving Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>EXPENDITURES</u></b>					
Engineering/Preliminary	4,000	3,833	-	3,833	167
Equipment Capital/Meters	224,842	225,035	-	225,035	(193)
Closing Cost	4,577	4,667	(181)	4,486	91
Total	<u>233,419</u>	<u>233,535</u>	<u>(181)</u>	<u>233,354</u>	<u>65</u>
Revenues Over (Under) Expenditures	(233,419)	(233,535)	181	(233,354)	65
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Proceeds from DENR debt	233,419	233,354	-	233,354	(65)
Total	<u>233,419</u>	<u>233,354</u>	<u>-</u>	<u>233,354</u>	<u>(65)</u>
Excess of Revenues and Other Source Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (181)</u>	<u>\$ 181</u>	<u>\$ -</u>	<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, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating Revenues				
Water and sewer charges	\$ 764,340	\$ 752,518	\$ (11,822)	\$ 675,471
Other charges for services	697	5,372	4,675	697
Total Operating Revenues	<u>765,037</u>	<u>757,890</u>	<u>(7,147)</u>	<u>676,168</u>
Nonoperating Revenues				
Miscellaneous	800	5,870	5,070	3,342
Interest Earnings	50	60	10	39
Total Nonoperating Revenues	<u>850</u>	<u>5,930</u>	<u>5,080</u>	<u>3,381</u>
Total Revenues	<u>765,887</u>	<u>763,820</u>	<u>(2,067)</u>	<u>679,549</u>
<b>EXPENDITURES</b>				
Salaries and employee benefits		34,732		34,009
Water purchases		119,946		118,904
Other operating expenditures		51,013		49,827
Capital outlay		-		8,121
Debt Service				
Principal paid		135,000		130,000
Interest expense		428,826		435,318
Total Expenditures	<u>821,529</u>	<u>769,517</u>	<u>52,012</u>	<u>776,179</u>
Revenues Over (Under) Expenditures	<u>(55,642)</u>	<u>(5,697)</u>	<u>49,945</u>	<u>(96,630)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)				
Eaton's Ferry Bridge Capital Project Fund	(27,315)	(27,315)	-	-
Fund balance appropriated	82,957	-	(82,957)	-
Total Other Financing Sources (Uses)	<u>55,642</u>	<u>(27,315)</u>	<u>(82,957)</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (33,012)</u>	<u>\$ (33,012)</u>	<u>\$ (96,630)</u>
<b>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</b>				
Excess of revenues and other sources over (under) expenditures and other uses		\$ (33,012)		\$ (96,630)
Reconciling items:				
Depreciation		(187,031)		(186,496)
Capital outlay		-		8,121
Principal paid		135,000		130,000
Contributions to the pension plan in the current fiscal year		1,797		-
Pension expense		(239)		-
(Increase) decrease in compensated absences payable		55		(1,403)
(Increase) decrease in OPEB obligation		(73)		(66)
Investment earnings for District Three/Phase II		22		6
Charges for services for District Three/Phase II		125		375
Transfers for District Three/Phase II		(137,163)		-
Restricted intergovernmental revenue for District Three/Phase III		-		202,447
Miscellaneous revenue for District Three/Phase III		615		-
Investment earnings for District Three/Phase III		2		6
Charges for services for District Three/Phase III		-		300
Restricted intergovernmental revenue for Eaton's Ferry Bridge Capital Project		387,066		-
Transfers for Eaton's Ferry Bridge Capital Project		164,478		-
Total		<u>364,654</u>		<u>153,290</u>
Change in net position		<u>\$ 331,642</u>		<u>\$ 56,660</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, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	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	\$ 3,955,000	\$ -	\$ 3,955,000	\$ -
State grants	623,840	623,840	-	623,840	-
Charges for services	166,925	166,800	125	166,925	-
Investment earnings	41,846	41,824	22	41,846	-
Miscellaneous	174,296	174,296	-	174,296	-
Total Revenues	<u>4,961,907</u>	<u>4,961,760</u>	<u>147</u>	<u>4,961,907</u>	<u>-</u>
<b><u>EXPENDITURES</u></b>					
Construction	<u>9,795,067</u>	<u>9,795,067</u>	<u>-</u>	<u>9,795,067</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(4,833,160)</u>	<u>(4,833,307)</u>	<u>147</u>	<u>(4,833,160)</u>	<u>-</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers in (out)					
General Fund	4,500	4,500	-	4,500	-
Eaton's Ferry Bridge Capital Project Fund	(137,163)	-	(137,163)	(137,163)	-
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>4,833,160</u>	<u>4,970,323</u>	<u>(137,163)</u>	<u>4,833,160</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 137,016</u>	<u>\$ (137,016)</u>	<u>\$ -</u>	<u>\$ -</u>

**WARREN COUNTY, NORTH CAROLINA**  
**DISTRICT THREE/PHASE III CAPITAL PROJECT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Restricted intergovernmental:					
State grants	\$ 920,000	\$ 920,000	\$ -	\$ 920,000	\$ -
Charges for services	54,000	48,600	-	48,600	(5,400)
Miscellaneous	-	13,252	615	13,867	13,867
Investment earnings	-	294	2	296	296
Total Revenues	<u>974,000</u>	<u>982,146</u>	<u>617</u>	<u>982,763</u>	<u>8,763</u>
<b>EXPENDITURES</b>					
Construction	<u>2,535,000</u>	<u>2,505,620</u>	<u>-</u>	<u>2,505,620</u>	<u>29,380</u>
Revenues Over (Under) Expenditures	<u>(1,561,000)</u>	<u>(1,523,474)</u>	<u>617</u>	<u>(1,522,857)</u>	<u>38,143</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued	<u>1,561,000</u>	<u>1,561,000</u>	<u>-</u>	<u>1,561,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,561,000</u>	<u>1,561,000</u>	<u>-</u>	<u>1,561,000</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 37,526</u>	<u>\$ 617</u>	<u>\$ 38,143</u>	<u>\$ 38,143</u>

**WARREN COUNTY, NORTH CAROLINA**  
**EATON'S FERRY BRIDGE CAPITAL PROJECT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Restricted intergovernmental:					
State grants	\$ 387,066	\$ -	\$ 387,066	\$ 387,066	\$ -
Total Revenues	<u>387,066</u>	<u>-</u>	<u>387,066</u>	<u>387,066</u>	<u>-</u>
<b>EXPENDITURES</b>					
Construction	551,544	89,874	461,670	551,544	-
Revenues Over (Under) Expenditures	<u>(164,478)</u>	<u>(89,874)</u>	<u>(74,604)</u>	<u>(164,478)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from (to) other funds					
District III Enterprise Fund	27,315	-	27,315	27,315	-
District III/Phase III Capital Project	137,163	-	137,163	137,163	-
Total Other Financing Sources (Uses)	<u>164,478</u>	<u>-</u>	<u>164,478</u>	<u>164,478</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (89,874)</u>	<u>\$ 89,874</u>	<u>\$ -</u>	<u>\$ -</u>

**WARREN COUNTY, NORTH CAROLINA**  
**SOLID WASTE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues				
Charges for services	\$ 1,498,337	\$ 1,418,067	\$ (80,270)	\$ 1,409,142
Nonoperating Revenues				
State grants and reimbursements				
Tire Disposal Tax	38,000	49,952	11,952	42,451
White Goods Disposal Tax	6,000	7,929	1,929	8,828
Solid Waste Disposal Tax	15,000	14,559	(441)	13,803
Electronic Management Funds	1,350	1,576	226	1,372
Miscellaneous	2,900	4,073	1,173	4,266
Interest earnings	50	7	(43)	14
Total Nonoperating Revenues	<u>63,300</u>	<u>78,096</u>	<u>14,796</u>	<u>70,734</u>
Total Revenues	<u>1,561,637</u>	<u>1,496,163</u>	<u>(65,474)</u>	<u>1,479,876</u>
<b>EXPENDITURES</b>				
Salaries and employee benefits		238,802		239,075
Other operating expenditures		100,494		98,278
Contracted services		1,211,619		1,170,470
Capital outlay		-		5,650
Debt service:				
Interest and other charges		-		14
Debt principal		-		2,950
Total Expenditures	<u>1,583,470</u>	<u>1,550,915</u>	<u>32,555</u>	<u>1,516,437</u>
Revenues Over (Under) Expenditures	<u>(21,833)</u>	<u>(54,752)</u>	<u>(32,919)</u>	<u>(36,561)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriated fund balance	21,833	-	(21,833)	-
Total Other Financing Sources (Uses)	<u>21,833</u>	<u>-</u>	<u>(21,833)</u>	<u>-</u>
Revenues and Other Financing Sources				
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (54,752)</u>	<u>\$ (54,752)</u>	<u>\$ (36,561)</u>
<b>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</b>				
Revenues and other financing sources over (under) expenditures and other uses		\$ (54,752)		\$ (36,561)
Reconciling items:				
Capital outlay		-		5,650
Debt service payment		-		2,950
Depreciation		(15,868)		(16,765)
Contributions to the pension plan in the current fiscal year		12,926		-
(Increase) decrease in compensated absences payable		(693)		(1,021)
(Increase) decrease in OPEB obligation		(531)		(476)
(Increase) decrease in accrued landfill closure and postclosure care costs		38,501		(19,964)
Pension expense		(1,741)		-
Total		<u>32,594</u>		<u>(29,626)</u>
Change in net position		<u>\$ (22,158)</u>		<u>\$ (66,187)</u>

## AGENCY FUNDS

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

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

**WARREN COUNTY, NORTH CAROLINA  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<u>Social Services</u>				
Assets				
Cash	\$ 35,124	\$ 130,150	\$ 137,576	\$ 27,698
Liabilities				
Miscellaneous liabilities	35,124	130,150	137,576	27,698
<u>Fines and Forfeitures</u>				
Assets				
Accounts receivable	1,854	54,752	50,636	5,970
Liabilities				
Intergovernmental payable	1,854	54,752	50,636	5,970
<u>Municipal Tax Fund</u>				
Assets				
Cash	-	654,543	654,543	-
Liabilities				
Intergovernmental payable	-	654,543	654,543	-
<u>Totals - All Agency Funds</u>				
Assets				
Cash	35,124	784,693	792,119	27,698
Accounts receivable	1,854	54,752	50,636	5,970
	<u>36,978</u>	<u>839,445</u>	<u>842,755</u>	<u>33,668</u>
Liabilities				
Miscellaneous liabilities	35,124	130,150	137,576	27,698
Intergovernmental payable	1,854	709,295	705,179	5,970
Total liabilities	<u>\$ 36,978</u>	<u>\$ 839,445</u>	<u>\$ 842,755</u>	<u>\$ 33,668</u>

## **OTHER SCHEDULES**

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This schedule contains additional information required on property taxes.

