



FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH  
INDEPENDENT AUDITOR'S REPORT

**CITY OF WARRENTON, OREGON**  
FINANCIAL STATEMENTS AND SUPPLEMENTAL  
INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH  
INDEPENDENT AUDITOR'S REPORT



**CITY OF WARRENTON, OREGON**

Financial Statements and Supplemental Information

For the Year Ended June 30, 2020

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INTRODUCTORY SECTION





**CITY OF WARRENTON, OREGON**

List of Elected and Appointed Officials

June 30, 2020

**ELECTED OFFICIALS - CITY COMMISSION**

Mayor	Henry Balensifer III
Position No. 1	Pam Ackley
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
Deputy City Recorder	Dawne Shaw
City Attorney	Beery, Elsner & Hammond

**Mailing Address**

PO Box 250  
Warrenton, Oregon 97146



FINANCIAL SECTION





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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, 2020, 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, 2020, 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 17, 2020 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:



Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

December 17, 2020



## **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, 2020. 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, 2020 were \$65,990,859.
- The City's total liabilities and deferred inflows at June 30, 2020 were \$19,604,954.
- The net position of the City at June 30, 2020 was \$46,385,905. Of this amount, \$9,155,492 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2020, the City's governmental funds reported combined ending fund balances of \$8,623,812.
- At the end of the fiscal year, the City's total combined governmental funds had a restricted fund balance of \$7,159,758, a committed fund balance of \$94,819, an assigned fund balance of \$325,934, and an unassigned fund balance of \$1,041,358.
- The General Fund's unassigned fund balance is \$1,041,358 at the end of the current fiscal year, or 24.4% 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 and the Hammond Marina fund, all of which are considered to be major funds of the City of Warrenton. The Warrenton 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 \$46,385,905 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position, 64.3%, 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, 15.9%, represents resources that are subject to external restrictions on how they may be used. The remaining portion represents 19.7% 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, is reported as negative \$3,931,389. 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 \$3,239,574 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 9,271,168	\$ 8,508,626	\$ 15,981,775	\$ 13,385,150	\$ 25,252,943	\$ 21,893,776
Capital assets, net	<u>12,396,883</u>	<u>12,496,170</u>	<u>26,644,556</u>	<u>27,209,347</u>	<u>39,041,439</u>	<u>39,705,517</u>
Total assets	<u>21,668,051</u>	<u>21,004,796</u>	<u>42,626,331</u>	<u>40,594,497</u>	<u>64,294,382</u>	<u>61,599,293</u>
Deferred outflows	<u>972,421</u>	<u>1,090,849</u>	<u>724,056</u>	<u>771,942</u>	<u>1,696,477</u>	<u>1,862,791</u>
Noncurrent liabilities	8,871,525	9,494,587	8,789,254	9,288,388	17,660,779	18,782,975
Other liabilities	<u>604,474</u>	<u>666,476</u>	<u>852,453</u>	<u>540,490</u>	<u>1,456,927</u>	<u>1,206,966</u>
Total liabilities	<u>9,475,999</u>	<u>10,161,063</u>	<u>9,641,707</u>	<u>9,828,878</u>	<u>19,117,706</u>	<u>19,989,941</u>
Deferred inflows	<u>279,292</u>	<u>293,460</u>	<u>207,956</u>	<u>207,665</u>	<u>487,248</u>	<u>501,125</u>
Net position:						
Net investment in capital assets	9,611,703	9,648,710	20,211,558	20,093,227	29,823,261	29,741,937
Restricted	7,204,867	5,869,878	202,285	194,986	7,407,152	6,064,864
Unrestricted	<u>(3,931,389)</u>	<u>(3,877,466)</u>	<u>13,086,881</u>	<u>11,041,683</u>	<u>9,155,492</u>	<u>7,164,217</u>
Total net position	<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>

The City's net position increased by \$3,414,887 during the current fiscal year.

The City's total assets and deferred outflows at June 30, 2020 increased \$2,528,775 from \$63,462,084 to \$65,990,859, or 3.98% from the prior year. Cash increased by \$3,613,427, or 18.27% from the prior year. Receivables decreased by \$230,682, or 14.14% from the prior year. Inventories decreased by \$10,355, or 2.67% from the prior year. Capital assets, net, decreased by \$664,078, or 1.67%, from the prior year. The remaining current assets, prepayments, decreased by \$13,224, or 67.62%, from the prior year.

The City's total liabilities and deferred inflows at June 30, 2020 decreased by \$886,112, or 4.32%, from the prior year. Accounts payable and other current liabilities increased \$271,314, or 31.61%, from the prior year. Interest payable on long term debt decreased by \$14,883 or 12.24% from the prior year. The City's outstanding debt decreased \$1,509,063, or 10.62%.

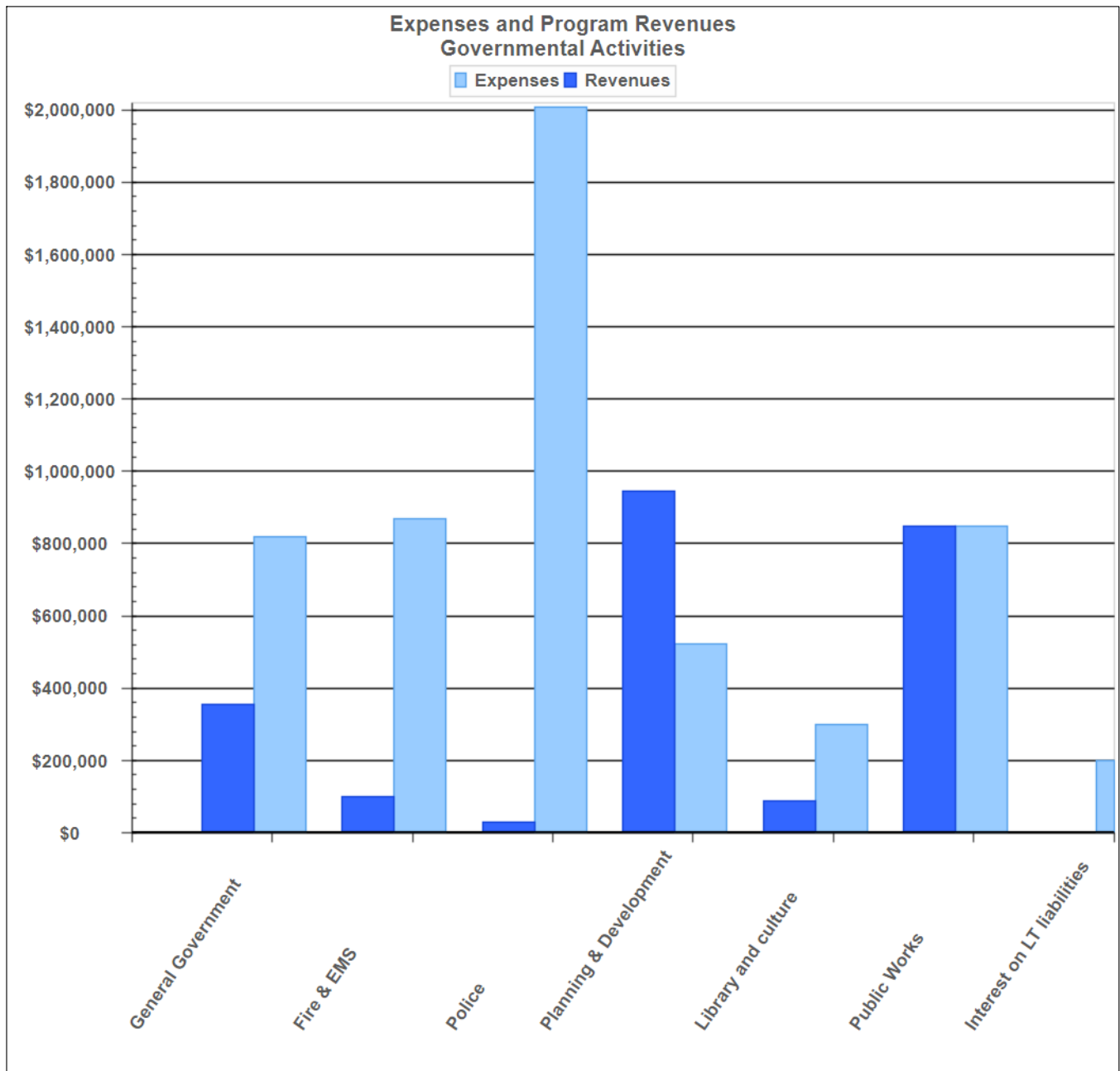
City of Warrenton's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program revenues:						
Fines, fees & charges for services	\$ 1,496,184	\$ 852,925	\$ 9,188,725	\$ 8,696,563	\$ 10,684,909	\$ 9,549,488
Operating grants & contributions	388,532	918,708	4,205	-	392,737	918,708
Capital grants & contributions	150,320	507,478	763,825	1,214,172	914,145	1,721,650
General revenues:						
Property taxes	2,629,316	2,515,969	-	-	2,629,316	2,515,969
Other taxes	1,021,441	1,204,107	131,300	159,400	1,152,741	1,363,507
Franchise fees	770,988	743,101	-	-	770,988	743,101
Unrestricted state revenue sharing	178,980	160,556	-	-	178,980	160,556
Unrestricted investment earnings	167,818	184,757	267,931	244,217	435,749	428,974
<b>Total revenues</b>	<b>6,803,579</b>	<b>7,087,601</b>	<b>10,355,986</b>	<b>10,314,352</b>	<b>17,159,565</b>	<b>17,401,953</b>
<b>Expenses:</b>						
General government	817,381	1,253,656	-	-	817,381	1,253,656
Fire & emergency medical services	869,110	744,536	-	-	869,110	744,536
Police	2,006,391	1,848,274	-	-	2,006,391	1,848,274
Planning and development	521,224	427,705	-	-	521,224	427,705
Library and cultural services	298,160	277,707	-	-	298,160	277,707
Public works	847,099	610,168	-	-	847,099	610,168
Interest on long-term liabilities	200,155	225,540	-	-	200,155	225,540
Water utility	-	-	3,349,542	2,585,351	3,349,542	2,585,351
Sewer utility	-	-	2,708,920	2,733,199	2,708,920	2,733,199
Sanitation utility	-	-	1,168,557	1,167,332	1,168,557	1,167,332
Marinas	-	-	958,139	918,672	958,139	918,672
<b>Total expenses</b>	<b>5,559,520</b>	<b>5,387,586</b>	<b>8,185,158</b>	<b>7,404,554</b>	<b>13,744,678</b>	<b>12,792,140</b>
Change in net position	1,244,059	1,700,015	2,170,828	2,909,798	3,414,887	4,609,813
Net position, July 1	11,641,122	9,941,107	31,329,896	28,420,098	42,971,018	38,361,205
Net position, June 30	<u>\$2,885,181</u>	<u>\$1,641,122</u>	<u>\$33,500,724</u>	<u>\$31,329,896</u>	<u>\$46,385,905</u>	<u>\$42,971,018</u>

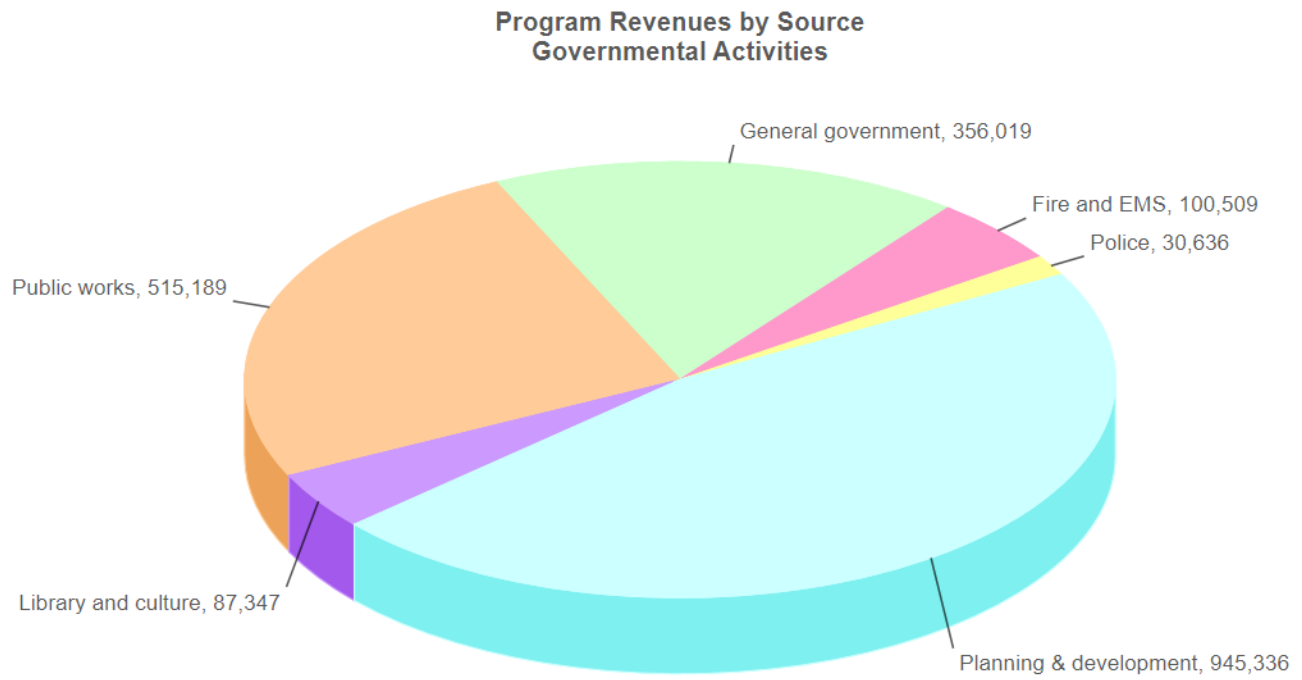
**Governmental activities.** Governmental activities increased the City's net position by \$1,244,059. The primary elements of the change in total net position are as follows:

- Revenues overall decreased \$284,022 as program revenues decreased \$244,075 and general revenues decreased \$39,947. The decrease in program revenues relates to grants revenues that were passed through to Pacific Coast Seafoods in the prior year and a FEMA Grant that was received in the prior year for a new tanker truck for the Fire Department.
- The General Fund permanent rate tax increased \$49,362, the Urban Renewal Agency's tax increased \$41,554, local option taxes for the Police Department increased \$15,354 and the Library increased \$12,503, and taxes to pay debt decreased \$5,425.
- Franchise fees increased by \$27,887 during the year. This revenue can be cyclical due to weather conditions and demand for telecommunication services.
- Unrestricted investment earnings (interest from bank accounts) decreased by \$16,939 during the year.
- Interest expense on debt decreased \$25,385 from the prior year.
- Total expenses increased by \$171,934. This increase is mostly a result of increased street maintenance offset by a decrease in pass through grant expenditures from the prior year.

