



FINANCIAL STATEMENTS AND SUPPLEMENTAL  
INFORMATION FOR THE YEAR ENDED JUNE 30, 2021  
WITH  
INDEPENDENT AUDITOR'S REPORT

# CITY OF WARRENTON, OREGON

## Financial Statements and Supplemental Information

For the Year Ended June 30, 2021

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## INTRODUCTORY SECTION



**CITY OF WARRENTON, OREGON**

List of Elected and Appointed Officials

June 30, 2021

**ELECTED OFFICIALS - CITY COMMISSION**

Mayor	Henry Balensifer III
Position No. 1	Gerald Poe
Position No. 2	Mark Baldwin
Position No. 3	Tom M. Dyer
Position No. 4	Rick Newton

**Mailing Address**

PO Box 250  
Warrenton, Oregon 97146

**APPOINTED OFFICIALS**

City Manager	Linda Engbretson
City Recorder	Dawne Shaw
City Attorney	Beery, Elsner & Hammond

**Mailing Address**

PO Box 250  
Warrenton, Oregon 97146



## FINANCIAL SECTION





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Eugene, OR 97403  
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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission  
City of Warrenton, Oregon

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warrenton, Oregon ("City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warrenton, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows 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 the management's discussion and analysis, the schedule of proportionate share of the net pension liability, and the schedule of pension contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and other supplemental information 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 and other supplemental information are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has 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 any assurance on it.

### ***Report on Other Legal and Regulatory Requirements***

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 15, 2021 on our consideration of the City of Warrenton's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA

By:

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive, flowing style.

Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

December 15, 2021



## **Management's Discussion and Analysis**

As management of the City of Warrenton, Oregon, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our annual financial report.

### **Financial Highlights**

- The City's total assets and deferred outflows at June 30, 2021 were \$69,639,575.
- The City's total liabilities and deferred inflows at June 30, 2021 were \$20,006,241.
- The net position of the City at June 30, 2021 was \$49,633,334. Of this amount, \$11,755,967 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2021, the City's governmental funds reported combined ending fund balances of \$9,766,189.
- At the end of the fiscal year, the City's total combined governmental funds had a restricted fund balance of \$7,740,673, a committed fund balance of \$75,820, an assigned fund balance of \$482,306, and an unassigned fund balance of \$1,467,390.
- The General Fund's unassigned fund balance is \$1,467,390 at the end of the current fiscal year, or 35.2% of General Fund expenditures and transfers out.

### **Overview of Financial Statements**

This discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include the following:

- General government
- Fire and emergency medical services
- Police
- Planning and development
- Library and culture
- Public works

The business-type activities of the City include the following:

- Water utilities
- Sewer utilities
- Sanitation utilities
- Marinas

The government-wide financial statements can be found in the basic financial statements as listed in the table of contents.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Warrenton maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data from the remaining governmental funds (nonmajor governmental funds) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Warrenton adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget. To demonstrate compliance, budgetary comparison statements for all of the governmental funds have been prepared and can be found in the basic financial statements and supplemental information as listed in the table of contents.

The basic governmental fund financial statements and respective reconciliations can also be found in the basic financial statements as listed in the table of contents.

**Proprietary funds.** Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The City of Warrenton maintains two types of proprietary funds: enterprise and internal service funds. The City uses enterprise funds to account for its water, sewer and sanitation utilities, and marinas. The City uses an internal service fund to account for engineering services provided to other departments/funds within the City. The internal service fund activity is included with the business-type activities on the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, and Sanitation utilities, all of which are considered to be major funds of the City of Warrenton. The Marina funds are considered to be nonmajor funds.

The City also adopts an annual appropriated budget for all proprietary funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the enterprise funds as supplemental information, as listed in the table of contents. The proprietary fund financial statements can also be found in the basic financial statements as listed in the table of contents.

**Notes to the basic financial statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in the basic financial statements as listed in the table of contents.

**Required Supplementary Information.** Information regarding the City's share of the net pension liability and pension contributions can be found in the required supplementary information as listed in the table of contents.

### **Government-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$49,633,334 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position, 59.8%, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 16.4%, represents resources that are subject to external restrictions on how they may be used. The remaining portion represents 23.7% of total net position, and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole and for its separate business-type activities. The governmental activities category, unrestricted net position, is reported as negative \$3,598,120. The negative balance in unrestricted net position is a result of the City issuing general obligation bonded debt for the Wastewater Treatment Facility (an asset in the Sewer Enterprise). The debt reduces unrestricted net position in the governmental activities column by \$2,780,287 while the related capital asset increases net investment in capital assets for business-type activities. In essence, the general government has taken on debt for the Sewer Utility.

City of Warrenton's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 10,430,319	\$ 9,271,168	\$ 18,632,067	\$ 15,981,775	\$ 29,062,386	\$ 25,252,943
Capital assets, net	12,005,818	12,396,883	25,861,453	26,644,556	37,867,271	39,041,439
Total assets	<u>22,436,137</u>	<u>21,668,051</u>	<u>44,493,520</u>	<u>42,626,331</u>	<u>66,929,657</u>	<u>64,294,382</u>
Deferred outflows	<u>1,598,306</u>	<u>972,421</u>	<u>1,111,612</u>	<u>724,056</u>	<u>2,709,918</u>	<u>1,696,477</u>
Noncurrent liabilities	9,424,756	8,871,525	8,946,642	8,789,254	18,371,398	17,660,779
Other liabilities	666,885	604,474	630,615	852,453	1,297,500	1,456,927
Total liabilities	<u>10,091,641</u>	<u>9,475,999</u>	<u>9,577,257</u>	<u>9,641,707</u>	<u>19,668,898</u>	<u>19,117,706</u>
Deferred inflows	<u>198,964</u>	<u>279,292</u>	<u>138,379</u>	<u>207,956</u>	<u>337,343</u>	<u>487,248</u>
Net position:						
Net investment in capital assets	9,571,536	9,611,703	20,120,723	20,211,558	29,692,259	29,823,261
Restricted	7,770,422	7,204,867	351,674	202,285	8,122,096	7,407,152
Unrestricted	<u>(3,598,120)</u>	<u>(3,931,389)</u>	<u>15,354,087</u>	<u>13,086,881</u>	<u>11,755,967</u>	<u>9,155,492</u>
Total net position	<u>\$ 13,743,838</u>	<u>\$ 12,885,181</u>	<u>\$ 35,826,484</u>	<u>\$ 33,500,724</u>	<u>\$ 49,570,322</u>	<u>\$ 46,385,905</u>

The City's net position increased by \$3,247,429 during the current fiscal year.

The City's total assets and deferred outflows at June 30, 2021 increased \$3,648,716 from \$65,990,859 to \$69,639,575, or 5.53% from the prior year. Cash increased by \$3,578,618, or 15.29% from the prior year. Receivables increased by \$266,712, or 19.04% from the prior year. Inventories decreased by \$31,650, or 8.38% from the prior year. Capital assets, net, decreased by \$1,174,168, or 3.01%, from the prior year. The remaining current assets, prepayments, decreased by \$4,237, or 66.90%, from the prior year.

The City's total liabilities and deferred inflows at June 30, 2021 increased by \$401,287, or 2.05%, from the prior year. Accounts payable and other current liabilities decreased \$203,926, or 18.05%, from the prior year. Interest payable on long term debt decreased by \$15,577 or 14.60% from the prior year. The City's outstanding debt decreased \$1,461,258, or 11.51%.

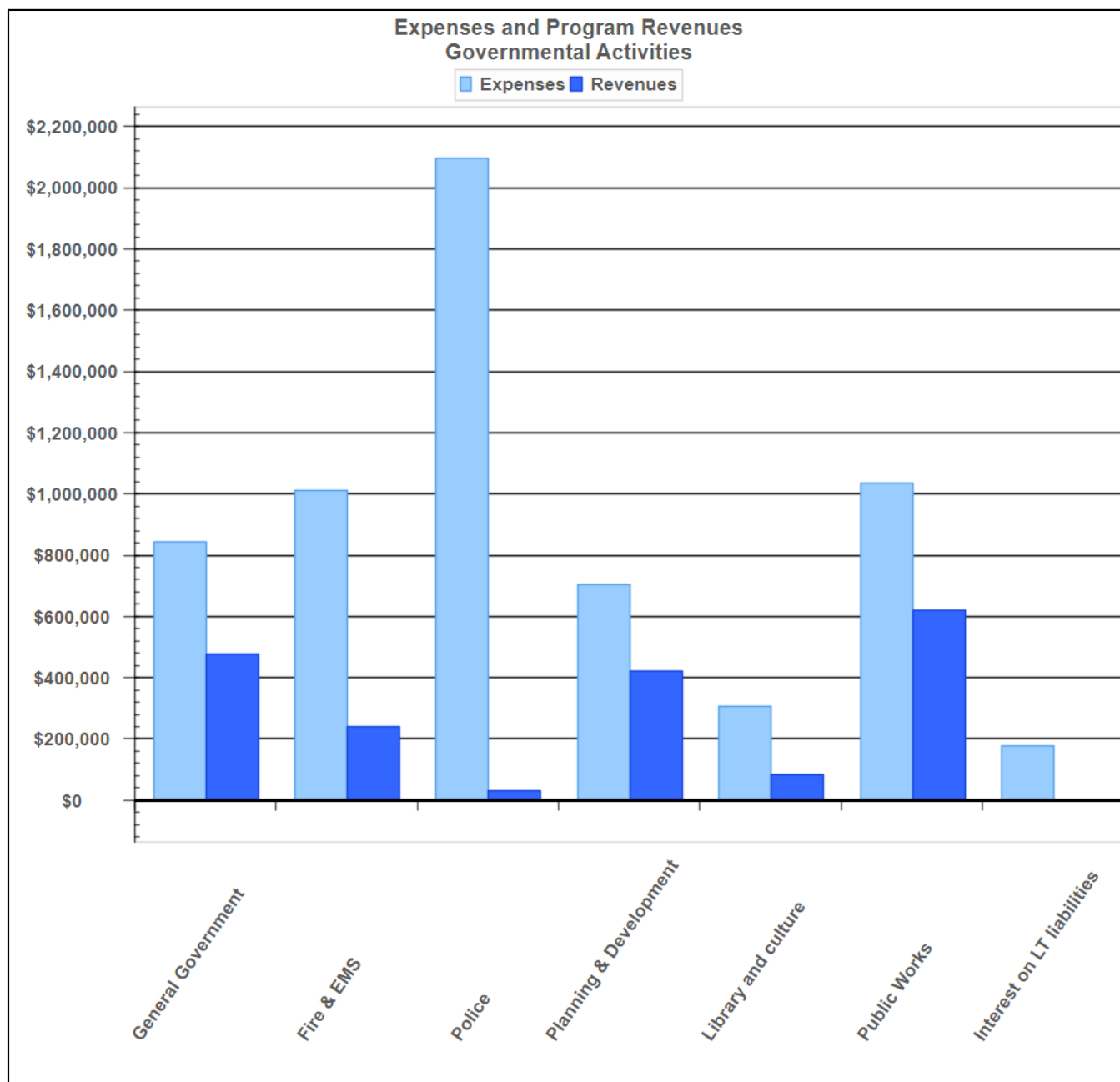
City of Warrenton's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Fines, fees & charges for services	\$ 1,036,912	\$ 1,496,184	\$ 9,500,921	\$ 9,188,725	\$10,537,833	\$10,684,909
Operating grants & contributions	620,582	388,532	13,834	4,205	634,416	392,737
Capital grants & contributions	216,191	150,320	241,415	763,825	457,606	914,145
General revenues:						
Property taxes	2,790,625	2,629,316	-	-	2,790,625	2,629,316
Other taxes	1,187,824	1,021,441	160,903	131,300	1,348,727	1,152,741
Franchise fees	918,595	770,988	-	-	918,595	770,988
Unrestricted state revenue sharing	195,716	178,980	-	-	195,716	178,980
Unrestricted investment earnings	70,238	167,818	121,350	267,931	191,588	435,749
Total revenues	<u>7,036,683</u>	<u>6,803,579</u>	<u>10,038,423</u>	<u>10,355,986</u>	<u>17,075,106</u>	<u>17,159,565</u>
Expenses:						
General government	844,932	817,381	-	-	844,932	817,381
Fire & emergency medical services	1,012,786	869,110	-	-	1,012,786	869,110
Police	2,095,763	2,006,391	-	-	2,095,763	2,006,391
Planning and development	704,569	521,224	-	-	704,569	521,224
Library and cultural services	306,963	298,160	-	-	306,963	298,160
Public works	1,037,323	847,099	-	-	1,037,323	847,099
Interest on long-term liabilities	175,690	200,155	-	-	175,690	200,155
Water utility	-	-	2,497,761	3,349,542	2,497,761	3,349,542
Sewer utility	-	-	2,811,660	2,708,920	2,811,660	2,708,920
Sanitation utility	-	-	1,339,244	1,168,557	1,339,244	1,168,557
Marinas	-	-	1,000,986	958,139	1,000,986	958,139
Total expenses	<u>6,178,026</u>	<u>5,559,520</u>	<u>7,649,651</u>	<u>8,185,158</u>	<u>13,827,677</u>	<u>13,744,678</u>
Change in net position	858,657	1,244,059	2,388,772	2,170,828	3,247,429	3,414,887
Net position, July 1	<u>12,885,181</u>	<u>11,641,122</u>	<u>33,500,724</u>	<u>31,329,896</u>	<u>46,385,905</u>	<u>42,971,018</u>
Net position, June 30	<u>\$13,743,838</u>	<u>\$12,885,181</u>	<u>\$35,889,496</u>	<u>\$33,500,724</u>	<u>\$49,633,334</u>	<u>\$46,385,905</u>

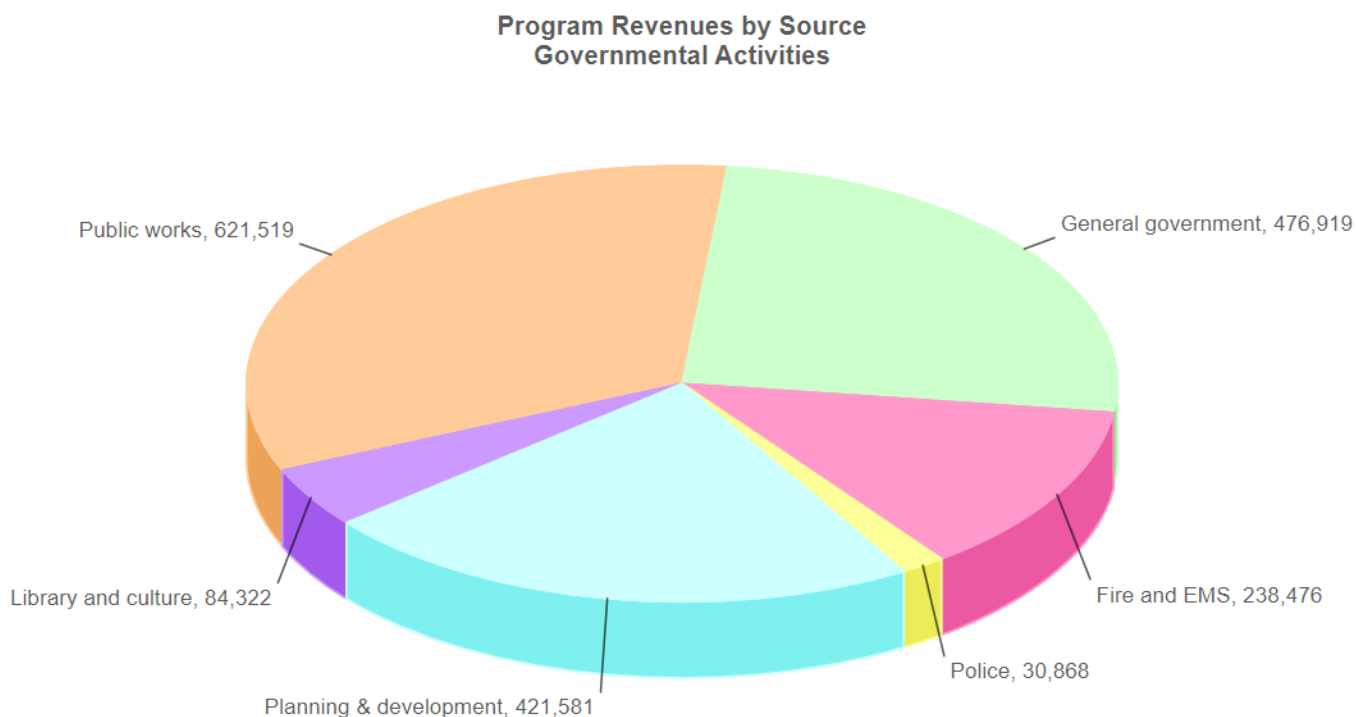
**Governmental activities.** Governmental activities increased the City's net position by \$858,657. The primary elements of the change in total net position are as follows:

- Revenues overall increased \$233,104 as program revenues decreased \$161,351 and general revenues increased \$394,455. The decrease in program revenues relates to Building Permit revenues for a new middle school and remodel of the County jail facility in the prior year.
- The General Fund permanent rate tax increased \$88,034, the Urban Renewal Agency's tax increased \$23,032, local option taxes for the Police Department increased \$16,110 and the Library increased \$18,213, and taxes to pay debt increased \$15,920.
- Franchise fees increased by \$147,607 during the year. This revenue can be cyclical due to weather conditions and demand for telecommunication services.
- Other taxes increased \$166,383 and unrestricted state revenue sharing increased \$16,736.
- Unrestricted investment earnings (interest from bank accounts) decreased by \$97,580 during the year.
- Interest expense on debt decreased \$24,465 from the prior year.
- Total expenses increased by \$618,506. This increase is mostly a result of increased street maintenance offset by a decrease in pass through grant expenditures from the prior year.

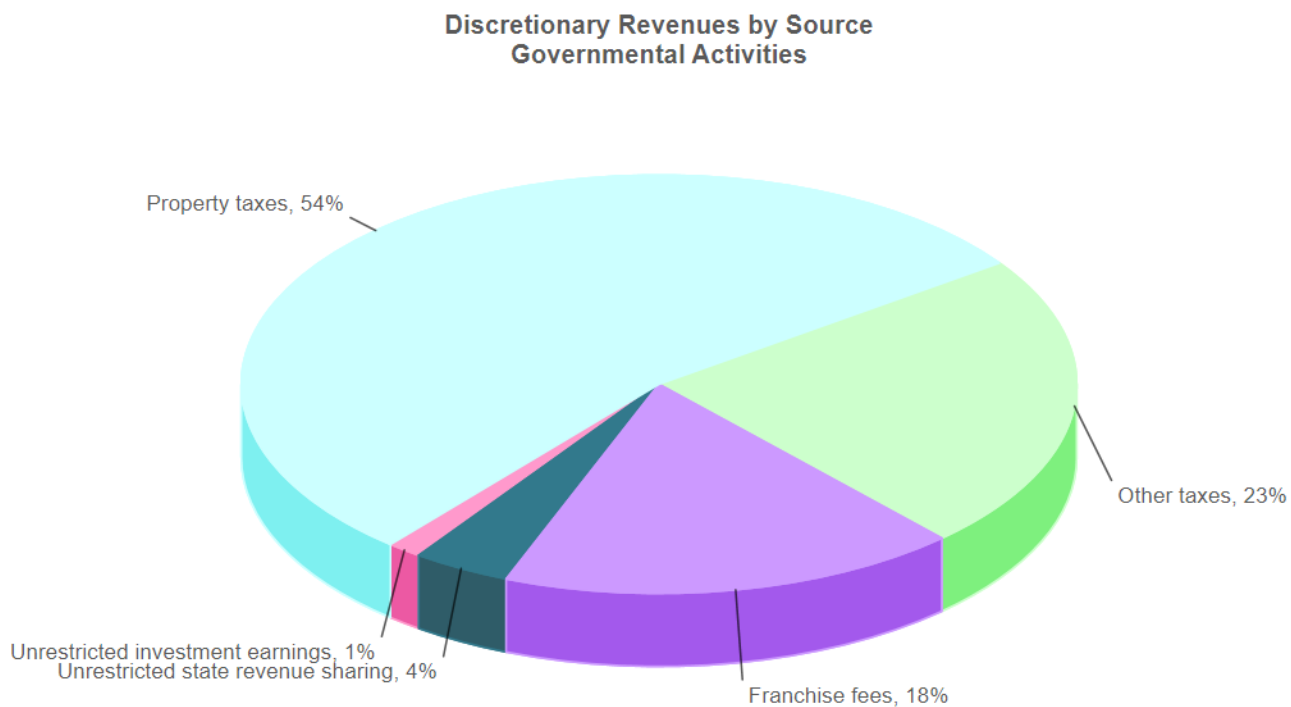
The following graph summarizes the 2020-2021 governmental activity program revenues and corresponding expenses. The revenues shown total \$1,873,685, a decrease from the prior year of \$161,351, are directly attributable to each activity (program revenues) and **do not** include property taxes, other taxes, franchise fees, unrestricted state revenue sharing, investment earnings, and other one-time or extraordinary revenue streams which are discretionary (general revenues). Discretionary revenues amount to \$5,162,998, an increase of \$394,455 from the prior year.



This next chart shows the total functional revenues for each program in the amount of \$1,873,685 by its source.