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- 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, 2015**

Fiscal Year	Uncollected Balance July 1, 2014	Additions	Collections and Adjustments	Uncollected Balance June 30, 2015
2014-2015	\$ -	\$ 16,709,176	\$ 16,208,647	\$ 500,529
2013-2014	660,353		390,932	269,421
2012-2013	256,126	-	87,584	168,542
2011-2012	156,767	-	35,612	121,155
2010-2011	119,266	-	20,932	98,334
2009-2010	101,333	-	11,404	89,929
2008-2009	98,986	-	13,014	85,972
2007-2008	112,642	-	17,336	95,306
2006-2007	107,568	-	8,840	98,728
2005-2006	91,723	-	7,686	84,037
2004-2005	83,184	-	83,184	-
	<u>\$ 1,787,948</u>	<u>\$ 16,709,176</u>	<u>\$ 16,885,171</u>	<u>\$ 1,611,953</u>
				Less: allowance for uncollectible accounts: <u>500,000</u>
				Ad valorem taxes receivable - net: <u>\$ 1,111,953</u>
<hr/>				
Reconciliation with revenues:				
Ad valorem taxes - General Fund				<u>\$ 17,487,108</u>
Reconciling items:				
Amounts written off for 2004-2005 levy				78,668
Interest, Discounts and Adjustments				<u>(680,605)</u>
Total Reconciling Items				<u>(601,937)</u>
Total Collections and Credits				<u>\$ 16,885,171</u>

**WARREN COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
JUNE 30, 2015**

	County-wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 2,398,335,828	0.660	\$ 15,829,016	\$ 15,829,016	\$ -
Registered motor vehicles taxed at current year's rate	<u>133,357,576</u>	0.660	<u>880,160</u>	<u>-</u>	<u>880,160</u>
Total Original Levy	2,531,693,404		16,709,176	15,829,016	880,160
Discoveries:	100,973,636	0.660	666,426	666,426	-
Abatements	<u>(15,313,030)</u>	0.660	<u>(101,066)</u>	<u>(101,066)</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 2,617,354,010</u></u>				
Net Levy			17,274,536	16,394,376	880,160
Uncollected taxes at June 30, 2015			<u>500,529</u>	<u>500,168</u>	<u>361</u>
Current year's taxes collected			<u>\$ 16,774,007</u>	<u>\$ 15,894,208</u>	<u>\$ 879,799</u>
Current levy collection percentage			<u>97.10%</u>	<u>96.95%</u>	<u>99.96%</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 POSITION BY COMPONENTS**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 6,013,698	\$ 7,406,216	\$ 8,356,319	\$ 10,018,301	\$ 11,523,737	\$ 12,220,550	\$ 12,962,674	\$ 13,294,536	\$ 13,641,321	\$ 13,755,296
Restricted	54,916	119,168	10,931	-	-	2,399,348	1,780,754	2,429,321	2,463,226	3,490,530
Unrestricted	7,718,588	8,646,672	8,485,896	7,446,330	8,442,300	5,997,626	8,293,981	9,795,047	10,868,062	9,006,772
Total governmental activities net position	<u>\$ 13,787,202</u>	<u>\$ 16,172,056</u>	<u>\$ 16,853,146</u>	<u>\$ 17,464,631</u>	<u>\$ 19,966,037</u>	<u>\$ 20,617,524</u>	<u>\$ 23,037,409</u>	<u>\$ 25,518,904</u>	<u>\$ 26,972,609</u>	<u>\$ 26,252,598</u>
Business-type activities										
Net investment in capital assets	\$ 19,286,085	\$ 19,086,139	\$ 19,480,250	\$ 21,706,937	\$ 22,843,191	\$ 22,523,838	\$ 21,679,388	\$ 21,759,836	\$ 21,430,076	\$ 21,258,491
Restricted	-	-	-	-	-	-	-	-	-	56,490
Unrestricted	1,236,198	1,526,879	1,609,269	2,177,111	1,809,528	1,986,447	2,089,399	2,379,646	1,940,528	1,879,129
Total business-type activities net position	<u>\$ 20,522,283</u>	<u>\$ 20,613,018</u>	<u>\$ 21,089,519</u>	<u>\$ 23,884,048</u>	<u>\$ 24,652,719</u>	<u>\$ 24,510,285</u>	<u>\$ 23,768,787</u>	<u>\$ 24,139,482</u>	<u>\$ 23,370,604</u>	<u>\$ 23,194,110</u>
Primary government										
Net investment in capital assets	\$ 25,299,783	\$ 26,492,355	\$ 27,836,569	\$ 31,725,238	\$ 34,366,928	\$ 34,744,388	\$ 34,642,062	\$ 35,054,372	\$ 35,071,397	\$ 35,013,787
Restricted	54,916	119,168	10,931	-	-	2,399,348	1,780,754	2,429,321	2,463,226	3,547,020
Unrestricted	8,954,786	10,173,551	10,095,165	9,623,441	10,251,828	7,984,073	10,383,380	12,174,693	12,808,590	10,885,901
Total primary government net position	<u>\$ 34,309,485</u>	<u>\$ 36,785,074</u>	<u>\$ 37,942,665</u>	<u>\$ 41,348,679</u>	<u>\$ 44,618,756</u>	<u>\$ 45,127,809</u>	<u>\$ 46,806,196</u>	<u>\$ 49,658,386</u>	<u>\$ 50,343,213</u>	<u>\$ 49,446,708</u>

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

Expenses	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities:</b>										
General government	\$ 2,214,866	\$ 2,561,297	\$ 3,064,896	\$ 3,133,446	\$ 2,650,142	\$ 3,363,969	\$ 3,022,868	\$ 3,142,083	\$ 3,337,645	\$ 3,288,184
Public safety	5,199,174	5,432,066	5,897,695	6,487,102	7,133,833	7,033,229	7,229,935	7,594,569	8,385,357	8,783,520
Economic development	378,250	547,258	479,538	703,870	812,368	676,787	738,211	691,085	582,985	822,723
Environmental protection	279,035	372,069	377,402	382,002	375,553	384,936	382,291	389,915	406,315	402,763
Human services	8,932,781	9,634,595	9,964,742	9,244,375	8,843,649	8,961,158	8,611,989	8,735,030	8,986,367	8,949,573
Culture and recreation	459,433	476,213	678,723	965,352	889,294	854,045	877,411	932,823	886,737	915,084
Education	2,926,413	3,239,620	3,598,596	3,765,787	4,766,622	4,460,339	4,233,048	4,452,554	4,504,182	5,264,372
Interest on long-term debt	475,435	473,778	503,449	467,666	397,113	397,854	330,508	265,358	195,374	147,772
<b>Total governmental activities expenses</b>	<b>20,865,387</b>	<b>22,736,896</b>	<b>24,565,041</b>	<b>25,149,600</b>	<b>25,867,574</b>	<b>26,132,317</b>	<b>25,426,261</b>	<b>26,203,417</b>	<b>27,284,962</b>	<b>28,573,991</b>
<b>Business-type activities</b>										
Solid Waste	1,210,403	1,203,460	1,319,767	1,336,601	1,387,291	1,411,789	1,492,133	1,533,361	1,546,049	1,518,321
Water and Sewer	1,850,972	2,224,113	2,291,284	2,405,556	2,778,124	2,868,012	3,096,413	3,194,112	3,201,505	3,231,037
<b>Total business-type activities expenses</b>	<b>3,061,375</b>	<b>3,427,573</b>	<b>3,611,051</b>	<b>3,742,157</b>	<b>4,165,415</b>	<b>4,279,801</b>	<b>4,588,546</b>	<b>4,727,473</b>	<b>4,747,554</b>	<b>4,749,358</b>
<b>Total primary government expenses</b>	<b>\$ 23,926,762</b>	<b>\$ 26,164,469</b>	<b>\$ 28,176,092</b>	<b>\$ 28,891,757</b>	<b>\$ 30,032,989</b>	<b>\$ 30,412,118</b>	<b>\$ 30,014,807</b>	<b>\$ 30,930,890</b>	<b>\$ 32,032,516</b>	<b>\$ 33,323,349</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 246,568	\$ 235,715	\$ 220,303	\$ 207,332	\$ 181,485	\$ 159,919	\$ 263,556	\$ 172,091	\$ 166,700	\$ 145,657
Public safety	310,715	279,159	278,293	245,412	240,209	194,105	189,748	279,493	353,966	522,498
Economic and physical development	13,111	11,212	18,436	11,617	19,641	17,890	18,527	20,032	21,161	22,129
Human services	2,132,383	1,978,004	1,911,990	1,932,022	2,024,707	2,090,364	2,099,557	1,999,392	1,498,726	1,553,777
Culture and recreation	24,280	23,059	40,287	63,779	61,172	64,122	56,264	54,115	45,623	57,964
Operating grants and contributions	4,689,246	4,768,953	5,096,559	5,635,258	6,519,634	5,641,667	5,418,451	5,422,395	5,532,237	5,595,416
Capital grants and contributions	354,356	718,191	318,369	274,488	1,036,382	369,081	630,355	477,771	152,238	241,946
<b>Total governmental activities program revenue</b>	<b>7,770,659</b>	<b>8,014,293</b>	<b>7,884,237</b>	<b>8,369,908</b>	<b>10,083,230</b>	<b>8,537,148</b>	<b>8,676,458</b>	<b>8,425,289</b>	<b>7,770,651</b>	<b>8,139,387</b>
<b>Business-type activities</b>										
<b>Charges for services:</b>										
Solid Waste	1,176,871	1,178,027	1,257,962	1,203,030	1,273,105	1,365,509	1,399,794	1,394,467	1,409,142	1,418,067
Water and Sewer	1,413,610	1,681,403	1,888,710	1,928,990	2,351,439	2,425,639	2,281,485	2,517,096	2,393,833	2,659,295
Capital grants and contributions	2,549,686	532,523	634,873	3,245,436	1,251,583	304,788	87,609	1,118,852	279,257	471,438
<b>Total business-type activities program revenues</b>	<b>5,140,167</b>	<b>3,391,953</b>	<b>3,781,545</b>	<b>6,377,456</b>	<b>4,876,127</b>	<b>4,095,936</b>	<b>3,768,888</b>	<b>5,030,415</b>	<b>4,082,232</b>	<b>4,548,800</b>
<b>Total primary government program revenues</b>	<b>\$ 12,910,826</b>	<b>\$ 11,406,246</b>	<b>\$ 11,665,782</b>	<b>\$ 14,747,364</b>	<b>\$ 14,959,357</b>	<b>\$ 12,633,084</b>	<b>\$ 12,445,346</b>	<b>\$ 13,455,704</b>	<b>\$ 11,852,883</b>	<b>\$ 12,688,187</b>
<b>Net (expenses)/revenue</b>										
Governmental activities	\$ (13,094,728)	\$ (14,722,603)	\$ (16,680,804)	\$ (16,779,692)	\$ (15,784,344)	\$ (17,595,169)	\$ (16,749,803)	\$ (17,778,128)	\$ (19,514,311)	\$ (20,434,604)
Business-type activities	2,078,792	(35,620)	170,494	2,635,299	710,712	(183,865)	(819,658)	302,942	(665,322)	(200,558)
<b>Total primary government net expenses</b>	<b>\$ (11,015,936)</b>	<b>\$ (14,758,223)</b>	<b>\$ (16,510,310)</b>	<b>\$ (14,144,393)</b>	<b>\$ (15,073,632)</b>	<b>\$ (17,779,034)</b>	<b>\$ (17,569,461)</b>	<b>\$ (17,475,186)</b>	<b>\$ (20,179,633)</b>	<b>\$ (20,635,162)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
<b>Taxes</b>										
Property taxes	\$ 11,878,217	\$ 12,297,154	\$ 12,528,996	\$ 13,953,610	\$ 16,017,334	\$ 16,111,062	\$ 16,544,452	\$ 17,863,798	\$ 18,278,128	\$ 18,169,142
Local option sales taxes	3,292,261	3,648,064	3,887,932	2,982,087	2,095,105	1,963,435	2,203,383	2,236,339	2,241,156	2,421,292
Other taxes and licenses	265,569	283,953	163,181	60,007	49,661	65,081	62,831	59,878	61,665	66,763
Unrestricted grants and contributions	125,192	165,522	199,658	165,847	81,749	200,746	268,347	80,257	86,345	91,956
Investment earnings, unrestricted	414,341	563,824	441,867	146,561	17,402	15,940	7,741	6,082	2,279	2,767
Miscellaneous	68,593	148,940	140,260	159,464	24,499	100,202	91,685	13,269	298,443	70,088
Transfers	(56,469)	-	-	(76,399)	-	-	(8,751)	-	-	(174)
<b>Total governmental activities</b>	<b>15,987,704</b>	<b>17,107,457</b>	<b>17,361,894</b>	<b>17,391,177</b>	<b>18,285,750</b>	<b>18,456,466</b>	<b>19,169,688</b>	<b>20,259,623</b>	<b>20,968,016</b>	<b>20,821,834</b>
<b>Business-type activities:</b>										
Investment earnings	58,335	86,377	121,544	36,384	4,407	3,467	1,798	1,336	296	648
Miscellaneous	163,023	39,978	184,466	46,448	53,550	37,964	67,609	66,416	85,921	78,203
Transfers	56,469	-	-	76,399	-	-	8,751	-	-	174
<b>Total business-type activities</b>	<b>277,827</b>	<b>126,355</b>	<b>306,010</b>	<b>159,231</b>	<b>57,957</b>	<b>41,431</b>	<b>78,158</b>	<b>67,752</b>	<b>86,217</b>	<b>79,025</b>
<b>Total primary government</b>	<b>\$ 16,265,531</b>	<b>\$ 17,233,812</b>	<b>\$ 17,667,904</b>	<b>\$ 17,550,408</b>	<b>\$ 18,343,707</b>	<b>\$ 18,497,897</b>	<b>\$ 19,247,846</b>	<b>\$ 20,327,375</b>	<b>\$ 21,054,233</b>	<b>\$ 20,900,859</b>
<b>Changes in Net Position</b>										
Governmental activities	\$ 2,892,976	\$ 2,384,854	\$ 681,090	\$ 611,485	\$ 2,501,406	\$ 861,297	\$ 2,419,885	\$ 2,481,495	\$ 1,453,705	\$ 387,230
Business-type activities	2,356,619	90,735	476,504	2,794,530	768,669	(142,434)	(741,500)	370,694	(579,105)	(121,533)
<b>Total primary government</b>	<b>\$ 5,249,595</b>	<b>\$ 2,475,589</b>	<b>\$ 1,157,594</b>	<b>\$ 3,406,015</b>	<b>\$ 3,270,075</b>	<b>\$ 718,863</b>	<b>\$ 1,678,385</b>	<b>\$ 2,852,189</b>	<b>\$ 874,600</b>	<b>\$ 265,697</b>