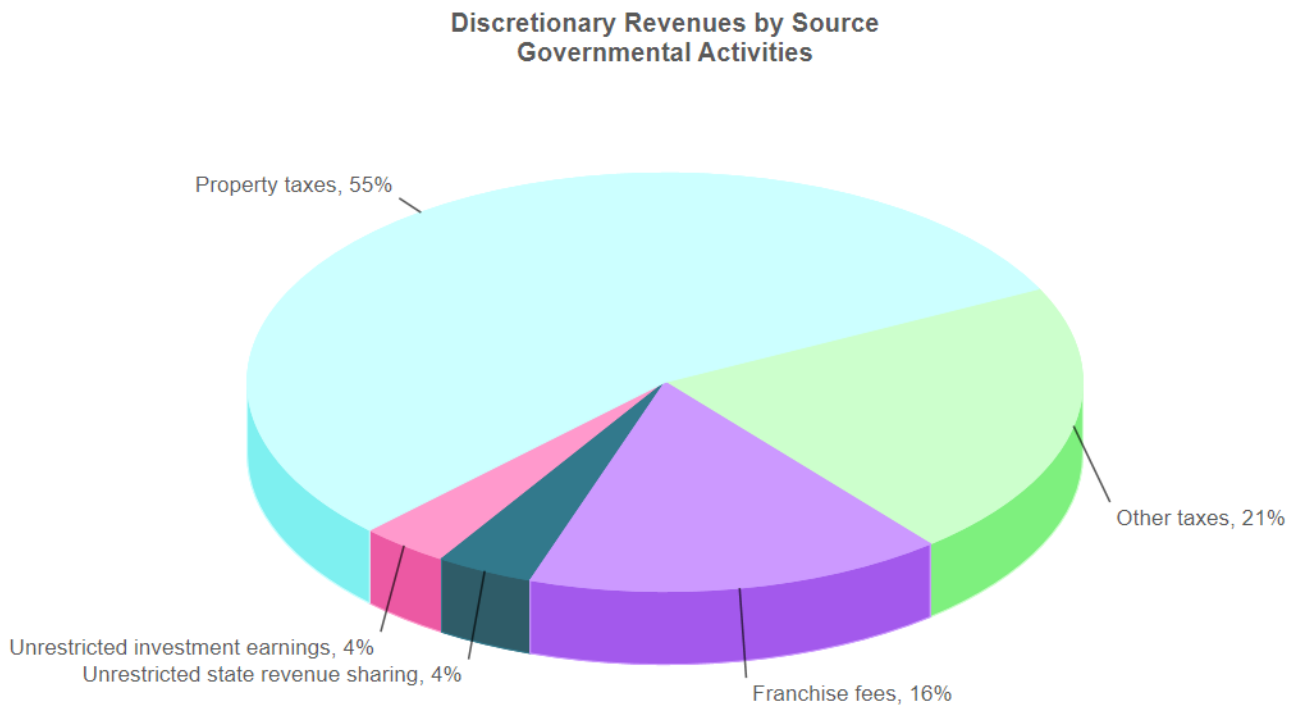
The following graph summarizes the 2019-2020 governmental activity program revenues and corresponding expenses. The revenues shown total \$2,035,036, a decrease from the prior year of \$244,075, are directly attributable to each activity (program revenues) and **do not** include property taxes, other 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 \$4,768,543, an decrease of \$39,947 from the prior year.



This next chart shows the total functional revenues for each program in the amount of \$2,035,036 by its source.



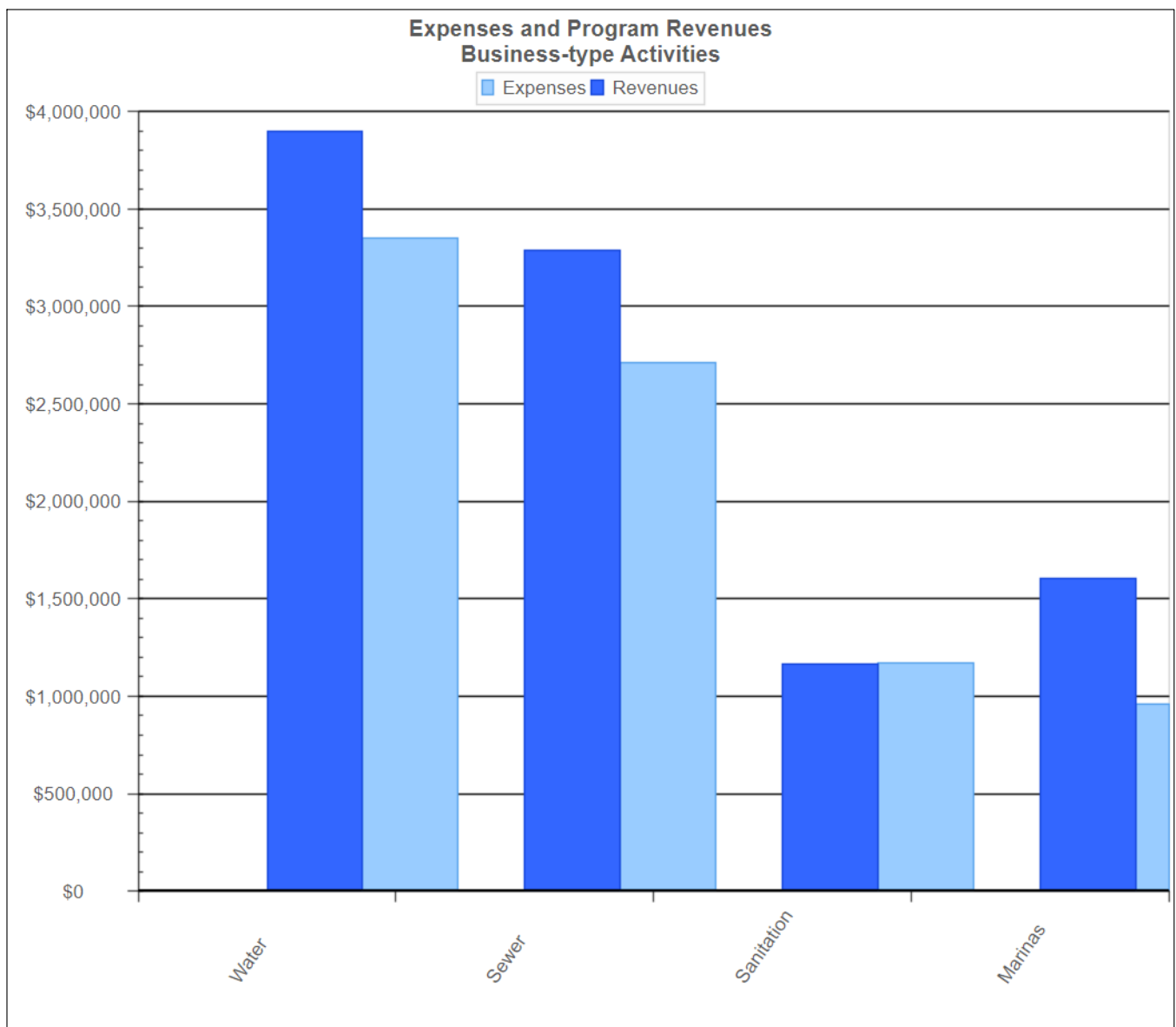
As the next chart reflects, most 2019-2020 governmental activities relied on general discretionary revenues to support the function. This graph shows total discretionary revenues in the amount of \$4,768,543 by percentage in each category



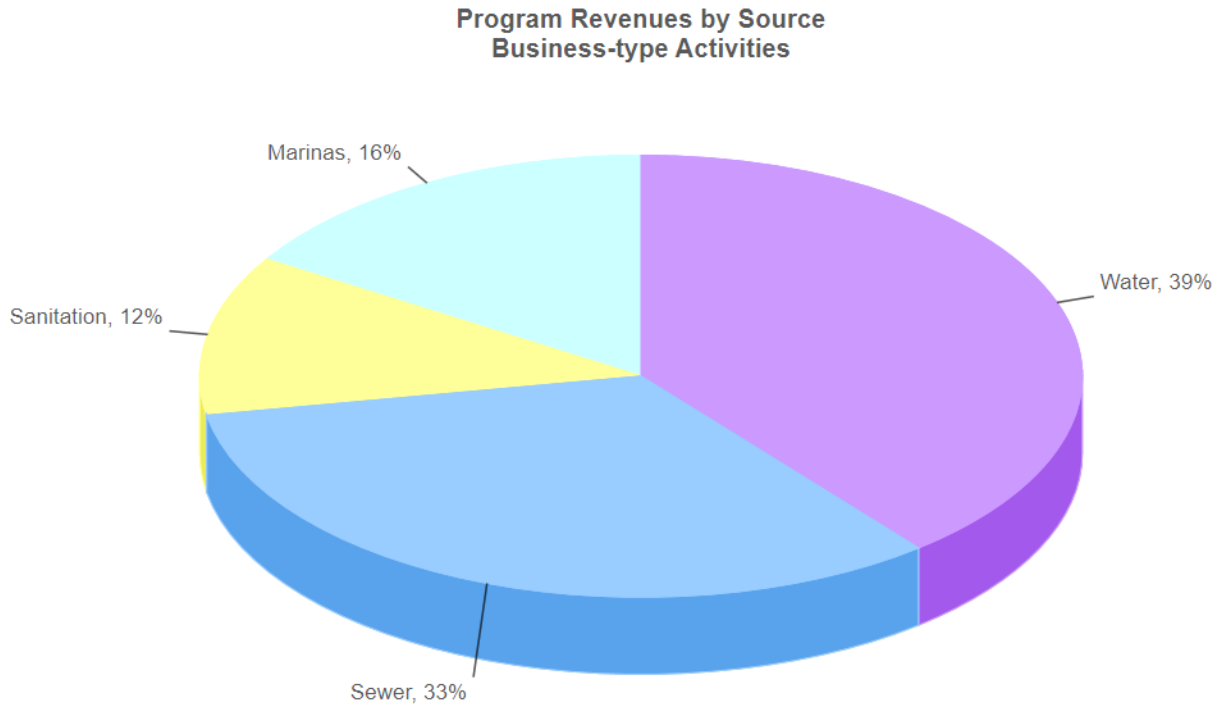
**Business-type activities.** Business-type activities increased the City's net position by \$2,170,828. Key elements of this increase are as follows:

- Fines, fees, and charges for services had a net increase this year of \$492,162 from the prior year. Revenues increased in the Water fund, this year by \$443,069, they increased in the Sewer Fund by \$35,809, and decreased in the Sanitation Fund by \$16,011, and the Marinas show increases of \$29,295. Gross water sales increased by \$447,975, or 13.73%, from the prior year, as a result of water consumption increases of approximately 34 million gallons and a rate increase of 5% that was effective on July 1, 2019.
- Combined operating and capital grants and contributions decreased this year by \$446,142 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) increased by \$23,714 during the year.
- Total business-type activity revenues increased by \$41,634.
- Total operating expenses increased from the prior year in the amount of \$780,604.

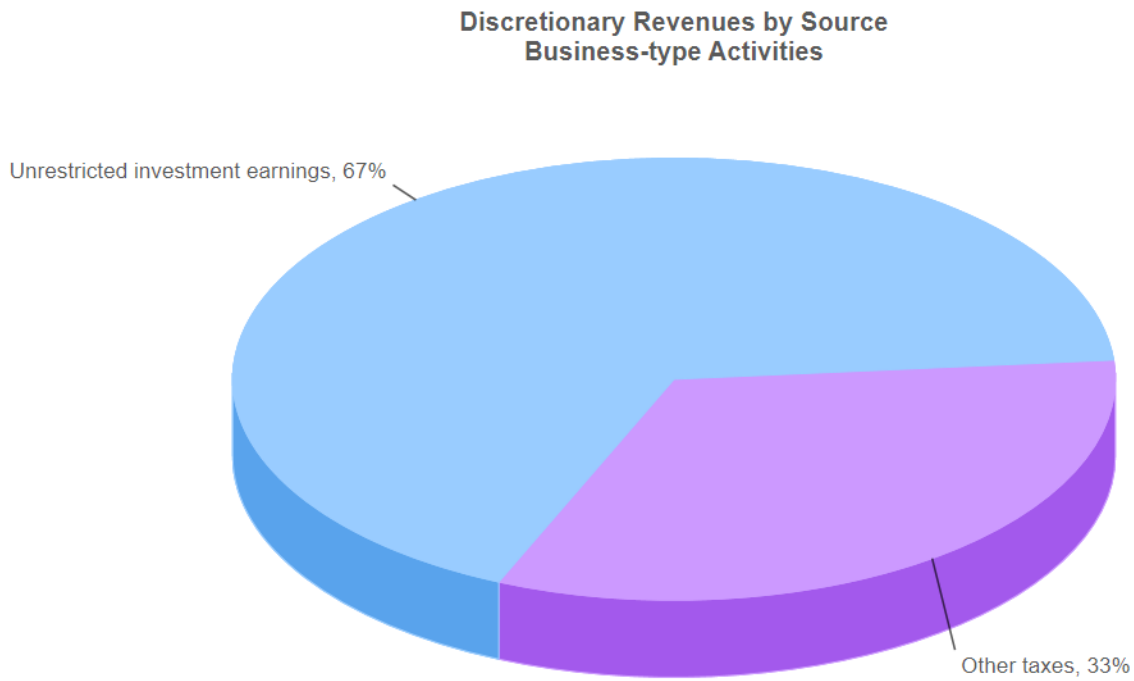
Business-type activities of the City of Warrenton are supported by charges for utility service, capital contributions, development fees, and other grants. The graph below summarizes the 2019-2020 expenses and revenues of those funds.



Total program revenues in the business-type activities of the City total \$9,956,755 as represented by the percentages in the chart below for 2019-2020.



In the following graph, discretionary revenues amount to \$399,231. 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 \$8,623,812, an increase of \$852,499 in comparison with the prior year. Approximately 12.1% of this amount (\$1,041,358) 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 (\$1,943), 2) restricted for particular purposes (\$7,159,758), 3) committed for particular purposes (\$94,819), or 4) assigned for particular purposes (\$325,934).

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 \$1,043,091. This balance decreased from the prior year, in the amount of \$113,689. 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 24.4% of total General Fund expenditures and transfers out.

The fund balance of the City's General Fund decreased by \$113,689 during the current fiscal year. While revenues increased \$56,371, expenditures also increased by \$219,796. Key elements of the decrease to fund balance are as follows:

- Taxes decreased by \$41,310 during the year. Revenue in this category comes mostly from property taxes and land sales which increased by \$56,865 and transient room tax which decreased by \$98,175.
- Franchise fees increased by \$12,398. This revenue stream can be quite cyclical.
- Intergovernmental receipts from Oregon state revenue sharing for cigarette, liquor and marijuana taxes and fees increased by \$29,223.
- Charges for services increased by \$10,819. This increase is mainly from planning services.
- Lease receipts increased by \$2,898 due to scheduled increases per lease agreements.
- Fines and fees from Municipal Court decreased by \$17,980.
- Investment (interest) earnings decreased by \$9,239.
- Other revenues decreased by \$620.
- Expenditures and other financing sources and uses in the General Fund also increased \$10,204 from the prior year. The increases in general government (Administration, Commission, Finance) (\$82,036), fire and emergency medical services (\$25,166), public works (\$4,506), police (\$77,926), planning & development (\$30,162) were offset by decreases in transfers out (\$230,000).

**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 \$11,728,606, and those for the marinas amount to \$1,352,869.

The total change in net position for all funds was \$2,170,828. 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, 2020.

An adjustment was approved in the Library Fund to transfer from Contingency to allow for additional spending authority for retirement contributions as required by the Public Employees Retirement System not known at the time the budget was prepared in the amount of \$13,885.

A supplemental budget was approved and adopted to allow additional spending authority for emergency repairs to the City Hall roof, carried forward from the prior year and the Headstart Building in the amount of \$110,059 by amending the beginning fund balance and increasing Repair and Maintenance in the Facilities Maintenance Fund by the same amount.

An adjustment was approved in the General Fund to increase both resources and appropriations for a request for services in the Community Development Department for processing additional land use and development applications that would be paid by another entity in the amount of \$15,000.

**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, 2020, amounts to \$39,041,439. 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 \$664,078 during the year because capital asset additions of \$1,536,783 less current year depreciation, in the amount of \$2,155,821 and a loss on disposition of assets of \$45,040, net to the overall decrease of capital assets at the end of the year.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,410,432	\$ 2,410,432	\$ 422,041	\$ 422,041	\$ 2,832,473	\$ 2,832,473
Buildings	2,961,249	3,067,643	1,260,550	1,316,143	4,221,799	4,383,786
Equipment	1,744,444	1,917,907	976,850	774,183	2,721,294	2,692,090
Improvements	1,094,759	807,194	415,466	444,512	1,510,225	1,251,706
Facilities	-	-	23,079,365	23,725,701	23,079,365	23,725,701
Infrastructure	3,926,903	4,039,108	-	-	3,926,903	4,039,108
Construction in progress	259,096	253,886	490,284	526,767	749,380	780,653
Total	<u>\$ 12,396,883</u>	<u>\$ 12,496,170</u>	<u>\$ 26,644,556</u>	<u>\$ 27,209,347</u>	<u>\$ 39,041,439</u>	<u>\$ 39,705,517</u>

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

Equipment and vehicle acquisitions amounted to a total of \$389,897 which includes a sanitation truck for \$368,241 a fire porta-count fit machine for \$14,936, and a refrigerated sampler unit for the wastewater treatment plant for \$6,720.