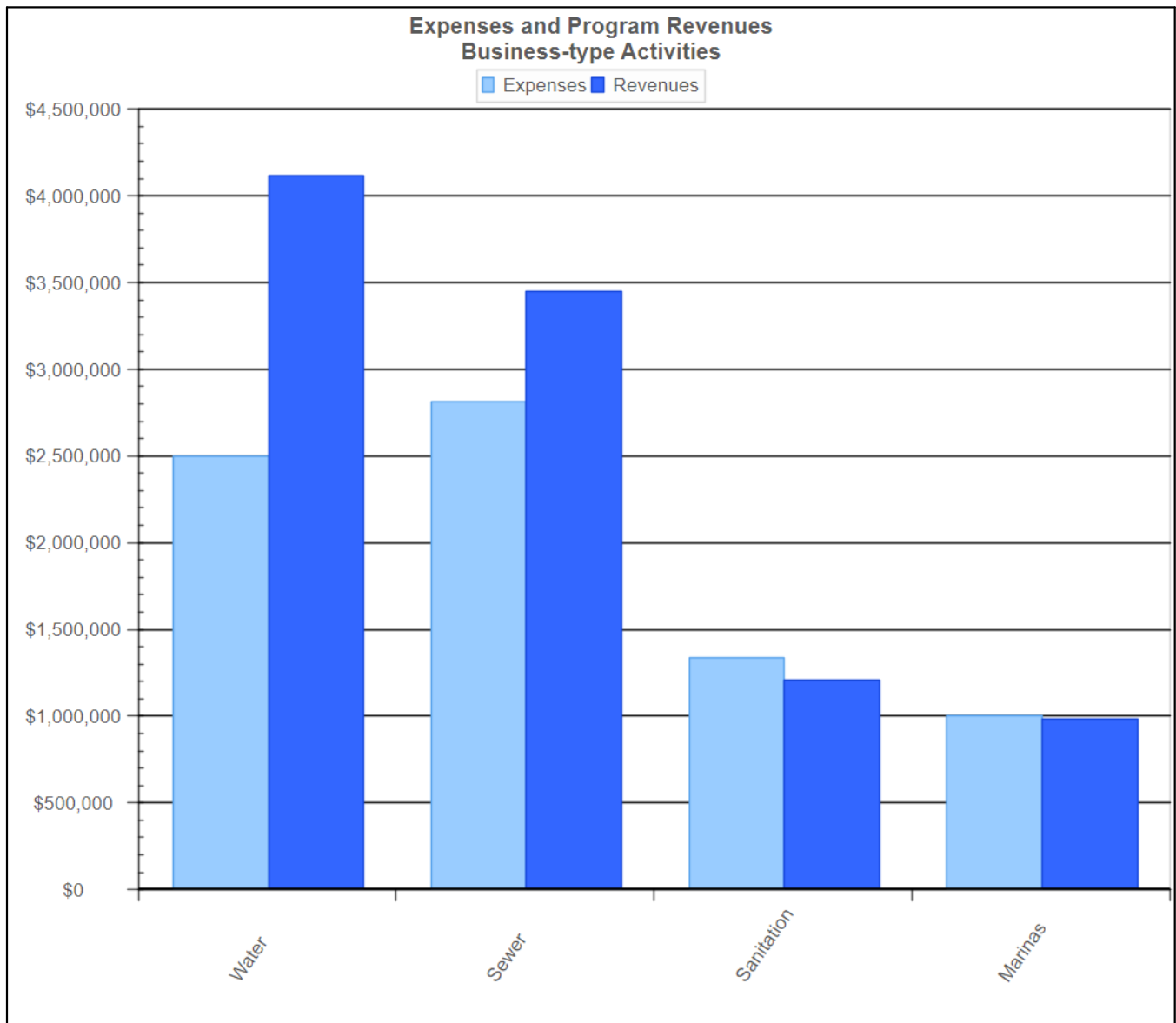
As the next chart reflects, most 2020-2021 governmental activities relied on general discretionary revenues to support the function. This graph shows total discretionary revenues in the amount of \$5,162,998 by percentage in each category



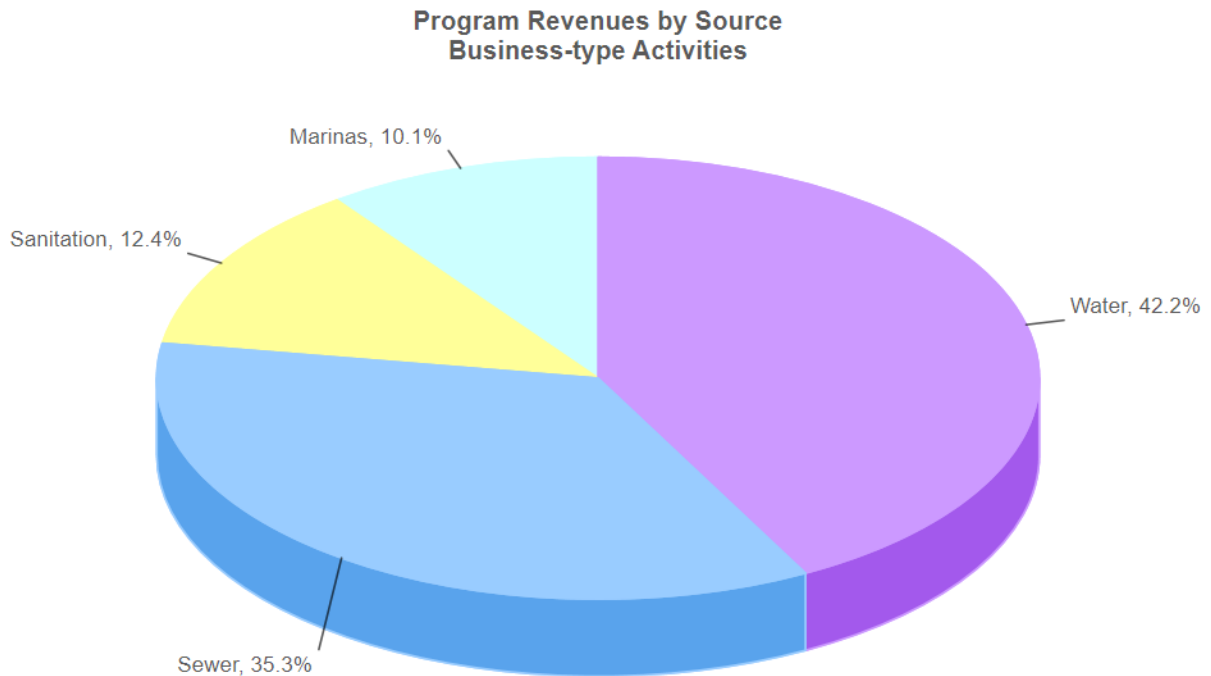
**Business-type activities.** Business-type activities increased the City's net position by \$2,388,772. Key elements of this increase are as follows:

- Fines, fees, and charges for services had a net increase this year of \$312,196 from the prior year. Revenues increased in the Water fund, this year by \$165,316, they increased in the Sewer Fund by \$126,410, and increased in the Sanitation Fund by \$43,588, and the Marinas show decreases of \$23,118. Gross water sales increased by \$206,073, or 5.55%, from the prior year, as a result of water consumption increases of approximately 28 million gallons.
- Combined operating and capital grants and contributions decreased this year by \$512,781 and are mostly due to forgiveness of a water fund loan and capital contributions in the sewer fund in the previous year.
- Unrestricted investment earnings (interest from bank accounts) decreased by \$146,581 during the year.
- Total business-type activity revenues decreased by \$317,563.
- Total operating expenses decreased from the prior year in the amount of \$535,507.

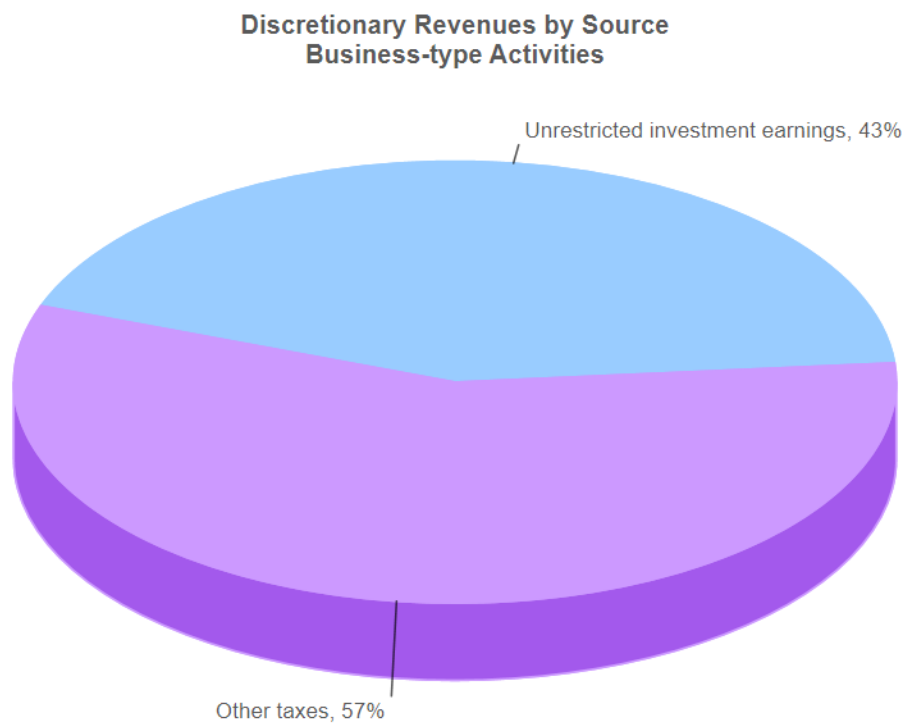
Business-type activities of the City of Warrenton are supported by charges for utility service, capital contributions, development fees, and other grants. The graph below summarizes the 2020-2021 expenses and revenues of those funds.



Total program revenues in the business-type activities of the City total \$9,756,170 as represented by the percentages in the chart below for 2020-2021.



In the following graph, discretionary revenues amount to \$282,253. Other taxes are transient room tax dedicated to the Hammond Marina.



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

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

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,766,189, an increase of \$1,142,377 in comparison with the prior year. Approximately 15.0% of this amount (\$1,467,390) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either, *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$0), 2) restricted for particular purposes (\$7,740,673), 3) committed for particular purposes (\$75,820), or 4) assigned for particular purposes (\$482,306).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$1,467,390. This balance increased from the prior year, in the amount of \$424,299. As a measure of the General Fund's liquidity, it may be useful to compare the categories of restrictions placed on the fund balance to total fund expenditures. Total fund balance represents approximately 35.2% of total General Fund expenditures and transfers out.

The fund balance of the City's General Fund increased by \$424,299 during the current fiscal year. While revenues increased \$438,723, expenditures decreased by \$74,865. Key elements of the increase to fund balance are as follows:

- Taxes increased by \$229,262 during the year. Revenue in this category comes mostly from property taxes and land sales which increased by \$125,836 and transient room tax which increased by \$103,426.
- Franchise fees increased by \$147,607. This revenue stream can be quite cyclical.
- Intergovernmental receipts from Oregon state revenue sharing for cigarette, liquor and marijuana taxes and fees increased by \$16,736.
- Charges for services increased by \$68,283. This increase is mainly from planning services.
- Lease receipts increased by \$2,671 due to scheduled increases per lease agreements.
- Fines and fees from Municipal Court decreased by \$10,686.
- Investment (interest) earnings decreased by \$12,015.
- Indirect cost allocations decreased by \$82,012.
- Expenditures and other financing sources and uses in the General Fund decreased \$99,265 from the prior year. The increase in fire and emergency medical services (\$105,106) was offset by decreases in general government (Administration, Commission, Finance and Municipal Court) (\$75,441), public works (\$17,672), police (\$59,391), planning & development (\$27,467) and transfers out (\$24,400).

The State Tax Street Fund has a total fund balance of \$2,608,279, all of which is restricted to road maintenance. The net increase in fund balance during the current year was \$46,441.

- Revenue, from all sources increased from the prior year by \$8,141. Increases in State and City fuel taxes of \$37,523 were offset by the decrease in investment income of \$30,110.
- Total expenses increased this year by \$196,330. Operational expenses increased this year by \$223,180 and capital project costs this year decreased by \$26,850.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water, Sewer, and Sanitation utilities amount to \$14,188,207, and those for the marinas amount to \$1,162,736.

The total change in net position for all funds was \$2,391,034. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### **Budgetary Highlights**

The Commission approved changes to the original budgets of the Library, Facilities Maintenance, and General Funds for the fiscal year ended June 30, 2021.

A supplemental budget was approved in the Building Division Fund to transfer from Contingency to allow for additional spending authority for Professional Services for fire and life safety reviews and inspections provided by a third party that was not known at the time the budget was prepared in the amount of \$60,000.

An adjustment was approved and adopted in the Grants Fund for a specific purpose grant to increase both resources and appropriations to pass through \$50,000 of grant funds received from the Coronavirus Aid, Relief, and Economic Security Act (CARES) to help individuals affected by the economic impact of the COVID-19 pandemic with rent and utility assistance.

An adjustment was approved and adopted for a specific purpose grant in the General Fund to increase both resources and appropriations in the amount of \$60,622 from the State of Oregon to be passed through to volunteers and staff for response to conflagration fires.

### **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$37,867,271. This investment in capital assets includes land, buildings and improvements, furniture and equipment, heavy equipment, vehicles, facilities (utilities) and work in progress. Net capital assets decreased by \$1,174,168 during the year because capital asset additions of \$979,664 less current year depreciation, in the amount of \$2,153,832 net to the overall decrease of capital assets at the end of the year.

#### **City of Warrenton's Capital Assets, Net of Accumulated Depreciation**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 2,410,432	\$ 2,410,432	\$ 422,041	\$ 422,041	\$ 2,832,473	\$ 2,832,473
Buildings	2,864,787	2,961,249	1,406,449	1,260,550	4,271,236	4,221,799
Equipment	1,581,002	1,744,444	819,809	976,850	2,400,811	2,721,294
Improvements	1,048,620	1,094,759	402,165	415,466	1,450,785	1,510,225
Facilities	-	-	21,914,164	23,079,365	21,914,164	23,079,365
Infrastructure	3,803,150	3,926,903	-	-	3,803,150	3,926,903
Construction in progress	297,827	259,096	896,825	490,284	1,194,652	749,380
Total	<u>\$12,005,818</u>	<u>\$12,396,883</u>	<u>\$25,861,453</u>	<u>\$26,644,556</u>	<u>\$37,867,271</u>	<u>\$39,041,439</u>

Major capital asset additions during the current fiscal year included the following:

Equipment acquisitions amounted to a total of \$7,491 for a solar system propane generator at the South Water Reservoir.

#### **Major capital improvements were as follows:**

- Hammond Marina Dredging Project in the amount of \$455,999.
- SW Anchor (Harbor-SE 3rd) Waterline Improvement in the amount of \$143,161.
- SE 2nd and Marlin Pump Station in the amount of \$70,751.
- Bird netting at the Wastewater Treatment Plant in the amount of \$47,198.
- SE Dolphin Sewer Laterals (4) in the amount of \$40,954.
- SW Alder Avenue 2nd to 1st Improvement in the amount of \$25,340.
- Remodel of the public works offices in the amount of \$16,540.
- Replace Raw Water Pipe Downstream in the amount of \$13,778.
- The Warrenton Urban Renewal Agency spent \$106,984 in capital improvements this year for food pod parking lot improvement (\$11,290), a portion of SW 4th Street Improvement (\$6,180), Downtown improvements (\$25,467) and City Hall Parking Lot Lights (\$64,047).

Overall, these construction and equipment additions total \$937,966 and represent approximately 96% of the total additions.

Additional information regarding the City's capital assets can be found at Note III C.

**Long-term Debt.** At the end of the current fiscal year, the City had total long-term debt of \$10,955,299. Of this amount, \$5,740,730 is proprietary fund secured loans and \$4,882,488 represents outstanding bonded indebtedness. The bonded indebtedness represents debt backed by the full faith and credit of the government.

City of Warrenton's Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 2,780,287	\$ 3,239,574	\$ -	\$ -	\$ 2,780,287	\$ 3,239,574
Tax increment financial bonds	2,102,201	2,391,955	-	-	2,102,201	2,391,955
Notes payable	332,081	393,226	5,740,730	6,432,998	6,072,811	6,826,224
Total	<u>\$ 5,214,569</u>	<u>\$ 6,024,755</u>	<u>\$ 5,740,730</u>	<u>\$ 6,432,998</u>	<u>\$10,955,299</u>	<u>\$12,457,753</u>

Additional information on the City of Warrenton's long-term debt can be found in Note III E.

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

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The onset of the Covid-19 Pandemic brought many uncertainties into the budget process. The following are the major assumptions used in developing the FY 2022 budget:

- A 3% increase in assessed property values resulting in the same increase in property tax revenue.
- Cost of living adjustment to wages of 2.0% for police association members and 2.5% for general union and non-union employees..
- No increases in water utility, sewer utility and storm sewer rates in response to the Covid-19 Pandemic.
- Reduced estimated Transient Room Tax receipts due to Covid-19 Pandemic.
- Interest rates on money market and savings accounts are declining.
- On the expenditure side, increases are expected in health insurance premiums.
- The City of Warrenton continues to purchase a catastrophic liability insurance policy to protect itself from unforeseen losses in excess of \$5 million.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the following address:

April Clark  
Finance Director  
City of Warrenton  
P. O. Box 250  
Warrenton, OR 97146

## BASIC FINANCIAL STATEMENTS



# CITY OF WARRENTON

## Statement of Net Position

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,686,376	\$ 17,297,495	\$ 26,983,871
Receivables	743,943	923,354	1,667,297
Inventory, at cost	-	346,110	346,110
Prepaid items	-	2,096	2,096
Restricted cash	-	63,012	63,012
Capital assets:			
Nondepreciable assets	2,708,259	1,318,866	4,027,125
Depreciable assets, net	<u>9,297,559</u>	<u>24,542,587</u>	<u>33,840,146</u>
Total assets	22,436,137	44,493,520	66,929,657
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	<u>1,598,306</u>	<u>1,111,612</u>	<u>2,709,918</u>
Total assets and deferred outflows	<u>24,034,443</u>	<u>45,605,132</u>	<u>69,639,575</u>
<b>LIABILITIES</b>			
Accounts payable	517,233	408,404	925,637
Accrued interest payable	14,679	76,466	91,145
Compensated absences	133,959	121,222	255,181
Deferred revenue	1,014	24,523	25,537
Noncurrent liabilities:			
Due within one year	833,005	725,159	1,558,164
Due in more than one year	4,381,564	5,293,343	9,674,907
Net pension liability	<u>4,210,187</u>	<u>2,928,140</u>	<u>7,138,327</u>
Total liabilities	10,091,641	9,577,257	19,668,898
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	<u>198,964</u>	<u>138,379</u>	<u>337,343</u>
Total liabilities and deferred inflows	<u>10,290,605</u>	<u>9,715,636</u>	<u>20,006,241</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,571,536	20,120,723	29,692,259
Restricted for:			
Road maintenance	2,602,749	-	2,602,749
Debt service	2,737,679	-	2,737,679
Library and culture	167,932	-	167,932
Public works	157,245	-	157,245
Urban renewal improvements	13,175	-	13,175
Building inspection program	838,522	-	838,522
Debt service	-	63,012	63,012
System development	1,253,120	351,674	1,604,794
Unrestricted	<u>(3,598,120)</u>	<u>15,354,087</u>	<u>11,755,967</u>
Total net position	<u>\$ 13,743,838</u>	<u>\$ 35,889,496</u>	<u>\$ 49,633,334</u>

The accompanying notes are an integral part of these financial statements.

# CITY OF WARRENTON

## Statement of Activities

For the Year Ended June 30, 2021

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		
			Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 1,831,033	\$ (986,101)	\$ 336,109	\$ 140,810	\$ -
Fire and emergency medical services	966,588	46,198	230,152	8,324	-
Police	2,034,838	60,925	27,451	3,417	-
Planning and development	685,202	19,367	362,096	59,485	-
Library and culture	278,215	28,748	73,105	11,217	-
Public works	971,455	65,868	7,999	397,329	216,191
Interest on long-term liabilities	175,690	-	-	-	-
Total governmental activities	<u>6,943,021</u>	<u>(764,995)</u>	<u>1,036,912</u>	<u>620,582</u>	<u>216,191</u>
Business-type activities:					
Water utilities	2,223,093	274,668	3,995,555	2,855	120,044
Sewer utilities	2,505,924	305,736	3,357,304	3,195	85,114
Sanitation utilities	1,261,070	78,174	1,207,572	886	-
Marinas	894,569	106,417	940,490	6,898	36,257
Total business-type activities	<u>6,884,656</u>	<u>764,995</u>	<u>9,500,921</u>	<u>13,834</u>	<u>241,415</u>
Total activities	<u>\$13,827,677</u>	<u>\$ -</u>	<u>\$ 10,537,833</u>	<u>\$ 634,416</u>	<u>\$ 457,606</u>

### General revenues:

#### Taxes:

Property taxes levied for general purpose

Property taxes levied for debt service

Other taxes

Franchise fees

Unrestricted state revenue sharing

Unrestricted investment earnings

#### Total general revenues

Change in net position

Net position, beginning

Net position, ending

The accompanying notes are an integral part of these financial statements.

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (368,013)	\$ -	\$ (368,013)
(774,310)	-	(774,310)
(2,064,895)	-	(2,064,895)
(282,988)	-	(282,988)
(222,641)	-	(222,641)
(415,804)	-	(415,804)
<u>(175,690)</u>	<u>-</u>	<u>(175,690)</u>
<u>(4,304,341)</u>	<u>-</u>	<u>(4,304,341)</u>
-	1,620,693	1,620,693
-	633,953	633,953
-	(130,786)	(130,786)
<u>-</u>	<u>(17,341)</u>	<u>(17,341)</u>
<u>-</u>	<u>2,106,519</u>	<u>2,106,519</u>
<u>(4,304,341)</u>	<u>2,106,519</u>	<u>(2,197,822)</u>
1,415,951	-	1,415,951
1,374,674	-	1,374,674
1,187,824	160,903	1,348,727
918,595	-	918,595
195,716	-	195,716
<u>70,238</u>	<u>121,350</u>	<u>191,588</u>
<u>5,162,998</u>	<u>282,253</u>	<u>5,445,251</u>
858,657	2,388,772	3,247,429
<u>12,885,181</u>	<u>33,500,724</u>	<u>46,385,905</u>
<u>\$ 13,743,838</u>	<u>\$ 35,889,496</u>	<u>\$ 49,633,334</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

**GOVERNMENTAL FUNDS**

Balance Sheet

June 30, 2021

	<u>General (001)</u>	<u>State Tax Street (040)</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,431,329	\$ 2,562,035	\$ 5,693,012	\$ 9,686,376
Receivables:				
Taxes	61,101	-	82,942	144,043
Accounts	293,686	-	88,022	381,708
Rehabilitation loans	48,462	-	-	48,462
Intergovernmental	38,049	98,938	1,550	138,537
Grants	-	-	15,994	15,994
Other	-	-	15,200	15,200
Due from other funds	<u>15,157</u>	<u>-</u>	<u>-</u>	<u>15,157</u>
Total assets	<u>\$ 1,887,784</u>	<u>\$ 2,660,973</u>	<u>\$ 5,896,720</u>	<u>\$ 10,445,477</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 329,863	\$ 52,694	\$ 134,674	\$ 517,231
Deferred revenue	822	-	192	1,014
Due to other funds	<u>-</u>	<u>-</u>	<u>15,157</u>	<u>15,157</u>
Total liabilities	<u>330,685</u>	<u>52,694</u>	<u>150,023</u>	<u>533,402</u>
Deferred Inflows of Resources:				
Unavailable revenues	<u>89,709</u>	<u>-</u>	<u>56,177</u>	<u>145,886</u>
Fund Balances:				
Restricted for:				
Road maintenance	-	2,608,279	-	2,608,279
Debt service	-	-	2,698,997	2,698,997
Library and culture	-	-	162,709	162,709
Public works	-	-	157,245	157,245
Urban renewal improvements	-	-	13,175	13,175
Building inspection program	-	-	847,148	847,148
System development	-	-	1,253,120	1,253,120
Committed to:				
Library and culture	-	-	70,196	70,196
Grant expenditures	-	-	5,624	5,624
Assigned to:				
Capital projects	-	-	482,306	482,306
Unassigned	<u>1,467,390</u>	<u>-</u>	<u>-</u>	<u>1,467,390</u>
Total fund balances	<u>1,467,390</u>	<u>2,608,279</u>	<u>5,690,520</u>	<u>9,766,189</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,887,784</u>	<u>\$ 2,660,973</u>	<u>\$ 5,896,720</u>	<u>\$ 10,445,477</u>

The accompanying notes are an integral part of these financial statements.