TABLE 3

**WARREN COUNTY, NORTH CAROLINA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCES**  
**LAST TEN 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>
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
2009	13,471,491	2,982,087	60,007	850	7,095	16,521,530
2010	16,017,334	2,095,105	49,661	-	7,341	18,169,441
2011	16,111,062	1,963,435	65,081	-	7,400	18,146,978
2012	16,544,452	2,203,383	62,831	-	7,503	18,818,169
2013	17,863,798	2,236,339	52,327	-	7,551	20,160,015
2014	18,278,128	2,241,156	61,665	-	7,668	20,588,617
2015	\$ 18,169,142	\$ 2,421,292	\$ 66,763	\$ -	\$ 7,467	\$ 20,664,664

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

	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Reserved by state statute	\$ 1,328,415	\$ 1,524,375	\$ 1,464,419	\$ 1,756,087	\$ 1,660,388	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved For										
Inventory	8,002	14,771	18,848	25,478	25,388	-	-	-	-	-
Register of Deeds	2,326	2,363	10,931	-	-	-	-	-	-	-
Unreserved										
Undesignated	5,849,224	3,719,715	4,160,879	4,812,350	4,757,385	-	-	-	-	-
Designated for Library	60,402	-	-	-	-	-	-	-	-	-
Designated for recreation	61,890	-	-	-	-	-	-	-	-	-
Designated for Haliwa Saponi Recreation Project	50,000	-	-	-	-	-	-	-	-	-
Designated for Courthouse Annex Renovation	-	250,000	-	-	-	-	-	-	-	-
Designated for subsequent year's expenditures	1,743,772	3,771,246	2,183,928	1,510,294	2,336,819	-	-	-	-	-
Nonspendable										
Inventories	-	-	-	-	-	25,388	25,312	25,312	25,312	23,482
Restricted										
Stabilization by State Statute	-	-	-	-	-	1,390,404	1,780,754	1,665,595	1,607,699	2,066,586
Committed										
Revaluation	-	-	-	-	-	181,751	226,878	271,998	317,030	362,094
Assigned										
Subsequent year's expenditures	-	-	-	-	-	1,606,391	1,414,257	1,903,015	3,119,333	3,614,033
Unassigned	-	-	-	-	-	5,263,593	6,363,638	7,666,303	7,529,080	5,682,106
Total general fund	<u>\$ 9,104,031</u>	<u>\$ 9,282,470</u>	<u>\$ 7,839,005</u>	<u>\$ 8,104,209</u>	<u>\$ 8,779,980</u>	<u>\$ 8,467,527</u>	<u>\$ 9,810,839</u>	<u>\$ 11,532,223</u>	<u>\$ 12,598,454</u>	<u>\$ 11,748,301</u>
All other governmental funds										
Reserved by state statute										
Special revenue funds	\$ 35,850	\$ 33,261	\$ 44,527	\$ -	\$ 99,196	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects funds	301,214	324,953	20,489	18,858	179,645	-	-	-	-	-
Unreserved, reported in:										
Undesignated										
Special revenue funds	952,191	678,950	(28,912)	439,115	327,428	-	-	-	-	-
Capital projects funds	601,092	(68,711)	1,759,961	240,735	450,926	-	-	-	-	-
Designated for subsequent year's expenditures										
Special revenue funds	-	155,412	702,364	20,000	5,000	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Restricted										
Stabilization by State Statute	-	-	-	-	-	202,000	19,072	44,695	64,111	18,275
Public Safety	-	-	-	-	-	496,185	442,878	427,600	499,955	974,670
Economic Development	-	-	-	-	-	310,759	310,935	291,431	291,461	294,994
Recreation	-	-	-	-	-	-	-	-	-	136,005
Assigned										
Subsequent year's expenditures	-	-	-	-	-	-	-	-	-	29,892
Unassigned	-	-	-	-	-	(264,814)	(62,714)	(32,486)	(57,528)	(5,493)
Total all other governmental funds	<u>\$ 1,890,347</u>	<u>\$ 1,123,865</u>	<u>\$ 2,498,429</u>	<u>\$ 718,708</u>	<u>\$ 1,062,195</u>	<u>\$ 744,130</u>	<u>\$ 710,171</u>	<u>\$ 731,240</u>	<u>\$ 797,999</u>	<u>\$ 1,448,343</u>

Note: Beginning in Fiscal Year 2011, the classifications for fund balance were changed due to GASB 54.