**Major capital improvements were as follows:**

- Hammond Marina Acquisition in the amount of \$598,666.
- Hammond Marina Dredging Project in the amount of \$41,167.
- SW Alder Avenue (2nd to 1st) Street Improvement in the amount of \$38,814.
- SW Anchor (Harbor-SE 3rd) Waterline Improvement in the amount of \$16,756.
- Carruther's Dog Park Parking Lot Improvement in the amount of \$12,180.
- The Warrenton Urban Renewal Agency spent \$398,899 in capital improvements this year for landscaping project (\$291,256), a portion of SW 4th Street Improvement (\$7,986), the SE 14th Place waterline (\$88,489) and City Hall Parking Lot Lights (\$11,168).

Overall, these construction and equipment additions total \$1,496,379 and represent approximately 97% 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 \$12,457,753. Of this amount, \$6,432,998 is proprietary fund secured loans and \$5,631,529 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 3,239,574	\$ 3,685,651	\$ -	\$ -	\$ 3,239,574	\$ 3,685,651
Tax increment financial bonds	2,391,955	2,674,409	-	-	2,391,955	2,674,409
Notes payable	393,226	452,724	6,432,998	7,116,119	6,826,224	7,568,843
Capital leases payable	-	-	-	-	-	-
<b>Total</b>	<b>\$ 6,024,755</b>	<b>\$ 6,812,784</b>	<b>\$ 6,432,998</b>	<b>\$ 7,116,119</b>	<b>\$12,457,753</b>	<b>\$13,928,903</b>

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 2020 budget:

- A 3% increase in assessed property values resulting in the same increase in property tax revenue.
- Cost of living adjustment to wages of 1.0%.
- 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.
- Reduced estimated Fuels Tax Revenues associated with less travel.
- 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, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,779,007	\$ 14,626,246	\$ 23,405,253
Receivables	490,219	910,366	1,400,585
Inventory, at cost	-	377,760	377,760
Prepaid items	1,942	4,391	6,333
Restricted cash	-	63,012	63,012
Capital assets:			
Nondepreciable assets	2,669,528	912,325	3,581,853
Depreciable assets, net	<u>9,727,355</u>	<u>25,732,231</u>	<u>35,459,586</u>
Total assets	21,668,051	42,626,331	64,294,382
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	<u>972,421</u>	<u>724,056</u>	<u>1,696,477</u>
Total assets and deferred outflows	<u>22,640,472</u>	<u>43,350,387</u>	<u>65,990,859</u>
<b>LIABILITIES</b>			
Accounts payable	476,223	653,340	1,129,563
Accrued interest payable	17,102	89,620	106,722
Compensated absences	111,149	109,493	220,642
Noncurrent liabilities:			
Due within one year	810,185	703,917	1,514,102
Due in more than one year	5,214,570	5,965,657	11,180,227
Net pension liability	<u>2,846,770</u>	<u>2,119,680</u>	<u>4,966,450</u>
Total liabilities	9,475,999	9,641,707	19,117,706
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	<u>279,292</u>	<u>207,956</u>	<u>487,248</u>
Total liabilities and deferred inflows	<u>9,755,291</u>	<u>9,849,663</u>	<u>19,604,954</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,611,703	20,211,558	29,823,261
Restricted for:			
Road maintenance	2,557,126	-	2,557,126
Debt service	2,406,880	-	2,406,880
Library and culture	134,387	-	134,387
Public works	120,868	-	120,868
Urban renewal improvements	19,464	-	19,464
Building inspection program	890,969	-	890,969
System development	1,075,173	202,285	1,277,458
Unrestricted (deficit)	<u>(3,931,389)</u>	<u>13,086,881</u>	<u>9,155,492</u>
Total net position	<u>\$ 12,885,181</u>	<u>\$ 33,500,724</u>	<u>\$ 46,385,905</u>

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

**CITY OF WARRENTON**

Statement of Activities

For the Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expense Allocation</u>	<u>Program Revenues</u>		
			<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:					
General government	\$ 1,887,583	\$(1,070,202)	\$ 344,220	\$ 11,799	\$ -
Fire and emergency medical services	802,031	67,079	100,509	-	-
Police	1,928,842	77,549	25,812	4,824	-
Planning and development	503,555	17,669	945,202	134	-
Library and culture	257,368	40,792	79,256	8,091	-
Public works	790,164	56,935	1,185	363,684	150,320
Interest on long-term liabilities	200,155	-	-	-	-
Total governmental activities	<u>6,369,698</u>	<u>(810,178)</u>	<u>1,496,184</u>	<u>388,532</u>	<u>150,320</u>
Business-type activities:					
Water utilities	3,073,266	276,276	3,830,239	920	69,367
Sewer utilities	2,385,634	323,286	3,230,894	1,105	53,462
Sanitation utilities	1,089,153	79,404	1,163,984	1,600	-
Marinas	826,927	131,212	963,608	580	640,996
Total business-type activities	<u>7,374,980</u>	<u>810,178</u>	<u>9,188,725</u>	<u>4,205</u>	<u>763,825</u>
Total activities	<u>\$13,744,678</u>	<u>\$ -</u>	<u>\$ 10,684,909</u>	<u>\$ 392,737</u>	<u>\$ 914,145</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>
\$ (461,362)	\$ -	\$ (461,362)
(768,601)	-	(768,601)
(1,975,755)	-	(1,975,755)
424,112	-	424,112
(210,813)	-	(210,813)
(331,910)	-	(331,910)
<u>(200,155)</u>	<u>-</u>	<u>(200,155)</u>
<u>(3,524,484)</u>	<u>-</u>	<u>(3,524,484)</u>
-	550,984	550,984
-	576,541	576,541
-	(2,973)	(2,973)
<u>-</u>	<u>647,045</u>	<u>647,045</u>
<u>-</u>	<u>1,771,597</u>	<u>1,771,597</u>
<u>(3,524,484)</u>	<u>1,771,597</u>	<u>(1,752,887)</u>
1,293,593	-	1,293,593
1,335,723	-	1,335,723
1,021,441	131,300	1,152,741
770,988	-	770,988
178,980	-	178,980
<u>167,818</u>	<u>267,931</u>	<u>435,749</u>
<u>4,768,543</u>	<u>399,231</u>	<u>5,167,774</u>
1,244,059	2,170,828	3,414,887
<u>11,641,122</u>	<u>31,329,896</u>	<u>42,971,018</u>
<u>\$ 12,885,181</u>	<u>\$ 33,500,724</u>	<u>\$ 46,385,905</u>

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



**CITY OF WARRENTON**  
**GOVERNMENTAL FUNDS**

Balance Sheet  
June 30, 2020

	<u>General (001)</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,170,305	\$ 7,608,702	\$ 8,779,007
Receivables:			
Taxes	77,354	107,394	184,748
Accounts	126,349	21,514	147,863
Rehabilitation loans	48,462	-	48,462
Intergovernmental	32,435	74,425	106,860
Grants receivable	-	1,396	1,396
Prepaid items	1,733	210	1,943
Total assets	<u>\$ 1,456,638</u>	<u>\$ 7,813,641</u>	<u>\$ 9,270,279</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 314,054	\$ 162,171	\$ 476,225
Total liabilities	314,054	162,171	476,225
Deferred Inflows of Resources:			
Unavailable revenues	99,493	70,749	170,242
Fund Balances:			
Nonspendable - Prepaid items	1,733	210	1,943
Restricted for:			
Road maintenance	-	2,561,729	2,561,729
Debt service	-	2,356,120	2,356,120
Library and culture	-	128,487	128,487
Public works	-	120,868	120,868
Urban renewal improvements	-	19,464	19,464
Building inspection program	-	897,917	897,917
System development	-	1,075,173	1,075,173
Committed to:			
Library and culture	-	89,637	89,637
Grant expenditures	-	5,182	5,182
Assigned to:			
Capital projects	-	325,934	325,934
Unassigned	1,041,358	-	1,041,358
Total fund balances	1,043,091	7,580,721	8,623,812
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,456,638</u>	<u>\$ 7,813,641</u>	<u>\$ 9,270,279</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, 2020

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

Fund balances - governmental funds \$ 8,623,812

Receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 171,133

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds:

Nondepreciable assets	\$ 2,669,528	
Depreciable assets	16,097,787	
Accumulated depreciation	<u>(6,370,432)</u>	
		12,396,883

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	972,421	
Net pension liability	(2,846,770)	
Deferred inflows of resources related to pensions	<u>(279,292)</u>	
		(2,153,641)

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

Compensated absences	(111,149)	
Accrued interest payable	(17,102)	
Long-term debt	<u>(6,024,755)</u>	
		<u>(6,153,006)</u>

Net position of governmental activities \$ 12,885,181

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, 2020

	General (001)	Nonmajor Governmental Funds	Total
Revenues:			
Taxes	\$ 1,537,133	\$ 2,096,575	\$ 3,633,708
Franchise fees	770,988	-	770,988
Licenses and permits	550	930,886	931,436
Intergovernmental	189,779	369,744	559,523
Charges for services	194,089	15,804	209,893
Lease receipts	216,712	-	216,712
Fines and forfeits	120,204	235	120,439
Investment earnings	19,379	148,437	167,816
Donations	-	55,185	55,185
Indirect cost allocation	1,090,707	-	1,090,707
Other revenue	14,069	3,685	17,754
Total revenues	4,153,610	3,620,551	7,774,161
Expenditures:			
Current:			
General government	1,225,944	407,746	1,633,690
Fire and emergency medical services	687,518	34,515	722,033
Police	1,811,972	7,504	1,819,476
Planning and development	244,591	248,346	492,937
Library and culture	-	269,566	269,566
Public works	130,662	552,047	682,709
Debt service:			
Principal retirement	59,498	728,531	788,029
Interest	12,536	189,976	202,512
Capital outlay	-	413,834	413,834
Total expenditures	4,172,721	2,852,065	7,024,786
Excess (deficiency) of revenues over (under) expenditures	(19,111)	768,486	749,375
Other Financing Sources (Uses):			
Transfers in	-	273,117	273,117
Transfers out	(94,578)	(178,539)	(273,117)
Capital contributions	-	103,124	103,124
Total other financing sources (uses)	(94,578)	197,702	103,124
Net change in fund balances	(113,689)	966,188	852,499
Fund Balances:			
Beginning of year	1,156,780	6,614,533	7,771,313
End of year	\$ 1,043,091	\$ 7,580,721	\$ 8,623,812

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, 2020

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

Net change in fund balances - governmental funds	\$	852,499
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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		(30,596)
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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	\$ 475,596	
Current year depreciation	(555,416)	
Disposition of capital assets	<u>(18,576)</u>	
		(98,396)

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	(606)	
Accrued interest payable	2,356	
Expenses related to pension obligations	<u>(269,227)</u>	
		(267,477)

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>788,029</u>	
		<u>788,029</u>

Change in net position of governmental activities	\$	<u><u>1,244,059</u></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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 850,000	\$ 850,000	\$ 1,156,780	\$ 306,780
Taxes	1,602,771	1,602,771	1,537,133	(65,638)
Franchise fees	715,488	715,488	770,988	55,500
Licenses and permits	625	625	550	(75)
Intergovernmental	158,351	158,351	189,779	31,428
Charges for services	172,309	187,309	194,089	6,780
Lease receipts	210,194	210,194	216,712	6,518
Fines and forfeits	120,620	120,620	120,204	(416)
Investment earnings	27,000	27,000	19,379	(7,621)
Indirect cost allocation	1,184,564	1,184,564	1,090,707	(93,857)
Other revenue	<u>1,200</u>	<u>1,200</u>	<u>14,069</u>	<u>12,869</u>
Total resources	<u>\$ 5,043,122</u>	<u>\$ 5,058,122</u>	<u>\$ 5,310,390</u>	<u>\$ 252,268</u>
Requirements:				
Municipal Court	\$ 147,246	\$ 147,246	\$ 135,236	\$ 12,010
Administration/Commission	1,184,564	1,184,564	1,090,707	93,857
Community Development	241,244	256,244	244,591	11,653
Police	1,967,073	1,967,073	1,811,972	155,101
Fire	866,876	866,876	759,553	107,323
Parks	196,314	196,314	130,662	65,652
Contingency	234,634	234,634	-	234,634
Transfers out	<u>94,578</u>	<u>94,578</u>	<u>94,578</u>	<u>-</u>
Total department requirements	<u>4,932,529</u>	<u>4,947,529</u>	<u>4,267,299</u>	<u>680,230</u>
Ending fund balance	<u>110,593</u>	<u>110,593</u>	<u>1,043,091</u>	<u>(932,498)</u>
Total requirements	<u>\$ 5,043,122</u>	<u>\$ 5,058,122</u>	<u>\$ 5,310,390</u>	<u>\$ (252,268)</u>

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



**CITY OF WARRENTON**

PROPRIETARY FUNDS

Statement of Net Position

June 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Hammond</u>
	Enterprise	Enterprise	Enterprise	Marina
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Enterprise</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 4,949,948	\$ 7,122,302	\$ 932,189	\$ 1,070,456
Accounts receivable	372,330	332,764	117,322	3,472
Intergovernmental receivables	-	-	-	42,134
Other receivables	12,915	5,478	2,625	-
Inventory, at cost	239,305	113,716	24,739	-
Prepaid expenses	<u>1,672</u>	<u>1,624</u>	<u>603</u>	<u>206</u>
Total current assets	<u>5,576,170</u>	<u>7,575,884</u>	<u>1,077,478</u>	<u>1,116,268</u>
Noncurrent assets:				
Restricted cash	-	63,012	-	-
Capital assets:				
Nondepreciable assets	378,699	153,371	42,504	262,973
Depreciable assets, net	<u>13,692,181</u>	<u>9,970,934</u>	<u>646,759</u>	<u>1,209,283</u>
Total noncurrent assets	<u>14,070,880</u>	<u>10,187,317</u>	<u>689,263</u>	<u>1,472,256</u>
Total assets	<u>19,647,050</u>	<u>17,763,201</u>	<u>1,766,741</u>	<u>2,588,524</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pensions	<u>267,535</u>	<u>261,426</u>	<u>66,501</u>	<u>51,404</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	68,415	118,689	445,262	5,795
Accrued interest payable	76,010	13,610	-	-
Compensated absences	34,098	42,920	7,287	10,410
Loans payable - current	557,939	134,328	-	-
Landfill postclosure care - current	-	-	<u>11,650</u>	-
Total current liabilities	<u>736,462</u>	<u>309,547</u>	<u>464,199</u>	<u>16,205</u>
Noncurrent liabilities:				
Loans payable	4,046,550	1,694,181	-	-
Landfill postclosure care liability	-	-	224,926	-
Net pension liability	<u>783,209</u>	<u>765,330</u>	<u>194,685</u>	<u>150,483</u>
Total liabilities	<u>5,566,221</u>	<u>2,769,058</u>	<u>883,810</u>	<u>166,688</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to pensions	<u>76,839</u>	<u>75,085</u>	<u>19,100</u>	<u>14,763</u>
<b>NET POSITION</b>				
Net investment in capital assets	9,466,391	8,295,796	689,263	1,472,256
Restricted for system development	91,795	110,490	-	-
Unrestricted	<u>4,713,339</u>	<u>6,774,198</u>	<u>241,069</u>	<u>986,221</u>
Total net position	<u>\$ 14,271,525</u>	<u>\$ 15,180,484</u>	<u>\$ 930,332</u>	<u>\$ 2,458,477</u>