# CITY OF WARRENTON

## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2021

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

Fund balances - governmental funds	\$ 9,766,189
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Receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	145,883
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Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds:

Nondepreciable assets	\$ 2,708,259	
Depreciable assets	<u>9,297,559</u>	12,005,818

Assets, liabilities, deferred inflows and deferred outflows related to the City's portion of the State-wide pension plan are not current resources or requirements and therefore are not reported in the funds:

Deferred outflows of resources related to pensions	1,598,306	
Net pension liability	(4,210,187)	
Deferred inflows of resources related to pensions	<u>(198,964)</u>	(2,810,845)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Compensated absences	(133,959)	
Accrued interest payable	(14,679)	
Long-term debt	<u>(5,214,569)</u>	(5,363,207)

Net position of governmental activities	<u>\$ 13,743,838</u>
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The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

**GOVERNMENTAL FUNDS**

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2021

	General (001)	State Tax Street (040)	Nonmajor Governmental Funds	Total
Revenues:				
Taxes	\$ 1,766,395	\$ 355,409	\$ 1,881,967	\$ 4,003,771
Franchise fees	918,595	-	-	918,595
Licenses and permits	500	-	350,982	351,482
Intergovernmental	286,260	397,329	122,065	805,654
Charges for services	262,372	-	7,974	270,346
Lease receipts	219,383	-	-	219,383
Fines and forfeits	109,518	-	311	109,829
Investment earnings	7,365	19,448	43,424	70,237
Donations	-	-	56,142	56,142
Indirect cost allocation	1,008,696	-	-	1,008,696
Other revenue	13,249	8,077	64,420	85,746
Total revenues	<u>4,592,333</u>	<u>780,263</u>	<u>2,527,285</u>	<u>7,899,881</u>
Expenditures:				
Current:				
General government	1,150,503	-	383,930	1,534,433
Fire and emergency medical services	792,625	-	16,647	809,272
Police	1,752,581	-	4,652	1,757,233
Planning and development	217,124	-	407,274	624,398
Library and culture	-	-	248,266	248,266
Public works	112,990	713,987	-	826,977
Debt service:				
Principal retirement	61,145	-	749,041	810,186
Interest expense	10,888	-	167,224	178,112
Capital outlay	-	22,210	117,109	139,319
Total expenditures	<u>4,097,856</u>	<u>736,197</u>	<u>2,094,143</u>	<u>6,928,196</u>
Excess (deficiency) of revenues over (under) expenditures	<u>494,477</u>	<u>44,066</u>	<u>433,142</u>	<u>971,685</u>
Other Financing Sources (Uses):				
Transfers in	-	-	272,292	272,292
Transfers out	(70,178)	-	(202,114)	(272,292)
Capital contributions	-	2,375	168,317	170,692
Total other financing sources (uses)	<u>(70,178)</u>	<u>2,375</u>	<u>238,495</u>	<u>170,692</u>
Net change in fund balances	424,299	46,441	671,637	1,142,377
Fund Balances:				
Beginning of year	1,043,091	2,561,838	5,018,883	8,623,812
End of year	<u>\$ 1,467,390</u>	<u>\$ 2,608,279</u>	<u>\$ 5,690,520</u>	<u>\$ 9,766,189</u>

The accompanying notes are an integral part of these financial statements.

# CITY OF WARRENTON

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

June 30, 2021

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

Net change in fund balances - governmental funds	\$ 1,142,377
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenues	(24,359)
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Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense.

Expenditures for capital assets	\$ 145,618	
Current year depreciation	(536,683)	
Disposition of capital assets	<u>(891)</u>	
		(391,956)

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 the governmental funds.

Change in:		
Compensated absences	(22,810)	
Accrued interest payable	2,423	
Expenses related to pension obligations	<u>(657,204)</u>	
		(677,591)

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as other financing sources. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position.

Repayment of long-term debt	<u>810,186</u>	
		<u>810,186</u>

Change in net position of governmental activities	<u>\$ 858,657</u>
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The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

General Fund

Statement of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 600,000	\$ 600,000	\$ 1,043,091	\$ 443,091
Taxes	1,632,840	1,632,840	1,766,395	133,555
Franchise fees	854,281	854,281	918,595	64,314
Licenses and permits	550	550	500	(50)
Intergovernmental	168,891	168,891	286,260	117,369
Charges for services	229,524	290,146	262,372	(27,774)
Lease receipts	216,473	216,473	219,383	2,910
Fines and forfeits	136,700	136,700	109,518	(27,182)
Investment earnings	18,000	18,000	7,365	(10,635)
Indirect cost allocation	1,167,282	1,167,282	1,008,696	(158,586)
Other revenue	1,200	1,200	13,249	12,049
Total resources	<u>\$ 5,025,741</u>	<u>\$ 5,086,363</u>	<u>\$ 5,635,424</u>	<u>\$ 549,061</u>
Requirements:				
Municipal Court	\$ 160,306	\$ 160,306	\$ 141,807	\$ 18,499
Administration/Commission	1,167,282	1,167,282	1,008,696	158,586
Community Development	292,992	292,992	217,124	75,868
Police	2,000,654	2,000,654	1,752,581	248,073
Fire	855,386	916,008	864,658	51,350
Parks	163,557	163,557	112,990	50,567
Contingency	235,517	235,517	-	235,517
Transfers	70,178	70,178	70,178	-
Total department requirements	4,945,872	5,006,494	4,168,034	838,460
Ending fund balance	79,869	79,869	1,467,390	(1,387,521)
Total requirements	<u>\$ 5,025,741</u>	<u>\$ 5,086,363</u>	<u>\$ 5,635,424</u>	<u>\$ (549,061)</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

## State Tax Street Fund

Statement of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 2,300,000	\$ 2,300,000	\$ 2,561,838	\$ 261,838
Taxes	307,000	307,000	355,409	48,409
Intergovernmental	377,965	377,965	397,329	19,364
Investment earnings	25,000	25,000	19,448	(5,552)
Capital contributions	-	-	2,375	2,375
Other revenue	-	-	8,077	8,077
Total resources	<u>\$ 3,009,965</u>	<u>\$ 3,009,965</u>	<u>\$ 3,344,476</u>	<u>\$ 334,511</u>
Requirements:				
Public Works:				
Personal services	\$ 136,649	\$ 136,649	\$ 112,829	\$ 23,820
Materials and services	740,605	740,605	601,158	139,447
Capital outlay	<u>1,797,638</u>	<u>1,797,638</u>	<u>22,210</u>	<u>1,775,428</u>
Total department expenditures	2,674,892	2,674,892	736,197	1,938,695
Contingency	<u>198,000</u>	<u>198,000</u>	-	<u>198,000</u>
Total expenditures	2,872,892	2,872,892	736,197	2,136,695
Ending fund balance	<u>137,073</u>	<u>137,073</u>	<u>2,608,279</u>	<u>(2,471,206)</u>
Total requirements	<u>\$ 3,009,965</u>	<u>\$ 3,009,965</u>	<u>\$ 3,344,476</u>	<u>\$ (334,511)</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

**PROPRIETARY FUNDS**

**Statement of Net Position**

June 30, 2021

	Business-type Activities - Enterprise Funds					Business-type Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 6,609,100	\$ 8,428,540	\$ 655,348	\$ 1,598,971	\$17,291,959	\$ 5,536
Accounts receivable	376,042	342,100	118,928	17,414	854,484	-
Intergovernmental receivables	-	-	-	66,295	66,295	-
Other receivables	-	2,575	-	-	2,575	-
Inventory, at cost	236,412	88,137	21,561	-	346,110	-
Prepaid expenses	885	818	393	-	2,096	-
Total current assets	<u>7,222,439</u>	<u>8,862,170</u>	<u>796,230</u>	<u>1,682,680</u>	<u>18,563,519</u>	<u>5,536</u>
Noncurrent assets:						
Restricted cash	-	63,012	-	-	63,012	-
Capital assets:						
Nondepreciable assets	360,140	135,307	29,669	793,750	1,318,866	-
Depreciable assets, net	<u>13,231,591</u>	<u>9,424,608</u>	<u>570,555</u>	<u>1,315,833</u>	<u>24,542,587</u>	-
Total noncurrent assets	<u>13,591,731</u>	<u>9,622,927</u>	<u>600,224</u>	<u>2,109,583</u>	<u>25,924,465</u>	-
Total assets	<u>20,814,170</u>	<u>18,485,097</u>	<u>1,396,454</u>	<u>3,792,263</u>	<u>44,487,984</u>	<u>5,536</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to pensions	<u>378,306</u>	<u>391,584</u>	<u>122,490</u>	<u>219,232</u>	<u>1,111,612</u>	-
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	67,776	168,761	91,389	80,445	408,371	33
Accrued interest payable	64,127	12,339	-	-	76,466	-
Compensated absences	34,000	46,791	7,860	30,212	118,863	2,359
Deferred revenue	-	785	-	23,738	24,523	-
Loans payable - current	575,337	138,172	-	-	713,509	-
Landfill postclosure care - current	-	-	11,650	-	11,650	-
Total current liabilities	<u>741,240</u>	<u>366,848</u>	<u>110,899</u>	<u>134,395</u>	<u>1,353,382</u>	<u>2,392</u>
Noncurrent liabilities:						
Loans payable	3,471,212	1,556,009	-	-	5,027,221	-
Landfill postclosure care liability	-	-	266,122	-	266,122	-
Net pension liability	<u>996,510</u>	<u>1,031,488</u>	<u>322,652</u>	<u>577,490</u>	<u>2,928,140</u>	-
Total liabilities	<u>5,208,962</u>	<u>2,954,345</u>	<u>699,673</u>	<u>711,885</u>	<u>9,574,865</u>	<u>2,392</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to pensions	<u>47,093</u>	<u>48,746</u>	<u>15,249</u>	<u>27,291</u>	<u>138,379</u>	-
<b>NET POSITION</b>						
Net investment in capital assets	9,545,182	7,865,734	600,224	2,109,583	20,120,723	-
Restricted for debt service	-	63,012	-	-	63,012	-
Restricted for system development	154,811	196,863	-	-	351,674	-
Unrestricted	<u>6,236,428</u>	<u>7,747,981</u>	<u>203,798</u>	<u>1,162,736</u>	<u>15,350,943</u>	<u>3,144</u>
Total net position	<u>\$15,936,421</u>	<u>\$15,873,590</u>	<u>\$ 804,022</u>	<u>\$ 3,272,319</u>	<u>\$35,886,352</u>	<u>\$ 3,144</u>

The accompanying notes are an integral part of these financial statements.

## CITY OF WARRENTON

### Reconciliation of the Statement of Net Position of Enterprise Funds to the Statement of Net Position

June 30, 2021

Amounts reported for business-type activities in the statement of net position are different because:

Net position - enterprise funds	\$ 35,886,352
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Internal service funds are used by management to charge the cost of engineering to individual funds. The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service fund are included in business-type activities in the statement of net position.

<u>3,144</u>
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Net position of business-type activities	<u>\$ 35,889,496</u>
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The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

**PROPRIETARY FUNDS**

**Statement of Revenues, Expenses, and Changes in Net Position**

**For the Year Ended June 30, 2021**

	Business-type Activities - Enterprise Funds					Business-type Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
Operating Revenues:						
Charges for services	\$ 3,990,439	\$ 3,342,368	\$ 1,204,697	\$ 891,259	\$ 9,428,763	\$ 4,030
Lease receipts	-	-	-	42,789	42,789	-
Other revenue	5,116	14,936	2,875	6,442	29,369	-
Total operating revenues	<u>3,995,555</u>	<u>3,357,304</u>	<u>1,207,572</u>	<u>940,490</u>	<u>9,500,921</u>	<u>4,030</u>
Operating Expenses:						
Payroll and payroll benefits	916,811	1,090,077	341,720	586,598	2,935,206	6,292
Contracted services	134,757	174,417	728,253	20,045	1,057,472	-
Utilities and telephone	110,455	167,335	7,215	120,824	405,829	-
Repairs and maintenance	223,915	259,747	40,749	78,122	602,533	-
Other operating expenses	230,023	195,758	89,977	46,423	562,181	-
Overhead cost allocation	109,565	121,958	31,184	42,450	305,157	-
Depreciation	651,965	758,514	100,146	106,524	1,617,149	-
Total operating expenses	<u>2,377,491</u>	<u>2,767,806</u>	<u>1,339,244</u>	<u>1,000,986</u>	<u>7,485,527</u>	<u>6,292</u>
Operating income (loss)	<u>1,618,064</u>	<u>589,498</u>	<u>(131,672)</u>	<u>(60,496)</u>	<u>2,015,394</u>	<u>(2,262)</u>
Nonoperating Revenues (Expenses):						
Investment earnings	43,072	58,022	4,476	15,780	121,350	-
Taxes	-	-	-	160,903	160,903	-
Intergovernmental	2,855	3,195	886	43,155	50,091	-
Interest expense	(119,139)	(42,723)	-	-	(161,862)	-
Total nonoperating revenues (expenses)	<u>(73,212)</u>	<u>18,494</u>	<u>5,362</u>	<u>219,838</u>	<u>170,482</u>	<u>-</u>
Income (loss) before contributions	1,544,852	607,992	(126,310)	159,342	2,185,876	(2,262)
Capital contributions	<u>120,044</u>	<u>85,114</u>	<u>-</u>	<u>-</u>	<u>205,158</u>	<u>-</u>
Change in net position	1,664,896	693,106	(126,310)	159,342	2,391,034	(2,262)
Net Position:						
Beginning of year	14,271,525	15,180,484	930,332	3,112,977	33,495,318	5,406
End of year	<u>\$15,936,421</u>	<u>\$15,873,590</u>	<u>\$ 804,022</u>	<u>\$ 3,272,319</u>	<u>\$35,886,352</u>	<u>\$ 3,144</u>

**Reconciliation of the Statement of Revenues, Expenses, and Changes in Net Position of Enterprise Funds to the Statement of Activities**

Amounts reported for business-type activities in the statement of activities are different because:

Change in net position - enterprise funds	\$ 2,391,034
The internal service fund is used by management to charge the cost of engineering services to individual funds. The net revenue is reported with business-type activities in the statement of activities	<u>(2,262)</u>
Change in net position of business-type activities	<u>\$ 2,388,772</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

**PROPRIETARY FUNDS**

**Statement of Cash Flows**

For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds					Business-type Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 4,002,528	\$ 3,350,848	\$1,208,582	\$ 962,495	\$ 9,524,453	\$ -
Receipts from interfund charges	-	-	-	-	-	4,030
Payments to suppliers and contractors	(699,149)	(757,879)	(806,750)	(256,819)	(2,520,597)	-
Payments to employees	(679,022)	(792,767)	(226,030)	(416,851)	(2,114,670)	(3,900)
Payments for interfund services	(274,668)	(305,736)	(78,174)	(106,418)	(764,996)	-
Net cash provided by (used in) operating	<u>2,349,689</u>	<u>1,494,466</u>	<u>97,628</u>	<u>182,407</u>	<u>4,124,190</u>	<u>130</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Intergovernmental operating grants	2,855	3,195	886	6,898	13,834	-
Taxes collected	-	-	-	132,400	132,400	-
Net cash provided by (used in) noncapital financing activities	<u>2,855</u>	<u>3,195</u>	<u>886</u>	<u>139,298</u>	<u>146,234</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Intergovernmental capital grants	-	-	-	40,599	40,599	-
Capital contributions	122,244	85,114	-	-	207,358	-
Acquisition and construction of capital assets	(169,746)	(156,237)	(379,831)	(395,514)	(1,101,328)	-
Principal paid on debt	(557,940)	(134,328)	-	-	(692,268)	-
Interest paid on debt	(131,022)	(43,994)	-	-	(175,016)	-
Net cash used in capital and related financing activities	<u>(736,464)</u>	<u>(249,445)</u>	<u>(379,831)</u>	<u>(354,915)</u>	<u>(1,720,655)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and dividends received	<u>43,072</u>	<u>58,022</u>	<u>4,476</u>	<u>15,780</u>	<u>121,350</u>	<u>-</u>
Net change in cash and cash equivalents	1,659,152	1,306,238	(276,841)	(17,430)	2,671,119	130
Cash and cash equivalents:						
Beginning of year	<u>4,949,948</u>	<u>7,185,314</u>	<u>932,189</u>	<u>1,616,401</u>	<u>14,683,852</u>	<u>(5,406)</u>
End of year	<u>\$ 6,609,100</u>	<u>\$ 8,491,552</u>	<u>\$ 655,348</u>	<u>\$1,598,971</u>	<u>\$17,354,971</u>	<u>\$ (5,276)</u>
Cash and cash equivalents are reported on the Statement of Net Position as follows:						
Cash and cash equivalents	\$ 6,609,100	\$ 8,428,540	\$ 655,348	\$1,598,971	\$17,291,959	\$ 5,536
Restricted cash	-	63,012	-	-	63,012	-
	<u>\$ 6,609,100</u>	<u>\$ 8,491,552</u>	<u>\$ 655,348</u>	<u>\$1,598,971</u>	<u>\$17,354,971</u>	<u>\$ 5,536</u>

Continued on next page

The accompanying notes are an integral part of these financial statements.

PROPRIETARY FUNDS  
Statement of Cash Flows, Continued  
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds					Business-type Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 1,618,064	\$ 589,498	\$ (131,672)	\$ (60,496)	\$ 2,015,394	\$ (2,262)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	651,965	758,514	100,146	106,524	1,617,149	-
Pension adjustments	72,784	109,661	68,127	100,755	351,327	-
(Increase) decrease in assets:						
Receivables	7,003	(6,433)	1,019	7,384	8,973	-
Inventory, at cost	2,893	25,579	3,178	-	31,650	-
Prepaid expenses	787	806	210	492	2,295	-
Increase (decrease) in liabilities:						
Accounts payable	(3,709)	12,970	14,851	8,103	32,215	33
Compensated absences	(98)	3,871	573	5,024	9,370	2,359
Unearned revenue	-	-	-	14,621	14,621	-
Landfill postclosure care liability	-	-	41,196	-	41,196	-
Net cash provided by (used in) operating activities	<u>\$ 2,349,689</u>	<u>\$ 1,494,466</u>	<u>\$ 97,628</u>	<u>\$ 182,407</u>	<u>\$ 4,124,190</u>	<u>\$ 130</u>

**Schedule of noncash transactions:**

The accompanying notes are an integral part of these financial statements.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2021

#### **Note I - Summary of Significant Accounting Policies**

##### **A. Reporting Entity**

The City of Warrenton, Oregon ("City") is a municipal corporation incorporated on February 11, 1899. The City operates under a council-city manager form of government. The governing body (City Commission) consists of five elected members who serve four-year terms. The City Manager administers policies and coordinates the activities of the City. The City Manager reports to, and is responsible to the City Commission. The heads of various departments, formed to provide various services, are under the direct supervision of the City Manager.

The City has the authority to levy taxes on property within the city for basic services and for payment of general obligation bonds. It has exercised that authority for several years.

*Blended component unit.* The Warrenton Urban Renewal Agency ("Agency") serves all citizens of the City and is governed by a Board comprised of members of the City Commission. The Agency was formed by the City to implement various public improvement programs in the revitalization plan of the City. Projects are funded through tax increment dollars. Separate financial statements for the Agency can be obtained from the City.

##### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the statement of net position and the statement of activities.

The statement of activities demonstrates the degree to which the direct and allocated indirect expenses of a given function or program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *Indirect expenses* are those costs, usually administrative in nature, that support all City functions, programs, and enable direct services to be provided. *Program revenues* include 1) fees, fines, and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated in a single column on these statements.

##### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide and proprietary funds financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and *available*. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2021

#### **Note I - Summary of Significant Accounting Policies, Continued**

##### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued**

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all of the financial operations of the City except those required to be accounted for in another fund. Principal sources of revenue are property taxes, licenses and permits, state and county shared revenues and charges for administrative services from other funds. Primary expenditures are for general government and police and fire protection.

The *State Tax Street Fund* accounts for funds provided by the Oregon State Department of Transportation and State Highway Trust Fund that are set aside for bicycle lanes, pedestrian paths, street maintenance and repair, and street lighting. The fund also accounts for the City fuel tax.

Additionally, the City reports the following nonmajor funds within the governmental fund type:

*Special revenue funds* account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes.

*Debt service funds* account for the servicing of general long-term debt. Revenue sources are property taxes levied for general obligation bonds and other general governmental revenues.

*Capital project funds* account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by business-type or proprietary funds).

The City reports the following major proprietary funds:

The *Water Enterprise Fund* (a combination of the operating, system development, and capital reserve funds) accounts for the costs of operating the water system of the City and paying for its costs and renovation. User fees provide revenue.

The *Sewer Enterprise Fund* (a combination of the operating, system development, capital reserve, storm sewer, and storm sewer system development funds) accounts for the costs of operating the sewer and storm facilities. User fees provide the revenue.

The *Sanitation Enterprise Fund* (a combination of the operating and capital reserve funds) accounts for the costs of providing trash removal services. User fees provide the revenue.

Additionally, the City reports the *Engineering Internal Service Fund* to account for the cost of providing engineering services to other departments of the City. Internal user fees provide revenue to the fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's enterprise funds and various other functions of the City. The City allocates charges as reimbursement for services provided by the general fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2021

#### **Note I - Summary of Significant Accounting Policies, Continued**

##### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued**

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Significant operating expenses include personnel, contracted services, repairs and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

###### **1. Deposits and Investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments in the State of Oregon Local Government Investment Pool ("LGIP").