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

	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Ad Valorem taxes	\$ 11,748,015	\$ 11,940,857	\$ 12,657,868	\$ 14,085,532	\$ 15,998,844	\$ 16,064,818	\$ 16,703,924	\$ 18,003,078	\$ 18,272,066	\$ 18,372,851
Local option sales taxes	3,292,261	3,648,064	3,887,932	2,982,087	2,095,105	1,963,435	2,203,383	2,236,339	2,241,156	2,421,292
Other taxes and licenses	265,569	283,953	163,181	60,007	49,661	65,081	62,831	59,878	61,665	66,763
Unrestricted Intergovernmental	143,984	165,522	380,410	165,847	81,749	200,746	268,347	122,863	120,331	126,836
Restricted Intergovernmental	5,088,306	5,551,113	5,297,217	5,969,538	7,608,880	5,995,413	6,073,237	5,840,517	5,650,377	5,811,042
Permits and fees	388,895	354,962	350,392	278,866	275,480	248,403	263,379	285,882	254,318	244,753
Sales and services	2,274,666	2,108,218	2,055,876	2,121,504	2,198,871	2,237,698	2,240,763	2,208,564	1,809,456	2,034,487
Investment earnings	414,341	563,824	441,867	146,559	17,402	15,940	7,741	6,082	2,279	2,767
Miscellaneous	76,362	148,940	144,837	162,956	90,351	157,960	106,468	56,217	54,781	93,079
Total Revenues	<u>23,692,399</u>	<u>24,765,453</u>	<u>25,379,580</u>	<u>25,972,896</u>	<u>28,416,343</u>	<u>26,949,494</u>	<u>27,930,073</u>	<u>28,819,420</u>	<u>28,466,429</u>	<u>29,173,870</u>
<b>Expenditures</b>										
Current:										
General government	2,498,608	2,515,946	3,180,965	3,060,249	3,176,002	3,043,227	2,937,673	2,980,361	3,146,719	3,274,768
Public safety	5,151,737	5,573,705	6,230,742	6,354,606	7,231,978	7,067,568	7,107,232	7,531,216	8,308,486	9,014,839
Environmental protection	272,848	370,576	372,892	372,374	367,069	382,164	376,324	383,497	399,740	404,163
Economic and physical development	384,721	544,662	508,901	704,303	835,742	672,395	729,274	742,845	579,597	831,498
Human services	8,833,292	9,528,206	9,770,819	9,102,596	8,774,095	8,825,203	8,469,838	8,607,217	8,854,940	9,227,386
Cultural and recreation	448,659	511,975	661,340	892,207	760,937	863,403	722,136	780,899	865,195	799,852
Intergovernmental:										
Education	2,925,857	3,238,524	3,598,499	3,765,688	4,766,166	4,454,943	4,232,796	4,447,192	4,493,277	5,264,372
Capital outlay	958,343	3,622,830	1,764,985	1,281,067	1,069,604	316,048	135,876	103,975	131,544	17,000
Debt service:										
Principal	1,191,690	1,328,116	1,477,511	1,568,083	1,576,383	1,647,467	1,565,404	1,435,514	639,118	640,618
Interest and other charges	412,662	451,026	491,027	472,447	405,061	397,515	335,416	271,476	205,376	144,976
Total expenditures	<u>23,078,417</u>	<u>27,685,566</u>	<u>28,057,681</u>	<u>27,573,620</u>	<u>28,963,037</u>	<u>27,669,933</u>	<u>26,611,969</u>	<u>27,284,192</u>	<u>27,623,992</u>	<u>29,619,472</u>
Excess of revenues over (under) expenditures	<u>613,982</u>	<u>(2,920,113)</u>	<u>(2,678,101)</u>	<u>(1,600,724)</u>	<u>(546,694)</u>	<u>(720,439)</u>	<u>1,318,104</u>	<u>1,535,228</u>	<u>842,437</u>	<u>(445,602)</u>
<b>Other financing sources (uses)</b>										
Transfers in from other funds	771,938	1,237,130	1,087,795	896,882	429,552	422,326	203,796	44,893	119,000	700,975
Transfers out to other funds	(828,407)	(1,237,130)	(1,087,795)	(973,281)	(429,552)	(422,326)	(212,547)	(44,893)	(119,000)	(701,149)
Proceeds from the issuance of debt	1,163,777	2,332,070	2,609,200	162,604	1,565,952	89,921	-	207,225	290,553	245,967
Total other financing sources (uses)	<u>1,107,308</u>	<u>2,332,070</u>	<u>2,609,200</u>	<u>86,205</u>	<u>1,565,952</u>	<u>89,921</u>	<u>(8,751)</u>	<u>207,225</u>	<u>290,553</u>	<u>245,793</u>
Net change in fund balances	<u>\$ 1,721,290</u>	<u>\$ (588,043)</u>	<u>\$ (68,901)</u>	<u>\$ (1,514,519)</u>	<u>\$ 1,019,258</u>	<u>\$ (630,518)</u>	<u>\$ 1,309,353</u>	<u>\$ 1,742,453</u>	<u>\$ 1,132,990</u>	<u>\$ (199,809)</u>
Debt service as a percentage of noncapital expenditures	7.25%	7.51%	7.72%	7.82%	7.40%	7.58%	7.26%	6.37%	3.12%	2.70%

TABLE 6

**WARREN COUNTY, NORTH CAROLINA**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCES**  
**LAST TEN 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>
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
2009	13,471,604	2,982,088	60,007	850	7,095	16,521,644
2010	15,322,048	2,095,105	49,661	-	7,341	17,474,155
2011	15,318,279	1,963,435	65,081	-	7,400	17,354,195
2012	16,703,924	2,203,383	62,831	-	7,503	18,977,641
2013	18,003,078	2,236,338	52,327	-	7,551	20,299,294
2014	18,272,066	2,241,156	61,665	-	7,668	20,582,555
2015	\$ 18,372,851	\$ 2,421,292	\$ 66,763	\$ -	\$ 7,467	\$ 20,868,372

TABLE 7

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

Fiscal Year Ended December 31	Real Property			Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Net Property	Motor Vehicles	Other					
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%
2009	1,976,555	185,978	2,162,533	117,148	82,282	14,329	2,347,634	0.92	1,408,580	166.67%
2010	2,161,026	197,360	2,358,386	168,462	19,432	14,668	2,531,612	0.60	1,518,967	166.67%
2011	2,147,345	202,048	2,349,393	130,631	82,491	15,631	2,546,884	0.60	1,528,130	166.67%
2012	2,216,338	221,592	2,437,930	112,231	18,107	15,668	2,552,600	0.62	1,776,273	143.71%
2013	2,235,512	221,694	2,457,206	119,498	17,273	17,334	2,576,643	0.66	1,780,205	144.74%
2014	2,220,370	222,394	2,442,764	130,764	75,960	18,927	2,630,561	0.66	1,650,601	159.37%
2015	\$ 2,230,662	\$ 223,420	\$ 2,454,082	\$ 133,468	\$ 50,307	\$ 20,503	\$ 2,617,354	0.66	\$ 1,660,003	157.67%

Source: Warren County tax department

**WARREN COUNTY, NORTH CAROLINA**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2015**  
**(UNAUDITED)**

	<b>Fiscal Year Ended</b>									
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
County Direct Rates*										
County-wide Rate	0.84	0.84	0.92	0.92	0.60	0.60	0.62	0.66	0.66	0.66
Municipality Rates										
Town of Warrenton	0.65	0.65	0.70	0.61	0.61	0.62	0.61	0.61	0.61	0.61
Town of Norlina	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64
Town of Macon	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.279	0.30

\* All taxable property is subject to the county-wide tax

Note:

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

Source: Warren County Tax Department

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

2015				2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Progress	\$ 30,779,502	1	1.19%	Inland Paperboard & Packaging	\$ 15,966,152	1	1.15%
Halifax Electric Membership Corp.	30,269,751	2	1.17%	Carolina Power & Light	14,367,588	2	1.04%
Island Paperboard & Packaging	16,390,322	3	0.64%	Halifax Electric Membership	11,585,403	3	0.84%
P H Forest Investments	15,492,857	4	0.60%	Carolina Telephone	7,134,872	4	0.51%
Eatons Crossing	14,746,083	5	0.57%	Sustainable Forest	6,625,256	5	0.48%
Glen Raven Mills	9,951,073	6	0.39%	Glen Raven Mills	5,740,964	6	0.41%
Carolina Telephone	9,414,653	7	0.37%	LMSW Kidney Center	4,720,600	7	0.34%
Strata Land Holdings LLC	6,925,974	8	0.27%	Sustainable Forest Investment	4,665,846	8	0.34%
Dominion NC Power	5,727,805	9	0.22%	Cochrane Furniture	4,063,127	9	0.29%
M H C Lake Gaston	5,396,911	10	0.21%	Lake Gaston Outparcel	3,726,746	10	0.27%
Totals	<u>\$ 145,094,931</u>		<u>5.63%</u>		<u>\$ 78,596,554</u>		<u>5.67%</u>

Source: Warren County Tax Department

TABLE 10

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

<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>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>	<b>Collections in Subsequent Years</b>	<b>Amount</b>	<b>Percentage of Levy</b>
2006	\$ 11,246	\$ 10,612	94.4%	\$ 550	\$ 11,162	99.3%
2007	11,648	10,857	93.2%	692	11,549	99.2%
2008	11,812	11,109	94.0%	608	11,717	99.2%
2009	13,247	12,557	94.8%	604	13,161	99.4%
2010	15,190	14,488	95.3%	613	15,101	99.4%
2011	15,281	14,535	95.1%	648	15,183	99.4%
2012	15,840	15,090	95.3%	630	15,720	99.2%
2013	16,967	16,329	96.2%	470	16,799	99.0%
2014	17,362	16,701	96.2%	391	17,092	98.4%
2015	\$ 17,274	\$ 16,774	97.1%	\$ -	\$ 16,774	97.1%

Source: Warren County Tax Department

TABLE 11

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

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Installment Purchases	General Obligation Bonds	Installment Purchases			
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
2009	3,165	7,281	12,422	-	22,868	6.01%	2,081
2010	2,380	7,883	12,316	-	22,579	5.93%	1,127
2011	1,588	6,933	12,154	188	20,863	5.91%	1,051
2012	885	5,917	13,545	173	20,520	5.46%	1,059
2013	191	5,292	13,367	1,189	20,039	5.10%	1,604
2014	165	4,878	13,162	1,191	19,396	4.96%	922
2015	\$ 137	\$ 4,333	\$ 12,947	\$ 1,069	\$ 18,486	4.84%	922

**WARREN COUNTY, NORTH CAROLINA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN 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>
2006	\$ 5,615	\$ -	\$ 5,615	0.35%	278
2007	4,783	-	4,783	0.29%	244
2008	3,965	-	3,965	0.21%	202
2009	3,165	-	3,165	0.22%	234
2010	2,380	-	2,380	0.16%	119
2011	1,588	-	1,588	0.10%	80
2012	885	-	885	0.05%	46
2013	191	-	191	0.01%	9
2014	165	-	165	0.01%	8
2015	\$ 137	\$ -	\$ 137	0.01%	7

**WARREN COUNTY, NORTH CAROLINA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2015**  
 (UNAUDITED)

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
County of Warren	\$ 4,470	100.00%	\$ 4,470
Underlying:			
Town of Warrenton	-		-
Town of Norlina	-		-
Town of Macon	-		-
	<u>\$ 4,470</u>		<u>\$ 4,470</u>

TABLE 14

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

	<b>Fiscal Year Ended</b>									
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Debt limit	\$ 107,358	\$ 108,514	\$ 112,497	\$ 115,190	\$ 202,529	\$ 203,751	\$ 204,208	\$ 206,131	\$ 210,445	\$ 209,388
Total net debt applicable to limit	13,333	12,446	16,489	15,587	14,696	13,742	14,430	13,558	13,327	13,084
Legal debt margin	<u>\$ 94,025</u>	<u>\$ 96,068</u>	<u>\$ 96,008</u>	<u>\$ 99,603</u>	<u>\$ 187,833</u>	<u>\$ 190,009</u>	<u>\$ 189,778</u>	<u>\$ 192,573</u>	<u>\$ 197,118</u>	<u>196,304</u>
Total net debt applicable to the limit as a percentage of debt limit	12.42%	11.47%	14.66%	13.53%	7.26%	6.74%	7.07%	6.58%	6.33%	6.25%
<b>Legal Debt Margin Calculation for Fiscal Year 2015</b>										
Total assessed value										2,617,354
Debt limit (8% of total assessed value)										209,388
Debt applicable to limit:										
General obligation bonds										13,084
Less: Amount set aside for repayment of general obligation debt										-
Total net debt applicable to limit										<u>13,084</u>
Legal debt margin										<u>\$ 196,304</u>

TABLE 15

**WARREN COUNTY, NORTH CAROLINA  
DEMOGRAPHICS AND ECONOMIC STATISTICS  
LAST TEN 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>
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%
2009	19,388	285,314	14,716	*	*	2,628	12.7%
2010	20,033	368,367	18,388	44	*	2,632	11.7%
2011	19,843	353,086	17,794	44	73.5%	2,600	12.5%
2012	19,381	375,623	19,381	41	73.1%	2,458	12.8%
2013	20,576	393,269	19,113	45	73.1%	3,353	11.1%
2014	20,975	390,764	18,630	46	74.1%	2,551	10.0%
2015	20,514	382,176	18,630	46	76.5%	2,546	8.1%

\*information not available

Source: NC State Data Center, Estimates are as of the beginning of the fiscal year  
Bureau of Economic Analysis, U.S. Department of Commerce, Figures are for the prior years calendar year.  
Kerr Tar Council on Governments  
Warren County Board of Education  
NC Employment Security Commission, Annual Average for prior calendar year.