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

Business-type Activities		
Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
\$ 545,945	\$ 14,620,840	\$ 5,406
20,628	846,516	-
-	42,134	-
698	21,716	-
-	377,760	-
286	4,391	-
<u>567,557</u>	<u>15,913,357</u>	<u>5,406</u>
-	63,012	-
74,778	912,325	-
213,074	25,732,231	-
<u>287,852</u>	<u>26,707,568</u>	<u>-</u>
<u>855,409</u>	<u>42,620,925</u>	<u>5,406</u>
<u>77,190</u>	<u>724,056</u>	<u>-</u>
15,179	653,340	-
-	89,620	-
14,778	109,493	-
-	692,267	-
-	11,650	-
<u>29,957</u>	<u>1,556,370</u>	<u>-</u>
-	5,740,731	-
-	224,926	-
<u>225,973</u>	<u>2,119,680</u>	<u>-</u>
<u>255,930</u>	<u>9,641,707</u>	<u>-</u>
<u>22,169</u>	<u>207,956</u>	<u>-</u>
287,852	20,211,558	-
-	202,285	-
<u>366,648</u>	<u>13,081,475</u>	<u>5,406</u>
<u>\$ 654,500</u>	<u>\$ 33,495,318</u>	<u>\$ 5,406</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, 2020

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

Net position - enterprise funds \$ 33,495,318

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. 5,406

Net position of business-type activities \$ 33,500,724

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, 2020

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Hammond</u>
	<u>Enterprise</u>	<u>Enterprise</u>	<u>Enterprise</u>	<u>Marina</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Enterprise</u>
Operating revenues:				
Charges for services	\$ 3,819,207	\$ 3,227,033	\$ 1,162,777	\$ 354,936
Lease receipts	-	-	-	13,101
Other revenue	<u>11,032</u>	<u>3,861</u>	<u>1,207</u>	<u>4,376</u>
Total operating revenues	<u>3,830,239</u>	<u>3,230,894</u>	<u>1,163,984</u>	<u>372,413</u>
Operating Expenses:				
Payroll and payroll benefits	888,275	1,142,870	358,797	249,287
Contracted services	97,250	128,808	597,625	4,566
Utilities and telephone	114,668	168,520	6,903	30,770
Repairs and maintenance	1,162,495	159,834	43,508	18,185
Other operating expenses	160,926	137,356	64,632	24,462
Overhead cost allocation	112,499	131,642	32,333	22,073
Depreciation	<u>672,930</u>	<u>778,782</u>	<u>64,377</u>	<u>36,048</u>
Total operating expenses	<u>3,209,043</u>	<u>2,647,812</u>	<u>1,168,175</u>	<u>385,391</u>
Operating income (loss)	<u>621,196</u>	<u>583,082</u>	<u>(4,191)</u>	<u>(12,978)</u>
Nonoperating Revenues (Expenses):				
Investment earnings	90,050	123,529	17,176	21,741
Taxes	-	-	-	131,300
Intergovernmental	920	1,105	1,600	51,011
Gain/(loss) on disposition of capital assets	(1,234)	(13,631)	(382)	-
Interest expense	<u>(139,265)</u>	<u>(47,477)</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(49,529)</u>	<u>63,526</u>	<u>18,394</u>	<u>204,052</u>
Income (loss) before contributions	571,667	646,608	14,203	191,074
Capital contributions	<u>69,367</u>	<u>53,462</u>	<u>-</u>	<u>590,225</u>
Change in net position	641,034	700,070	14,203	781,299
Net Position:				
Beginning of year	<u>13,630,491</u>	<u>14,480,414</u>	<u>916,129</u>	<u>1,677,178</u>
End of year	<u>\$ 14,271,525</u>	<u>\$ 15,180,484</u>	<u>\$ 930,332</u>	<u>\$ 2,458,477</u>

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

Business-type Activities

Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
\$ 556,181	\$ 9,120,134	\$ -
29,188	42,289	-
5,826	26,302	-
<u>591,195</u>	<u>9,188,725</u>	<u>-</u>
345,278	2,984,507	-
3,399	831,648	-
85,691	406,552	-
36,364	1,420,386	-
22,392	409,768	-
31,356	329,903	-
48,268	1,600,405	-
<u>572,748</u>	<u>7,983,169</u>	<u>-</u>
<u>18,447</u>	<u>1,205,556</u>	<u>-</u>
15,435	267,931	-
-	131,300	-
340	54,976	-
-	(15,247)	-
<u>-</u>	<u>(186,742)</u>	<u>-</u>
<u>15,775</u>	<u>252,218</u>	<u>-</u>
34,222	1,457,774	-
<u>-</u>	<u>713,054</u>	<u>-</u>
34,222	2,170,828	-
620,278	31,324,490	5,406
<u>\$ 654,500</u>	<u>\$ 33,495,318</u>	<u>\$ 5,406</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, 2020

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water Enterprise Fund</u>	<u>Sewer Enterprise Fund</u>	<u>Sanitation Enterprise Fund</u>	<u>Hammond Marina Enterprise</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 3,791,606	\$ 3,224,695	\$ 1,160,737	\$ 371,491
Payments to suppliers and contractors	(1,484,206)	(650,538)	(738,874)	(79,405)
Payments to employees	(723,049)	(797,333)	(257,539)	(193,882)
Payments for interfund services	<u>(276,276)</u>	<u>(323,286)</u>	<u>(79,404)</u>	<u>(54,208)</u>
Net cash provided by (used in) operating	<u>1,308,075</u>	<u>1,453,538</u>	<u>84,920</u>	<u>43,996</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental operating grants	920	1,105	1,600	240
Taxes collected	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,393</u>
Net cash provided by (used in) noncapital financing activities	<u>920</u>	<u>1,105</u>	<u>1,600</u>	<u>167,633</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Intergovernmental capital grants	-	-	-	40,289
Capital contributions	73,767	53,462	-	-
Acquisition and construction of capital assets	(35,122)	(16,689)	(1,349)	(75,163)
Principal paid on debt	(535,988)	(147,131)	-	-
Interest paid on debt	<u>(150,585)</u>	<u>(48,684)</u>	<u>-</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(647,928)</u>	<u>(159,042)</u>	<u>(1,349)</u>	<u>(34,874)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends received	<u>90,050</u>	<u>123,529</u>	<u>17,176</u>	<u>21,741</u>
Net change in cash and cash equivalents	751,117	1,419,130	102,347	198,496
Cash and cash equivalents:				
Beginning of year	4,198,831	5,766,184	829,842	871,960
End of year	<u>\$ 4,949,948</u>	<u>\$ 7,185,314</u>	<u>\$ 932,189</u>	<u>\$ 1,070,456</u>
Cash and cash equivalents are reported on the Statement of Net Position as follows:				
Cash and cash equivalents	\$ 4,949,948	\$ 7,122,302	\$ 932,189	\$ 1,070,456
Restricted cash	<u>-</u>	<u>63,012</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,949,948</u>	<u>\$ 7,185,314</u>	<u>\$ 932,189</u>	<u>\$ 1,070,456</u>

Continued on next page

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

Business-type Activities

Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
\$ 589,546	\$ 9,138,075	\$ -
(149,725)	(3,102,748)	-
(269,430)	(2,241,233)	-
<u>(77,004)</u>	<u>(810,178)</u>	<u>-</u>
<u>93,387</u>	<u>2,983,916</u>	<u>-</u>
340	4,205	-
<u>-</u>	<u>167,393</u>	<u>-</u>
<u>340</u>	<u>171,598</u>	<u>-</u>
-	40,289	-
-	127,229	-
-	(128,323)	-
-	(683,119)	-
<u>-</u>	<u>(199,269)</u>	<u>-</u>
<u>-</u>	<u>(843,193)</u>	<u>-</u>
<u>15,435</u>	<u>267,931</u>	<u>-</u>
109,162	2,580,252	-
<u>436,783</u>	<u>12,103,600</u>	<u>5,406</u>
<u>\$ 545,945</u>	<u>\$ 14,683,852</u>	<u>\$ 5,406</u>
\$ 545,945	\$ 14,620,840	\$ 5,406
-	63,012	-
<u>\$ 545,945</u>	<u>\$ 14,683,852</u>	<u>\$ 5,406</u>

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

PROPRIETARY FUNDS

Statement of Cash Flows, Continued

For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds			
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Hammond Marina Enterprise
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 621,196	\$ 583,082	\$ (4,191)	\$ (12,978)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	672,930	778,782	64,377	36,048
Pension adjustments	13,932	149,075	53,966	22,775
(Increase) decrease in assets:				
Receivables	(38,633)	(6,199)	(3,247)	(970)
Inventory, at cost	33,108	(25,800)	3,047	-
Prepaid items	2,515	2,591	647	639
Increase (decrease) in liabilities:				
Accounts payable	15,510	(32,811)	8,013	(2,061)
Compensated absences	(12,483)	4,818	221	495
Unearned revenue	-	-	-	48
Landfill postclosure care	-	-	(37,913)	-
Net cash provided by (used in) operating activities	<u>\$ 1,308,075</u>	<u>\$ 1,453,538</u>	<u>\$ 84,920</u>	<u>\$ 43,996</u>

**Schedule of noncash transactions:**

Capital assets contributed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 590,225</u>
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The accompanying notes are an integral part of these financial statements.

Business-type Activities

Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
\$ 18,447	\$ 1,205,556	\$ -
48,268	1,600,405	-
30,329	270,077	-
(7,770)	(56,819)	-
-	10,355	-
898	7,290	-
(2,777)	(14,126)	-
(129)	(7,078)	-
6,121	6,169	-
-	(37,913)	-
<u>\$ 93,387</u>	<u>\$ 2,983,916</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 590,225</u>	<u>\$ -</u>

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





## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2020

#### **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, 2020

#### **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.

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.

The *Hammond Marina Enterprise Fund* (a combination of the operating and capital reserve funds) accounts for the operation, maintenance and improvements of the Hammond Marina. 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, 2020

### **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, 2020

**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, 2020

#### **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, 2020

#### **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, 2020

**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	1,873,068
State of Oregon Local Government Investment Pool	<u>21,593,997</u>
Total	<u>\$ 23,468,265</u>

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

Cash and cash equivalents	\$ 23,405,253
Restricted cash	<u>63,012</u>
Total	<u>\$ 23,468,265</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, 2020

**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, 2020, 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:

	<u>General Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total</u>
Delinquent property taxes receivable	\$ 51,031	\$ 8,333	\$ 62,416	\$ 121,780
Rehabilitation loans	<u>48,462</u>	<u>-</u>	<u>-</u>	<u>48,462</u>
Total unavailable revenues	<u>\$ 99,493</u>	<u>\$ 8,333</u>	<u>\$ 62,416</u>	<u>\$ 170,242</u>

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2020

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

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 2,410,432	\$ -	\$ -	\$ -	\$ 2,410,432
Construction in progress	<u>253,886</u>	<u>80,915</u>	<u>(15,960)</u>	<u>(59,745)</u>	<u>259,096</u>
Total capital assets, not being depreciated	<u>2,664,318</u>	<u>80,915</u>	<u>(15,960)</u>	<u>(59,745)</u>	<u>2,669,528</u>
Capital assets, being depreciated:					
Parking and land improvements	1,328,666	291,256	(1,337)	55,198	1,673,783
Buildings	4,743,007	-	-	-	4,743,007
Equipment and vehicles	3,611,343	14,936	(2,665)	-	3,623,614
Infrastructure	<u>5,964,347</u>	<u>88,489</u>	<u>-</u>	<u>4,547</u>	<u>6,057,383</u>
Total capital assets, being depreciated	<u>15,647,363</u>	<u>394,681</u>	<u>(4,002)</u>	<u>59,745</u>	<u>16,097,787</u>
Less accumulated depreciation for:					
Parking and land improvements	(521,472)	(57,673)	121	-	(579,024)
Buildings	(1,675,364)	(106,394)	-	-	(1,781,758)
Equipment and vehicles	(1,693,436)	(186,108)	374	-	(1,879,170)
Infrastructure	<u>(1,925,239)</u>	<u>(205,241)</u>	<u>-</u>	<u>-</u>	<u>(2,130,480)</u>
Total accumulated depreciation	<u>(5,815,511)</u>	<u>(555,416)</u>	<u>495</u>	<u>-</u>	<u>(6,370,432)</u>
Total capital assets, being depreciated, net	<u>9,831,852</u>	<u>(160,735)</u>	<u>(3,507)</u>	<u>59,745</u>	<u>9,727,355</u>
Governmental activities capital assets, net	<u>\$ 12,496,170</u>	<u>\$ (79,820)</u>	<u>\$ (19,467)</u>	<u>\$ -</u>	<u>\$ 12,396,883</u>

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2020

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

**C. Capital Assets, Continued**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 422,041	\$ -	\$ -	\$ -	\$ 422,041
Construction in progress	<u>526,767</u>	<u>81,016</u>	<u>(12,632)</u>	<u>(104,867)</u>	<u>490,284</u>
Total capital assets, not being depreciated	<u>948,808</u>	<u>81,016</u>	<u>(12,632)</u>	<u>(104,867)</u>	<u>912,325</u>
Capital assets, being depreciated:					
Parking areas	929,912	-	(9,235)	-	920,677
Buildings	2,561,498	-	-	-	2,561,498
Equipment and vehicles	4,952,423	374,960	(12,477)	-	5,314,906
Utility facilities	<u>43,988,638</u>	<u>605,211</u>	<u>(1,580)</u>	<u>104,867</u>	<u>44,697,136</u>
Total capital assets, being depreciated	<u>52,432,471</u>	<u>980,171</u>	<u>(23,292)</u>	<u>104,867</u>	<u>53,494,217</u>
Less accumulated depreciation for:					
Parking areas	(485,400)	(20,657)	846	-	(505,211)
Buildings	(1,245,355)	(55,593)	-	-	(1,300,948)
Equipment and vehicles	(4,178,240)	(169,176)	9,360	-	(4,338,056)
Utility facilities	<u>(20,262,937)</u>	<u>(1,354,979)</u>	<u>145</u>	<u>-</u>	<u>(21,617,771)</u>
Total accumulated depreciation	<u>(26,171,932)</u>	<u>(1,600,405)</u>	<u>10,351</u>	<u>-</u>	<u>(27,761,986)</u>
Total capital assets, being depreciated, net	<u>26,260,539</u>	<u>(620,234)</u>	<u>(12,941)</u>	<u>104,867</u>	<u>25,732,231</u>
Business-type activities capital assets, net	<u>\$ 27,209,347</u>	<u>\$ (539,218)</u>	<u>\$ (25,573)</u>	<u>\$ -</u>	<u>\$ 26,644,556</u>

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2020

**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	\$ 167,179
Fire and emergency medical services	110,546
Police	57,124
Planning and development	7
Library and culture	23,502
Public works	<u>197,058</u>
Total depreciation expense - governmental activities	<u>\$ 555,416</u>
Business-type activities:	
Water utilities	\$ 672,930
Sewer utilities	778,782
Sanitation utilities	64,377
Marinas	<u>84,316</u>
Total depreciation expense - business-type activities	<u>\$ 1,600,405</u>

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

During the year ended June 30, 2020 the general fund transferred \$94,578 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, 2020 \$178,539 was transferred within nonmajor governmental funds for debt service and future capital expenditures.