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

###### **2. Receivables and Payables**

Service and property taxes receivables that meet the measurable and available criteria for revenue recognition are accrued as revenue in the governmental funds financial statements. Receivables in the government-wide and proprietary fund financial statements are accrued as revenue when earned. In governmental funds, any revenues not meeting the revenue recognition criteria are offset by unavailable revenue accounts.

Special assessments receivable in the governmental funds and proprietary funds are recognized at the time the property owners are assessed for property improvements. In governmental funds special assessments receivable are offset by unavailable revenue accounts and, accordingly, have not been recognized as revenue.

Property taxes are levied and become a lien on July 1st. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes are due November 15th of the same year, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month. Property foreclosure proceedings are initiated four years after the due date.

Receivables for housing rehabilitation loans in the general fund are recognized at the time the loan is made. The loans receivable are offset by an unavailable revenue account and accordingly, have not been recognized as revenue in the governmental fund financial statements.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

In the government-wide financial statements any residual balances outstanding between the governmental and business-type activities are reported as "internal balances."

# CITY OF WARRENTON

## Notes to the Financial Statements

June 30, 2021

### **Note I - Summary of Significant Accounting Policies, Continued**

#### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued**

##### **3. Inventories and Prepaid Items**

Inventories of materials and supplies in the proprietary funds are stated at cost, on a first-in, first-out basis, and charged to expense as used.

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

##### **4. Restricted Cash**

Cash whose use is restricted for construction, debt service or by other agreement are segregated on the government-wide statement and the proprietary funds statement of net position and the governmental funds balance sheet.

##### **5. Capital Assets**

Capital assets, which include land, right-of-way (included with land), buildings, improvements, equipment, infrastructure, and other tangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

No depreciation is taken in the year the assets are acquired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Parking and land improvements	10 - 50
Buildings	10 - 50
Equipment and vehicles	5 - 40
Dike and flood control	20 - 40
Infrastructure	20 - 25
Utility facilities	5 - 40

##### **6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide statements and the enterprise funds report deferred outflows of resources related to pensions.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2021

#### **Note I - Summary of Significant Accounting Policies, Continued**

#### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued**

##### **6. *Deferred Outflows/Inflows of Resources, Continued***

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports two types of deferred inflows. Unavailable revenues, which arises only under a modified accrual basis of accounting, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, occupancy taxes, franchise fees and rehabilitation loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide statements and the enterprise funds report deferred inflows of resources related to pensions.

A detailed description of deferred outflows and inflows of resources related to pensions and how they are calculated can be found in note III.F.

##### **7. *Compensated Absences***

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The compensated absences liability is extinguished by the fund in which the liability is incurred.

##### **8. *Long-Term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds-outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

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

##### **9. *Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2021

#### **Note I - Summary of Significant Accounting Policies, Continued**

#### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued**

##### ***10. Net Position Flow Assumptions***

Sometimes the City will fund outlays for a particular resource from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

##### ***11. Fund Balance Flow Assumptions***

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

##### ***12. Fund Balance Policies***

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The fund balance classifications are:

*Nonspendable* - resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for sale.

*Restricted* - constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* - the City Commission passes an ordinance that places specific constraints on how the resources may be used. The City Commission can modify or rescind the ordinance at any time through passage of an additional ordinance.

*Assigned* - resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted, nor committed. Intent is expressed when the City Commission approves which resources should be "reserved" during the adoption of the annual budget.

*Unassigned* - resources that have not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

##### ***13. Use of Estimates***

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2021

#### **Note II - Stewardship, Compliance, and Accountability**

##### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 - Local Budget Law).

A budget is prepared by the City Manager in the early winter preceding the fiscal year the budget will be used. The City is required to budget for all funds. The City's budget is prepared for each fund on the modified accrual basis of accounting. The budget committee, with public input, deliberates and approves the budget for transmittal to the City Commission in early spring. After public notices and a hearing, the final budget is adopted, appropriations made, and a tax levy declared no later than June 30.

The City Commission resolution adopting the budget and authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriation. The level of control for all City funds is by department, debt service, interfund transfers, and contingency. The level of control for the Warrenton Urban Renewal Agency funds is by materials and services, capital outlay, debt service, interfund transfers, and contingency. Appropriations lapse as of year-end.

Expenditures cannot legally exceed appropriations except in the case of grants which could not be estimated at the time of budget adoption. Supplemental appropriations and appropriation transfers may occur with notice and City Commission action.

#### **Note III - Detailed Notes On All Funds**

##### **A. Deposits and Investments**

The City maintains a cash and investment pool for its cash and cash equivalents in which each fund participates. Cash and investments comprise the following:

Petty cash	\$ 1,200
Deposits with financial institutions	1,536,196
State of Oregon Local Government Investment Pool	25,509,487
Total	<u>\$ 27,046,883</u>

Cash and investments are reflected in the government-wide Statement of Net Position as follows:

Cash and cash equivalents	\$ 26,983,871
Restricted cash	63,012
Total	<u>\$ 27,046,883</u>

*Deposits.* All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program ("PFCP") of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The Oregon Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any public funds. The Office of the State Treasurer (OST) manages the LGIP. The LGIP is commingled with other State funds in the Oregon Short-Term Fund (OSTF). The OSTF is not managed as a stable net asset value fund; therefore, the preservation of principal is not assured. Additional information about the OSTF can be obtained at [www.ost.state.or.us](http://www.ost.state.or.us) and [www.oregon.gov/treasury](http://www.oregon.gov/treasury).

# CITY OF WARRENTON

## Notes to the Financial Statements

June 30, 2021

### Note III - Detailed Notes On All Funds, Continued

#### **A. Deposits and Investments, Continued**

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At June 30, 2021, the City's deposits were covered and collateralized by federal depository insurance and the PFCP.

*Credit Risk - Investments.* The City has no investment policy for credit risk, but in practice follows state statutes which authorize the City to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers acceptances, certain commercial papers and the State Treasurer's Investment Pool, among others. The LGIP is not rated by a national rating service.

*Interest Rate Risk.* The City does not have a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates. The weighted-average maturity of LGIP is less than one year.

#### **B. Receivables and Deferred Inflows of Resources**

##### ***Housing rehabilitation loans***

The City has lent money to qualifying property owners through a federally funded low-income housing rehabilitation program. The loans are non interest-bearing and become a lien against the property, payable upon sale of the property or death of the owner.

##### ***Unavailable revenues***

At the end of the current fiscal year, the components of unavailable revenue reported in the governmental funds were as follows:

	General Fund	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total
Delinquent property taxes receivable	\$ 41,247	\$ 7,415	\$ 48,762	\$ 97,424
Rehabilitation loans	48,462	-	-	48,462
Total unavailable revenues	<u>\$ 89,709</u>	<u>\$ 7,415</u>	<u>\$ 48,762</u>	<u>\$ 145,886</u>

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2021

**Note III - Detailed Notes On All Funds, Continued**

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 2,410,432	\$ -	\$ -	\$ -	\$ 2,410,432
Construction in progress	259,096	64,725	-	(25,994)	297,827
Total capital assets, not being depreciated	<u>2,669,528</u>	<u>64,725</u>	<u>-</u>	<u>(25,994)</u>	<u>2,708,259</u>
Capital assets, being depreciated:					
Parking and land improvements	1,673,783	10,367	-	12,593	1,696,743
Buildings	4,743,007	6,479	-	2,233	4,751,719
Equipment and vehicles	3,623,614	-	(120,773)	-	3,502,841
Infrastructure	<u>6,057,383</u>	<u>64,047</u>	<u>-</u>	<u>11,168</u>	<u>6,132,598</u>
Total capital assets, being depreciated	<u>16,097,787</u>	<u>80,893</u>	<u>(120,773)</u>	<u>25,994</u>	<u>16,083,901</u>
Less accumulated depreciation for:					
Parking and land improvements	(579,024)	(69,099)	-	-	(648,123)
Buildings	(1,781,758)	(105,174)	-	-	(1,886,932)
Equipment and vehicles	(1,879,170)	(163,442)	120,773	-	(1,921,839)
Infrastructure	<u>(2,130,480)</u>	<u>(198,968)</u>	<u>-</u>	<u>-</u>	<u>(2,329,448)</u>
Total accumulated depreciation	<u>(6,370,432)</u>	<u>(536,683)</u>	<u>120,773</u>	<u>-</u>	<u>(6,786,342)</u>
Total capital assets, being depreciated, net	<u>9,727,355</u>	<u>(455,790)</u>	<u>-</u>	<u>25,994</u>	<u>9,297,559</u>
Governmental activities capital assets, net	<u>\$ 12,396,883</u>	<u>\$ (391,065)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,005,818</u>

# CITY OF WARRENTON

## Notes to the Financial Statements

June 30, 2021

### **Note III - Detailed Notes On All Funds, Continued**

#### **C. Capital Assets, Continued**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 422,041	\$ -	\$ -	\$ -	\$ 422,041
Construction in progress	490,284	499,886	-	(93,345)	896,825
Total capital assets, not being depreciated	912,325	499,886	-	(93,345)	1,318,866
Capital assets, being depreciated:					
Parking areas	920,677	1,672	-	4,838	927,187
Buildings	2,561,498	133,646	-	67,877	2,763,021
Equipment and vehicles	5,314,906	7,491	-	-	5,322,397
Utility facilities	44,697,136	191,351	(535,908)	20,630	44,373,209
Total capital assets, being depreciated	53,494,217	334,160	(535,908)	93,345	53,385,814
Less accumulated depreciation for:					
Parking areas	(505,211)	(19,811)	-	-	(525,022)
Buildings	(1,300,948)	(55,624)	-	-	(1,356,572)
Equipment and vehicles	(4,338,056)	(164,532)	-	-	(4,502,588)
Utility facilities	(21,617,771)	(1,377,182)	535,908	-	(22,459,045)
Total accumulated depreciation	(27,761,986)	(1,617,149)	535,908	-	(28,843,227)
Total capital assets, being depreciated, net	25,732,231	(1,282,989)	-	93,345	24,542,587
Business-type activities capital assets, net	<u>\$ 26,644,556</u>	<u>\$ (783,103)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,861,453</u>

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2021

**Note III - Detailed Notes On All Funds, Continued**

**C. Capital Assets, Continued**

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

Governmental activities:	
General government	\$ 181,829
Fire and emergency medical services	100,056
Police	47,892
Planning and development	7
Library and culture	22,996
Public works	<u>183,903</u>
Total depreciation expense - governmental activities	<u>\$ 536,683</u>
Business-type activities:	
Water utilities	\$ 651,965
Sewer utilities	758,514
Sanitation utilities	100,146
Marinas	<u>106,524</u>
Total depreciation expense - business-type activities	<u>\$ 1,617,149</u>

**D. Interfund Receivables, Payables, and Transfers**

At June 30, 2021, the grants fund, a nonmajor governmental fund, owed \$15,157 to the general fund to cover expenditures which have not yet been reimbursed by the granting agencies.

During the year ended June 30, 2021 the general fund transferred \$70,178 to nonmajor governmental funds. Interfund transfers were used to provide funds for debt service, contribute towards the cost of capital projects, and to provide operational resources.

During the year ended June 30, 2021 \$202,114 was transferred within nonmajor governmental funds for debt service and capital expenditures.

# CITY OF WARRENTON

## Notes to the Financial Statements

June 30, 2021

### Note III - Detailed Notes On All Funds, Continued

#### E. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds payable	\$ 3,239,574	\$ -	\$ (459,287)	\$ 2,780,287	\$ 472,890
Direct Borrowings:					
Tax increment financial bonds	2,391,955	-	(289,754)	2,102,201	297,276
Notes/loans payable	<u>393,226</u>	<u>-</u>	<u>(61,145)</u>	<u>332,081</u>	<u>62,839</u>
Total long-term debt	6,024,755	-	(810,186)	5,214,569	833,005
Net pension liability	2,846,770	1,363,417	-	4,210,187	-
Compensated absences	<u>111,149</u>	<u>133,959</u>	<u>(111,149)</u>	<u>133,959</u>	<u>133,959</u>
Governmental activities long-term liabilities	<u>\$ 8,982,674</u>	<u>\$ 1,497,376</u>	<u>\$ (921,335)</u>	<u>\$ 9,558,715</u>	<u>\$ 966,964</u>
Business-Type Activities:					
Loans payable - direct borrowings	\$ 6,432,998	\$ -	\$ (692,268)	\$ 5,740,730	\$ 713,509
Landfill postclosure care (see note IV.D.)	<u>236,576</u>	<u>53,792</u>	<u>(12,596)</u>	<u>277,772</u>	<u>11,650</u>
Total noncurrent liabilities	6,669,574	53,792	(704,864)	6,018,502	725,159
Net pension liability	2,119,680	808,460	-	2,928,140	-
Compensated absences	<u>109,493</u>	<u>121,222</u>	<u>(109,493)</u>	<u>121,222</u>	<u>121,222</u>
Business-type activities long-term liabilities	<u>\$ 8,898,747</u>	<u>\$ 983,474</u>	<u>\$ (814,357)</u>	<u>\$ 9,067,864</u>	<u>\$ 846,381</u>

General obligation bonds outstanding at June 30, 2021 were as follows:

Purpose	Interest Rates	Governmental Activities
The general obligation bonds series 2007 in the original amount of \$8,079,696 were facilities bonds. The bonds were authorized by taxpayers in November 2006 to finance improvements to the wastewater treatment and disposal system of the City. These general obligation bonds are direct obligations and pledge the full faith and credit of the City. The Wastewater Treatment GO Bond fund is used to liquidate these bonds. Final maturity of these 20-year bonds is December 1, 2026.	2.94% plus 0.5% annual fee	\$ 2,780,287
Total general obligation bonds outstanding		2,780,287
Less current portion		<u>(472,890)</u>
Long-term portion		<u>\$ 2,307,397</u>

# CITY OF WARRENTON

## Notes to the Financial Statements

June 30, 2021

### Note III - Detailed Notes On All Funds, Continued

#### **E. Long-Term Liabilities, Continued**

Tax increment financial bonds outstanding at June 30, 2021 were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>
The urban renewal bond series 2012, in the original amount of \$1,640,000, was used to finance urban renewal projects. This tax increment financing is secured by assignment of incremental tax revenues. The Warrenton Urban Renewal Agency Debt Service fund is used to liquidate these bonds. The bond matures on June 15, 2027.	3.75%	\$ 766,000
The urban renewal bond series 2016, in the original amount of \$2,200,000, was used to finance urban renewal projects. This tax increment financing is secured by assignment of incremental tax revenues. The Warrenton Urban Renewal Agency Debt Service fund is used to liquidate these bonds. The bond matures on June 1, 2028.	1.86%	<u>1,336,201</u>
Total debt outstanding		2,102,201
Less current portion		<u>(297,276)</u>
Long-term portion		<u><u>\$ 1,804,925</u></u>

If an event of default occurs on any of the direct borrowings Columbia Bank (Bank) may exercise any remedy available at law or in equity under the provisions of the Master Resolution. If an event of default occurs due to nonpayment of principal, interest, fees or other amounts when due, or failure to maintain the tax-exempt status of the obligation, then the Bank may increase the interest rate to 8.75% on the series 2012 bonds or 5% on the series 2016 bonds.

Notes/loans outstanding at June 30, 2021 were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
The Full Faith and Credit Note, Series 2015, in the original amount of \$621,771, was used as a deposit on the purchase of an aerial fire truck that was purchased in FY2017. The General fund is used to liquidate this note. The loan is secured by Warrenton Fiber Revenues and matures on December 29, 2025. If an event of default occurs, the interest rate on the note shall be equal to the 10-year US Treasury rate plus 2%.	2.7690%	\$ 332,081	\$ -
The Oregon Economic Development Department loan G99001A Bond in the original amount of \$3,165,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2023 and is secured by water facilities.	5.16%	-	612,693
The Oregon Economic Development Department loan S99005 in the original amount of \$2,000,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2021 and is secured by water facilities.	4.1%	-	142,621

# CITY OF WARRENTON

## Notes to the Financial Statements

June 30, 2021

### Note III - Detailed Notes On All Funds, Continued

#### E. Long-Term Liabilities, Continued

Purpose	Interest Rates	Governmental Activities	Business-Type Activities
The Oregon Economic Development Department loan G99001B in the original amount of \$300,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2024 and is secured by water facilities.	5.16%	\$ -	\$ 109,219
The Oregon Economic Development Department loan S02011 in the original amount of \$2,657,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2031 and is secured by water facilities.	1.0%	-	1,067,389
The Oregon Infrastructure Finance Authority loan SZ9012 was issued in the original amount up to \$5,399,048 and was used in the design and construction of a new covered-water reservoir. \$2,699,524 of the loan was forgiven upon completion of the project and was recognized as a capital contribution in 2013. The loan matures on December 1, 2033 and is secured by the net revenues of the water fund.	3.0%	-	1,750,821
The Oregon Infrastructure Finance Authority loan S17016 was issued in the original amount up to \$1,100,000 and was used to replace manual-read water meters with radio-read water meters. \$629,708 of the loan was forgiven upon completion of the project and was recognized as a capital contribution in 2019. The loan matures on December 1, 2037 and is secured by the net revenues of the water fund.	1.0%	-	363,806
The Oregon Economic Development Department loan Y04001 in the original amount of \$506,000 was used in the sewer enterprise for equipment and facilities. The loan matures on December 1, 2024 and is secured by sewer and general revenues.	4.62%	-	140,612
The Oregon Department of Environmental Quality loan R94942 in the original amount of \$1,200,000 was used in the sewer enterprise for biosolids removal. The loan matures on June 1, 2025 and is secured by sewer revenues.	2.91% plus 0.5% annual fee	-	257,870
The Oregon Department of Environmental Quality loan R94945 was issued in the original amount up to \$1,920,304 and was used to make upgrades to the wastewater treatment plant. DEQ forgave \$500,000 of the loan during the year ended June 30, 2018. The loan matures on February 1, 2048 and is secured by sewer revenues.	1.45% plus 0.5% annual fee	-	1,270,312

# CITY OF WARRENTON

## Notes to the Financial Statements

June 30, 2021

### Note III - Detailed Notes On All Funds, Continued

#### E. Long-Term Liabilities, Continued

Purpose	Interest Rates	Governmental Activities	Business-Type Activities
The Oregon Infrastructure Finance Authority loan V16013 was issued in the original amount up to \$35,000 and was used to complete an inflow and infiltration reduction study for the wastewater system. The loan matures on December 1, 2025 and the City pledges its full faith and credit.	1.69%	\$ -	\$ 25,387
Total notes/loans outstanding		332,081	5,740,730
Less current portion		(62,839)	(713,509)
Long-term portion		\$ 269,242	\$ 5,027,221

Loan covenants require the City to establish reserves as follows:

	Business-Type Activities
Oregon Department of Environmental Quality:	
Loan R94942	\$ 34,553
Loan R94945	28,459
Total	\$ 63,012

The reserves are reported as restricted cash on the statement of net position.

Upon the event of default on loans with the Oregon Economic Development Department or Oregon Infrastructure Finance Authority, the State may pursue any or all of the remedies set forth in the agreement or available at law or in equity. Such remedies may include, but are not limited to, termination of the contract, acceleration of the contract, return of the grant/loan funds, payment of amounts earned from the investment of the proceeds of the loan, declaration of the City's ineligibility to receive future lottery funded awards, withholding pursuant to ORS 285B.599, ORS 285A.213(6), or OAR 123-049-0040 of other State funds due to the Borrower, foreclosing liens or security interest and exercising any remedy listed in OAR 123-049-0040.

Annual debt service requirements to maturity for long-term debt at June 30, 2021 are as follows:

Year Ending	Governmental Activities				Business-Type Activities	
	GO Bonds		Direct Borrowings		Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30,						
2022	\$ 472,890	\$ 91,018	\$ 360,115	\$ 61,936	\$ 713,509	\$ 150,142
2023	486,895	74,614	369,596	52,454	591,873	124,400
2024	501,315	57,723	379,352	42,698	613,238	103,590
2025	516,162	40,333	389,392	32,659	407,103	81,853
2026	531,449	22,427	399,723	22,326	308,684	71,803
2027 - 2031	271,576	3,992	536,104	14,435	1,526,053	260,155
2032 - 2036	-	-	-	-	909,876	108,069
2037 - 2041	-	-	-	-	292,102	50,660
2042 - 2046	-	-	-	-	266,274	25,026
2047 - 2051	-	-	-	-	112,018	2,601
Total	\$ 2,780,287	\$ 290,107	\$ 2,434,282	\$ 226,508	\$ 5,740,730	\$ 978,299

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2021

#### **Note III - Detailed Notes On All Funds, Continued**

##### **F. Pension Plans**

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at:

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx)

##### **Benefits Provided**

###### **1. Tier One/Tier Two Retirement Benefit (ORS Chapter 238)**

###### *Pension Benefits*

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

###### *Death Benefits*

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

###### *Disability Benefits*

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2021

#### **Note III - Detailed Notes On All Funds, Continued**

##### **F. Pension Plans, Continued**

###### *Benefit Changes*

After retirement, members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.0 percent. The COLA for creditable service after October 2013 is calculated at 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

##### **2. OPSRP Pension Program (OPSRP DB)**

###### *Pension Benefits.*

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and Fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

###### *Death Benefits*

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

###### *Disability Benefits*

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

###### *Benefit Changes After Retirement*

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.0 percent. The COLA for creditable service after October 2013 is calculated at 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2021

#### **Note III - Detailed Notes On All Funds, Continued**

##### **F. Pension Plans, Continued**

###### *3. OPSRP Individual Account Program (OPSRP IAP)*

###### *Pension Benefits*

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

###### *Death Benefits*

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

###### *Recordkeeping*

OPERS contracts with VOYA Financial to maintain IAP participant records.

##### **Contributions:**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2021 were \$814,318 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 were 26.80 percent for Tier One/Tier Two General Service Member, 26.80 percent for Tier One/Tier Two Police and Fire, 17.62 percent for OPSRP Pension Program General Services, 22.25 percent for OPSRP Police and Fire members and 6 percent for OPSRP Individual Account Program.

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

At June 30, 2021 the City reported a liability of \$7,138,327 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the City's proportion was 0.03270945 percent, which was a changed from its proportion measured as of June 30, 2019 of 0.02871178 percent.