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

<u>Employer</u>	<u>2015</u>		<u>Employer</u>	<u>2006</u>	
	<u>Employees</u>	<u>Rank</u>		<u>Employees</u>	<u>Rank</u>
Warren County Schools	500-999	1	State of N.C.	489	1
NC Dept of Public Safety	250-499	2	Warren County Schools	370	2
County of Warren	250-499	3	County of Warren	307	3
Glen Raven Mills Inc	100-249	4	Elberta Crate & Box	200	4
Warren Hills Nursing Center	100-249	5	Glen Raven Mills	156	5
Comfort of Home Care Agency	50-99	6	Temple-Inland	150	6
Elberta Crate & Box Co.	50-99	7	Warren Hills Nursing	135	7
Smoke House Lumber Company	50-99	8	Cochrane Furniture	N/A	8
Cast Stone Systems	50-99	9	Cast Stone Systems	60	9
Food Lion	50-99	10			
Allergan Sales, LLC	50-99	11			

Source: esesc23.esc.state.nc.us

Source: NC Employment Security Commission

\* Information prior to 06/30/04 is unavailable.

Source: NC Employment Security Commission and employers.

TABLE 17

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

Function	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	40	45	57	57	56	44	41	40	36	38
Public Safety										
Sheriff	33	35	35	39	38	38	38	37	38	43
Central Communications	12	13	13	12	10	10	10	10	14	16
Detention	17	19	19	19	17	17	17	17	18	20
Emergency Management	2	2	2	2	2	2	2	2	2	2
Emergency Services	20	22	19	20	20	20	20	20	26	35
Code Enforcement	3	3	4	5	4	2	4	4	4	4
Animal Control	3	4	4	4	4	4	4	4	5	5
Environmental Protection	4	4	4	4	4	-	3	3	3	3
Economic & Physical Development	12	13	13	13	5	12	11	11	11	9
Human Services	115	120	120	120	120	126	132	131	126	124
Culture and recreation	7	11	20	23	17	12	12	12	12	15
Education	3	3	13	9	10	7	3	3	2	0
Solid Waste	5	5	5	4	4	4	5	5	5	4
Public Works	7	8	8	8	9	10	10	10	10	10
Total	<u>283</u>	<u>307</u>	<u>336</u>	<u>339</u>	<u>320</u>	<u>308</u>	<u>312</u>	<u>309</u>	<u>312</u>	<u>328</u>

Source: Warren County Finance Department

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

Function	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety</b>										
Animal Control- Dogs & Catspicked up	704	1,202	961	1,149	1,785	1,721	1,538	1,572	1,359	1,362
Fire Calls	1,383	2,618	2,741	3,326	735	3,025	310	384	1,278	3,496
Breaking and entering investigations	463	350	211	233	242	278	154	187	244	180
EMS Calls	2,381	2,576	2,439	1,163	2,699	4,629	2,632	1,289	2,164	2,934
Code Enforcement Inspections	3,709	3,968	723	4,173	889	1,153	2,277	722	704	2,074
<b>Human Services</b>										
Number of home health visits	5,340	5,252	4,917	5,062	5,427	5,783	4,939	4,641	3,395	3,097
Number of home health patients	559	314	468	264	441	243	395	143	296	237
<b>Environmental Protection</b>										
Tons of Solid Waste Collected	10,345	10,986	10,600	9,893	9,441	8,704	8,873	8,349	7,142	8,074
<b>Culture and recreation</b>										
Recreation Youth Participants	650	675	850	875	875	1,024	989	940	945	1,063
Library Items Circulated	79,612	80,489	68,690	61,727	59,560	54,530	49,160	44,586	51,446	51,823
Number of Library Visits	52,588	53,172	44,532	54,278	58,408	54,132	45,087	51,341	60,126	60,126

Source: Various county government departments

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

Function	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Buildings & Grounds Motor Vehicles	3	9	12	11	11	11	11	9	9	9
Public Safety										
Sheriff's Patrol Units	33	36	36	36	36	36	36	44	46	55
Ambulances	4	5	8	8	5	5	6	6	8	6
Other Motor Vehicles	7	8	7	7	2	4	6	6	9	11
Environmental Protection										
Motor Vehicles	4	6	1	1	3	3	3	3	1	1
Economic & Physical Development										
Motor Vehicles	1	4	4	4	1	1	6	6	2	2
Human Services										
Motor Vehicles	22	24	23	22	23	21	20	20	25	24
Culture and recreation										
Park Acreage	31	36	40	40	42	41	40	40	120	145
Parks	3	3	3	3	3	3	3	3	3	4
Parks & Recreation Vehicles	0	0	0	0	0	0	0	0	0	3
Library Motor Vehicles	1	1	1	1	1	1	1	1	1	1
Water & Sewer										
Motor Vehicles & Equipment	3	8	8	9	7	7	7	7	9	8
Fire Hydrants	187	337	344	483	451	521	571	523	523	523
Pump Stations	8	13	13	14	5	5	8	10	10	10
Miles of Water Main	247	324	329	444	437	437	609	465	600	616
Elevated Tanks	4	6	6	7	7	7	7	7	7	7
Miles of Gravity Sewer Lines	5	5	5	5	5	5	5	5	5	5
Miles of Sewer Force Main	23	23	23	23	23	23	23	23	23	23
Solid Waste										
Public Works	0	0	0	0	0	0	0	0	0	5

Source: Warren County Finance Department

**COMPLIANCE SECTION**

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

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## Report On Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

### Independent Auditor's Report

To The Board of County Commissioners  
Warren County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, North Carolina as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprises Warren County's basic financial statements, and have issued our report thereon dated December 18, 2015. Our report includes a reference to other auditors who audited the financial statements of the Warren County Public Facilities Company and Warren County ABC Board, as described in our report on Warren County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Warren County Public Facilities Company and Warren County ABC Board were not audited in accordance with *Government Auditing Standards*.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Warren County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness Warren County's internal control. Accordingly we do not express an opinion on the effectiveness of the City's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Warren County's financial statements are free 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 *Governmental Auditing Standards*.

### **Purpose of this Report**

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

We noted certain matters that we reported to management of Warren County, in a separate letter dated December 18, 2015.

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

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
Oxford, NC  
December 18, 2015

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## 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

### Independent Auditor's Report

To the Board of County Commissioners  
Warren County, North Carolina

#### Report on Compliance for the Major Federal Program

We have audited Warren County, North Carolina, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on Warren County's major federal program for the year ended June 30, 2015. Warren County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Warren County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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

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audit includes examining, on a test basis, evidence about Warren County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

### **Basis for Qualified Opinion on Medical Assistance Program**

As described in the accompanying schedule of findings and questioned costs, Warren County did not comply with requirements regarding the CFDA 93.778 Medical Assistance Program as described in finding numbers 15-1, 15-2, 15-3, 15-4, and 15-5 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Warren County to comply with the requirements applicable to that program.

### **Qualified Opinion on Medical Assistance Program**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Warren County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Medical Assistance Program for the year ended June 30, 2015.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 15-1, 15-2, 15-3, 15-4, and 15-5. Our opinion on each major federal program is not modified with respect to these matters.

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

### **Report on Internal Control over Compliance**

Management of Warren County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Warren County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 15-1, 15-2, 15-3, and 15-5 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 15-4 to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

We noted certain matters that we reported to management of Warren County, in a separate letter, dated December 18, 2015.

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

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
Oxford, NC  
December 18, 2015

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## Report on Compliance with Requirements Applicable To Each Major State Program and Internal Control over Compliance In Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

### Independent Auditor's Report

To the Board of County Commissioners  
Warren County, North Carolina

### Report on Compliance for Each Major State Program

We have audited Warren County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Warren County's major state programs for the year ended June 30, 2015. Warren County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Warren County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, 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 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 on compliance for each major state program. However, our audit does not provide a legal determination on Warren County's compliance.

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### **Basis for Qualified Opinion on the Medical Assistance Program**

As described in the accompanying schedule of findings and questioned costs, Warren County did not comply with requirements regarding CFDA 93.778 Medical Assistance Program as described in finding numbers 15-1, 15-2, 15-3, 15-4, and 15-5 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Warren County to comply with the requirements applicable to those programs.

### **Qualified Opinion on the Medical Assistance Program**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Warren County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Medical Assistance for the year ended June 30, 2015.

### **Unmodified Opinion on the Other Major State Program**

In our opinion, Warren County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major state program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2015.

### **Other Matters**

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 15-1, 15-2, 15-3, 15-4, and 15-5. Our opinion on each major state program is not modified with respect to these matters.

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

### **Report on Internal Control over Compliance**

Management of Warren County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Warren County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified

certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 15-1, 15-2, 15-3, and 15-5 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 15-4 to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

We noted certain matters that we reported to management of Warren County, in a separate letter, dated December 18, 2015.

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

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
Oxford, NC  
December 18, 2015

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_yes Xno
- Significant Deficiency(s) identified that are not considered to be material weaknesses \_\_\_yes Xno

Noncompliance material to financial statements noted \_\_\_yes Xno

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Xyes \_\_\_no
- Significant Deficiency(s) identified that are not considered to be material weaknesses Xyes \_\_\_none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 Xyes \_\_\_no

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs \$ 892,146

Auditee qualified as low-risk auditee? \_\_\_yes Xno

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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State Awards

Internal control over major State programs:

- Material weakness(es) identified?   X   yes        no
  
- Significant Deficiency(s) identified that are not considered to be material weaknesses   X   yes        none reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act   X   yes        no

Identification of major State programs:

Program Name  
Medical Assistance  
Clean Water Partners' Infrastructure Program Grant

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**Section II – Financial Statement Findings**

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**Note noted.**

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**Section III – Federal Award Findings and Questioned Costs**

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**US Department of Health and Human Services  
Centers for Medicare and Medicaid Services**

Passed-through the N.C. Dept. of Health and Human Services Division of Medical Assistance  
Program Name: Medical Assistance Program  
CFDA #: 93.778

**Finding: 15-1**

MATERIAL WEAKNESS  
MATERIAL NONCOMPLIANCE  
Income Verification and Budget Calculations for Eligibility

Criteria: Case records should contain verification that automated matches were completed. These matches include Unemployment Benefits, Social Security, SSI and DOT. If income or resources are listed in the matches, the case record should reflect that they were addressed. Case files should also contain income verification such as pay stubs, wage verification form, award letters for benefits, etc. Earned income is converted to a monthly amount. Total countable income is then compared to the State-provided income maintenance amounts for the Medicaid program and must be lower than that amount.