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2020

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

**E. Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General obligation bonds payable	\$ 3,685,651	\$ -	\$ (446,077)	\$ 3,239,574	\$ 459,287
<b>Direct Borrowings:</b>					
Tax increment financial bonds	2,674,409	-	(282,454)	2,391,955	289,753
Notes/loans payable	<u>452,724</u>	<u>-</u>	<u>(59,498)</u>	<u>393,226</u>	<u>61,145</u>
Total long-term debt	6,812,784	-	(788,029)	6,024,755	810,185
Capital leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	6,812,784	-	(788,029)	6,024,755	810,185
Net pension liability	2,681,803	164,967	-	2,846,770	-
Compensated absences	<u>110,543</u>	<u>111,149</u>	<u>(110,543)</u>	<u>111,149</u>	<u>111,149</u>
Governmental activities long-term liabilities	<u>\$ 9,605,130</u>	<u>\$ 276,116</u>	<u>\$ (898,572)</u>	<u>\$ 8,982,674</u>	<u>\$ 921,334</u>
<b>Business-Type Activities:</b>					
Loans payable - direct borrowings	\$ 7,116,119	\$ -	\$ (683,121)	\$ 6,432,998	\$ 692,267
Landfill postclosure care (see note IV.D.)	<u>274,489</u>	<u>-</u>	<u>(37,913)</u>	<u>236,576</u>	<u>11,650</u>
Total noncurrent liabilities	7,390,608	-	(721,034)	6,669,574	703,917
Net pension liability	1,897,780	221,900	-	2,119,680	-
Compensated absences	<u>116,571</u>	<u>109,493</u>	<u>(116,571)</u>	<u>109,493</u>	<u>109,493</u>
Business-type activities long-term liabilities	<u>\$ 9,404,959</u>	<u>\$ 331,393</u>	<u>\$ (837,605)</u>	<u>\$ 8,898,747</u>	<u>\$ 813,410</u>

General obligation bonds outstanding at June 30, 2020 were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>
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	<u>\$ 3,239,574</u>
Total general obligation bonds outstanding		3,239,574
Less current portion		<u>(459,287)</u>
Long-term portion		<u>\$ 2,780,287</u>

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2020

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

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

Tax increment financial bonds outstanding at June 30, 2020 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%	\$ 878,011
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>1,513,944</u>
Total debt outstanding		2,391,955
Less current portion		<u>(289,753)</u>
Long-term portion		<u>\$ 2,102,202</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, 5% on the series 2016 bonds or an additional 5% on the revolving line of credit.

Notes/loans outstanding at June 30, 2020 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 these bonds. 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%	\$ 393,226	\$ -
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%	-	798,567
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%	-	279,626

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2020

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

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
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%	\$ -	\$ 124,427
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%	-	1,158,755
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%	-	1,859,661
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%	-	383,453
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%	-	171,972
The Oregon Department of Environmental Quality loan R94940 in the original amount of \$216,266 was used in the sewer enterprise for equipment and facilities. The loan matures on June 1, 2020 and is secured by sewer revenues.	3.77%	-	-
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	-	317,815
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	-	1,308,502

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2020

**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%	\$ -	\$ 30,220
Total notes/loans outstanding		393,226	6,432,998
Less current portion		<u>(61,145)</u>	<u>(692,267)</u>
Long-term portion		<u>\$ 332,081</u>	<u>\$ 5,740,731</u>

Loan covenants require the City to establish reserves as follows:

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

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, 2020 are as follows:

Year Ending	Governmental Activities				Business-Type Activities	
	GO Bonds		Direct Borrowings		Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30,						
2021	\$ 459,287	\$ 106,951	\$ 350,899	\$ 71,150	\$ 692,267	\$ 175,017
2022	472,890	91,018	360,114	61,936	713,509	150,142
2023	486,895	74,614	369,595	52,454	591,873	124,399
2024	501,315	57,723	379,351	42,698	613,238	103,590
2025	516,162	40,333	389,391	32,659	407,103	81,851
2026 - 2030	803,025	26,419	935,832	36,761	1,521,712	292,499
2031 - 2035	-	-	-	-	1,152,659	134,016
2036 - 2040	-	-	-	-	311,358	56,115
2041 - 2045	-	-	-	-	262,456	30,166
2046 - 2050	-	-	-	-	166,823	5,520
Total	<u>\$ 3,239,574</u>	<u>\$ 397,058</u>	<u>\$ 2,785,182</u>	<u>\$ 297,658</u>	<u>\$ 6,432,998</u>	<u>\$ 1,153,315</u>



## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2020

#### **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, 2020

**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 in fiscal year 2015 and beyond will vary based on 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 in fiscal year 2015 and beyond will vary based on 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, 2020

#### **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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2020 were \$856,834 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2020 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, 2020 the City reported a liability of \$4,966,450 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. 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, 2019, the City's proportion was 0.02871178 percent, which was a changed from its proportion measured as of June 30, 2019 of 0.03023090 percent.

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2020

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

**F. Pension Plans, Continued**

For the year ended June 30, 2020 the City recognized pension expense of \$1,193,474. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 273,885	\$ -
Change in assumptions	673,756	-
Net difference between projected and actual earnings on pension plan investments	-	140,794
Changes in proportionate share	7,405	340,115
Differences between City contributions and proportionate share of contributions	<u>93,252</u>	<u>6,339</u>
Subtotal before post-measurement date contributions	1,048,298	487,248
City contributions subsequent to the measurement date	<u>648,179</u>	-
Total	<u>\$ 1,696,477</u>	<u>\$ 487,248</u>

Deferred outflows of resources related to pensions of \$648,179 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, 2021. Net deferred outflows (inflows) of resources of \$561,050 will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>		
2021	\$	400,900
2022		(18,806)
2023		88,483
2024		86,992
2025		<u>3,481</u>
Total	\$	<u>561,050</u>

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2020

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

**F. Pension Plans, Continued**

**Actuarial Methods and Assumptions:**

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
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%/0.15%0 in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Date Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: RP-2014 Employees, sex distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation..</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex distinct, generational with Unisex, Social Security Data Scale.</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 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2020

#### **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 July 2017 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/2019-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, 2020

**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	\$ 7,953,330	\$ 4,966,450	\$ 2,466,844

**Pension Plan Fiduciary Net Position**

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

**Changes in Assumptions and Other Inputs**

Changes in actuarial methods and assumptions implemented since the December 31, 2016 valuation are described in the 2016 Experience Study (Study), published July 2017.

Changes in assumptions from that Study are reported in the table of actuarial methods and assumptions, modifications to the allocation of actuarial accrued liabilities, administrative expense assumptions, healthcare cost inflation, and mortality tables can be found in the Study at:

<http://www.oregon.gov/PERS/Documents/2016-Exp-Study.pdf>

**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, 2020

**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 remaining life and adjusts the liability accordingly. During the year ended June 30, 2020 the City's estimated liability changed as follows:

	<u>Landfill postclosure care liability</u>
Balance at June 30, 2019	\$ 274,489
Change in estimate	(31,109)
Maintenance costs paid in 2020	<u>(6,804)</u>
Balance at June 30, 2020	<u>\$ 236,576</u>

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, 2020

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

	<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)	0.02871178 %	0.03023090 %	0.03216011 %	0.03340720 %	0.03518114 %	0.03043630 %	0.03043630 %
Proportionate share of the net pension liability (asset)	\$ 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
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	146.19 %	135.88 %	136.67 %	163.14 %	66.52 %	(25.14)%	59.86 %
Plan net position as a percentage of the total pension liability	80.2 %	82.1 %	83.1 %	80.5 %	91.9 %	103.6 %	92.0 %

**Schedule of Pension Contributions**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 856,834	\$ 728,293	\$ 650,268	\$ 557,802	\$ 545,611	\$ 475,054	\$ 448,503
Contributions in relation to the contractually required contribution	<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>
Covered employee payroll	\$ 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	25.22 %	21.61 %	20.50 %	18.15 %	17.97 %	17.31 %	17.29 %

**CITY OF WARRENTON**

**Notes to Required Supplementary Information**

June 30, 2020

**Note I - Measurement Period**

Amounts presented are for the measurement period, which for FY 2020 is July 1, 2018 - June 30, 2019.

**Note II - Changes in Benefit Terms**

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This change in benefit terms was not included in the net pension liability (asset) proportionate shares provided by OPERS for the year ending June 30, 2015.

**Note III - Changes in Assumptions**

Details and a comprehensive list of changes in methods and assumptions can be found in the 2012, 2014, and 2016 Experience Studies. These reports can be found at:

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



**CITY OF WARRENTON**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,831,342	\$ 2,324,010	\$ 1,453,350	\$ 7,608,702
Receivables:				
Taxes	12,868	94,526	-	107,394
Accounts	21,514	-	-	21,514
Intergovernmental	74,425	-	-	74,425
Grants receivable	1,396	-	-	1,396
Prepaid items	210	-	-	210
Total assets	<u>\$ 3,941,755</u>	<u>\$ 2,418,536</u>	<u>\$ 1,453,350</u>	<u>\$ 7,813,641</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	<u>\$ 129,392</u>	<u>\$ -</u>	<u>\$ 32,779</u>	<u>\$ 162,171</u>
Total liabilities	<u>129,392</u>	<u>-</u>	<u>32,779</u>	<u>162,171</u>
Deferred Inflows of Resources:				
Unavailable revenues	<u>8,333</u>	<u>62,416</u>	<u>-</u>	<u>70,749</u>
Fund Balances:				
Nonspendable - Prepaid items	210	-	-	210
Restricted for:				
Road maintenance	2,561,729	-	-	2,561,729
Debt service	-	2,356,120	-	2,356,120
Library and culture	128,487	-	-	128,487
Public works	120,868	-	-	120,868
Urban renewal improvements	-	-	19,464	19,464
Building inspection program	897,917	-	-	897,917
System development	-	-	1,075,173	1,075,173
Committed to:				
Library and culture	89,637	-	-	89,637
Grant expenditures	5,182	-	-	5,182
Assigned to:				
Capital projects	<u>-</u>	<u>-</u>	<u>325,934</u>	<u>325,934</u>
Total fund balances	<u>3,804,030</u>	<u>2,356,120</u>	<u>1,420,571</u>	<u>7,580,721</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,941,755</u>	<u>\$ 2,418,536</u>	<u>\$ 1,453,350</u>	<u>\$ 7,813,641</u>



**CITY OF WARRENTON**

Nonmajor Governmental Funds

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

For the Year Ended June 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Taxes	\$ 771,709	\$ 1,324,866	\$ -	\$ 2,096,575
Licenses and permits	930,886	-	-	930,886
Intergovernmental	368,744	-	1,000	369,744
Charges for services	15,804	-	-	15,804
Fines and forfeits	235	-	-	235
Investment earnings	62,613	53,501	32,323	148,437
Donations	55,185	-	-	55,185
Other revenue	3,685	-	-	3,685
	<u>2,208,861</u>	<u>1,378,367</u>	<u>33,323</u>	<u>3,620,551</u>
Total revenues				
Expenditures:				
Current:				
General government	216,672	-	191,074	407,746
Fire and emergency medical services	-	-	34,515	34,515
Police	7,504	-	-	7,504
Planning and development	248,346	-	-	248,346
Library and culture	269,566	-	-	269,566
Public works	552,047	-	-	552,047
Debt service:				
Principal retirement	-	728,531	-	728,531
Interest	-	189,976	-	189,976
Capital outlay	-	-	413,834	413,834
	<u>1,294,135</u>	<u>918,507</u>	<u>639,423</u>	<u>2,852,065</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>914,726</u>	<u>459,860</u>	<u>(606,100)</u>	<u>768,486</u>
Other Financing Sources (Uses):				
Transfers in	-	-	273,117	273,117
Transfers out	(2,500)	(176,039)	-	(178,539)
Capital contributions	9,275	-	93,849	103,124
	<u>6,775</u>	<u>(176,039)</u>	<u>366,966</u>	<u>197,702</u>
Total other financing sources (uses)				
Net change in fund balances	921,501	283,821	(239,134)	966,188
Fund Balances:				
Beginning of year	<u>2,882,529</u>	<u>2,072,299</u>	<u>1,659,705</u>	<u>6,614,533</u>
End of year	<u>\$ 3,804,030</u>	<u>\$ 2,356,120</u>	<u>\$ 1,420,571</u>	<u>\$ 7,580,721</u>

## **NONMAJOR SPECIAL REVENUE 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 Association Fund*** - Accounts for the operational activities of the Warrenton Business Association, whose goal is to enhance the business community by providing funds for a variety of projects.

***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.

***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.

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

**CITY OF WARRENTON**

Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2020

	<u>Community Center (005)</u>	<u>Warrenton Business Association (006)</u>	<u>Grant (015)</u>	<u>Library (020)</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,271	\$ 71,958	\$ 3,821	\$ 125,130
Receivables:				
Taxes	-	-	-	12,868
Accounts	-	-	-	-
Intergovernmental	-	-	-	102
Grants receivable	-	-	1,396	-
Prepaid items	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
Total assets	<u><u>\$ 19,278</u></u>	<u><u>\$ 71,958</u></u>	<u><u>\$ 5,217</u></u>	<u><u>\$ 138,107</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	<u>\$ 1,039</u>	<u>\$ 553</u>	<u>\$ 35</u>	<u>\$ 1,280</u>
Total liabilities	<u>1,039</u>	<u>553</u>	<u>35</u>	<u>1,280</u>
Deferred Inflows of Resources:				
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,333</u>
Fund Balances:				
Nonspendable - Prepaid items	7	-	-	7
Restricted for:				
Road maintenance	-	-	-	-
Library and culture	-	-	-	128,487
Public works	-	-	-	-
Building inspection program	-	-	-	-
Committed to:				
Library and culture	18,232	71,405	-	-
Grant expenditures	<u>-</u>	<u>-</u>	<u>5,182</u>	<u>-</u>
Total fund balances	<u>18,239</u>	<u>71,405</u>	<u>5,182</u>	<u>128,494</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 19,278</u></u>	<u><u>\$ 71,958</u></u>	<u><u>\$ 5,217</u></u>	<u><u>\$ 138,107</u></u>

Building Department (021)	Transient Room Tax (024)	State Tax Street (040)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenue Funds
\$ 942,064	\$ 22,974	\$ 2,525,256	\$ 120,868	\$ 3,831,342
-	-	-	-	12,868
-	21,514	-	-	21,514
17	-	74,306	-	74,425
-	-	-	-	1,396
87	-	109	-	210
<u>\$ 942,168</u>	<u>\$ 44,488</u>	<u>\$ 2,599,671</u>	<u>\$ 120,868</u>	<u>\$ 3,941,755</u>
<u>\$ 44,164</u>	<u>\$ 44,488</u>	<u>\$ 37,833</u>	<u>\$ -</u>	<u>\$ 129,392</u>
<u>44,164</u>	<u>44,488</u>	<u>37,833</u>	<u>-</u>	<u>129,392</u>
-	-	-	-	8,333
87	-	109	-	210
-	-	2,561,729	-	2,561,729
-	-	-	-	128,487
-	-	-	120,868	120,868
897,917	-	-	-	897,917
-	-	-	-	89,637
-	-	-	-	5,182
<u>898,004</u>	<u>-</u>	<u>2,561,838</u>	<u>120,868</u>	<u>3,804,030</u>
<u>\$ 942,168</u>	<u>\$ 44,488</u>	<u>\$ 2,599,671</u>	<u>\$ 120,868</u>	<u>\$ 3,941,755</u>

**CITY OF WARRENTON**

Nonmajor Special Revenue Funds

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

For the Year Ended June 30, 2020

	<u>Community Center (005)</u>	<u>Warrenton Business Association (006)</u>	<u>Grant (015)</u>	<u>Library (020)</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 203,763
Licenses and permits	-	60,445	-	-
Intergovernmental	-	-	4,824	102
Charges for services	15,804	-	-	-
Fines and forfeits	-	-	-	235
Investment earnings	535	1,926	-	2,711
Donations	4,005	5	-	3,979
Other revenue	28	-	-	2,743
	<u>20,372</u>	<u>62,376</u>	<u>4,824</u>	<u>213,533</u>
Total revenues				
Expenditures:				
Current:				
General government	-	-	-	-
Police	-	-	7,504	-
Planning and development	-	-	-	-
Library and culture	19,123	50,578	-	199,865
Public works	-	-	-	-
Debt service:				
Total expenditures	<u>19,123</u>	<u>50,578</u>	<u>7,504</u>	<u>199,865</u>
Excess (deficiency) of revenues over (under) expenditures	1,249	11,798	(2,680)	13,668
Other Financing Sources (Uses):				
Transfers out	(2,500)	-	-	-
Capital contributions	-	-	-	-
Net change in fund balances	(1,251)	11,798	(2,680)	13,668
Fund Balances:				
Beginning of year	<u>19,490</u>	<u>59,607</u>	<u>7,862</u>	<u>114,826</u>
End of year	<u>\$ 18,239</u>	<u>\$ 71,405</u>	<u>\$ 5,182</u>	<u>\$ 128,494</u>