# CITY OF WARRENTON

## Notes to the Financial Statements

June 30, 2021

### Note III - Detailed Notes On All Funds, Continued

#### **F. Pension Plans, Continued**

For the year ended June 30, 2021 the City recognized pension expense of \$1,636,828. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 314,173	\$ -
Change in assumptions	383,091	13,423
Net difference between projected and actual earnings on pension plan investments	839,375	-
Changes in proportionate share	469,885	225,876
Differences between City contributions and proportionate share of contributions	<u>58,065</u>	<u>98,044</u>
Subtotal before post-measurement date contributions	2,064,589	337,343
City contributions subsequent to the measurement date	<u>645,329</u>	<u>-</u>
Total	<u>\$ 2,709,918</u>	<u>\$ 337,343</u>

Deferred outflows of resources related to pensions of \$645,329 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Net deferred outflows (inflows) of resources of \$1,727,246 will be recognized in pension expense as follows:

Year Ended June 30,	
2022	\$ 360,528
2023	481,321
2024	475,918
2025	376,942
2026	<u>32,537</u>
Total	<u>\$ 1,727,246</u>

**CITY OF WARRENTON**

## Notes to the Financial Statements

June 30, 2021

**Note III - Detailed Notes On All Funds, Continued****F. Pension Plans, Continued****Actuarial Methods and Assumptions:**

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Project Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and Graded COLA (1.25%/0.015%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2021

#### **Note III - Detailed Notes On All Funds, Continued**

##### **F. Pension Plans, Continued**

###### **Long-term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at:

<http://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

###### **Depletion Date Projection**

GASB 68 generally requires that a blended discount rate be used to measure the total pension liability (the actuarial accrued liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

###### **Discount Rate**

The discount rate used to measure the total pension liability of the Plan was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2021

#### **Note III - Detailed Notes On All Funds, Continued**

##### **F. Pension Plans, Continued**

###### **Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate Share of Net Pension Liability	\$ 10,599,826	\$ 7,138,327	\$ 4,235,700

###### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

#### **Note IV - Other Information**

##### **A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. In 1981, the League of Oregon Cities joined together with the Association of Oregon Cities to form City County Insurance Services ("CCIS"), a public entity risk pool currently operating a common risk management and insurance program. The City pays an annual premium to CCIS for insurance coverage. Based on the experience of the City and CCIS, the City may be liable for an additional premium of up to 20% of its initial premium or it may receive a refund. The City has not had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

##### **B. Contingencies Under Grant Provisions**

Under terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The City believes disallowances, if any, will be immaterial.

##### **C. Contingent Liabilities**

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations and capital projects. Management intends to contest these matters and does not believe their ultimate resolution will have a material effect upon the City's financial position, results of operations, or cash flows.

# CITY OF WARRENTON

## Notes to the Financial Statements

June 30, 2021

### **Note IV - Other Information, Continued**

#### **D. Postclosure Landfill Care**

The Municipal Solid Waste Landfill ("MSWLF") ceased accepting solid waste in the fall of 1985 and final cover was applied subsequently in conformity with state regulations. The landfill closure permit for the MSWLF was renewed by the Oregon Department of Environmental Quality on February 20, 1997. State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the site.

The City has recorded a liability for the estimated costs of landfill postclosure care. Annually, the City evaluates the liability by examining the estimated costs needed to perform the postclosure care over the next 20 years and adjusts the liability accordingly. During the year ended June 30, 2021 the City's estimated liability changed as follows:

	<u>Landfill postclosure care liability</u>
Balance at June 30, 2020	\$ 236,576
Change in estimate	53,792
Maintenance costs paid in 2021	<u>(12,596)</u>
Balance at June 30, 2021	<u>\$ 277,772</u>

All current year changes in the liability are included in contracted services in the Sanitation Enterprise Fund. The estimated future costs to maintain and monitor the landfill may change due to one or more of the following factors: inflation, deflation, changes in technology or changes to applicable laws or regulations.



REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF WARRENTON**

Required Supplementary Information

June 30, 2021

**Schedule of the Proportionate Share of the Net Pension Liability**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	0.03270945 %	0.02871178 %	0.03023090 %	0.03216011 %	0.03340720 %	0.03518114 %	0.03043630 %	0.03043630 %
Proportionate share of the net pension liability (asset)	\$ 7,138,327	\$ 4,966,450	\$ 4,579,583	\$ 4,335,195	\$ 5,015,196	\$ 2,019,912	\$ (689,903)	\$ 1,553,209
Covered payroll	\$ 3,397,193	\$ 3,370,391	\$ 3,172,039	\$ 3,074,084	\$ 3,036,331	\$ 2,744,201	\$ 2,594,589	\$ 2,468,918
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	210.12 %	147.36 %	144.37 %	141.02 %	165.17 %	73.61 %	(26.59)%	62.91 %
Plan net position as a percentage of the total pension liability	75.8 %	80.2 %	82.1 %	83.1 %	80.5 %	91.9 %	103.6 %	92.0 %

**Schedule of Pension Contributions**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 814,318	\$ 856,834	\$ 728,293	\$ 650,268	\$ 557,802	\$ 545,611	\$ 475,054	\$ 448,503
Contributions in relation to the contractually required contribution	<u>814,318</u>	<u>856,834</u>	<u>728,293</u>	<u>650,268</u>	<u>557,802</u>	<u>545,611</u>	<u>475,054</u>	<u>448,503</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 3,342,216	\$ 3,397,193	\$ 3,370,391	\$ 3,172,039	\$ 3,074,084	\$ 3,036,331	\$ 2,744,201	\$ 2,594,589
Contributions as a percentage of covered employee payroll	24.36 %	25.22 %	21.61 %	20.50 %	18.15 %	17.97 %	17.31 %	17.29 %

**CITY OF WARRENTON**

**Notes to Required Supplementary Information**

June 30, 2021

**Note I - Measurement Period**

Amounts presented are for the measurement period, which for FY 2021 is July 1, 2019 - June 30, 2020.

**Note II - Changes in Benefit Terms**

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

**Note III - Changes in Assumptions**

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



**CITY OF WARRENTON**  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,268,260	\$ 2,674,363	\$ 1,750,389	\$ 5,693,012
Receivables:				
Taxes	10,903	72,039	-	82,942
Accounts	88,022	-	-	88,022
Intergovernmental	-	1,357	193	1,550
Grants	15,994	-	-	15,994
Other	-	-	15,200	15,200
Total assets	<u>\$ 1,383,179</u>	<u>\$ 2,747,759</u>	<u>\$ 1,765,782</u>	<u>\$ 5,896,720</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 117,493	\$ -	\$ 17,181	\$ 134,674
Deferred revenue	192	-	-	192
Due to other funds	15,157	-	-	15,157
Total liabilities	<u>132,842</u>	<u>-</u>	<u>17,181</u>	<u>150,023</u>
Deferred Inflows of Resources:				
Unavailable revenues	<u>7,415</u>	<u>48,762</u>	<u>-</u>	<u>56,177</u>
Fund Balances:				
Restricted for:				
Debt service	-	2,698,997	-	2,698,997
Library and culture	162,709	-	-	162,709
Public works	157,245	-	-	157,245
Urban renewal improvements	-	-	13,175	13,175
Building inspection program	847,148	-	-	847,148
System development	-	-	1,253,120	1,253,120
Committed to:				
Library and culture	70,196	-	-	70,196
Grant expenditures	5,624	-	-	5,624
Assigned to:				
Capital projects	<u>-</u>	<u>-</u>	<u>482,306</u>	<u>482,306</u>
Total fund balances	<u>1,242,922</u>	<u>2,698,997</u>	<u>1,748,601</u>	<u>5,690,520</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,383,179</u>	<u>\$ 2,747,759</u>	<u>\$ 1,765,782</u>	<u>\$ 5,896,720</u>

**CITY OF WARRENTON**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Taxes	\$ 492,281	\$ 1,389,686	\$ -	\$ 1,881,967
Licenses and permits	350,982	-	-	350,982
Intergovernmental	121,800	-	265	122,065
Charges for services	7,974	-	-	7,974
Fines and forfeits	311	-	-	311
Investment earnings	9,336	21,570	12,518	43,424
Donations	56,142	-	-	56,142
Other revenue	4,390	-	60,030	64,420
Total revenues	<u>1,043,216</u>	<u>1,411,256</u>	<u>72,813</u>	<u>2,527,285</u>
Expenditures:				
Current:				
General government	315,522	-	68,408	383,930
Fire and emergency medical services	16,647	-	-	16,647
Police	4,652	-	-	4,652
Planning and development	407,274	-	-	407,274
Library and culture	248,266	-	-	248,266
Debt service:				
Principal retirement	-	749,041	-	749,041
Interest expense	-	167,224	-	167,224
Capital outlay	10,125	-	106,984	117,109
Total expenditures	<u>1,002,486</u>	<u>916,265</u>	<u>175,392</u>	<u>2,094,143</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40,730</u>	<u>494,991</u>	<u>(102,579)</u>	<u>433,142</u>
Other Financing Sources (Uses):				
Transfers in	10,000	-	262,292	272,292
Transfers out	(50,000)	(152,114)	-	(202,114)
Capital contributions	-	-	168,317	168,317
Total other financing sources (uses)	<u>(40,000)</u>	<u>(152,114)</u>	<u>430,609</u>	<u>238,495</u>
Net change in fund balances	730	342,877	328,030	671,637
Fund Balances:				
Beginning of year	<u>1,242,192</u>	<u>2,356,120</u>	<u>1,420,571</u>	<u>5,018,883</u>
End of year	<u>\$ 1,242,922</u>	<u>\$ 2,698,997</u>	<u>\$ 1,748,601</u>	<u>\$ 5,690,520</u>

### **NONMAJOR SPECIAL REVENUES FUNDS**

*Special Revenue Funds* account for revenues derived from specific tax or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities. Funds included in this fund category are:

***Community Center Fund*** - Accounts for the operational activities of the Community Center.

***Warrenton Business License Fund*** - Accounts for revenues from the sale of business licenses. The goal of the WBL fund is to enhance the economy and livability within the City by providing funds for programs and projects such as nuisance abatement, beautification of the City, grants to Main Street programs for funding events, festivals and projects, assisting with public safety programs and equipment purchases, and other similar tasks and projects as recommended and approved by City Commission.

***Grant Fund*** - Accounts for grants received from a variety of sources.

***Library Fund*** - Accounts for the operational activity of the library.

***Building Department Fund*** - Accounts for the activities of the Building Division, which is responsible for the enforcement of building, plumbing, mechanical, fire and life safety codes of the State of Oregon.

***Transient Room Tax Fund*** - Accounts for transient room tax to be expended on police, first response medical assistance and infrastructure usage by tourists and other short term visitors, as well as to provide funds for tourist promotion.

***Quincy Robinson Park Trust Fund*** - Accounts for the establishment and maintenance of public parks.

**CITY OF WARRENTON**

Nonmajor Special Revenues Funds

Combining Balance Sheet

June 30, 2021

	<u>Community Center (005)</u>	<u>Warrenton Business License (006)</u>	<u>Grant (015)</u>	<u>Library (020)</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 18,054	\$ 54,174	\$ 10,219	\$ 161,871
Receivables:				
Taxes	-	-	-	10,903
Accounts	-	-	-	-
Grants	-	-	15,994	-
	<u>18,054</u>	<u>54,174</u>	<u>26,213</u>	<u>172,774</u>
Total assets	<u>\$ 18,054</u>	<u>\$ 54,174</u>	<u>\$ 26,213</u>	<u>\$ 172,774</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,105	\$ 735	\$ 5,432	\$ 2,650
Deferred revenue	192	-	-	-
Due to other funds	-	-	15,157	-
Total liabilities	<u>1,297</u>	<u>735</u>	<u>20,589</u>	<u>2,650</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	7,415
Fund Balances:				
Restricted for:				
Library and culture	-	-	-	162,709
Public works	-	-	-	-
Building inspection program	-	-	-	-
Committed to:				
Library and culture	16,757	53,439	-	-
Grant expenditures	-	-	5,624	-
Total fund balances	<u>16,757</u>	<u>53,439</u>	<u>5,624</u>	<u>162,709</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,054</u>	<u>\$ 54,174</u>	<u>\$ 26,213</u>	<u>\$ 172,774</u>

Building Department (021)	Transient Room Tax (024)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenues Funds
\$ 862,186	\$ 3,504	\$ 158,252	\$ 1,268,260
-	-	-	10,903
-	88,022	-	88,022
-	-	-	15,994
<u>\$ 862,186</u>	<u>\$ 91,526</u>	<u>\$ 158,252</u>	<u>\$ 1,383,179</u>
\$ 15,038	\$ 91,526	\$ 1,007	\$ 117,493
-	-	-	192
-	-	-	15,157
<u>15,038</u>	<u>91,526</u>	<u>1,007</u>	<u>132,842</u>
-	-	-	7,415
-	-	-	162,709
-	-	157,245	157,245
847,148	-	-	847,148
-	-	-	70,196
-	-	-	5,624
<u>847,148</u>	<u>-</u>	<u>157,245</u>	<u>1,242,922</u>
<u>\$ 862,186</u>	<u>\$ 91,526</u>	<u>\$ 158,252</u>	<u>\$ 1,383,179</u>

**CITY OF WARRENTON**

Nonmajor Special Revenues Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2021

	Community Center (005)	Warrenton Business License (006)	Grant (015)	Library (020)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 226,759
Licenses and permits	-	60,660	-	-
Intergovernmental	302	-	120,421	272
Charges for services	7,974	-	-	-
Fines and forfeits	-	-	-	311
Investment earnings	197	663	-	1,093
Donations	4,804	30	-	5,809
Other revenue	14	-	-	4,145
	<u>13,291</u>	<u>61,353</u>	<u>120,421</u>	<u>238,389</u>
Total revenues				
Expenditures:				
Current:				
General government	-	-	50,000	-
Fire and emergency medical services	-	-	16,647	-
Police	-	-	4,652	-
Planning and development	-	-	58,680	-
Library and culture	14,773	29,319	-	204,174
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>14,773</u>	<u>29,319</u>	<u>129,979</u>	<u>204,174</u>
Excess (deficiency) of revenues over (under) expenditures	(1,482)	32,034	(9,558)	34,215
Other Financing Sources (Uses):				
Transfers in	-	-	10,000	-
Transfers out	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,482)	(17,966)	442	34,215
Fund Balances:				
Beginning of year	<u>18,239</u>	<u>71,405</u>	<u>5,182</u>	<u>128,494</u>
End of year	<u>\$ 16,757</u>	<u>\$ 53,439</u>	<u>\$ 5,624</u>	<u>\$ 162,709</u>

Building Department (021)	Transient Room Tax (024)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenues Funds
\$ -	\$ 265,522	\$ -	\$ 492,281
290,322	-	-	350,982
805	-	-	121,800
-	-	-	7,974
-	-	-	311
6,380	-	1,003	9,336
-	-	45,499	56,142
231	-	-	4,390
<u>297,738</u>	<u>265,522</u>	<u>46,502</u>	<u>1,043,216</u>
-	265,522	-	315,522
-	-	-	16,647
-	-	-	4,652
348,594	-	-	407,274
-	-	-	248,266
-	-	10,125	10,125
<u>348,594</u>	<u>265,522</u>	<u>10,125</u>	<u>1,002,486</u>
(50,856)	-	36,377	40,730
-	-	-	10,000
-	-	-	(50,000)
(50,856)	-	36,377	730
898,004	-	120,868	1,242,192
<u>\$ 847,148</u>	<u>\$ -</u>	<u>\$ 157,245</u>	<u>\$ 1,242,922</u>

**CITY OF WARRENTON**

## Community Center Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 16,000	\$ 16,000	\$ 18,239	\$ 2,239
Intergovernmental	-	-	302	302
Charges for services	13,400	13,400	7,974	(5,426)
Investment earnings	160	160	197	37
Donations	3,000	3,000	4,804	1,804
Other revenue	-	-	14	14
Total resources	<u>\$ 32,560</u>	<u>\$ 32,560</u>	<u>\$ 31,530</u>	<u>\$ (1,030)</u>
Requirements:				
Community Center:				
Personal services	\$ 8,148	\$ 8,148	\$ 5,236	\$ 2,912
Materials and services	<u>15,971</u>	<u>15,971</u>	<u>9,537</u>	<u>6,434</u>
Total department expenditures	24,119	24,119	14,773	9,346
Contingency	<u>1,000</u>	<u>1,000</u>	-	1,000
Total expenditures	25,119	25,119	14,773	10,346
Ending fund balance	<u>7,441</u>	<u>7,441</u>	<u>16,757</u>	<u>(9,316)</u>
Total requirements	<u>\$ 32,560</u>	<u>\$ 32,560</u>	<u>\$ 31,530</u>	<u>\$ 1,030</u>

**CITY OF WARRENTON**

## Warrenton Business License Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 78,000	\$ 78,000	\$ 71,405	\$ (6,595)
Licenses and permits	59,000	59,000	60,660	1,660
Investment earnings	800	800	663	(137)
Donations	-	-	30	30
Total resources	<u>\$ 137,800</u>	<u>\$ 137,800</u>	<u>\$ 132,758</u>	<u>\$ (5,042)</u>
Requirements:				
WBL Program:				
Personal services	\$ 6,838	\$ 6,838	\$ 6,063	\$ 775
Materials and services	<u>71,508</u>	<u>71,508</u>	<u>23,256</u>	<u>48,252</u>
Total department expenditures	78,346	78,346	29,319	49,027
Contingency	5,000	5,000	-	5,000
Transfers out	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total expenditures	133,346	133,346	79,319	54,027
Ending fund balance	<u>4,454</u>	<u>4,454</u>	<u>53,439</u>	<u>(48,985)</u>
Total requirements	<u>\$ 137,800</u>	<u>\$ 137,800</u>	<u>\$ 132,758</u>	<u>\$ 5,042</u>

**CITY OF WARRENTON**

## Grant Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 5,777	\$ 5,777	\$ 5,182	\$ (595)
Intergovernmental	100,000	150,000	120,421	(29,579)
Donations	3,300	3,300	-	(3,300)
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total resources	<u>\$ 119,077</u>	<u>\$ 169,077</u>	<u>\$ 135,603</u>	<u>\$ (33,474)</u>
Requirements:				
Police Department	\$ 26,209	\$ 26,209	\$ 4,652	\$ 21,557
Fire Department	20,000	20,000	16,647	3,353
Community Development	70,000	70,000	58,680	11,320
Admin Department	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total expenditures	116,209	166,209	129,979	36,230
Ending fund balance	<u>2,868</u>	<u>2,868</u>	<u>5,624</u>	<u>(2,756)</u>
Total requirements	<u>\$ 119,077</u>	<u>\$ 169,077</u>	<u>\$ 135,603</u>	<u>\$ 33,474</u>

**CITY OF WARRENTON**

## Library Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 111,000	\$ 111,000	\$ 128,494	\$ 17,494
Taxes	207,834	207,834	226,759	18,925
Intergovernmental	-	-	272	272
Fines and forfeits	250	250	311	61
Investment earnings	1,000	1,000	1,093	93
Donations	13,868	13,868	5,809	(8,059)
Other revenue	2,950	2,950	4,145	1,195
Total resources	<u>\$ 336,902</u>	<u>\$ 336,902</u>	<u>\$ 366,883</u>	<u>\$ 29,981</u>
Requirements:				
Library:				
Personal services	\$ 144,951	\$ 144,951	\$ 129,294	\$ 15,657
Materials and services	<u>87,119</u>	<u>87,119</u>	<u>74,880</u>	<u>12,239</u>
Total department expenditures	232,070	232,070	204,174	27,896
Contingency	<u>23,000</u>	<u>23,000</u>	-	<u>23,000</u>
Total expenditures	255,070	255,070	204,174	50,896
Ending fund balance	<u>81,832</u>	<u>81,832</u>	<u>162,709</u>	<u>(80,877)</u>
Total requirements	<u>\$ 336,902</u>	<u>\$ 336,902</u>	<u>\$ 366,883</u>	<u>\$ (29,981)</u>

**CITY OF WARRENTON**

## Building Department Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 790,000	\$ 790,000	\$ 898,004	\$ 108,004
Licenses and permits	470,000	470,000	290,322	(179,678)
Intergovernmental	-	-	805	805
Investment earnings	4,000	4,000	6,380	2,380
Other revenue	-	-	231	231
Total resources	<u>\$ 1,264,000</u>	<u>\$ 1,264,000</u>	<u>\$ 1,195,742</u>	<u>\$ (68,258)</u>
Requirements:				
Building Department:				
Personal services	\$ 280,291	\$ 280,291	\$ 274,351	\$ 5,940
Materials and services	<u>43,884</u>	<u>103,884</u>	<u>74,243</u>	<u>29,641</u>
Total department expenditures	324,175	384,175	348,594	35,581
Contingency	<u>168,000</u>	<u>108,000</u>	-	108,000
Total expenditures	492,175	492,175	348,594	143,581
Ending fund balance	<u>771,825</u>	<u>771,825</u>	<u>847,148</u>	<u>(75,323)</u>
Total requirements	<u>\$ 1,264,000</u>	<u>\$ 1,264,000</u>	<u>\$ 1,195,742</u>	<u>\$ 68,258</u>

**CITY OF WARRENTON**

Transient Room Tax Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Taxes	<u>318,000</u>	<u>318,000</u>	<u>265,522</u>	<u>(52,478)</u>
Total resources	<u>\$ 318,000</u>	<u>\$ 318,000</u>	<u>\$ 265,522</u>	<u>\$ (52,478)</u>
Requirements:				
Transient Room Tax Program:				
Materials and services	\$ 318,000	\$ 318,000	\$ 265,522	\$ 52,478
Ending fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total requirements	<u>\$ 318,000</u>	<u>\$ 318,000</u>	<u>\$ 265,522</u>	<u>\$ 52,478</u>

**CITY OF WARRENTON**

Quincy Robinson Park Trust Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 123,500	\$ 123,500	\$ 120,868	\$ (2,632)
Investment earnings	500	500	1,003	503
Donations	<u>45,000</u>	<u>45,000</u>	<u>45,499</u>	<u>499</u>
Total resources	<u>\$ 169,000</u>	<u>\$ 169,000</u>	<u>\$ 167,370</u>	<u>\$ (1,630)</u>
Requirements:				
Parks Department:				
Capital outlay	\$ 97,000	\$ 97,000	\$ 10,125	\$ 86,875
Ending fund balance	<u>72,000</u>	<u>72,000</u>	<u>157,245</u>	<u>(85,245)</u>
Total requirements	<u>\$ 169,000</u>	<u>\$ 169,000</u>	<u>\$ 167,370</u>	<u>\$ 1,630</u>

### **NONMAJOR DEBT SERVICE FUND**

*Debt Service Funds* account for the accumulation of resources for and payment of general long-term debt principal and interest. Funds included in this category are:

***Wastewater Treatment GO Bond Fund*** - Accounts for the payment of principal and interest on the general obligation bonds approved by voters on November 7, 2006 for the construction of the wastewater treatment facility.