Condition: There were 60 Medicaid files reviewed. There were three files that did not contain documentation that income had been verified. Three additional files understated included on the On-line Verifications. One budget included an incorrect State-provided income maintenance amount which caused the deductible on the case to be calculated incorrectly. Social Security income was

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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overstated on two budgets. One case file excluded annual leave pay that was on a pay stub. This caused the income for that case to be understated and ultimately caused the income to be over the State-provided income maintenance amount. Two case files did not contain On-line Verifications for data matches on income. One case file did not contain a budget. Two additional cases overstated income. One final file included an EIS profile sheet that had amounts on it from the previous certification period that had not been cleared out.

**Questioned Costs:** Unable to determine questioned costs. Contact was made with the state to obtain questioned costs and we were unable to receive the information before the issuance of our audit report.

**Context:** One case contained several errors regarding the budget and profile sheet. This case showed income on the profile sheet that was not consistent with the budget. The needs unit and state-provided income maintenance amount were changed on the budget sheet but this change was not carried over to the profile sheet. The number of members in the household and needs unit did not agree between the budget, the re-enrollment information sheet and the profile sheet. The income on the budget did not agree with verification sources and no notations were made on why the amounts differed. There was also income on the profile sheet that could not be traced to a source. One case did not include the right person's Social Security. The income from the case head should have been included, not the unearned income of the son that is no longer on that Medicaid case. The case remained eligible when you replaced the incorrect income with the correct income. One case did not exclude the \$50 deduction for child support. Overall overstated income so did not effect eligibility. One case contained multiple errors concerning the budget and the program type. First, the budget used the incorrect state-provided income maintenance limit for the case type and needs unit size. There were 5 people listed in the needs unit but the maintenance amount for 6 in the needs unit was used. The case was supposed to be approved for transitional Medicaid because the case head had started working. The worker stated in the narrative that the system would not allow her to key the case as transitional Medicaid. This could be due to the fact that the client had already been on transitional for 9 months in the past. She may have been able to finish her 12 month of transitional, therefore only being approved for 3 months. The case was keyed as MAF-C. The children could have been approved for MIC since the income was over the limit for MAF-C. One file could not be located at the time of the audit.

**Effect:** Cases did not have a correct budget calculation for Medicaid eligibility. It is possible that these errors could lead to incorrectly approving or denying an applicant benefits. Benefits can be paid to ineligible applicants.

**Cause:** The County has had a lot of turnover recently in leadership and caseworkers have been moved around among the different programs. Ineffective case review process for caseworkers new to the programs and due to caseload.

**Recommendation:** Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain, what constitutes income for each program and the acceptable deductions from income, and the importance of complete and accurate record keeping stressed.

**Views of responsible officials and planned corrective actions:** Family and Children Medicaid added two new positions in fiscal year 2016. The addition of the two additional workers will drastically reduce the caseload of the Lead Worker and she will begin doing second party reviews in January 2016. The supervisor will continue to do second party reviews and will be readily available to assist workers. The physical location of the supervisor and lead worker have shifted to ensure all case workers are located with either the supervisor or the lead worker to allow easier access to assistance with a case.

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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Adult Medicaid had a lead worker that was also responsible for Special Assistance and Long Term Care Medicaid which left little time for reviews and she was not physically located with the other Adult Medicaid case workers. Effective July 2015, a new Lead Worker position and a new caseworker position was added to Adult Medicaid. The new Lead Worker is physically located with the other Adult Medicaid caseworkers to allow easier access to assistance with cases. The new lead worker will be responsible for second party reviews and with the addition of the new caseworker, the caseloads should allow for these reviews to take place. The Supervisor for Adult Medicaid will also continue to do second party reviews and be available to assist with cases.

As second party reviews increase, issues identified will be addressed directly with that worker to ensure they understand the policy and the importance of accuracy in the files. If a broader issue is discovered, information will be shared throughout the team to ensure the team understands the policy and how to perform certain calculations.

**US Department of Health and Human Services  
Centers for Medicare and Medicaid Services**

Passed-through the N.C. Dept. of Health and Human Services Division of Medical Assistance

Program Name: Medical Assistance Program

CFDA #: 93.778

**Finding: 15-2**

MATERIAL WEAKNESS

MATERIAL NONCOMPLIANCE

Liquid Assets and Reserve Calculations for Eligibility

Criteria: Case records should contain verification that liquid assets were verified and whether they are countable or non-countable for purposes for determining eligibility. The countable reserves are then compared to the State-provided reserve limits for the particular Medicaid program and must be lower than that amount.

Condition: There were eight errors noted in the calculation and verification of liquid assets for the cases that require resource limits on liquid assets.

Questioned Costs: Unable to determine questioned costs. Contact was made with the state to obtain questioned costs and we were unable to receive the information before the issuance of our audit report.

Context: Two cases did not verify cash amounts with the financial institution. Three cases included cars on the On-line Verification with the Department of Motor Vehicles (DMV) however these vehicles were excluded from the reserve calculation. A rebuttal must be obtained and be included in the file if the assets are no longer in the possession of the applicant or there is a dispute in the value assigned by the DMV. There was not a rebuttal included in the files. Another case received verification from the financial institution of the balance in the applicant's account however a different amount was included in the NCFASST system. One case included the verified bank amount under non-countable resources but there was no notation as to why it was excluded from the calculation. A final file did not verify vehicles for the reserve calculation. The DMV results on the On-line Verification were inconclusive however there were vehicles included on previous certifications.

Effect: Files are incomplete/incorrect and do not support reserve calculations. Cases could be approved for Medicaid that are not eligible due to reserve limits being exceeded.

Cause: Ineffective case review process, incomplete documentation, and incorrect application of rules for what is countable or non-countable for purposes of determining eligibility could cause ineligible

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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applicants to be approved for services.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping stressed. Workers should also be retrained on what is countable and non-countable for purposes of determining eligibility with regards to reserve / liquid asset calculations.

Views of responsible officials and planned corrective actions: Adult Medicaid had a lead worker that was also responsible for Special Assistance and Long Term Care Medicaid which left little time for reviews and she was not physically located with the other Adult Medicaid case workers. Effective July 2015, a new Lead Worker position and a new caseworker position was added to Adult Medicaid. The new Lead Worker is physically located with the other Adult Medicaid caseworkers to allow easier access to assistance with cases. The new lead worker will be responsible for second party reviews and with the addition of the new caseworker, the caseloads should allow for these reviews to take place. The Supervisor for Adult Medicaid will also continue to do second party reviews and be available to assist with cases.

As second party reviews increase, issues identified will be addressed directly with that worker to ensure they understand the policy and the importance of accuracy in the files. If a broader issue is discovered, information will be shared throughout the team to ensure the team understands the policy and how to perform certain calculations.

**US Department of Health and Human Services  
Centers for Medicare and Medicaid Services**

Passed-through the N.C. Dept. of Health and Human Services Division of Medical Assistance  
Program Name: Medical Assistance Program  
CFDA #: 93.778

**Finding: 15-3**

MATERIAL WEAKNESS  
MATERIAL NONCOMPLIANCE  
Files not on site

Criteria: Record keeping is required for documentation of eligibility and expenditures of federal and State Awards. Accurate and up-to-date record keeping is required to substantiate all actions taken. All files should be available with all required documentation.

Condition: Three files for could not be located by the County for our testing.

Questioned Costs: Unable to determine questioned costs. Contact was made with the state to obtain questioned costs and we were unable to receive the information before the issuance of our audit report.

Context: There were 60 files selected for testing for Medicaid Eligibility. Three files from our original sample could not be located by the County for our testing.

Effect: Files are incomplete or incorrect and do not support the eligibility criteria or the fraud claim.

Cause: Ineffective record keeping.

Recommendation: Workers should be retrained on what files should contain and the importance of complete and accurate record keeping stressed.

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

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**US Department of Health and Human Services  
Centers for Medicare and Medicaid Services**

Passed-through the N.C. Dept. of Health and Human Services Division of Medical Assistance

Program Name: Medical Assistance Program

CFDA #: 93.778

**Finding: 15-4**

**SIGNIFICANT DEFICIENCY  
SIGNIFICANT NONCOMPLIANCE  
Real Property Owned**

Criteria: Medicaid for the Aged, Blind and Disabled case records should contain documentation that tax records and Register of Deeds were checked to verify if the individual owns property. For Family and Children's Medicaid cases property checks are not required.

Condition: Two Medicaid for the Aged, Blind and Disabled cases selected for testing did not contain documentation that the tax records or Register of Deeds had been checked to verify property ownership.

Questioned Costs: These cases also had an error dealing with liquid assets and the questioned costs for the cases are reported in Finding 15-2.

Context: There were 26 files selected for testing that required a check for real property, two of the files did not contain documentation of the verification with the tax records or the register of deeds.

Effect: Files are incomplete or incorrect and do not support the eligibility criteria for the respective Medicaid program.

Cause: Ineffective record keeping, ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility could cause ineligible applicants to be approved for services.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping stressed.

Views of responsible officials and planned corrective actions: Adult Medicaid had a lead worker that was also responsible for Special Assistance and Long Term Care Medicaid which left little time for reviews and she was not physically located with the other Adult Medicaid case workers. Effective July 2015, a new Lead Worker position and a new caseworker position was added to Adult Medicaid. The new Lead Worker is physically located with the other Adult Medicaid caseworkers to allow easier access to assistance with cases. The new lead worker will be responsible for second party reviews and with the addition of the new caseworker, the caseloads should allow for these reviews to take place. The Supervisor for Adult Medicaid will also continue to do second party reviews and be available to assist with cases.

As second party reviews increase, issues identified will be addressed directly with that worker to ensure they understand the policy and the importance of accuracy in the files. If a broader issue is discovered, information will be shared throughout the team to ensure the team understands the policy and how to perform certain calculations.

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**US Department of Health and Human Services  
Centers for Medicare and Medicaid Services**

Passed-through the N.C. Dept. of Health and Human Services Division of Medical Assistance

Program Name: Medical Assistance Program

CFDA #: 93.778

**Finding 15-5**

MATERIAL WEAKNESS

MATERIAL NONCOMPLIANCE

Program Internal Control

Criteria: Local departments of Social Services (DSS) play an important role in determining eligibility for the Medical Assistance Program. Under authority of 42 CFR 431.1 and G.S. 108A, DSS has the responsibility to determine financial eligibility for families and non-SSI beneficiaries to be covered by the NC Medicaid Program. Internal Controls are in place as a safeguard to determine eligibility and to double check files for fraud and errors. With all of the changes in the eligibility rules, computer systems utilized, introduction of a universal caseworker and required changes by the Affordable Care Act, strong internal controls should be in place.