Building Department (021)	Transient Room Tax (024)	State Tax Street (040)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenue Funds
\$ -	\$ 216,672	\$ 351,274	\$ -	\$ 771,709
870,441	-	-	-	930,886
134	-	363,684	-	368,744
-	-	-	-	15,804
-	-	-	-	235
5,820	-	49,558	2,063	62,613
-	-	-	47,196	55,185
209	-	705	-	3,685
<u>876,604</u>	<u>216,672</u>	<u>765,221</u>	<u>49,259</u>	<u>2,208,861</u>
-	216,672	-	-	216,672
-	-	-	-	7,504
248,346	-	-	-	248,346
-	-	-	-	269,566
-	-	539,867	12,180	552,047
<u>248,346</u>	<u>216,672</u>	<u>539,867</u>	<u>12,180</u>	<u>1,294,135</u>
628,258	-	225,354	37,079	914,726
-	-	-	-	(2,500)
-	-	9,275	-	9,275
628,258	-	234,629	37,079	921,501
269,746	-	2,327,209	83,789	2,882,529
<u>\$ 898,004</u>	<u>\$ -</u>	<u>\$ 2,561,838</u>	<u>\$ 120,868</u>	<u>\$ 3,804,030</u>

**CITY OF WARRENTON**

Community Center Fund

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
<b>Resources:</b>				
Beginning fund balance	\$ 16,000	\$ 16,000	\$ 19,490	\$ 3,490
Charges for services	16,400	16,400	15,804	(596)
Investment earnings	375	375	535	160
Donations	4,000	4,000	4,005	5
Other revenue	-	-	28	28
	<u>36,775</u>	<u>36,775</u>	<u>39,862</u>	<u>3,087</u>
Total resources	<u>\$ 36,775</u>	<u>\$ 36,775</u>	<u>\$ 39,862</u>	<u>\$ 3,087</u>
<b>Requirements:</b>				
Community Center:				
Personal services	\$ 8,725	\$ 8,725	\$ 7,394	\$ 1,331
Materials and services	<u>16,256</u>	<u>16,256</u>	<u>11,729</u>	<u>4,527</u>
Total department expenditures	24,981	24,981	19,123	5,858
Contingency	1,000	1,000	-	1,000
Transfers out	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total expenditures	28,481	28,481	21,623	6,858
Ending fund balance	<u>8,294</u>	<u>8,294</u>	<u>18,239</u>	<u>(9,945)</u>
Total requirements	<u>\$ 36,775</u>	<u>\$ 36,775</u>	<u>\$ 39,862</u>	<u>\$ (3,087)</u>

**CITY OF WARRENTON**

Warrenton Business Association Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 49,000	\$ 49,000	\$ 59,607	\$ 10,607
Licenses and permits	55,000	55,000	60,445	5,445
Investment earnings	1,500	1,500	1,926	426
Donations	-	-	5	5
	<u>\$ 105,500</u>	<u>\$ 105,500</u>	<u>\$ 121,983</u>	<u>\$ 16,483</u>
Total resources				
Requirements:				
Warrenton Business Association:				
Personal services	\$ 10,687	\$ 10,687	\$ 9,893	\$ 794
Materials and services	<u>80,072</u>	<u>80,072</u>	<u>40,685</u>	<u>39,387</u>
Total department expenditures	90,759	90,759	50,578	40,181
Ending fund balance	<u>14,741</u>	<u>14,741</u>	<u>71,405</u>	<u>(56,664)</u>
Total requirements	<u>\$ 105,500</u>	<u>\$ 105,500</u>	<u>\$ 121,983</u>	<u>\$ (16,483)</u>



**CITY OF WARRENTON**

Grant Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 8,567	\$ 8,567	\$ 7,862	\$ (705)
Intergovernmental	17,000	17,000	4,824	(12,176)
Donations	<u>2,300</u>	<u>2,300</u>	<u>-</u>	<u>(2,300)</u>
Total resources	<u>\$ 27,867</u>	<u>\$ 27,867</u>	<u>\$ 12,686</u>	<u>\$ (15,181)</u>
Requirements:				
Police department	\$ 24,801	\$ 24,801	\$ 7,504	\$ 17,297
Ending fund balance	<u>3,066</u>	<u>3,066</u>	<u>5,182</u>	<u>(2,116)</u>
Total requirements	<u>\$ 27,867</u>	<u>\$ 27,867</u>	<u>\$ 12,686</u>	<u>\$ 15,181</u>

**CITY OF WARRENTON**

Library Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 110,000	\$ 110,000	\$ 114,826	\$ 4,826
Taxes	195,654	195,654	203,763	8,109
Intergovernmental	-	-	102	102
Fines and forfeits	250	250	235	(15)
Investment earnings	1,000	1,000	2,711	1,711
Donations	5,511	5,511	3,979	(1,532)
Other revenue	<u>2,450</u>	<u>2,450</u>	<u>2,743</u>	<u>293</u>
Total resources	<u><u>\$ 314,865</u></u>	<u><u>\$ 314,865</u></u>	<u><u>\$ 328,359</u></u>	<u><u>\$ 13,494</u></u>
Requirements:				
Library:				
Personal services	\$ 138,396	\$ 152,281	\$ 131,866	\$ 20,415
Materials and services	<u>80,730</u>	<u>80,730</u>	<u>67,999</u>	<u>12,731</u>
Total department expenditures	219,126	233,011	199,865	33,146
Contingency	<u>20,000</u>	<u>6,115</u>	<u>-</u>	<u>6,115</u>
Total expenditures	239,126	239,126	199,865	39,261
Ending fund balance	<u>75,739</u>	<u>75,739</u>	<u>128,494</u>	<u>(52,755)</u>
Total requirements	<u><u>\$ 314,865</u></u>	<u><u>\$ 314,865</u></u>	<u><u>\$ 328,359</u></u>	<u><u>\$ (13,494)</u></u>

**CITY OF WARRENTON**

Building Department Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 238,000	\$ 238,000	\$ 269,746	\$ 31,746
Licenses and permits	336,500	336,500	870,441	533,941
Intergovernmental	-	-	134	134
Investment earnings	4,000	4,000	5,820	1,820
Other revenue	<u>-</u>	<u>-</u>	<u>209</u>	<u>209</u>
Total resources	<u>\$ 578,500</u>	<u>\$ 578,500</u>	<u>\$ 1,146,350</u>	<u>\$ 567,850</u>
Requirements:				
Building Department:				
Personal services	\$ 301,980	\$ 301,980	\$ 221,509	\$ 80,471
Materials and services	<u>37,839</u>	<u>37,839</u>	<u>26,837</u>	<u>11,002</u>
Total department expenditures	339,819	339,819	248,346	91,473
Contingency	<u>68,000</u>	<u>68,000</u>	<u>-</u>	<u>68,000</u>
Total expenditures	407,819	407,819	248,346	159,473
Ending fund balance	<u>170,681</u>	<u>170,681</u>	<u>898,004</u>	<u>(727,323)</u>
Total requirements	<u>\$ 578,500</u>	<u>\$ 578,500</u>	<u>\$ 1,146,350</u>	<u>\$ (567,850)</u>

**CITY OF WARRENTON**

Transient Room Tax Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Taxes	<u>314,000</u>	<u>314,000</u>	<u>216,672</u>	<u>(97,328)</u>
Total resources	<u>\$ 314,000</u>	<u>\$ 314,000</u>	<u>\$ 216,672</u>	<u>\$ (97,328)</u>
Requirements:				
Transient Room Tax Program:				
Materials and services	\$ 314,000	\$ 314,000	\$ 216,672	\$ 97,328
Ending fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total requirements	<u>\$ 314,000</u>	<u>\$ 314,000</u>	<u>\$ 216,672</u>	<u>\$ 97,328</u>

**CITY OF WARRENTON**

State Tax Street Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 2,100,000	\$ 2,100,000	\$ 2,327,209	\$ 227,209
Taxes	360,000	360,000	351,274	(8,726)
Intergovernmental	395,807	395,807	363,684	(32,123)
Investment earnings	40,000	40,000	49,558	9,558
Capital contributions	-	-	9,275	9,275
Other revenue	-	-	705	705
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total resources	<u>\$ 2,895,807</u>	<u>\$ 2,895,807</u>	<u>\$ 3,101,705</u>	<u>\$ 205,898</u>
Requirements:				
Streets Department:				
Personal services	\$ 107,388	\$ 107,388	\$ 90,557	\$ 16,831
Materials and services	737,028	737,028	400,250	336,778
Capital outlay	<u>1,744,755</u>	<u>1,744,755</u>	<u>49,060</u>	<u>1,695,695</u>
Total department expenditures	2,589,171	2,589,171	539,867	2,049,304
Contingency	<u>168,904</u>	<u>168,904</u>	-	<u>168,904</u>
Total expenditures	2,758,075	2,758,075	539,867	2,218,208
Ending fund balance	<u>137,732</u>	<u>137,732</u>	<u>2,561,838</u>	<u>(2,424,106)</u>
Total requirements	<u>\$ 2,895,807</u>	<u>\$ 2,895,807</u>	<u>\$ 3,101,705</u>	<u>\$ (205,898)</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 76,000	\$ 76,000	\$ 83,789	\$ 7,789
Investment earnings	1,000	1,000	2,063	1,063
Donations	<u>47,000</u>	<u>47,000</u>	<u>47,196</u>	<u>196</u>
Total resources	<u>\$ 124,000</u>	<u>\$ 124,000</u>	<u>\$ 133,048</u>	<u>\$ 9,048</u>
Requirements:				
Parks:				
Capital outlay	\$ 97,000	\$ 97,000	\$ 12,180	\$ 84,820
Ending fund balance	<u>27,000</u>	<u>27,000</u>	<u>120,868</u>	<u>(93,868)</u>
Total requirements	<u>\$ 124,000</u>	<u>\$ 124,000</u>	<u>\$ 133,048</u>	<u>\$ (9,048)</u>



### **NONMAJOR DEBT SERVICE FUNDS**

*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 Funds

Combining Balance Sheet

June 30, 2020

	Wastewater Treatment GO Bond (059)	Warrenton Urban Renewal Agency Debt Service (300)	Warrenton Urban Renewal Agency Debt Reserve (400)	Total Nonmajor Debt Service Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 77,186	\$ 1,896,807	\$ 350,017	\$ 2,324,010
Receivables:				
Taxes	<u>40,978</u>	<u>53,548</u>	<u>-</u>	<u>94,526</u>
Total assets	<u>\$ 118,164</u>	<u>\$ 1,950,355</u>	<u>\$ 350,017</u>	<u>\$ 2,418,536</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Deferred Inflows of Resources:				
Unavailable revenues	\$ 27,245	\$ 35,171	\$ -	\$ 62,416
Fund Balances:				
Restricted for:				
Debt service	<u>90,919</u>	<u>1,915,184</u>	<u>350,017</u>	<u>2,356,120</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 118,164</u>	<u>\$ 1,950,355</u>	<u>\$ 350,017</u>	<u>\$ 2,418,536</u>

**CITY OF WARRENTON**

Nonmajor Debt Service Funds

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

For the Year Ended June 30, 2020

	<u>Wastewater Treatment GO Bond (059)</u>	<u>Warrenton Urban Renewal Agency Debt Service (300)</u>	<u>Warrenton Urban Renewal Agency Debt Reserve (400)</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:				
Taxes	\$ 554,340	\$ 770,526	\$ -	\$ 1,324,866
Investment earnings	<u>4,934</u>	<u>48,567</u>	<u>-</u>	<u>53,501</u>
Total revenues	<u>559,274</u>	<u>819,093</u>	<u>-</u>	<u>1,378,367</u>
Expenditures:				
Current:				
Debt service:				
Principal retirement	446,077	279,264	3,190	728,531
Interest	<u>122,424</u>	<u>67,552</u>	<u>-</u>	<u>189,976</u>
Total expenditures	<u>568,501</u>	<u>346,816</u>	<u>3,190</u>	<u>918,507</u>
Excess (deficiency) of revenues over (under) expenditures	(9,227)	472,277	(3,190)	459,860
Other Financing Sources (Uses):				
Transfers out	<u>-</u>	<u>(176,039)</u>	<u>-</u>	<u>(176,039)</u>
Net change in fund balances	(9,227)	296,238	(3,190)	283,821
Fund Balances:				
Beginning of year	<u>100,146</u>	<u>1,618,946</u>	<u>353,207</u>	<u>2,072,299</u>
End of year	<u>\$ 90,919</u>	<u>\$ 1,915,184</u>	<u>\$ 350,017</u>	<u>\$ 2,356,120</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 53,000	\$ 53,000	\$ 100,146	\$ 47,146
Taxes	556,481	556,481	554,340	(2,141)
Investment earnings	<u>4,500</u>	<u>4,500</u>	<u>4,934</u>	<u>434</u>
Total resources	<u>\$ 613,981</u>	<u>\$ 613,981</u>	<u>\$ 659,420</u>	<u>\$ 45,439</u>
Requirements:				
Debt service	\$ 568,501	\$ 568,501	\$ 568,501	\$ -
Ending fund balance	<u>45,480</u>	<u>45,480</u>	<u>90,919</u>	<u>(45,439)</u>
Total requirements	<u>\$ 613,981</u>	<u>\$ 613,981</u>	<u>\$ 659,420</u>	<u>\$ (45,439)</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 1,597,993	\$ 1,597,993	\$ 1,618,946	\$ 20,953
Taxes	755,979	755,979	770,526	14,547
Investment earnings	26,000	26,000	48,567	22,567
Total resources	<u>\$ 2,379,972</u>	<u>\$ 2,379,972</u>	<u>\$ 2,438,039</u>	<u>\$ 58,067</u>
Requirements:				
Debt service	\$ 561,017	\$ 561,017	\$ 346,816	\$ 214,201
Transfers out	<u>1,400,000</u>	<u>1,400,000</u>	<u>176,039</u>	<u>1,223,961</u>
Total expenditures	1,961,017	1,961,017	522,855	1,438,162
Ending fund balance	<u>418,955</u>	<u>418,955</u>	<u>1,915,184</u>	<u>(1,496,229)</u>
Total requirements	<u>\$ 2,379,972</u>	<u>\$ 2,379,972</u>	<u>\$ 2,438,039</u>	<u>\$ (58,067)</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 350,017	\$ 350,017	\$ 353,207	\$ 3,190
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total resources	<u>\$ 550,017</u>	<u>\$ 550,017</u>	<u>\$ 353,207</u>	<u>\$ (196,810)</u>
Requirements:				
Debt service	\$ 550,017	\$ 550,017	\$ 3,190	\$ 546,827
Ending fund balance	<u>-</u>	<u>-</u>	<u>350,017</u>	<u>(350,017)</u>
Total requirements	<u>\$ 550,017</u>	<u>\$ 550,017</u>	<u>\$ 353,207</u>	<u>\$ 196,810</u>