***Warrenton Urban Renewal Agency Debt Service Fund*** - Accounts for the payment of principal and interest on the debt related to improvements of the downtown area funded through the Warrenton Urban Renewal Agency.

***Warrenton Urban Renewal Agency Debt Reserve Fund*** - Accounts for funds set aside for the payment of principal and interest on the debt related to improvements of the downtown area funded through the Warrenton Urban Renewal Agency.



**CITY OF WARRENTON**

## Nonmajor Debt Service Fund

## Combining Balance Sheet

June 30, 2021

	Wastewater Treatment GO Bond (059)	Warrenton Urban Renewal Agency Debt Service (300)	Warrenton Urban Renewal Agency Debt Reserve (400)	Total Nonmajor Debt Service Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 96,262	\$ 2,228,084	\$ 350,017	\$ 2,674,363
Receivables:				
Taxes	30,703	41,336	-	72,039
Intergovernmental	-	1,357	-	1,357
Total assets	<u>\$ 126,965</u>	<u>\$ 2,270,777</u>	<u>\$ 350,017</u>	<u>\$ 2,747,759</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Deferred Inflows of Resources:				
Unavailable revenues	\$ 20,798	\$ 27,964	\$ -	\$ 48,762
Fund Balances:				
Restricted for:				
Debt service	<u>106,167</u>	<u>2,242,813</u>	<u>350,017</u>	<u>2,698,997</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 126,965</u>	<u>\$ 2,270,777</u>	<u>\$ 350,017</u>	<u>\$ 2,747,759</u>

**CITY OF WARRENTON**

Nonmajor Debt Service Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2021

	Wastewater Treatment GO Bond (059)	Warrenton Urban Renewal Agency Debt Service (300)	Warrenton Urban Renewal Agency Debt Reserve (400)	Total Nonmajor Special Revenues Funds
Revenues:				
Taxes	\$ 579,674	\$ 810,012	\$ -	\$ 1,389,686
Investment earnings	1,812	19,758	-	21,570
Total revenues	<u>581,486</u>	<u>829,770</u>	<u>-</u>	<u>1,411,256</u>
Expenditures:				
Debt service:				
Principal retirement	459,287	289,754	-	749,041
Interest expense	<u>106,951</u>	<u>60,273</u>	<u>-</u>	<u>167,224</u>
Total expenditures	<u>566,238</u>	<u>350,027</u>	<u>-</u>	<u>916,265</u>
Excess (deficiency) of revenues over (under) expenditures	15,248	479,743	-	494,991
Other Financing Sources (Uses):				
Transfers out	<u>-</u>	<u>(152,114)</u>	<u>-</u>	<u>(152,114)</u>
Net change in fund balances	15,248	327,629	-	342,877
Fund Balances:				
Beginning of year	90,919	1,915,184	350,017	2,356,120
End of year	<u>\$ 106,167</u>	<u>\$ 2,242,813</u>	<u>\$ 350,017</u>	<u>\$ 2,698,997</u>

**CITY OF WARRENTON**

Wastewater Treatment GO Bond Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 55,000	\$ 55,000	\$ 90,919	\$ 35,919
Taxes	555,037	555,037	579,674	24,637
Investment earnings	<u>1,500</u>	<u>1,500</u>	<u>1,812</u>	<u>312</u>
Total resources	<u>\$ 611,537</u>	<u>\$ 611,537</u>	<u>\$ 672,405</u>	<u>\$ 60,868</u>
Requirements:				
Debt service	\$ 566,238	\$ 566,238	\$ 566,238	\$ -
Ending fund balance	<u>45,299</u>	<u>45,299</u>	<u>106,167</u>	<u>(60,868)</u>
Total requirements	<u>\$ 611,537</u>	<u>\$ 611,537</u>	<u>\$ 672,405</u>	<u>\$ (60,868)</u>

**CITY OF WARRENTON**

Warrenton Urban Renewal Agency Debt Service Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 1,818,561	\$ 1,818,561	\$ 1,915,184	\$ 96,623
Taxes	793,935	793,935	810,012	16,077
Investment earnings	<u>22,000</u>	<u>22,000</u>	<u>19,758</u>	<u>(2,242)</u>
Total resources	<u>\$ 2,634,496</u>	<u>\$ 2,634,496</u>	<u>\$ 2,744,954</u>	<u>\$ 110,458</u>
Requirements:				
Debt service	\$ 550,017	\$ 550,017	\$ 350,027	\$ 199,990
Transfers out	<u>1,700,000</u>	<u>1,700,000</u>	<u>152,114</u>	<u>1,547,886</u>
Total expenditures	2,250,017	2,250,017	502,141	1,747,876
Ending fund balance	<u>384,479</u>	<u>384,479</u>	<u>2,242,813</u>	<u>(1,858,334)</u>
Total requirements	<u>\$ 2,634,496</u>	<u>\$ 2,634,496</u>	<u>\$ 2,744,954</u>	<u>\$ (110,458)</u>

**CITY OF WARRENTON**

Warrenton Urban Renewal Agency Debt Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 350,017	\$ 350,017	\$ 350,017	\$ -
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total resources	<u><u>\$ 550,017</u></u>	<u><u>\$ 550,017</u></u>	<u><u>\$ 350,017</u></u>	<u><u>\$ (200,000)</u></u>
Requirements:				
Debt service	\$ 550,017	\$ 550,017	\$ -	\$ 550,017
Ending fund balance	<u>-</u>	<u>-</u>	<u>350,017</u>	<u>(350,017)</u>
Total requirements	<u><u>\$ 550,017</u></u>	<u><u>\$ 550,017</u></u>	<u><u>\$ 350,017</u></u>	<u><u>\$ 200,000</u></u>



## **NONMAJOR CAPITAL PROJECTS FUND**

*Capital Project Funds* are used to account for the acquisition or construction of major capital facilities. Funds included in this category are:

***Parks System Development Charges Fund*** - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development within the community.

***Community Center Capital Reserve Fund*** - Accumulates resources from the operational surplus of the Community Center Fund for the financing of services, projects, property, and equipment purchases.

***Facilities Maintenance Fund*** - Accumulates money for financing the costs of major maintenance and capital improvements of the Municipal Building, Head Start Building, and Park Facilities.

***Streets System Development Charges Fund*** - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development within the community.

***Police Vehicle Replacement Fund*** - Accumulates money for financing the costs of police vehicles.

***Fire Apparatus Replacement Fund*** - Accumulates money for financing the costs of fire apparatus.

***Tansy Point Dock Capital Reserve Fund*** - Accumulates money for financing the costs of major maintenance and capital improvements to the Tansy Point Dock.

***Warrenton Urban Renewal Agency Capital Projects Fund*** - Accounts for the property tax revenue collected and improvements to the downtown area completed through the Warrenton Urban Renewal Agency.

**CITY OF WARRENTON**  
Nonmajor Capital Projects Fund  
Combining Balance Sheet  
June 30, 2021

	<u>Parks System Development Charges (003)</u>	<u>Community Center Capital Reserve (004)</u>	<u>Facilities Maintenance (035)</u>	<u>Streets System Development Charges (041)</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 180,433	\$ 7,587	\$ 88,395	\$ 1,072,687
Receivables:				
Intergovernmental	-	-	-	-
Other	-	-	-	-
Total assets	<u>\$ 180,433</u>	<u>\$ 7,587</u>	<u>\$ 88,395</u>	<u>\$ 1,072,687</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,757	\$ -
Fund Balances:				
Restricted for:				
Urban renewal	-	-	-	-
improvements				
System development	180,433	-	-	1,072,687
Assigned to:				
Capital projects	-	7,587	86,638	-
Total fund balances	<u>180,433</u>	<u>7,587</u>	<u>86,638</u>	<u>1,072,687</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 180,433</u>	<u>\$ 7,587</u>	<u>\$ 88,395</u>	<u>\$ 1,072,687</u>

Police Vehicle Replacement (070)	Fire Apparatus Replacement (071)	Tansy Point Dock Capital Reserve (072)	Warrenton Urban Renewal Agency Capital Projects (200)	Total Nonmajor Capital Projects Fund
\$ 67,418	\$ 113,655	\$ 191,808	\$ 28,406	\$ 1,750,389
-	-	-	193	193
-	15,200	-	-	15,200
<u>\$ 67,418</u>	<u>\$ 128,855</u>	<u>\$ 191,808</u>	<u>\$ 28,599</u>	<u>\$ 1,765,782</u>
\$ -	\$ -	\$ -	\$ 15,424	\$ 17,181
-	-	-	13,175	13,175
-	-	-	-	1,253,120
<u>67,418</u>	<u>128,855</u>	<u>191,808</u>	<u>-</u>	<u>482,306</u>
<u>67,418</u>	<u>128,855</u>	<u>191,808</u>	<u>13,175</u>	<u>1,748,601</u>
<u>\$ 67,418</u>	<u>\$ 128,855</u>	<u>\$ 191,808</u>	<u>\$ 28,599</u>	<u>\$ 1,765,782</u>

# CITY OF WARRENTON

## Nonmajor Capital Projects Fund

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2021

	Parks System Development Charges (003)	Community Center Capital Reserve (004)	Facilities Maintenance (035)	Streets System Development Charges (041)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 265	\$ -
Investment earnings	1,380	-	529	8,250
Other revenue	-	-	-	-
Total revenues	<u>1,380</u>	<u>-</u>	<u>794</u>	<u>8,250</u>
Expenditures:				
Current:				
General government	-	-	16,430	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>16,430</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	1,380	-	(15,636)	8,250
Other Financing Sources (Uses):				
Transfers in	-	-	40,000	-
Capital contributions	<u>13,148</u>	<u>-</u>	<u>-</u>	<u>155,169</u>
Net change in fund balances	14,528	-	24,364	163,419
Fund Balances:				
Beginning of year	<u>165,905</u>	<u>7,587</u>	<u>62,274</u>	<u>909,268</u>
End of year	<u>\$ 180,433</u>	<u>\$ 7,587</u>	<u>\$ 86,638</u>	<u>\$ 1,072,687</u>

Police Vehicle Replacement (070)	Fire Apparatus Replacement (071)	Tansy Point Dock Capital Reserve (072)	Warrenton Urban Renewal Agency Capital Projects (200)	Total Nonmajor Capital Projects Fund
\$ -	\$ -	\$ -	\$ -	\$ 265
294	555	1,419	91	12,518
-	59,562	-	468	60,030
294	60,117	1,419	559	72,813
-	-	-	51,978	68,408
-	-	-	106,984	106,984
-	-	-	158,962	175,392
294	60,117	1,419	(158,403)	(102,579)
45,000	5,000	20,178	152,114	262,292
-	-	-	-	168,317
45,294	65,117	21,597	(6,289)	328,030
22,124	63,738	170,211	19,464	1,420,571
<u>\$ 67,418</u>	<u>\$ 128,855</u>	<u>\$ 191,808</u>	<u>\$ 13,175</u>	<u>\$ 1,748,601</u>

**CITY OF WARRENTON**

**Parks System Development Charges Fund**

**Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)**

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 156,700	\$ 156,700	\$ 165,905	\$ 9,205
Investment earnings	1,000	1,000	1,380	380
Capital contributions	<u>22,000</u>	<u>22,000</u>	<u>13,148</u>	<u>(8,852)</u>
Total resources	<u>\$ 179,700</u>	<u>\$ 179,700</u>	<u>\$ 180,433</u>	<u>\$ 733</u>
Requirements:				
Ending fund balance	<u>\$ 179,700</u>	<u>\$ 179,700</u>	<u>\$ 180,433</u>	<u>\$ (733)</u>
Total requirements	<u><u>\$ 179,700</u></u>	<u><u>\$ 179,700</u></u>	<u><u>\$ 180,433</u></u>	<u><u>\$ (733)</u></u>

**CITY OF WARRENTON**

Community Center Capital Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources				
Beginning fund balance	<u>\$ 7,587</u>	<u>\$ 7,587</u>	<u>\$ 7,587</u>	<u>\$ -</u>
Total resources	<u><u>\$ 7,587</u></u>	<u><u>\$ 7,587</u></u>	<u><u>\$ 7,587</u></u>	<u><u>\$ -</u></u>
Requirements:				
Community Center:				
Materials and services	<u>\$ 7,587</u>	<u>\$ 7,587</u>	<u>\$ -</u>	<u>\$ 7,587</u>
Ending fund balance	<u>-</u>	<u>-</u>	<u>7,587</u>	<u>(7,587)</u>
Total requirements	<u><u>\$ 7,587</u></u>	<u><u>\$ 7,587</u></u>	<u><u>\$ 7,587</u></u>	<u><u>\$ -</u></u>

**CITY OF WARRENTON**

## Facilities Maintenance Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 56,000	\$ 56,000	\$ 62,274	\$ 6,274
Intergovernmental	-	-	265	265
Investment earnings	500	500	529	29
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total resources	<u>\$ 96,500</u>	<u>\$ 96,500</u>	<u>\$ 103,068</u>	<u>\$ 6,568</u>
Requirements:				
Facilities Maintenance:				
Materials and services	\$ 41,095	\$ 41,095	\$ 16,430	\$ 24,665
Contingency	<u>55,405</u>	<u>55,405</u>	<u>-</u>	<u>55,405</u>
Total expenditures	96,500	96,500	16,430	80,070
Ending fund balance	<u>-</u>	<u>-</u>	<u>86,638</u>	<u>(86,638)</u>
Total requirements	<u>\$ 96,500</u>	<u>\$ 96,500</u>	<u>\$ 103,068</u>	<u>\$ (6,568)</u>

**CITY OF WARRENTON**

**Streets System Development Charges Fund**

**Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)**

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 893,000	\$ 893,000	\$ 909,268	\$ 16,268
Investment earnings	6,000	6,000	8,250	2,250
Capital contributions	<u>150,000</u>	<u>150,000</u>	<u>155,169</u>	<u>5,169</u>
Total resources	<u>\$ 1,049,000</u>	<u>\$ 1,049,000</u>	<u>\$ 1,072,687</u>	<u>\$ 23,687</u>
Requirements:				
Ending fund balance	<u>\$ 1,049,000</u>	<u>\$ 1,049,000</u>	<u>\$ 1,072,687</u>	<u>\$ (23,687)</u>
Total requirements	<u><u>\$ 1,049,000</u></u>	<u><u>\$ 1,049,000</u></u>	<u><u>\$ 1,072,687</u></u>	<u><u>\$ (23,687)</u></u>

**CITY OF WARRENTON**

Police Vehicle Replacement Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 22,000	\$ 22,000	\$ 22,124	\$ 124
Investment earnings	-	-	294	294
Transfers in	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total resources	<u>\$ 67,000</u>	<u>\$ 67,000</u>	<u>\$ 67,418</u>	<u>\$ 418</u>
Requirements:				
Police Department:				
Capital outlay	\$ 57,000	\$ 57,000	\$ -	\$ 57,000
Ending fund balance	<u>10,000</u>	<u>10,000</u>	<u>67,418</u>	<u>(57,418)</u>
Total requirements	<u>\$ 67,000</u>	<u>\$ 67,000</u>	<u>\$ 67,418</u>	<u>\$ (418)</u>

**CITY OF WARRENTON**

## Fire Apparatus Replacement Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 63,750	\$ 63,750	\$ 63,738	\$ (12)
Intergovernmental	593,750	593,750	-	(593,750)
Investment earnings	500	500	555	55
Other revenue	-	-	59,562	59,562
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total resources	<u>\$ 663,000</u>	<u>\$ 663,000</u>	<u>\$ 128,855</u>	<u>\$ (534,145)</u>
Requirements:				
Fire Department:				
Capital outlay	\$ 625,000	\$ 625,000	\$ -	\$ 625,000
Ending fund balance	<u>38,000</u>	<u>38,000</u>	<u>128,855</u>	<u>(90,855)</u>
Total requirements	<u>\$ 663,000</u>	<u>\$ 663,000</u>	<u>\$ 128,855</u>	<u>\$ 534,145</u>

**CITY OF WARRENTON**

Tansy Point Dock Capital Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 169,843	\$ 169,843	\$ 170,211	\$ 368
Investment earnings	1,500	1,500	1,419	(81)
Transfers in	<u>20,178</u>	<u>20,178</u>	<u>20,178</u>	<u>-</u>
Total resources	<u>\$ 191,521</u>	<u>\$ 191,521</u>	<u>\$ 191,808</u>	<u>\$ 287</u>
Requirements:				
Administration:				
Capital outlay	\$ 191,521	\$ 191,521	\$ -	\$ 191,521
Ending fund balance	<u>-</u>	<u>-</u>	<u>191,808</u>	<u>(191,808)</u>
Total requirements	<u>\$ 191,521</u>	<u>\$ 191,521</u>	<u>\$ 191,808</u>	<u>\$ (287)</u>

# CITY OF WARRENTON

## Warrenton Urban Renewal Agency Capital Projects Fund

### Statement of Resources and Requirements Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 25,288	\$ 25,288	\$ 19,464	\$ (5,824)
Investment earnings	-	-	91	91
Other revenue	-	-	468	468
Transfers in	1,500,000	1,500,000	152,114	(1,347,886)
Loan proceeds	<u>4,907,433</u>	<u>4,907,433</u>	<u>-</u>	<u>(4,907,433)</u>
Total resources	<u>\$ 6,432,721</u>	<u>\$ 6,432,721</u>	<u>\$ 172,137</u>	<u>\$ (6,260,584)</u>
Requirements:				
Materials and services	\$ 124,000	\$ 124,000	\$ 51,978	\$ 72,022
Capital outlay	<u>6,308,721</u>	<u>6,308,721</u>	<u>106,984</u>	<u>6,201,737</u>
Total expenditures	6,432,721	6,432,721	158,962	6,273,759
Ending fund balance	<u>-</u>	<u>-</u>	<u>13,175</u>	<u>(13,175)</u>
Total requirements	<u>\$ 6,432,721</u>	<u>\$ 6,432,721</u>	<u>\$ 172,137</u>	<u>\$ 6,260,584</u>



## **ENTERPRISE FUNDS**

*Enterprise Funds* are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services are financed or recovered primarily through user charges. Funds included in this category are:

***Water Operating Fund*** - Accounts for the operation, maintenance, and improvements of the water treatment, transmission and distribution systems.

***Water System Development*** - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development.

***Water Capital Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.

***Sewer Operating Fund*** - Accounts for the operation, maintenance, and improvements of the sewer system.

***Sewer System Development Fund*** - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development.

***Sewer Capital Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.

***Storm Sewer Operating Fund*** - Accounts for the storm sewer surcharge on all sewer bills and is used to expand and improve storm drainage systems.

***Storm System Development Charges Fund*** - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development within the community.

***Sanitation Operating Fund*** - Accounts for the operations of the residential and commercial trash collection unit.

***Sanitation Capital Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.

***Warrenton Marina Fund*** - Accounts for the operation, maintenance and improvements of the Marina.

***Warrenton Marina Capital Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.

***Hammond Marina Fund*** - Accounts for the operation, maintenance and improvements of the Marina.

***Hammond Marina Capital Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.



# CITY OF WARRENTON

## Water Enterprise

### Combining Statement of Net Position

June 30, 2021

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,784,980	\$ 154,811	\$ 3,669,309	\$ 6,609,100
Accounts receivable	376,042	-	-	376,042
Inventory, at cost	236,412	-	-	236,412
Prepaid expenses	885	-	-	885
Total current assets	<u>3,398,319</u>	<u>154,811</u>	<u>3,669,309</u>	<u>7,222,439</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable assets	360,140	-	-	360,140
Depreciable assets, net	<u>13,231,591</u>	<u>-</u>	<u>-</u>	<u>13,231,591</u>
Total noncurrent assets	<u>13,591,731</u>	<u>-</u>	<u>-</u>	<u>13,591,731</u>
Total assets	<u>16,990,050</u>	<u>154,811</u>	<u>3,669,309</u>	<u>20,814,170</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
related to pensions	<u>378,306</u>	<u>-</u>	<u>-</u>	<u>378,306</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	61,644	-	6,132	67,776
Accrued interest payable	64,127	-	-	64,127
Compensated absences	34,000	-	-	34,000
Loans payable - current	<u>575,337</u>	<u>-</u>	<u>-</u>	<u>575,337</u>
Total current liabilities	735,108	-	6,132	741,240
Noncurrent liabilities:				
Loans payable	3,471,212	-	-	3,471,212
Net pension liability	<u>996,510</u>	<u>-</u>	<u>-</u>	<u>996,510</u>
Total liabilities	<u>5,202,830</u>	<u>-</u>	<u>6,132</u>	<u>5,208,962</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
related to pensions	<u>47,093</u>	<u>-</u>	<u>-</u>	<u>47,093</u>
<b>NET POSITION</b>				
Net investment in capital assets	9,545,182	-	-	9,545,182
Restricted for system development	-	154,811	-	154,811
Unrestricted	<u>2,573,251</u>	<u>-</u>	<u>3,663,177</u>	<u>6,236,428</u>
Total net position	<u>\$ 12,118,433</u>	<u>\$ 154,811</u>	<u>\$ 3,663,177</u>	<u>\$ 15,936,421</u>

# CITY OF WARRENTON

## Water Enterprise

### Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2021

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
Operating Revenues:				
Charges for services	\$ 3,990,439	\$ -	\$ -	\$ 3,990,439
Other revenue	<u>5,116</u>	<u>-</u>	<u>-</u>	<u>5,116</u>
Total operating revenues	<u>3,995,555</u>	<u>-</u>	<u>-</u>	<u>3,995,555</u>
Operating Expenses:				
Payroll and payroll benefits	916,811	-	-	916,811
Contracted services	134,757	-	-	134,757
Utilities and telephone	110,455	-	-	110,455
Repairs and maintenance	223,915	-	-	223,915
Other operating expenses	230,023	-	-	230,023
Overhead cost allocation	109,565	-	-	109,565
Depreciation	<u>651,965</u>	<u>-</u>	<u>-</u>	<u>651,965</u>
Total operating expenses	<u>2,377,491</u>	<u>-</u>	<u>-</u>	<u>2,377,491</u>
Operating income (loss)	<u>1,618,064</u>	<u>-</u>	<u>-</u>	<u>1,618,064</u>
Nonoperating Revenues (Expenses):				
Investment earnings	42,100	972	-	43,072
Intergovernmental	2,855	-	-	2,855
Interest expense	<u>(119,139)</u>	<u>-</u>	<u>-</u>	<u>(119,139)</u>
Total nonoperating revenues (expenses)	<u>(74,184)</u>	<u>972</u>	<u>-</u>	<u>(73,212)</u>
Income (loss) before contributions	1,543,880	972	-	1,544,852
Capital contributions	-	120,044	-	120,044
Capital transfers, net	164,401	-	(164,401)	-
Debt transfers, net	58,000	(58,000)	-	-
Net transfers within enterprise	<u>(1,560,000)</u>	<u>-</u>	<u>1,560,000</u>	<u>-</u>
Change in net position	206,281	63,016	1,395,599	1,664,896
Net Position:				
Beginning of year	<u>11,912,152</u>	<u>91,795</u>	<u>2,267,578</u>	<u>14,271,525</u>
End of year	<u>\$ 12,118,433</u>	<u>\$ 154,811</u>	<u>\$ 3,663,177</u>	<u>\$ 15,936,421</u>