Condition: The internal controls for 2<sup>nd</sup> party reviews and training are weak. Due to new systems, rule changes, higher caseloads and recent state-wide publicity regarding Medicaid administration, the morale of workers has decreased. These conditions appear to be occurring state-wide but due to the decentralization of the eligibility determination; internal controls are addressed at the county level.

Questioned Costs: There are no questioned costs.

Context: A key internal control for eligibility is the second party review process. The idea behind this is to spot check a randomly selected sample of files for accuracy. After the files have been reviewed the idea is to retrain workers in any ineffective areas. All programs should have a formal system for 2<sup>nd</sup> party reviews. 10% of ongoing cases are being reviewed. All new applications are being reviewed. Supervisors would like to see this number increase but since NC Fast created a backlog, it's hard to keep the reviews going. Supervisors are spending time answering questions about policy, working their own caseload, and reviewing new workers cases that there is little time to do 2<sup>nd</sup> party reviews.

The Affordable Care Act, NC Fast, and the universal caseworker idea have impacted DSS negatively. With cases coming down from the marketplace, DSS had to increase the caseload for workers causing the morale among workers to decrease. With a caseload of 350 for Adult and 1,000 for Family and Children workers feel stressed and over worked. When morale is low, workers are less dedicated to the assigned duties for a given day. With the pressure to clear backlog and to keep their ongoing cases, workers are more likely to do just enough to get each task done. The risk of errors also increases with the decrease in morale. With no incentive for overtime (and sometimes no approval for overtime), workers are not completing the task effectively in the given time frame.

With NC Fast being a newer system that is still undergoing changes and new programs are being added, workers have to be trained on the system changes. Proper training has not taken place with workers. With technology changing daily, it is hard for workers to keep up with all the changes and handle their caseload each day. Workers are making errors due to changes in the system or not able to understand the technology.

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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The introduction of Modified Adjusted Gross Income (MAGI) budgeting methodology has also caused an increase in the amount of time it takes to work a case (initial application or redetermination). Due to the process of household determination and composition, you may have several budgets to encompass all members of a “physical” household that are applying for services instead of being able to do one budget for all members of the household previously. In the initial phases of implementation it was not unheard of for a case to double and sometimes triple in the time it took to process the application or redetermination.

The introduction of the universal caseworker has also highlighted issues in training. May caseworkers are now handling Medicaid cases that did not receive adequate training of Medicaid’s complicated rules for eligibility. If a worker had been hired as a new employee, the training and supervision of that employee is different than that worker that came over from Food Stamps or another area of DSS. The lack of knowledge/training of the Medicaid criteria for income especially proves to be an issue since this is different depending on the program being considered. As of the date of this report, the County is no longer utilizing the universal caseworker due to difficulties experienced in learning the vast number of programs.

Effect: Applicants that have been approved to receive benefits may actually not be eligible and those that were denied may actually be eligible due to errors made in determining eligibility. Stressed and/or overworked workers may seek other employment and thus increase the turnover rate at DSS. The risk of fraud increases as morale decreases.

Cause: Overwhelming changes from the Affordable Care Act, the continued implementation of NC Fast and NC Tracks, changes to the NC Fast and NC Tracks systems, the introduction of the universal caseworkers, turnover in DSS staff and budget pressures have led to the decrease in morale, decrease in second party reviews, and increase in errors experienced.

Recommendation: More second party reviews need to take place to ensure that eligibility is determined correctly and timely. Group training sessions should be held on the systems to allow time for team members to share best practices, tricks learned, and changes implemented. Consider the additional role for quality control reviewer or internal audit to assist in second party reviews so supervisors can spend more time training and supervising workers. Morale boosters should be sought out. These do not have to be monetary, but some manner/means to make worker(s) feel appreciated for the work that they do.

Views of responsible officials and planned corrective actions: The County agrees with the finding. The agency continues to take advantage of any one on one or other local trainings to prepare staff for their duties. We have knowledgeable staffs that are able to train and the staff is asked to read their policies. Caseloads are reorganized as needed to help workers with their large caseloads.

The agency continues to praise staff, recognize staff in agency meetings, make overtime available, and promote activities within the agency, including business casual Fridays, periodically to boost morale.

Family and Children Medicaid added two new positions in fiscal year 2016. The addition of the two additional workers will drastically reduce the caseload of the Lead Worker and she will begin doing second party reviews in January 2016. The supervisor will continue to do second party reviews and will be readily available to assist workers. The physical location of the supervisor and lead worker have shifted to ensure all case workers are located with either the supervisor or the lead worker to allow easier access to assistance with a case.

Adult Medicaid had a lead worker that was also responsible for Special Assistance and Long Term Care Medicaid which left little time for reviews and she was not physically located with the other Adult Medicaid case workers. Effective July 2015, a new Lead Worker position and a new

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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caseworker position was added to Adult Medicaid. The new Lead Worker is physically located with the other Adult Medicaid caseworkers to allow easier access to assistance with cases. The new lead worker will be responsible for second party reviews and with the addition of the new caseworker, the caseloads should allow for these reviews to take place. The Supervisor for Adult Medicaid will also continue to do second party reviews and be available to assist with cases.

As second party reviews increase, issues identified will be addressed directly with that worker to ensure they understand the policy and the importance of accuracy in the files. If a broader issue is discovered, information will be shared throughout the team to ensure the team understands the policy and best practices.

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**Section IV – State Award Findings and Questioned Costs**

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See Findings 15-1, 15-2, 15-3, 15-4, and 15-5.

**WARREN COUNTY, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**Section II – Financial Statement Findings**

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**None noted.**

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**Section III – Federal Award Findings and Questioned Costs**

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**Finding: 15-1**

Name of Contact Person: Kristie Harris, Children & Family Medicaid Supervisor  
Francine Allen, Adult Medicaid Supervisor II

Corrective Action: Family and Children Medicaid added two new positions in fiscal year 2016. The addition of the two additional workers will drastically reduce the caseload of the Lead Worker and she will begin doing second party reviews in January 2016. The supervisor will continue to do second party reviews and will be readily available to assist workers. The physical location of the supervisor and lead worker have shifted to ensure all case workers are located with either the supervisor or the lead worker to allow easier access to assistance with a case.

Adult Medicaid had a lead worker that was also responsible for Special Assistance and Long Term Care Medicaid which left little time for reviews and she was not physically located with the other Adult Medicaid case workers. Effective July 2015, a new Lead Worker position and a new caseworker position was added to Adult Medicaid. The new Lead Worker is physically located with the other Adult Medicaid caseworkers to allow easier access to assistance with cases. The new lead worker will be responsible for second party reviews and with the addition of the new caseworker, the caseloads should allow for these reviews to take place. The Supervisor for Adult Medicaid will also continue to do second party reviews and be available to assist with cases.

As second party reviews increase, issues identified will be addressed directly with that worker to ensure they understand the policy and the importance of accuracy in the files. If a broader issue is discovered, information will be shared throughout the team to ensure the team understands the policy and how to perform certain calculations.

Proposed Completion Date: January 31, 2016

**Finding: 15-2**

Name of Contact Person: Francine Allen, Adult Medicaid Supervisor II

Corrective Action: Adult Medicaid had a lead worker that was also responsible for Special Assistance and Long Term Care Medicaid which left little

**WARREN COUNTY, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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time for reviews and she was not physically located with the other Adult Medicaid case workers. Effective July 2015, a new Lead Worker position and a new caseworker position was added to Adult Medicaid. The new Lead Worker is physically located with the other Adult Medicaid caseworkers to allow easier access to assistance with cases. The new lead worker will be responsible for second party reviews and with the addition of the new caseworker, the caseloads should allow for these reviews to take place. The Supervisor for Adult Medicaid will also continue to do second party reviews and be available to assist with cases.

As second party reviews increase, issues identified will be addressed directly with that worker to ensure they understand the policy and the importance of accuracy in the files. If a broader issue is discovered, information will be shared throughout the team to ensure the team understands the policy and how to perform certain calculations.

Proposed Completion Date: January 31, 2016

**Finding: 15-3**

Name of Contact Person: Kristie Harris, Children & Family Medicaid Supervisor  
Francine Allen, Adult Medicaid Supervisor II

Corrective Action: Workers will be retrained on what files should contain and the importance of complete and accurate record keeping stressed.

Proposed Completion Date: January 31, 2016

**Finding: 15-4**

Name of Contact Person: Francine Allen, Adult Medicaid Supervisor II

Corrective Action: Adult Medicaid had a lead worker that was also responsible for Special Assistance and Long Term Care Medicaid which left little time for reviews and she was not physically located with the other Adult Medicaid case workers. Effective July 2015, a new Lead Worker position and a new caseworker position was added to Adult Medicaid. The new Lead Worker is physically located with the other Adult Medicaid caseworkers to allow easier access to assistance with cases. The new lead worker will be responsible for second party reviews and with the addition of the new caseworker, the caseloads should allow for these reviews to take place. The Supervisor for Adult Medicaid will also continue to do second party reviews and be available to assist with cases.

As second party reviews increase, issues identified will be addressed directly with that worker to ensure they understand the policy and the importance of accuracy in the files. If a broader issue is discovered, information will be shared throughout the team

**WARREN COUNTY, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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to ensure the team understands the policy and how to perform certain calculations.

Proposed Completion Date: January 31, 2016

**Finding: 15-5**

Name of Contact Person: Kristie Harris, Children & Family Medicaid Supervisor  
Francine Allen, Adult Medicaid Supervisor II

Corrective Action: The agency continues to take advantage of any one on one or other local trainings to prepare staff for their duties. We have knowledgeable staffs that are able to train and the staff is asked to read their policies. Caseloads are reorganized as needed to help workers with their large caseloads.

The agency continues to praise staff, recognize staff in agency meetings, make overtime available, and promote activities within the agency, including business casual Fridays, periodically to boost morale.

Family and Children Medicaid added two new positions in fiscal year 2016. The addition of the two additional workers will drastically reduce the caseload of the Lead Worker and she will begin doing second party reviews in January 2016. The supervisor will continue to do second party reviews and will be readily available to assist workers. The physical location of the supervisor and lead worker have shifted to ensure all case workers are located with either the supervisor or the lead worker to allow easier access to assistance with a case.