## NONMAJOR CAPITAL PROJECTS FUNDS

*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 Funds

Combining Balance Sheet

June 30, 2020

	<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	\$ 165,905	\$ 7,587	\$ 71,181	\$ 909,268
Total assets	<u>\$ 165,905</u>	<u>\$ 7,587</u>	<u>\$ 71,181</u>	<u>\$ 909,268</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 8,907	\$ -
Fund Balances:				
Restricted for:				
Urban renewal improvements	-	-	-	-
System development	165,905	-	-	909,268
Assigned to:				
Capital projects	<u>-</u>	<u>7,587</u>	<u>62,274</u>	<u>-</u>
Total fund balances	<u>165,905</u>	<u>7,587</u>	<u>62,274</u>	<u>909,268</u>
 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 165,905</u>	<u>\$ 7,587</u>	<u>\$ 71,181</u>	<u>\$ 909,268</u>

<u>Police Vehicle Replacement (070)</u>	<u>Fire Apparatus Replacement (071)</u>	<u>Tansy Point Dock Capital Reserve (072)</u>	<u>Warrenton Urban Renewal Agency Capital Projects (200)</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 22,124	\$ 63,738	\$ 170,211	\$ 43,336	\$ 1,453,350
<u>\$ 22,124</u>	<u>\$ 63,738</u>	<u>\$ 170,211</u>	<u>\$ 43,336</u>	<u>\$ 1,453,350</u>
\$ -	\$ -	\$ -	\$ 23,872	\$ 32,779
-	-	-	19,464	19,464
-	-	-	-	1,075,173
<u>22,124</u>	<u>63,738</u>	<u>170,211</u>	<u>-</u>	<u>325,934</u>
<u>22,124</u>	<u>63,738</u>	<u>170,211</u>	<u>19,464</u>	<u>1,420,571</u>
<u>\$ 22,124</u>	<u>\$ 63,738</u>	<u>\$ 170,211</u>	<u>\$ 43,336</u>	<u>\$ 1,453,350</u>

**CITY OF WARRENTON**

Nonmajor Capital Projects Funds

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

For the Year Ended June 30, 2020

	<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>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 1,000	\$ -
Investment earnings	<u>3,301</u>	<u>-</u>	<u>1,609</u>	<u>18,771</u>
Total revenues	<u>3,301</u>	<u>-</u>	<u>2,609</u>	<u>18,771</u>
Expenditures:				
Current:				
General government	-	-	150,732	-
Fire and emergency medical services	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>150,732</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	3,301	-	(148,123)	18,771
Other Financing Sources (Uses):				
Transfers in	-	2,500	50,000	-
Capital contributions	<u>18,860</u>	<u>-</u>	<u>-</u>	<u>74,989</u>
Net change in fund balances	22,161	2,500	(98,123)	93,760
Fund Balances:				
Beginning of year	<u>143,744</u>	<u>5,087</u>	<u>160,397</u>	<u>815,508</u>
End of year	<u>\$ 165,905</u>	<u>\$ 7,587</u>	<u>\$ 62,274</u>	<u>\$ 909,268</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 Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,000
290	1,920	3,438	2,994	32,323
<u>290</u>	<u>1,920</u>	<u>3,438</u>	<u>2,994</u>	<u>33,323</u>
-	-	-	40,342	191,074
-	34,515	-	-	34,515
-	14,935	-	398,899	413,834
-	49,450	-	439,241	639,423
290	(47,530)	3,438	(436,247)	(606,100)
15,000	10,000	19,578	176,039	273,117
-	-	-	-	93,849
15,290	(37,530)	23,016	(260,208)	(239,134)
6,834	101,268	147,195	279,672	1,659,705
<u>\$ 22,124</u>	<u>\$ 63,738</u>	<u>\$ 170,211</u>	<u>\$ 19,464</u>	<u>\$ 1,420,571</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 139,000	\$ 139,000	\$ 143,744	\$ 4,744
Investment earnings	2,400	2,400	3,301	901
Capital contributions	<u>21,000</u>	<u>21,000</u>	<u>18,860</u>	<u>(2,140)</u>
Total resources	<u>\$ 162,400</u>	<u>\$ 162,400</u>	<u>\$ 165,905</u>	<u>\$ 3,505</u>
Requirements:				
Ending fund balance	<u>\$ 162,400</u>	<u>\$ 162,400</u>	<u>\$ 165,905</u>	<u>\$ (3,505)</u>
Total requirements	<u>\$ 162,400</u>	<u>\$ 162,400</u>	<u>\$ 165,905</u>	<u>\$ (3,505)</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources				
Beginning fund balance	\$ 5,087	\$ 5,087	\$ 5,087	\$ -
Transfers in	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total resources	<u>\$ 7,587</u>	<u>\$ 7,587</u>	<u>\$ 7,587</u>	<u>\$ -</u>
Requirements:				
Community Center:				
Materials and services	\$ 7,587	\$ 7,587	\$ -	\$ 7,587
Ending fund balance	<u>-</u>	<u>-</u>	<u>7,587</u>	<u>(7,587)</u>
Total requirements	<u>\$ 7,587</u>	<u>\$ 7,587</u>	<u>\$ 7,587</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 46,000	\$ 156,059	\$ 160,397	\$ 4,338
Intergovernmental	-	-	1,000	1,000
Investment earnings	1,000	1,000	1,609	609
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total resources	<u>\$ 97,000</u>	<u>\$ 207,059</u>	<u>\$ 213,006</u>	<u>\$ 5,947</u>
Requirements:				
Facilities Maintenance:				
Materials and services	\$ 56,300	\$ 166,359	\$ 150,732	\$ 15,627
Contingency	<u>40,700</u>	<u>40,700</u>	<u>-</u>	<u>40,700</u>
Total expenditures	97,000	207,059	150,732	56,327
Ending fund balance	<u>-</u>	<u>-</u>	<u>62,274</u>	<u>(62,274)</u>
Total requirements	<u>\$ 97,000</u>	<u>\$ 207,059</u>	<u>\$ 213,006</u>	<u>\$ (5,947)</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 774,000	\$ 774,000	\$ 815,508	\$ 41,508
Investment earnings	12,000	12,000	18,771	6,771
Capital contributions	<u>95,000</u>	<u>95,000</u>	<u>74,989</u>	<u>(20,011)</u>
Total resources	<u>\$ 881,000</u>	<u>\$ 881,000</u>	<u>\$ 909,268</u>	<u>\$ 28,268</u>
Requirements:				
Ending fund balance	<u>\$ 881,000</u>	<u>\$ 881,000</u>	<u>\$ 909,268</u>	<u>\$ (28,268)</u>
Total requirements	<u>\$ 881,000</u>	<u>\$ 881,000</u>	<u>\$ 909,268</u>	<u>\$ (28,268)</u>



**CITY OF WARRENTON**

Police Vehicle Replacement Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 6,800	\$ 6,800	\$ 6,834	\$ 34
Investment earnings	80	80	290	210
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total resources	<u>\$ 21,880</u>	<u>\$ 21,880</u>	<u>\$ 22,124</u>	<u>\$ 244</u>
Requirements:				
Ending fund balance	<u>\$ 21,880</u>	<u>\$ 21,880</u>	<u>\$ 22,124</u>	<u>\$ (244)</u>
Total requirements	<u>\$ 21,880</u>	<u>\$ 21,880</u>	<u>\$ 22,124</u>	<u>\$ (244)</u>

**CITY OF WARRENTON**

Fire Apparatus Replacement Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 100,000	\$ 100,000	\$ 101,268	\$ 1,268
Intergovernmental	59,376	59,376	-	(59,376)
Investment earnings	-	-	1,920	1,920
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total resources	<u><u>\$ 169,376</u></u>	<u><u>\$ 169,376</u></u>	<u><u>\$ 113,188</u></u>	<u><u>\$ (56,188)</u></u>
Requirements:				
Fire Department:				
Materials and services	\$ 84,500	\$ 84,500	\$ 34,515	\$ 49,985
Capital outlay	<u>65,000</u>	<u>65,000</u>	<u>14,935</u>	<u>50,065</u>
Total department expenditures	149,500	149,500	49,450	100,050
Ending fund balance	<u>19,876</u>	<u>19,876</u>	<u>63,738</u>	<u>(43,862)</u>
Total requirements	<u><u>\$ 169,376</u></u>	<u><u>\$ 169,376</u></u>	<u><u>\$ 113,188</u></u>	<u><u>\$ 56,188</u></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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 146,900	\$ 146,900	\$ 147,195	\$ 295
Investment earnings	2,000	2,000	3,438	1,438
Transfers in	<u>19,578</u>	<u>19,578</u>	<u>19,578</u>	<u>-</u>
Total resources	<u>\$ 168,478</u>	<u>\$ 168,478</u>	<u>\$ 170,211</u>	<u>\$ 1,733</u>
Requirements:				
Administration:				
Capital outlay	\$ 168,478	\$ 168,478	\$ -	\$ 168,478
Ending fund balance	<u>-</u>	<u>-</u>	<u>170,211</u>	<u>(170,211)</u>
Total requirements	<u>\$ 168,478</u>	<u>\$ 168,478</u>	<u>\$ 170,211</u>	<u>\$ (1,733)</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 214,603	\$ 214,603	\$ 279,672	\$ 65,069
Investment earnings	-	-	2,994	2,994
Transfers in	1,200,000	1,200,000	176,039	(1,023,961)
Loan proceeds	<u>667,622</u>	<u>667,622</u>	<u>-</u>	<u>(667,622)</u>
Total resources	<u>\$ 2,082,225</u>	<u>\$ 2,082,225</u>	<u>\$ 458,705</u>	<u>\$ (1,623,520)</u>
Requirements:				
Materials and services	\$ 119,000	\$ 119,000	\$ 40,342	\$ 78,658
Capital outlay	<u>1,963,225</u>	<u>1,963,225</u>	<u>398,899</u>	<u>1,564,326</u>
Total expenditures	2,082,225	2,082,225	439,241	1,642,984
Ending fund balance	<u>-</u>	<u>-</u>	<u>19,464</u>	<u>(19,464)</u>
Total requirements	<u>\$ 2,082,225</u>	<u>\$ 2,082,225</u>	<u>\$ 458,705</u>	<u>\$ 1,623,520</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, 2020

	<u>Operating (025)</u>	<u>System Development (026)</u>	<u>Capital Reserve (029)</u>	<u>Total Water Enterprise</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,589,713	\$ 89,595	\$ 2,270,640	\$ 4,949,948
Accounts receivable	372,330	-	-	372,330
Other receivables	10,715	2,200	-	12,915
Inventory, at cost	239,305	-	-	239,305
Prepaid expenses	1,672	-	-	1,672
Total current assets	<u>3,213,735</u>	<u>91,795</u>	<u>2,270,640</u>	<u>5,576,170</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable assets	378,699	-	-	378,699
Depreciable assets, net	13,692,181	-	-	13,692,181
Total noncurrent assets	<u>14,070,880</u>	<u>-</u>	<u>-</u>	<u>14,070,880</u>
Total assets	<u>17,284,615</u>	<u>91,795</u>	<u>2,270,640</u>	<u>19,647,050</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pensions	<u>267,535</u>	<u>-</u>	<u>-</u>	<u>267,535</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	65,353	-	3,062	68,415
Accrued interest payable	76,010	-	-	76,010
Compensated absences	34,098	-	-	34,098
Loans payable - current	557,939	-	-	557,939
Total current liabilities	<u>733,400</u>	<u>-</u>	<u>3,062</u>	<u>736,462</u>
Noncurrent liabilities:				
Loans payable	4,046,550	-	-	4,046,550
Net pension liability	783,209	-	-	783,209
Total liabilities	<u>5,563,159</u>	<u>-</u>	<u>3,062</u>	<u>5,566,221</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to pensions	<u>76,839</u>	<u>-</u>	<u>-</u>	<u>76,839</u>
<b>NET POSITION</b>				
Net investment in capital assets	9,466,391	-	-	9,466,391
Restricted for system development	-	91,795	-	91,795
Unrestricted	2,445,761	-	2,267,578	4,713,339
Total net position	<u>\$ 11,912,152</u>	<u>\$ 91,795</u>	<u>\$ 2,267,578</u>	<u>\$ 14,271,525</u>



**CITY OF WARRENTON**

Water Enterprise

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

For the Year Ended June 30, 2020

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
Operating revenues:				
Charges for services	\$ 3,819,207	\$ -	\$ -	\$ 3,819,207
Other revenue	11,032	-	-	11,032
Total operating revenues	<u>3,830,239</u>	<u>-</u>	<u>-</u>	<u>3,830,239</u>
Operating Expenses:				
Payroll and payroll benefits	888,275	-	-	888,275
Contracted services	97,250	-	-	97,250
Utilities and telephone	114,668	-	-	114,668
Repairs and maintenance	1,162,495	-	-	1,162,495
Other operating expenses	160,926	-	-	160,926
Overhead cost allocation	112,499	-	-	112,499
Depreciation	672,930	-	-	672,930
Total operating expenses	<u>3,209,043</u>	<u>-</u>	<u>-</u>	<u>3,209,043</u>
Operating income (loss)	<u>621,196</u>	<u>-</u>	<u>-</u>	<u>621,196</u>
Nonoperating Revenues (Expenses):				
Investment earnings	88,337	1,713	-	90,050
Intergovernmental	920	-	-	920
Gain/(loss) on disposition of capital assets	(1,234)	-	-	(1,234)
Interest expense	(139,265)	-	-	(139,265)
Total nonoperating revenues (expenses)	<u>(51,242)</u>	<u>1,713</u>	<u>-</u>	<u>(49,529)</u>
Income (loss) before contributions	569,954	1,713	-	571,667
Capital contributions	-	69,367	-	69,367
Capital transfers, net	970,526	-	(970,526)	-
Debt transfers, net	80,000	(80,000)	-	-
Net transfers within Enterprise	<u>(424,489)</u>	<u>-</u>	<u>424,489</u>	<u>-</u>
Change in net position	1,195,991	(8,920)	(546,037)	641,034
Net Position:				
Beginning of year	10,716,161	100,715	2,813,615	13,630,491
End of year	<u>\$ 11,912,152</u>	<u>\$ 91,795</u>	<u>\$ 2,267,578</u>	<u>\$ 14,271,525</u>

**CITY OF WARRENTON**

Water Enterprise

Combining Statement of Cash Flows

For the Year Ended June 30, 2020

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 3,791,606	\$ -	\$ -	\$ 3,791,606
Payments to suppliers and contractors	(1,484,206)	-	-	(1,484,206)
Payments to employees	(723,049)	-	-	(723,049)
Payments for interfund services	<u>(276,276)</u>	-	-	<u>(276,276)</u>
Net cash provided by (used in) operating	<u>1,308,075</u>	-	-	<u>1,308,075</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental operating grants received	920	-	-	920
Transfers within enterprise, net	<u>517,329</u>	-	<u>(517,329)</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>518,249</u>	-	<u>(517,329)</u>	<u>920</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	-	73,767	-	73,767
Acquisition and construction of capital assets	(8,788)	-	(26,334)	(35,122)
Principal paid on debt	(455,988)	(80,000)	-	(535,988)
Interest paid on debt	<u>(150,585)</u>	-	-	<u>(150,585)</u>
Net cash used in capital and related financing activities	<u>(615,361)</u>	<u>(6,233)</u>	<u>(26,334)</u>	<u>(647,928)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends received	<u>88,337</u>	<u>1,713</u>	-	<u>90,050</u>
Net change in cash and cash equivalents	1,299,300	(4,520)	(543,663)	751,117
Cash and cash equivalents:				
Beginning of year	1,290,413	94,115	2,814,303	4,198,831
End of year	<u>\$ 2,589,713</u>	<u>\$ 89,595</u>	<u>\$ 2,270,640</u>	<u>\$ 4,949,948</u>