**CITY OF WARRENTON**  
Water Enterprise  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2021

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 4,002,528	\$ -	\$ -	\$ 4,002,528
Payments to suppliers and contractors	(699,149)	-	-	(699,149)
Payments to employees	(679,022)	-	-	(679,022)
Payments for interfund services	(274,668)	-	-	(274,668)
Net cash provided by (used in) operating	<u>2,349,689</u>	<u>-</u>	<u>-</u>	<u>2,349,689</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental operating grants received	2,855	-	-	2,855
Transfers within enterprise, net	(1,560,000)	-	1,560,000	-
Net cash provided by (used in) noncapital financing activities	<u>(1,557,145)</u>	<u>-</u>	<u>1,560,000</u>	<u>2,855</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	-	122,244	-	122,244
Acquisition and construction of capital assets	(8,415)	-	(161,331)	(169,746)
Principal paid on debt	(499,940)	(58,000)	-	(557,940)
Interest paid on debt	(131,022)	-	-	(131,022)
Net cash used in capital and related financing activities	<u>(639,377)</u>	<u>64,244</u>	<u>(161,331)</u>	<u>(736,464)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends received	<u>42,100</u>	<u>972</u>	<u>-</u>	<u>43,072</u>
Net change in cash and cash equivalents	195,267	65,216	1,398,669	1,659,152
Cash and cash equivalents:				
Beginning of year	2,589,713	89,595	2,270,640	4,949,948
End of year	<u>\$ 2,784,980</u>	<u>\$ 154,811</u>	<u>\$ 3,669,309</u>	<u>\$ 6,609,100</u>

Continued on next page

**CITY OF WARRENTON**

Water Enterprise

Combining Statement of Cash Flows, Continued

For the Year Ended June 30, 2021

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 1,618,064	\$ -	\$ -	\$ 1,618,064
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	651,965	-	-	651,965
Pension adjustments	72,784	-	-	72,784
(Increase) decrease in assets:				
Receivables	7,003	-	-	7,003
Inventory, at cost	2,893	-	-	2,893
Prepaid expenses	787	-	-	787
Increase (decrease) in liabilities:				
Accounts payable	(3,709)	-	-	(3,709)
Compensated absences	(98)	-	-	(98)
	<u>\$ 2,349,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,349,689</u>
Net cash provided by (used in) operating activities				
	<u>\$ 2,349,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,349,689</u>
<b>Schedule of noncash transactions:</b>				
Capital assets transferred between funds	<u>\$ (164,401)</u>	<u>\$ -</u>	<u>\$ 164,401</u>	<u>\$ -</u>
Debt principal payments transferred between funds	<u>\$ (58,000)</u>	<u>\$ 58,000</u>	<u>\$ -</u>	<u>\$ -</u>

# CITY OF WARRENTON

## Sewer Enterprise

### Combining Statement of Net Position

June 30, 2021

	Operating (030)	System Development (036)	Capital Reserve (038)	Storm (028)	Storm System Development Charges (051)	Total Sewer Enterprise
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 2,761,227	\$ 112,894	\$ 4,007,273	\$ 1,463,177	\$ 83,969	\$ 8,428,540
Accounts receivable	287,608	-	-	54,492	-	342,100
Other receivables	2,575	-	-	-	-	2,575
Inventory, at cost	84,401	-	-	3,736	-	88,137
Prepaid expenses	734	-	-	84	-	818
Total current assets	<u>3,136,545</u>	<u>112,894</u>	<u>4,007,273</u>	<u>1,521,489</u>	<u>83,969</u>	<u>8,862,170</u>
Noncurrent assets:						
Restricted cash	63,012	-	-	-	-	63,012
Capital assets:						
Nondepreciable assets	106,155	-	-	29,152	-	135,307
Depreciable assets, net	<u>8,926,636</u>	<u>-</u>	<u>-</u>	<u>497,972</u>	<u>-</u>	<u>9,424,608</u>
Total noncurrent assets	<u>9,095,803</u>	<u>-</u>	<u>-</u>	<u>527,124</u>	<u>-</u>	<u>9,622,927</u>
Total assets	<u>12,232,348</u>	<u>112,894</u>	<u>4,007,273</u>	<u>2,048,613</u>	<u>83,969</u>	<u>18,485,097</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
related to pensions	<u>360,962</u>	<u>-</u>	<u>-</u>	<u>30,622</u>	<u>-</u>	<u>391,584</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	87,992	-	33,147	47,622	-	168,761
Accrued interest payable	12,339	-	-	-	-	12,339
Compensated absences	42,057	-	-	4,734	-	46,791
Deferred revenue	785	-	-	-	-	785
Loans payable - current	<u>138,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,172</u>
Total current liabilities	<u>281,345</u>	<u>-</u>	<u>33,147</u>	<u>52,356</u>	<u>-</u>	<u>366,848</u>
Noncurrent liabilities:						
Loans payable	1,556,009	-	-	-	-	1,556,009
Net pension liability	<u>950,825</u>	<u>-</u>	<u>-</u>	<u>80,663</u>	<u>-</u>	<u>1,031,488</u>
Total liabilities	<u>2,788,179</u>	<u>-</u>	<u>33,147</u>	<u>133,019</u>	<u>-</u>	<u>2,954,345</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
related to pensions	<u>44,934</u>	<u>-</u>	<u>-</u>	<u>3,812</u>	<u>-</u>	<u>48,746</u>
<b>NET POSITION</b>						
Net investment in capital assets	7,338,610	-	-	527,124	-	7,865,734
Restricted for debt service	63,012	-	-	-	-	63,012
Restricted for system development	-	112,894	-	-	83,969	196,863
Unrestricted	<u>2,358,575</u>	<u>-</u>	<u>3,974,126</u>	<u>1,415,280</u>	<u>-</u>	<u>7,747,981</u>
Total net position	<u>\$ 9,760,197</u>	<u>\$ 112,894</u>	<u>\$ 3,974,126</u>	<u>\$ 1,942,404</u>	<u>\$ 83,969</u>	<u>\$15,873,590</u>

# CITY OF WARRENTON

## Sewer Enterprise

### Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2021

	Operating (030)	System Development (036)	Capital Reserve (038)	Storm (028)	Storm System Development Charges (051)	Total Sewer Enterprise
Operating Revenues:						
Charges for services	\$ 2,837,138	\$ -	\$ -	\$ 505,230	\$ -	\$ 3,342,368
Other revenue	13,966	-	-	970	-	14,936
Total operating revenues	<u>2,851,104</u>	<u>-</u>	<u>-</u>	<u>506,200</u>	<u>-</u>	<u>3,357,304</u>
Operating Expenses:						
Payroll and payroll benefits	1,006,593	-	-	83,484	-	1,090,077
Contracted services	137,883	-	-	36,534	-	174,417
Utilities and telephone	156,934	-	-	10,401	-	167,335
Repairs and maintenance	209,412	-	-	50,335	-	259,747
Other operating expenses	192,355	-	-	3,403	-	195,758
Overhead cost allocation	109,444	-	-	12,514	-	121,958
Depreciation	707,767	-	-	50,747	-	758,514
Total operating expenses	<u>2,520,388</u>	<u>-</u>	<u>-</u>	<u>247,418</u>	<u>-</u>	<u>2,767,806</u>
Operating income (loss)	<u>330,716</u>	<u>-</u>	<u>-</u>	<u>258,782</u>	<u>-</u>	<u>589,498</u>
Nonoperating Revenues (Expenses):						
Investment earnings	47,545	684	-	9,218	575	58,022
Intergovernmental	2,883	-	-	312	-	3,195
Interest expense	(42,723)	-	-	-	-	(42,723)
Total nonoperating revenues (expenses)	<u>7,705</u>	<u>684</u>	<u>-</u>	<u>9,530</u>	<u>575</u>	<u>18,494</u>
Income (loss) before contributions	338,421	684	-	268,312	575	607,992
Capital contributions	-	59,022	-	-	26,092	85,114
Capital transfers, net	141,443	-	(141,443)	-	-	-
Net transfers within enterprise	<u>(582,017)</u>	<u>-</u>	<u>582,017</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(102,153)	59,706	440,574	268,312	26,667	693,106
Net Position:						
Beginning of year	<u>9,862,350</u>	<u>53,188</u>	<u>3,533,552</u>	<u>1,674,092</u>	<u>57,302</u>	<u>15,180,484</u>
End of year	<u>\$ 9,760,197</u>	<u>\$ 112,894</u>	<u>\$ 3,974,126</u>	<u>\$ 1,942,404</u>	<u>\$ 83,969</u>	<u>\$15,873,590</u>

**CITY OF WARRENTON**

Sewer Enterprise

Combining Statement of Cash Flows

For the Year Ended June 30, 2021

	Operating (030)	System Development (036)	Capital Reserve (038)	Storm (028)	Storm System Development Charges (051)	Total Sewer Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 2,848,955	\$ -	\$ -	\$ 501,893	\$ -	\$ 3,350,848
Payments to suppliers and contractors	(690,881)	-	-	(66,998)	-	(757,879)
Payments to employees	(708,552)	-	-	(84,215)	-	(792,767)
Payments for interfund services	(274,365)	-	-	(31,371)	-	(305,736)
Net cash provided by (used in) operating	<u>1,175,157</u>	<u>-</u>	<u>-</u>	<u>319,309</u>	<u>-</u>	<u>1,494,466</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Intergovernmental operating grants received	2,883	-	-	312	-	3,195
Transfers within enterprise, net	(582,017)	-	582,017	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(579,134)</u>	<u>-</u>	<u>582,017</u>	<u>312</u>	<u>-</u>	<u>3,195</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital contributions	-	59,022	-	-	26,092	85,114
Acquisition and construction of capital assets	(41,636)	-	(109,276)	(5,325)	-	(156,237)
Principal paid on debt	(134,328)	-	-	-	-	(134,328)
Interest paid on debt	(43,994)	-	-	-	-	(43,994)
Net cash used in capital and related financing activities	<u>(219,958)</u>	<u>59,022</u>	<u>(109,276)</u>	<u>(5,325)</u>	<u>26,092</u>	<u>(249,445)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and dividends received	<u>47,545</u>	<u>684</u>	<u>-</u>	<u>9,218</u>	<u>575</u>	<u>58,022</u>
Net change in cash and cash equivalents	423,610	59,706	472,741	323,514	26,667	1,306,238
Cash and cash equivalents:						
Beginning of year	<u>2,400,629</u>	<u>53,188</u>	<u>3,534,532</u>	<u>1,139,663</u>	<u>57,302</u>	<u>7,185,314</u>
End of year	<u>\$ 2,824,239</u>	<u>\$ 112,894</u>	<u>\$ 4,007,273</u>	<u>\$ 1,463,177</u>	<u>\$ 83,969</u>	<u>\$ 8,491,552</u>

Cash and cash equivalents are reported on the Statement of Net Position as follows:

Cash and cash equivalents	\$ 2,761,227	\$ 112,894	\$ 4,007,273	\$ 1,463,177	\$ 83,969	\$ 8,428,540
Restricted cash	63,012	-	-	-	-	63,012
	<u>\$ 2,824,239</u>	<u>\$ 112,894</u>	<u>\$ 4,007,273</u>	<u>\$ 1,463,177</u>	<u>\$ 83,969</u>	<u>\$ 8,491,552</u>

Continued on next page

# CITY OF WARRENTON

## Sewer Enterprise

### Statement of Cash Flows, Continued

For the Year Ended June 30, 2021

	Operating (030)	System Development (036)	Capital Reserve (038)	Storm (028)	Storm System Development Charges (051)	Total Sewer Enterprise
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 330,716	\$ -	\$ -	\$ 258,782	\$ -	\$ 589,498
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	707,767	-	-	50,747	-	758,514
Pension adjustments	130,202	-	-	(20,541)	-	109,661
(Increase) decrease in assets:						
Receivables	(2,128)	-	-	(4,305)	-	(6,433)
Inventory, at cost	25,552	-	-	27	-	25,579
Prepaid expenses	721	-	-	85	-	806
Increase (decrease) in liabilities:						
Accounts payable	(20,591)	-	-	33,561	-	12,970
Compensated absences	2,918	-	-	953	-	3,871
 Net cash provided by (used in) operating activities	 <u>\$ 1,175,157</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 319,309</u>	 <u>\$ -</u>	 <u>\$ 1,494,466</u>
 <b>Schedule of noncash transactions:</b>						
Capital assets transferred between funds	<u>\$ (141,443)</u>	<u>\$ -</u>	<u>\$ 141,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF WARRENTON**  
Sanitation Enterprise  
Combining Statement of Net Position  
June 30, 2021

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 400,857	\$ 254,491	\$ 655,348
Accounts receivable	118,928	-	118,928
Inventory, at cost	21,561	-	21,561
Prepaid expenses	393	-	393
Total current assets	<u>541,739</u>	<u>254,491</u>	<u>796,230</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable assets	29,669	-	29,669
Depreciable assets, net	<u>570,555</u>	<u>-</u>	<u>570,555</u>
Total noncurrent assets	<u>600,224</u>	<u>-</u>	<u>600,224</u>
Total assets	<u>1,141,963</u>	<u>254,491</u>	<u>1,396,454</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
related to pensions	<u>122,490</u>	<u>-</u>	<u>122,490</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	91,389	-	91,389
Compensated absences	7,860	-	7,860
Landfill postclosure care - current	<u>11,650</u>	<u>-</u>	<u>11,650</u>
Total current liabilities	<u>110,899</u>	<u>-</u>	<u>110,899</u>
Noncurrent liabilities:			
Landfill postclosure care liability	266,122	-	266,122
Net pension liability	<u>322,652</u>	<u>-</u>	<u>322,652</u>
Total liabilities	<u>699,673</u>	<u>-</u>	<u>699,673</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
related to pensions	<u>15,249</u>	<u>-</u>	<u>15,249</u>
<b>NET POSITION</b>			
Net investment in capital assets	600,224	-	600,224
Unrestricted	<u>(50,693)</u>	<u>254,491</u>	<u>203,798</u>
Total net position	<u>\$ 549,531</u>	<u>\$ 254,491</u>	<u>\$ 804,022</u>

**CITY OF WARRENTON**

Sanitation Enterprise

Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2021

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
Operating Revenues:			
Charges for services	\$ 1,204,697	\$ -	\$ 1,204,697
Other revenue	<u>2,875</u>	<u>-</u>	<u>2,875</u>
Total operating revenues	<u>1,207,572</u>	<u>-</u>	<u>1,207,572</u>
Operating Expenses:			
Payroll and payroll benefits	341,720	-	341,720
Contracted services	728,253	-	728,253
Utilities and telephone	7,215	-	7,215
Repairs and maintenance	40,749	-	40,749
Other operating expenses	89,977	-	89,977
Overhead cost allocation	31,184	-	31,184
Depreciation	<u>100,146</u>	<u>-</u>	<u>100,146</u>
Total operating expenses	<u>1,339,244</u>	<u>-</u>	<u>1,339,244</u>
Operating income (loss)	<u>(131,672)</u>	<u>-</u>	<u>(131,672)</u>
Nonoperating Revenues (Expenses):			
Investment earnings	4,476	-	4,476
Intergovernmental	<u>886</u>	<u>-</u>	<u>886</u>
Total nonoperating revenues (expenses)	<u>5,362</u>	<u>-</u>	<u>5,362</u>
Income (loss) before contributions	(126,310)	-	(126,310)
Capital transfers, net	10,820	(10,820)	-
Net transfers within enterprise	<u>(66,845)</u>	<u>66,845</u>	<u>-</u>
Change in net position	(182,335)	56,025	(126,310)
Net Position:			
Beginning of year	<u>731,866</u>	<u>198,466</u>	<u>930,332</u>
End of year	<u>\$ 549,531</u>	<u>\$ 254,491</u>	<u>\$ 804,022</u>

**CITY OF WARRENTON**  
Sanitation Enterprise  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2021

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,208,582	\$ -	\$ 1,208,582
Payments to suppliers and contractors	(806,750)	-	(806,750)
Payments to employees	(226,030)	-	(226,030)
Payments for interfund services	(78,174)	-	(78,174)
Net cash provided by (used in) operating	<u>97,628</u>	<u>-</u>	<u>97,628</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental operating grants received	886	-	886
Transfers within enterprise, net	(66,845)	66,845	-
Net cash provided by (used in) noncapital financing activities	<u>(65,959)</u>	<u>66,845</u>	<u>886</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	<u>(287)</u>	<u>(379,544)</u>	<u>(379,831)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	<u>4,476</u>	<u>-</u>	<u>4,476</u>
Net change in cash and cash equivalents	35,858	(312,699)	(276,841)
Cash and cash equivalents:			
Beginning of year	364,999	567,190	932,189
End of year	<u>\$ 400,857</u>	<u>\$ 254,491</u>	<u>\$ 655,348</u>

Continued on next page

**CITY OF WARRENTON**

Sanitation Enterprise

Combining Statement of Cash Flows, Continued

For the Year Ended June 30, 2021

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (131,672)	\$ -	\$ (131,672)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	100,146	-	100,146
Pension adjustments	68,127	-	68,127
(Increase) decrease in assets:			
Receivables	1,019	-	1,019
Inventory, at cost	3,178	-	3,178
Prepaid expenses	210	-	210
Increase (decrease) in liabilities:			
Accounts payable	14,851	-	14,851
Compensated absences	573	-	573
Landfill postclosure care liability	<u>41,196</u>	<u>-</u>	<u>41,196</u>
 Net cash provided by (used in) operating activities	 <u>\$ 97,628</u>	 <u>\$ -</u>	 <u>\$ 97,628</u>
 <b>Schedule of noncash transactions:</b>			
Capital assets transferred between funds	<u>\$ (10,820)</u>	<u>\$ 10,820</u>	<u>\$ -</u>

**CITY OF WARRENTON**  
Nonmajor Enterprise Funds  
Combining Statement of Net Position  
June 30, 2021

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 278,469	\$ 402,175	\$ 250,989	\$ 667,338	\$ 1,598,971
Accounts receivable	15,944	-	1,470	-	17,414
Intergovernmental receivables	-	-	-	66,295	66,295
Total current assets	<u>294,413</u>	<u>402,175</u>	<u>252,459</u>	<u>733,633</u>	<u>1,682,680</u>
Noncurrent assets:					
Capital assets:					
Nondepreciable assets	74,778	-	718,972	-	793,750
Depreciable assets, net	165,185	-	1,150,648	-	1,315,833
Total noncurrent assets	<u>239,963</u>	<u>-</u>	<u>1,869,620</u>	<u>-</u>	<u>2,109,583</u>
Total assets	<u>534,376</u>	<u>402,175</u>	<u>2,122,079</u>	<u>733,633</u>	<u>3,792,263</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
related to pensions	<u>127,366</u>	<u>-</u>	<u>91,866</u>	<u>-</u>	<u>219,232</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	9,783	-	7,887	62,775	80,445
Compensated absences	19,668	-	10,544	-	30,212
Deferred revenue	18,519	-	5,219	-	23,738
Total current liabilities	<u>47,970</u>	<u>-</u>	<u>23,650</u>	<u>62,775</u>	<u>134,395</u>
Noncurrent liabilities:					
Net pension liability	<u>335,501</u>	<u>-</u>	<u>241,989</u>	<u>-</u>	<u>577,490</u>
Total liabilities	<u>383,471</u>	<u>-</u>	<u>265,639</u>	<u>62,775</u>	<u>711,885</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
related to pensions	<u>15,855</u>	<u>-</u>	<u>11,436</u>	<u>-</u>	<u>27,291</u>
<b>NET POSITION</b>					
Net investment in capital assets	239,963	-	1,869,620	-	2,109,583
Unrestricted	<u>22,453</u>	<u>402,175</u>	<u>67,250</u>	<u>670,858</u>	<u>1,162,736</u>
Total net position	<u>\$ 262,416</u>	<u>\$ 402,175</u>	<u>\$ 1,936,870</u>	<u>\$ 670,858</u>	<u>\$ 3,272,319</u>

# CITY OF WARRENTON

## Nonmajor Enterprise Funds

### Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2021

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
Operating Revenues:					
Charges for services	\$ 577,695	\$ -	\$ 313,564	\$ -	\$ 891,259
Lease receipts	29,372	-	13,417	-	42,789
Other revenue	2,980	-	3,462	-	6,442
Total operating revenues	<u>610,047</u>	<u>-</u>	<u>330,443</u>	<u>-</u>	<u>940,490</u>
Operating Expenses:					
Payroll and payroll benefits	366,756	-	219,842	-	586,598
Contracted services	10,306	-	9,739	-	20,045
Utilities and telephone	91,154	-	29,670	-	120,824
Repairs and maintenance	43,657	-	34,465	-	78,122
Other operating expenses	23,732	-	22,691	-	46,423
Overhead cost allocation	27,643	-	14,807	-	42,450
Depreciation	47,889	-	58,635	-	106,524
Total operating expenses	<u>611,137</u>	<u>-</u>	<u>389,849</u>	<u>-</u>	<u>1,000,986</u>
Operating income (loss)	<u>(1,090)</u>	<u>-</u>	<u>(59,406)</u>	<u>-</u>	<u>(60,496)</u>
Nonoperating Revenues (Expenses):					
Investment earnings	7,114	-	8,666	-	15,780
Taxes	-	-	-	160,903	160,903
Intergovernmental	4,067	-	2,831	36,257	43,155
Total nonoperating revenues (expenses)	<u>11,181</u>	<u>-</u>	<u>11,497</u>	<u>197,160</u>	<u>219,838</u>
Income (loss) before contributions	10,091	-	(47,909)	197,160	159,342
Capital transfers, net	-	-	455,999	(455,999)	-
Net transfers within enterprise	<u>(20,000)</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(9,909)	20,000	408,090	(258,839)	159,342
Net Position:					
Beginning of year	272,325	382,175	1,528,780	929,697	3,112,977
End of year	<u>\$ 262,416</u>	<u>\$ 402,175</u>	<u>\$ 1,936,870</u>	<u>\$ 670,858</u>	<u>\$ 3,272,319</u>