Adult Medicaid had a lead worker that was also responsible for Special Assistance and Long Term Care Medicaid which left little time for reviews and she was not physically located with the other Adult Medicaid case workers. Effective July 2015, a new Lead Worker position and a new caseworker position was added to Adult Medicaid. The new Lead Worker is physically located with the other Adult Medicaid caseworkers to allow easier access to assistance with cases. The new lead worker will be responsible for second party reviews and with the addition of the new caseworker, the caseloads should allow for these reviews to take place. The Supervisor for Adult Medicaid will also continue to do second party reviews and be available to assist with cases.

As second party reviews increase, issues identified will be addressed directly with that worker to ensure they understand the policy and the importance of accuracy in the files. If a broader issue is discovered, information will be shared throughout the team to ensure the team understands the policy and best practices.

Proposed Completion Date: January 31, 2016

**WARREN COUNTY, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**Section IV – State Award Findings and Questioned Costs**

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See Findings 15-1, 15-2, 15-3, 15-4, and 15-5.

**WARREN COUNTY, NORTH CAROLINA  
PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**Finding 14-1**

**Status:** The County implemented a process of annually reviewing the 5-year historical trend of costs and projection for upcoming years to determine any changes that are required to the landfill post-closure liability.

**Finding 14-2**

**Status:** Internal reviews were limited during the year. See 2015 corrective action plans for details on how internal reviews will be improved in fiscal year 2016.

**Finding 14-3**

**Status:** Internal reviews were limited during the year. See 2015 corrective action plans for details on how internal reviews will be improved in fiscal year 2016.

**Finding 14-4**

**Status:** Internal reviews were limited during the year. See 2015 corrective action plans for details on how internal reviews will be improved in fiscal year 2016.

**Finding 14-5**

**Status:** Internal reviews were limited during the year. See 2015 corrective action plans for details on how internal reviews will be improved in fiscal year 2016.

**Finding 14-6**

**Status:** The County disagreed with the finding and thus no corrective actions have taken place.

**Finding 13-3**

**Status:** Internal reviews were limited during the year. See 2015 corrective action plans for details on how internal reviews will be improved in fiscal year 2016.

**Finding: 13-4**

**Status:** Internal reviews were limited during the year. See 2015 corrective action plans for details on how internal reviews will be improved in fiscal year 2016.

**Finding: 13-6**

**Status:** The implementation of NC Fast has changed the process for verifying citizenship along with changes implemented with the Affordable Care Act. The training on citizenship is complete. This finding has been corrected during FY 2015.

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES
<b>FEDERAL AWARDS:</b>			
<u>U.S. Dept. of Agriculture</u>			
Food and Nutrition Service			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Social Services:			
Administration:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 328,274	\$ 78
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	118,559	-
WIC Grants To States (WGS)	10.578	446	-
Direct Benefit Payments:			
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	361,940	-
Total US Department of Agriculture		<u>809,219</u>	<u>78</u>
<u>U.S. Dept. of Housing and Urban Development</u>			
Passed-through the N.C. Department of Commerce:			
Community Development Block Grant	14.228	224,827	-
<u>U.S. Department of Transportation</u>			
Passed-through the N.C. Department of Public Safety			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	7,670	-
<u>U.S. Dept. of Homeland Security</u>			
Passed-through the N.C. Department of Public Safety:			
Emergency Management Performance Grant	97.042	38,220	-
Emergency Food and Shelter National Board Program	97.024	3,254	-
Total U.S. Dept. of Homeland Security		<u>41,474</u>	<u>-</u>
<u>U.S. Dept. of Justice</u>			
Direct Program:			
Equitable Sharing Program	16.922	1,900	-
Passed-through the N.C. Dept. of Public Safety:			
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	39,120	-
Total U. S. Department of Justice		<u>41,020</u>	<u>-</u>
<u>U.S. Dept. of Health and Human Services</u>			
Division of Aging and Adult Services			
Passed-through the Kerr-Tar Council of Governments:			
National Family Caregiver Support, Title III, Part E	93.052	11,239	749
<u>Aging Cluster:</u>			
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	15,925	123,041
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	71,696	58,992
Nutrition Services Incentive Program	93.053	15,417	-
Total Aging Cluster		<u>103,038</u>	<u>182,033</u>
Total Division of Aging and Adult Services		<u>114,277</u>	<u>182,782</u>
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Medical Assistance:			
Direct Benefit Payments:			
Medical Assistance Program	93.778	24,889,008	14,141,530
Division of Social Services:			
Administration:			
Medical Assistance Program	93.778	913,804	57,469
Total Medical Assistance Program		<u>25,802,812</u>	<u>14,198,999</u>
Direct Benefit Payments:			
State Children's Health Insurance Program - N.C. Health Choice	93.767	258,907	81,732
Division of Social Services:			
Administration:			
State Children's Health Insurance Program - N.C. Health Choice	93.767	17,909	775
Total State Children's Health Insurance Program - N.C. Health Choice		<u>276,816</u>	<u>82,507</u>
Centers for Medicare and Medicaid Services (CMS) Research Demonstrations and Evaluations	93.779	2,789	-
Total Division of Medical Assistance		<u>26,082,417</u>	<u>14,281,506</u>

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES
<u>Centers for Disease Control and Prevention:</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Public Health			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)			
Aligned Cooperative Agreements	93.074	30,487	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	28	-
Immunization Grants	93.268	7,714	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	19,833	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	10,562	-
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	217	-
Statewide Health Promotion Program	93.991	713	-
Total Centers for Disease Control		148,967	59,567
<u>Office Population Affairs:</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Office of Populations Affairs			
Family Planning Services	93.217	35,550	-
<u>Health Resources and Service Administration</u>			
Passed-through N.C. Dept. of Health and Human Services:			
Division of Public Health			
Maternal and Child Health Services Block Grant to the States	93.994	79,413	59,567
<u>U.S. Dept. of Health and Human Services (cont.)</u>			
<u>Administration for Children and Families</u>			
Passed-through the N.C. Dept. of Health Human Services, Division of Social Services:			
Child Support Enforcement	93.563	291,329	-
Refugee and Entrant Assistance - State Administered Programs	93.566	67	-
<u>Foster Care and Adoption Cluster:</u>			
Foster Care-Title IV-E:			
Title IV-E Foster Care - Administration	93.658	131,863	26,615
Title IV-E Foster Care - Direct	93.658	47,077	15,032
Adoption Assistance:			
Adoption Assistance - Administration	93.659	16,744	-
Adoption Assistance - Direct Benefits Payments	93.659	45,217	11,439
Total Foster Care and Adoption Cluster		240,901	53,086
Temporary Assistance for Needy Families (TANF)/Work First:			
Administration	93.558	345,578	-
Direct Benefit Payments	93.558	167,494	-
Low-Income Home Energy Assistance:			
Administration	93.568	22,628	-
Energy Assistance Payments- Direct Benefit Payments	93.568	173,880	-
Crisis Intervention Program	93.568	110,628	-
Stephanie Tubbs Jones Child Welfare Services Program			
Permanency Planning-Families for Kids	93.645	1,381	-
Social Services Block Grant (SSBG)-Other Service and Training	93.667	164,918	13,405
Total		1,357,177	13,405
Division of Child Development:			
<u>Subsidized Child Care Cluster</u>			
<u>Child Care Development Fund Cluster</u>			
Division of Social Services:			
Child Care Development Fund-Administration	93.596	79,341	-
Division of Child Development:			
Child Care and Development Block Grant	93.575	332,544	-
Child Care and Development Fund-Mandatory	93.596	107,652	-
Child Care and Development Fund-Match	93.596	103,749	36,685
Total Child Care Development Fund Cluster		623,286	36,685
Temporary Assistance for Needy Families (TANF)	93.558	83,379	-
Foster Care Title IV-E	93.658	7,295	3,778
State Appropriations		-	30,074
TANF-MOE		-	121,696
Total Subsidized Child Care Cluster		713,960	192,233
Total Administration for Children and Families		2,232,764	258,724
Total U.S. Dept. of Health and Human Services		28,613,975	14,782,579
Total federal awards		29,738,185	14,782,657

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES
<b>STATE AWARDS:</b>			
<u>N.C. Dept. of Agriculture and Consumer Services</u>			
Agriculture Cost Share Technical Assistance		-	20,808
N.C. Agricultural Development and Farmland Preservation Trust		-	45,278
Total N.C. Dept. of Agriculture and Consumer Services		-	66,086
<u>N.C. Dept. of Commerce</u>			
Rural Economic Development Division			
Clean Water		-	387,066
<u>N.C. Dept. of Cultural Resources</u>			
Division of State Library			
State Aid to Public Libraries		-	78,627
<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		-	271,338
CWS Direct Benefit Payments		-	52,808
Child Welfare/CPS		-	16,523
Incentive/Prog Integrity		-	425
Energy Assistance		-	569
Senior Center Development		-	11,680
Smart Start		-	11,820
Total Division of Social Services		-	365,163
<u>Division of Public Health</u>			
General Aid to Counties		-	96,403
Food and Lodging		-	5,861
School Nurse Funding Initiative		-	146,044
WHSF(long acting contraception)		-	2,230
HIV/STD State		-	400
HIV/STD SSBG Aid		-	100
Sexually Transmitted Diseases		-	247
General Communicable Disease Control		-	9,592
Tuberculosis		-	2,946
Breast and Cervical Cancer Program		-	2,550
Child Health		-	3,062
Risk Reduction/Health Promotion		-	6,286
HMHC-Family Planning		-	3,979
Maternal Health (HMHC)		-	1,314
TB Medical Service		-	540
Total Division of Public Health		-	281,554
Total N.C. Dept. of Health and Human Services		-	646,717
<u>N.C. Dept. of Environment and Natural Resources</u>			
Division of Parks and Recreation			
PARTF Grant		-	7,605
Directorate of Environmental Affairs			
MH Abandoned Home Grant		-	1,500
Division of Waste Management			
Scrap Tire Fund		-	24,105
White Good Fund		-	917
Electronic Management		-	1,576
Total N.C. Dept. of Environment and Natural Resources		-	35,703
<u>N.C. Dept. of Transportation</u>			
Rural Operating Assistance Program (ROAP) Cluster			
ROAP Elderly and Disabled Transportation Assistance Program		-	53,775
ROAP Work First Transitional - Employment		-	10,078
ROAP Rural General Public Program		-	47,076
Total N.C. Dept. of Transportation		-	110,929
<u>N.C. Dept. of Public Safety</u>			
Juvenile Crime Prevention Council Programs		-	78,167
Total N.C. Dept. of Public Safety		-	78,167
Total State Awards		-	1,403,295
Total federal and State awards		\$ 29,738,185	\$ 16,185,952

**WARREN COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

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

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards 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 #</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Rural Operating Assistance Program	-	\$ -	\$ 51,262
N.C. Dept. of Public Safety - Juvenile Crime Prevention Council Program	-	-	3,273