**CITY OF WARRENTON**  
Nonmajor Enterprise Funds  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2021

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 625,480	\$ -	\$ 337,015	\$ -	\$ 962,495
Payments to suppliers and contractors	(165,491)	-	(91,328)	-	(256,819)
Payments to employees	(267,173)	-	(149,678)	-	(416,851)
Payments for interfund services	<u>(69,298)</u>	<u>-</u>	<u>(37,120)</u>	<u>-</u>	<u>(106,418)</u>
Net cash provided by (used in) operating	<u>123,518</u>	<u>-</u>	<u>58,889</u>	<u>-</u>	<u>182,407</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental operating grants received	4,067	-	2,831	-	6,898
Taxes collected	-	-	-	132,400	132,400
Transfers within enterprise, net	<u>(20,000)</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(15,933)</u>	<u>20,000</u>	<u>2,831</u>	<u>132,400</u>	<u>139,298</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Intergovernmental capital grants received	-	-	-	40,599	40,599
Acquisition and construction of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>(395,514)</u>	<u>(395,514)</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(354,915)</u>	<u>(354,915)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends received	<u>7,114</u>	<u>-</u>	<u>8,666</u>	<u>-</u>	<u>15,780</u>
Net change in cash and cash equivalents	114,699	20,000	70,386	(222,515)	(17,430)
Cash and cash equivalents:					
Beginning of year	<u>163,770</u>	<u>382,175</u>	<u>180,603</u>	<u>889,853</u>	<u>1,616,401</u>
End of year	<u>\$ 278,469</u>	<u>\$ 402,175</u>	<u>\$ 250,989</u>	<u>\$ 667,338</u>	<u>\$ 1,598,971</u>

Continued on next page

# CITY OF WARRENTON

## Nonmajor Enterprise Funds

### Combining Statement of Cash Flows, Continued

For the Year Ended June 30, 2021

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ (1,090)	\$ -	\$ (59,406)	\$ -	\$ (60,496)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	47,889	-	58,635	-	106,524
Pension adjustments	53,038	-	47,717	-	100,755
(Increase) decrease in assets:					
Receivables	5,382	-	2,002	-	7,384
Prepaid expenses	286	-	206	-	492
Increase (decrease) in liabilities:					
Accounts payable	3,072	-	5,031	-	8,103
Compensated absences	4,890	-	134	-	5,024
Unearned revenue	10,051	-	4,570	-	14,621
 Net cash provided by (used in) operating activities	 \$ 123,518	 \$ -	 \$ 58,889	 \$ -	 \$ 182,407

### Schedule of noncash transactions:

Capital assets transferred between funds	\$ -	\$ -	\$ (455,999)	\$ 455,999	\$ -
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**CITY OF WARRENTON**

Water Operating Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Resources:</b>				
Beginning fund balance	\$ 2,200,000	\$ 2,200,000	\$ 3,144,980	\$ 944,980
Intergovernmental	-	-	2,855	2,855
Charges for services	3,235,000	3,235,000	3,990,439	755,439
Investment earnings	30,000	30,000	42,100	12,100
Other revenue	1,500	1,500	8,488	6,988
Loan proceeds	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>(2,500,000)</u>
Total resources	<u>\$ 7,966,500</u>	<u>\$ 7,966,500</u>	<u>\$ 7,188,862</u>	<u>\$ (777,638)</u>
<b>Requirements:</b>				
Public Works:				
Personal services	\$ 1,004,082	\$ 1,004,082	\$ 844,124	\$ 159,958
Materials and services	<u>1,354,638</u>	<u>1,353,638</u>	<u>817,102</u>	<u>536,536</u>
Total department expenditures	2,358,720	2,357,720	1,661,226	696,494
Debt service	630,963	631,963	630,961	1,002
Contingency	482,386	482,386	-	482,386
Transfers out	<u>4,060,000</u>	<u>4,060,000</u>	<u>1,560,000</u>	<u>2,500,000</u>
Total expenditures	7,532,069	7,532,069	3,852,187	3,679,882
Ending fund balance	<u>434,431</u>	<u>434,431</u>	<u>3,336,675</u>	<u>(2,902,244)</u>
Total requirements	<u>\$ 7,966,500</u>	<u>\$ 7,966,500</u>	<u>\$ 7,188,862</u>	<u>\$ 777,638</u>
<b>Reconciliation to GAAP Basis:</b>				
Ending fund balance - budget basis			\$ 3,336,675	
Depreciable assets, net			13,591,731	
Deferred outflows of resources related to pensions			378,306	
Accrued interest payable			(64,127)	
Compensated absences			(34,000)	
Net pension liability			(996,510)	
Loans payable			(4,046,549)	
Deferred inflow of resources related to pensions			<u>(47,093)</u>	
Ending net position - GAAP basis			<u>\$ 12,118,433</u>	

**CITY OF WARRENTON**

Water System Development

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 58,000	\$ 58,000	\$ 91,795	\$ 33,795
Investment earnings	500	500	972	472
Capital contributions	<u>30,000</u>	<u>30,000</u>	<u>120,044</u>	<u>90,044</u>
Total resources	<u>\$ 88,500</u>	<u>\$ 88,500</u>	<u>\$ 212,811</u>	<u>\$ 124,311</u>
Requirements:				
Debt service	\$ 58,000	\$ 58,000	\$ 58,000	\$ -
Ending fund balance	<u>30,500</u>	<u>30,500</u>	<u>154,811</u>	<u>(124,311)</u>
Total requirements	<u>\$ 88,500</u>	<u>\$ 88,500</u>	<u>\$ 212,811</u>	<u>\$ (124,311)</u>

**CITY OF WARRENTON**

Water Capital Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 2,200,000	\$ 2,200,000	\$ 2,267,578	\$ 67,578
Transfers in	<u>4,060,000</u>	<u>4,060,000</u>	<u>1,560,000</u>	<u>(2,500,000)</u>
Total resources	<u>\$ 6,260,000</u>	<u>\$ 6,260,000</u>	<u>\$ 3,827,578</u>	<u>\$ (2,432,422)</u>
Requirements:				
Public Works:				
Capital outlay	\$ 3,677,723	\$ 3,677,723	\$ 164,401	\$ 3,513,322
Ending fund balance	<u>2,582,277</u>	<u>2,582,277</u>	<u>3,663,177</u>	<u>(1,080,900)</u>
Total requirements	<u>\$ 6,260,000</u>	<u>\$ 6,260,000</u>	<u>\$ 3,827,578</u>	<u>\$ 2,432,422</u>

**CITY OF WARRENTON**

Sewer Operating Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 2,200,000	\$ 2,200,000	\$ 2,688,213	\$ 488,213
Intergovernmental	-	-	2,883	2,883
Charges for services	2,388,800	2,388,800	2,837,138	448,338
Investment earnings	40,000	40,000	47,545	7,545
Other revenue	-	-	16,455	16,455
Total resources	<u>\$ 4,628,800</u>	<u>\$ 4,628,800</u>	<u>\$ 5,592,234</u>	<u>\$ 963,434</u>
Requirements:				
Public Works::				
Personal services	\$ 1,132,011	\$ 1,132,011	\$ 873,473	\$ 258,538
Materials and services	<u>1,569,817</u>	<u>1,569,817</u>	<u>847,642</u>	<u>722,175</u>
Total department expenditures	2,701,828	2,701,828	1,721,115	980,713
Debt service	178,322	178,322	178,322	-
Contingency	576,821	576,821	-	576,821
Transfers out	<u>582,017</u>	<u>582,017</u>	<u>582,017</u>	<u>-</u>
Total expenditures	4,038,988	4,038,988	2,481,454	1,557,534
Ending fund balance	<u>589,812</u>	<u>589,812</u>	<u>3,110,780</u>	<u>(2,520,968)</u>
Total requirements	<u>\$ 4,628,800</u>	<u>\$ 4,628,800</u>	<u>\$ 5,592,234</u>	<u>\$ (963,434)</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 3,110,780	
Depreciable assets, net			9,032,791	
Deferred outflows of resources related to pensions			360,962	
Accrued interest payable			(12,339)	
Compensated absences			(42,057)	
Net pension liability			(950,825)	
Loans payable			(1,694,181)	
Deferred inflow of resources related to pensions			<u>(44,934)</u>	
Ending net position - GAAP basis			<u>\$ 9,760,197</u>	

**CITY OF WARRENTON**

**Sewer System Development Fund**

**Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)**

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 38,000	\$ 38,000	\$ 53,188	\$ 15,188
Investment earnings	300	300	684	384
Capital contributions	<u>30,000</u>	<u>30,000</u>	<u>59,022</u>	<u>29,022</u>
Total resources	<u>\$ 68,300</u>	<u>\$ 68,300</u>	<u>\$ 112,894</u>	<u>\$ 44,594</u>
Requirements:				
Ending fund balance	<u>\$ 68,300</u>	<u>\$ 68,300</u>	<u>\$ 112,894</u>	<u>\$ (44,594)</u>
Total requirements	<u><u>\$ 68,300</u></u>	<u><u>\$ 68,300</u></u>	<u><u>\$ 112,894</u></u>	<u><u>\$ (44,594)</u></u>

**CITY OF WARRENTON**

**Sewer Capital Reserve Fund**

**Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)**

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 3,300,000	\$ 3,300,000	\$ 3,533,552	\$ 233,552
Transfers in	<u>582,017</u>	<u>582,017</u>	<u>582,017</u>	<u>-</u>
Total resources	<u>\$ 3,882,017</u>	<u>\$ 3,882,017</u>	<u>\$ 4,115,569</u>	<u>\$ 233,552</u>
Requirements:				
Public Works:				
Capital outlay	\$ 1,227,020	\$ 1,227,020	\$ 141,443	\$ 1,085,577
Ending fund balance	<u>2,654,997</u>	<u>2,654,997</u>	<u>3,974,126</u>	<u>(1,319,129)</u>
Total requirements	<u>\$ 3,882,017</u>	<u>\$ 3,882,017</u>	<u>\$ 4,115,569</u>	<u>\$ (233,552)</u>

**CITY OF WARRENTON**

Storm Sewer Operating Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 1,100,000	\$ 1,100,000	\$ 1,185,198	\$ 85,198
Intergovernmental	-	-	312	312
Charges for services	428,400	428,400	505,230	76,830
Investment earnings	5,000	5,000	9,218	4,218
Other revenue	-	-	1,211	1,211
Total resources	<u>\$ 1,533,400</u>	<u>\$ 1,533,400</u>	<u>\$ 1,701,169</u>	<u>\$ 167,769</u>
Requirements:				
Storm Sewer Department:				
Personal services	\$ 124,903	\$ 124,903	\$ 103,072	\$ 21,831
Materials and services	300,825	300,825	113,252	187,573
Capital outlay	<u>775,133</u>	<u>775,133</u>	<u>10,978</u>	<u>764,155</u>
Total department expenditures	1,200,861	1,200,861	227,302	973,559
Contingency	<u>85,839</u>	<u>85,839</u>	-	85,839
Total expenditures	1,286,700	1,286,700	227,302	1,059,398
Ending fund balance	<u>246,700</u>	<u>246,700</u>	<u>1,473,867</u>	<u>(1,227,167)</u>
Total requirements	<u>\$ 1,533,400</u>	<u>\$ 1,533,400</u>	<u>\$ 1,701,169</u>	<u>\$ (167,769)</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 1,473,867	
Depreciable assets, net			527,124	
Deferred outflows of resources related to pensions			30,622	
Compensated absences			(4,734)	
Net pension liability			(80,663)	
Deferred inflow of resources related to pensions			<u>(3,812)</u>	
Ending net position - GAAP basis			<u>\$ 1,942,404</u>	

**CITY OF WARRENTON**

Storm System Development Charges Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 54,900	\$ 54,900	\$ 57,302	\$ 2,402
Investment earnings	300	300	575	275
Capital contributions	<u>18,000</u>	<u>18,000</u>	<u>26,092</u>	<u>8,092</u>
Total resources	<u>\$ 73,200</u>	<u>\$ 73,200</u>	<u>\$ 83,969</u>	<u>\$ 10,769</u>
Requirements:				
Ending fund balance	<u>\$ 73,200</u>	<u>\$ 73,200</u>	<u>\$ 83,969</u>	<u>\$ (10,769)</u>
Total requirements	<u><u>\$ 73,200</u></u>	<u><u>\$ 73,200</u></u>	<u><u>\$ 83,969</u></u>	<u><u>\$ (10,769)</u></u>

**CITY OF WARRENTON**

Sanitation Operating Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 450,000	\$ 450,000	\$ 432,697	\$ (17,303)
Intergovernmental	-	-	886	886
Charges for services	1,031,195	1,031,195	1,204,697	173,502
Investment earnings	6,000	6,000	4,476	(1,524)
Other revenue	-	-	3,919	3,919
Total resources	<u>\$ 1,487,195</u>	<u>\$ 1,487,195</u>	<u>\$ 1,646,675</u>	<u>\$ 159,480</u>
Requirements:				
Public works:				
Personal services	\$ 304,619	\$ 304,619	\$ 273,020	\$ 31,599
Materials and services	<u>920,037</u>	<u>920,037</u>	<u>856,460</u>	<u>63,577</u>
Total department expenditures	1,224,656	1,224,656	1,129,480	95,176
Contingency	185,263	185,263	-	185,263
Transfers out	<u>66,845</u>	<u>66,845</u>	<u>66,845</u>	<u>-</u>
Total expenditures	1,476,764	1,476,764	1,196,325	280,439
Ending fund balance	<u>10,431</u>	<u>10,431</u>	<u>450,350</u>	<u>(439,919)</u>
Total requirements	<u>\$ 1,487,195</u>	<u>\$ 1,487,195</u>	<u>\$ 1,646,675</u>	<u>\$ (159,480)</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 450,350	
Depreciable assets, net			600,224	
Deferred outflows of resources related to pensions			122,490	
Compensated absences			(7,860)	
Net pension liability			(322,652)	
Landfill postclosure care liability			(277,772)	
Deferred inflow of resources related to pensions			<u>(15,249)</u>	
Ending net position - GAAP basis			<u>\$ 549,531</u>	

**CITY OF WARRENTON**

Sanitation Capital Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 113,000	\$ 113,000	\$ 198,466	\$ 85,466
Transfers in	<u>66,845</u>	<u>66,845</u>	<u>66,845</u>	<u>-</u>
Total resources	<u>\$ 179,845</u>	<u>\$ 179,845</u>	<u>\$ 265,311</u>	<u>\$ 85,466</u>
Requirements:				
Public Works:				
Capital outlay	\$ 20,850	\$ 20,850	\$ 10,820	\$ 10,030
Ending fund balance	<u>158,995</u>	<u>158,995</u>	<u>254,491</u>	<u>(95,496)</u>
Total requirements	<u>\$ 179,845</u>	<u>\$ 179,845</u>	<u>\$ 265,311</u>	<u>\$ (85,466)</u>

# CITY OF WARRENTON

## Warrenton Marina Fund

### Schedule of Resources and Requirements Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 145,000	\$ 145,000	\$ 172,727	\$ 27,727
Intergovernmental	-	-	4,067	4,067
Charges for services	534,000	534,000	575,405	41,405
Lease receipts	29,226	29,226	29,372	146
Investment earnings	7,000	7,000	7,114	114
Other revenue	1,000	1,000	2,980	1,980
Total resources	<u>\$ 716,226</u>	<u>\$ 716,226</u>	<u>\$ 791,665</u>	<u>\$ 75,439</u>
Requirements:				
Marinas:				
Personal services	\$ 312,088	\$ 312,088	\$ 308,828	\$ 3,260
Materials and services	<u>226,709</u>	<u>226,709</u>	<u>196,492</u>	<u>30,217</u>
Total department expenditures	538,797	538,797	505,320	33,477
Contingency	100,000	100,000	-	100,000
Transfers out	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total expenditures	658,797	658,797	525,320	133,477
Ending fund balance	<u>57,429</u>	<u>57,429</u>	<u>266,345</u>	<u>(208,916)</u>
Total requirements	<u>\$ 716,226</u>	<u>\$ 716,226</u>	<u>\$ 791,665</u>	<u>\$ (75,439)</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 266,345	
Allowance for doubtful accounts			(234)	
Depreciable assets, net			239,963	
Deferred outflows of resources related to pensions			127,366	
Compensated absences			(19,668)	
Net pension liability			(335,501)	
Deferred inflow of resources related to pensions			<u>(15,855)</u>	
Ending net position - GAAP basis			<u>\$ 262,416</u>	

**CITY OF WARRENTON**

Warrenton Marina Capital Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 382,175	\$ 382,175	\$ 382,175	\$ -
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total resources	<u>\$ 402,175</u>	<u>\$ 402,175</u>	<u>\$ 402,175</u>	<u>\$ -</u>
Requirements:				
Ending fund balance	<u>\$ 402,175</u>	<u>\$ 402,175</u>	<u>\$ 402,175</u>	<u>\$ -</u>
Total requirements	<u>\$ 402,175</u>	<u>\$ 402,175</u>	<u>\$ 402,175</u>	<u>\$ -</u>

**CITY OF WARRENTON**

Hammond Marina Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 160,000	\$ 160,000	\$ 180,776	\$ 20,776
Intergovernmental	-	-	2,831	2,831
Charges for services	208,500	208,500	313,564	105,064
Lease receipts	12,901	12,901	13,417	516
Investment earnings	12,000	12,000	8,666	(3,334)
Other revenue	-	-	3,462	3,462
Total resources	<u>\$ 393,401</u>	<u>\$ 393,401</u>	<u>\$ 522,716</u>	<u>\$ 129,315</u>

Resources:				
Marinas:				
Personal services	\$ 176,836	\$ 176,836	\$ 171,991	\$ 4,845
Materials and services	<u>138,805</u>	<u>138,805</u>	<u>111,372</u>	<u>27,433</u>
Total department expenditures	315,641	315,641	283,363	32,278
Contingency	<u>77,760</u>	<u>77,760</u>	-	<u>77,760</u>
Total expenditures	393,401	393,401	283,363	110,038
Ending fund balance	-	-	<u>239,353</u>	<u>(239,353)</u>
Total requirements	<u>\$ 393,401</u>	<u>\$ 393,401</u>	<u>\$ 522,716</u>	<u>\$ (129,315)</u>

Reconciliation to GAAP Basis:

Ending fund balance - budget basis	\$ 239,353
Depreciable assets, net	1,869,620
Deferred outflows of resources related to pensions	91,866
Compensated absences	(10,544)
Net pension liability	(241,989)
Deferred inflow of resources related to pensions	<u>(11,436)</u>
Ending net position - GAAP basis	<u>\$ 1,936,870</u>

**CITY OF WARRENTON**

Hammond Marina Capital Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 862,000	\$ 862,000	\$ 929,697	\$ 67,697
Taxes	165,000	165,000	160,903	(4,097)
Intergovernmental	<u>35,000</u>	<u>35,000</u>	<u>36,257</u>	<u>1,257</u>
Total resources	<u>\$ 1,062,000</u>	<u>\$ 1,062,000</u>	<u>\$ 1,126,857</u>	<u>\$ 64,857</u>
Requirements:				
Marinas:				
Capital outlay	\$ 840,000	\$ 840,000	\$ 455,999	\$ 384,001
Ending fund balance	<u>222,000</u>	<u>222,000</u>	<u>670,858</u>	<u>(448,858)</u>
Total requirements	<u>\$ 1,062,000</u>	<u>\$ 1,062,000</u>	<u>\$ 1,126,857</u>	<u>\$ (64,857)</u>

### **INTERNAL SERVICE FUND**

*Internal Service Funds* are used to report activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or other governments, on a cost reimbursement basis. Funds included in this category are:

***Engineer ISF*** - The City began using an in-house engineer in 2016. The costs associated with the engineer are accumulated in this fund and reimbursed by the appropriate departments and projects.



# CITY OF WARRENTON

## Engineer ISF

### Schedule of Resources and Requirements Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 5,406	\$ 5,406	\$ 5,406	\$ -
Charges for services	<u>167,163</u>	<u>167,163</u>	<u>4,030</u>	<u>(163,133)</u>
Total resources	<u>\$ 172,569</u>	<u>\$ 172,569</u>	<u>\$ 9,436</u>	<u>\$ (163,133)</u>
Requirements:				
Engineering Department:				
Personal services	\$ 165,369	\$ 165,369	\$ 3,933	\$ 161,436
Materials and services	<u>7,200</u>	<u>7,200</u>	<u>-</u>	<u>7,200</u>
Total department expenditures	172,569	172,569	3,933	168,636
Ending fund balance	<u>-</u>	<u>-</u>	<u>5,503</u>	<u>(5,503)</u>
Total requirements	<u>\$ 172,569</u>	<u>\$ 172,569</u>	<u>\$ 9,436</u>	<u>\$ 163,133</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 5,503	
Compensated absences			<u>(2,359)</u>	
Ending net position - GAAP basis			<u>\$ 3,144</u>	



## COMPLIANCE SECTION





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## COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR REQUIRED BY STATE STATUE

Honorable Mayor and City Commission  
City of Warrenton, Oregon

We have audited the basic financial statements of the City of Warrenton, Oregon ("City") as of and for the year ended June 30, 2021, and have issued our report thereon dated December 15, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### **Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 to 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on determination of financial statements 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

Deposits of public funds with financial institutions (ORS Chapter 295).

Indebtedness limitations, restrictions and repayment.

Budgets legally required (ORS Chapter 294).

Insurance and fidelity bonds in force or required by law.

Programs funded from outside sources.

Highway revenues used for public highways, roads, and streets.

Authorized investment of surplus funds (ORS Chapter 294).

Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe the City of Warrenton, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

The notice of budget hearing was not published as required under ORS 294.

### **OAR 162-10-0230 Internal Control**

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

*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 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.

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the City Commission and the Secretary of State Division of Audits of the State of Oregon. However, this report is a matter of public record and is not intended to be and should not be used by anyone other than these parties.

Isler CPA

By

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive, flowing style.

Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

December 15, 2021