Continued on next page

**CITY OF WARRENTON**

Water Enterprise

Combining Statement of Cash Flows, Continued

For the Year Ended June 30, 2020

	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)	\$ 621,196	\$ -	\$ -	\$ 621,196
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	672,930	-	-	672,930
Pension adjustments	13,932	-	-	13,932
(Increase) decrease in assets:				
Receivables	(38,633)	-	-	(38,633)
Inventory, at cost	33,108	-	-	33,108
Prepaid items	2,515	-	-	2,515
Increase (decrease) in liabilities:				
Accounts payable	15,510	-	-	15,510
Compensated absences	<u>(12,483)</u>	<u>-</u>	<u>-</u>	<u>(12,483)</u>
 Net cash provided by (used in) operating activities	 <u>\$ 1,308,075</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1,308,075</u>
 <b>Schedule of noncash transactions:</b>				
Capital assets transferred between funds	<u>\$ 28,708</u>	<u>\$ -</u>	<u>\$ (28,708)</u>	<u>\$ -</u>
Debt principal payments transferred between funds	<u>\$ 80,000</u>	<u>\$ (80,000)</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF WARRENTON**

Sewer Enterprise

Combining Statement of Net Position

June 30, 2020

	<u>Operating (030)</u>	<u>System Development (036)</u>	<u>Capital Reserve (038)</u>	<u>Storm (028)</u>	<u>Storm System Development Charges (051)</u>	<u>Total Sewer Enterprise</u>
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 2,337,617	\$ 53,188	\$ 3,534,532	\$ 1,139,663	\$ 57,302	\$ 7,122,302
Accounts receivable	282,820	-	-	49,944	-	332,764
Other receivables	5,235	-	-	243	-	5,478
Inventory, at cost	109,953	-	-	3,763	-	113,716
Prepaid expenses	1,455	-	-	169	-	1,624
Total current assets	<u>2,737,080</u>	<u>53,188</u>	<u>3,534,532</u>	<u>1,193,782</u>	<u>57,302</u>	<u>7,575,884</u>
Noncurrent assets:						
Restricted cash	63,012	-	-	-	-	63,012
Capital assets:						
Nondepreciable assets	130,133	-	-	23,238	-	153,371
Depreciable assets, net	9,427,346	-	-	543,588	-	9,970,934
Total noncurrent assets	<u>9,620,491</u>	<u>-</u>	<u>-</u>	<u>566,826</u>	<u>-</u>	<u>10,187,317</u>
Total assets	<u>12,357,571</u>	<u>53,188</u>	<u>3,534,532</u>	<u>1,760,608</u>	<u>57,302</u>	<u>17,763,201</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to pensions	<u>227,836</u>	<u>-</u>	<u>-</u>	<u>33,590</u>	<u>-</u>	<u>261,426</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	109,368	-	980	8,341	-	118,689
Accrued interest payable	13,610	-	-	-	-	13,610
Compensated absences	39,139	-	-	3,781	-	42,920
Loans payable - current	134,328	-	-	-	-	134,328
Total current liabilities	<u>296,445</u>	<u>-</u>	<u>980</u>	<u>12,122</u>	<u>-</u>	<u>309,547</u>
Noncurrent liabilities:						
Loans payable	1,694,181	-	-	-	-	1,694,181
Net pension liability	666,994	-	-	98,336	-	765,330
Total liabilities	<u>2,657,620</u>	<u>-</u>	<u>980</u>	<u>110,458</u>	<u>-</u>	<u>2,769,058</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to pensions	<u>65,437</u>	<u>-</u>	<u>-</u>	<u>9,648</u>	<u>-</u>	<u>75,085</u>
<b>NET POSITION</b>						
Net investment in capital assets	7,728,970	-	-	566,826	-	8,295,796
Restricted for system development	-	53,188	-	-	57,302	110,490
Unrestricted	<u>2,133,380</u>	<u>-</u>	<u>3,533,552</u>	<u>1,107,266</u>	<u>-</u>	<u>6,774,198</u>
Total net position	<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>

**CITY OF WARRENTON**

Sewer Enterprise

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

For the Year Ended June 30, 2020

	<u>Operating (030)</u>	<u>System Development (036)</u>	<u>Capital Reserve (038)</u>	<u>Storm (028)</u>	<u>Storm System Development Charges (051)</u>	<u>Total Sewer Enterprise</u>
Operating revenues:						
Charges for services	\$ 2,745,531	\$ -	\$ -	\$ 481,502	\$ -	\$ 3,227,033
Other revenue	<u>3,426</u>	<u>-</u>	<u>-</u>	<u>435</u>	<u>-</u>	<u>3,861</u>
Total operating revenues	<u>2,748,957</u>	<u>-</u>	<u>-</u>	<u>481,937</u>	<u>-</u>	<u>3,230,894</u>
Operating Expenses:						
Payroll and payroll benefits	1,035,984	-	-	106,886	-	1,142,870
Contracted services	106,266	-	-	22,542	-	128,808
Utilities and telephone	159,110	-	-	9,410	-	168,520
Repairs and maintenance	152,984	-	-	6,850	-	159,834
Other operating expenses	132,862	-	-	4,494	-	137,356
Overhead cost allocation	123,203	-	-	8,439	-	131,642
Depreciation	<u>721,131</u>	<u>-</u>	<u>-</u>	<u>57,651</u>	<u>-</u>	<u>778,782</u>
Total operating expenses	<u>2,431,540</u>	<u>-</u>	<u>-</u>	<u>216,272</u>	<u>-</u>	<u>2,647,812</u>
Operating income (loss)	<u>317,417</u>	<u>-</u>	<u>-</u>	<u>265,665</u>	<u>-</u>	<u>583,082</u>
Nonoperating Revenues (Expenses):						
Investment earnings	103,727	976	-	17,740	1,086	123,529
Intergovernmental	955	-	-	150	-	1,105
Gain/(loss) on disposition of capital assets	(9,538)	-	-	(4,093)	-	(13,631)
Interest expense	<u>(38,147)</u>	<u>(9,330)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,477)</u>
Total nonoperating revenues (expenses)	<u>56,997</u>	<u>(8,354)</u>	<u>-</u>	<u>13,797</u>	<u>1,086</u>	<u>63,526</u>
Income (loss) before contributions	374,414	(8,354)	-	279,462	1,086	646,608
Capital contributions	-	40,874	-	-	12,588	53,462
Capital transfers, net	1,442	-	(1,442)	-	-	-
Debt transfers, net	29,975	(29,975)	-	-	-	-
Net transfers within Enterprise	<u>(413,305)</u>	<u>-</u>	<u>413,305</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(7,474)	2,545	411,863	279,462	13,674	700,070
Net Position:						
Beginning of year	<u>9,869,824</u>	<u>50,643</u>	<u>3,121,689</u>	<u>1,394,630</u>	<u>43,628</u>	<u>14,480,414</u>
End 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>

**CITY OF WARRENTON**

Sewer Enterprise

Combining Statement of Cash Flows

For the Year Ended June 30, 2020

	<u>Operating (030)</u>	<u>System Development (036)</u>	<u>Capital Reserve (038)</u>	<u>Storm (028)</u>	<u>Storm System Development Charges (051)</u>	<u>Total Sewer Enterprise</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 2,745,563	\$ -	\$ -	\$ 479,132	\$ -	\$ 3,224,695
Payments to suppliers and contractors	(574,708)	-	-	(75,830)	-	(650,538)
Payments to employees	(734,458)	-	-	(62,875)	-	(797,333)
Payments for interfund services	<u>(302,562)</u>	-	-	<u>(20,724)</u>	-	<u>(323,286)</u>
Net cash provided by (used in) operating	<u>1,133,835</u>	-	-	<u>319,703</u>	-	<u>1,453,538</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Intergovernmental operating grants received	955	-	-	150	-	1,105
Transfers within enterprise, net	<u>(413,305)</u>	-	<u>413,305</u>	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(412,350)</u>	-	<u>413,305</u>	<u>150</u>	-	<u>1,105</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital contributions	-	40,874	-	-	12,588	53,462
Acquisition and construction of capital assets	(9,139)	-	(4,145)	(3,405)	-	(16,689)
Principal paid on debt	(117,156)	(29,975)	-	-	-	(147,131)
Interest paid on debt	<u>(39,354)</u>	<u>(9,330)</u>	-	-	-	<u>(48,684)</u>
Net cash used in capital and related financing activities	<u>(165,649)</u>	<u>1,569</u>	<u>(4,145)</u>	<u>(3,405)</u>	<u>12,588</u>	<u>(159,042)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and dividends received	<u>103,727</u>	<u>976</u>	-	<u>17,740</u>	<u>1,086</u>	<u>123,529</u>
Net change in cash and cash equivalents	659,563	2,545	409,160	334,188	13,674	1,419,130
Cash and cash equivalents:						
Beginning of year	<u>1,741,066</u>	<u>50,643</u>	<u>3,125,372</u>	<u>805,475</u>	<u>43,628</u>	<u>5,766,184</u>
End 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>

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

Cash and cash equivalents	\$ 2,337,617	\$ 53,188	\$ 3,534,532	\$ 1,139,663	\$ 57,302	\$ 7,122,302
Restricted cash	63,012	-	-	-	-	63,012
	<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>

Continued on next page

**CITY OF WARRENTON**

Sewer Enterprise

Statement of Cash Flows, Continued

For the Year Ended June 30, 2020

	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)	\$ 317,417	\$ -	\$ -	\$ 265,665	\$ -	\$ 583,082
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	721,131	-	-	57,651	-	778,782
Pension adjustments	115,227	-	-	33,848	-	149,075
(Increase) decrease in assets:						
Receivables	(3,394)	-	-	(2,805)	-	(6,199)
Inventory, at cost	(25,800)	-	-	-	-	(25,800)
Prepaid items	2,302	-	-	289	-	2,591
Increase (decrease) in liabilities:						
Accounts payable	12	-	-	(32,823)	-	(32,811)
Compensated absences	6,940	-	-	(2,122)	-	4,818
	<u>\$ 1,133,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 319,703</u>	<u>\$ -</u>	<u>\$ 1,453,538</u>
 <b>Schedule of noncash transactions:</b>						
Capital assets transferred between funds	<u>\$ 1,442</u>	<u>\$ -</u>	<u>\$ (1,442)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt principal payments transferred between funds	<u>\$ 29,975</u>	<u>\$ (29,975)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF WARRENTON**  
Sanitation Enterprise  
Combining Statement of Net Position  
June 30, 2020

	<u>Operating (032)</u>	<u>Capital Reserve (034)</u>	<u>Total Sanitation Enterprise</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 364,999	\$ 567,190	\$ 932,189
Accounts receivable	117,322	-	117,322
Other receivables	2,625	-	2,625
Inventory, at cost	24,739	-	24,739
Prepaid expenses	603	-	603
Total current assets	<u>510,288</u>	<u>567,190</u>	<u>1,077,478</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable assets	42,504	-	42,504
Depreciable assets, net	<u>646,759</u>	<u>-</u>	<u>646,759</u>
Total noncurrent assets	<u>689,263</u>	<u>-</u>	<u>689,263</u>
Total assets	<u>1,199,551</u>	<u>567,190</u>	<u>1,766,741</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	<u>66,501</u>	<u>-</u>	<u>66,501</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	76,538	368,724	445,262
Compensated absences	7,287	-	7,287
Landfill postclosure care - current	<u>11,650</u>	<u>-</u>	<u>11,650</u>
Total current liabilities	95,475	368,724	464,199
Noncurrent liabilities:			
Landfill postclosure care liability	224,926	-	224,926
Net pension liability	<u>194,685</u>	<u>-</u>	<u>194,685</u>
Total liabilities	<u>515,086</u>	<u>368,724</u>	<u>883,810</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	<u>19,100</u>	<u>-</u>	<u>19,100</u>
<b>NET POSITION</b>			
Net investment in capital assets	689,263	-	689,263
Unrestricted	<u>42,603</u>	<u>198,466</u>	<u>241,069</u>
Total net position	<u>\$ 731,866</u>	<u>\$ 198,466</u>	<u>\$ 930,332</u>



**CITY OF WARRENTON**

Sanitation Enterprise

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

For the Year Ended June 30, 2020

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
Operating revenues:			
Charges for services	\$ 1,162,777	\$ -	\$ 1,162,777
Other revenue	1,207	-	1,207
Total operating revenues	<u>1,163,984</u>	<u>-</u>	<u>1,163,984</u>
Operating Expenses:			
Payroll and payroll benefits	358,797	-	358,797
Contracted services	597,625	-	597,625
Utilities and telephone	6,903	-	6,903
Repairs and maintenance	43,508	-	43,508
Other operating expenses	64,632	-	64,632
Overhead cost allocation	32,333	-	32,333
Depreciation	64,377	-	64,377
Total operating expenses	<u>1,168,175</u>	<u>-</u>	<u>1,168,175</u>
Operating income (loss)	(4,191)	-	(4,191)
Nonoperating Revenues (Expenses):			
Investment earnings	17,176	-	17,176
Intergovernmental	1,600	-	1,600
Gain/(loss) on disposition of capital assets	<u>(382)</u>	<u>-</u>	<u>(382)</u>
Income (loss) before contributions	14,203	-	14,203
Capital transfers, net	369,100	(369,100)	-
Net transfers within Enterprise	<u>(83,840)</u>	<u>83,840</u>	<u>-</u>
Change in net position	299,463	(285,260)	14,203
Net Position:			
Beginning of year	<u>432,403</u>	<u>483,726</u>	<u>916,129</u>
End of year	<u>\$ 731,866</u>	<u>\$ 198,466</u>	<u>\$ 930,332</u>

**CITY OF WARRENTON**  
Sanitation Enterprise  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2020

	<u>Operating (032)</u>	<u>Capital Reserve (034)</u>	<u>Total Sanitation Enterprise</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,160,737	\$ -	\$ 1,160,737
Payments to suppliers and contractors	(738,874)	-	(738,874)
Payments to employees	(257,539)	-	(257,539)
Payments for interfund services	<u>(79,404)</u>	<u>-</u>	<u>(79,404)</u>
Net cash provided by (used in) operating	<u>84,920</u>	<u>-</u>	<u>84,920</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental operating grants received	1,600	-	1,600
Transfers within enterprise, net	<u>(83,840)</u>	<u>83,840</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(82,240)</u>	<u>83,840</u>	<u>1,600</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	<u>(773)</u>	<u>(576)</u>	<u>(1,349)</u>
Net cash used in capital and related financing activities	<u>(773)</u>	<u>(576)</u>	<u>(1,349)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	<u>17,176</u>	<u>-</u>	<u>17,176</u>
Net change in cash and cash equivalents	19,083	83,264	102,347
Cash and cash equivalents:			
Beginning of year	<u>345,916</u>	<u>483,926</u>	<u>829,842</u>
End of year	<u>\$ 364,999</u>	<u>\$ 567,190</u>	<u>\$ 932,189</u>

Continued on next page

**CITY OF WARRENTON**

Sanitation Enterprise

Combining Statement of Cash Flows, Continued

For the Year Ended June 30, 2020

	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)	\$ (4,191)	\$ -	\$ (4,191)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	64,377	-	64,377
Pension adjustments	53,966	-	53,966
(Increase) decrease in assets:			
Receivables	(3,247)	-	(3,247)
Inventory, at cost	3,047	-	3,047
Prepaid items	647	-	647
Increase (decrease) in liabilities:			
Accounts payable	8,013	-	8,013
Compensated absences	221	-	221
Landfill postclosure care	<u>(37,913)</u>	<u>-</u>	<u>(37,913)</u>
 Net cash provided by (used in) operating activities	 <u>\$ 84,920</u>	 <u>\$ -</u>	 <u>\$ 84,920</u>
 <b>Schedule of noncash transactions:</b>			
Capital assets transferred between funds	<u>\$ 369,100</u>	<u>\$ (369,100)</u>	<u>\$ -</u>

**CITY OF WARRENTON**

Hammond Marina

Combining Statement of Net Position

June 30, 2020

	<u>Hammond Marina (011)</u>	<u>Hammond Marina Capital Reserve (013)</u>	<u>Total Hammond Marina</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 180,603	\$ 889,853	\$ 1,070,456
Accounts receivable	3,472	-	3,472
Intergovernmental receivables	-	42,134	42,134
Prepaid expenses	206	-	206
Total current assets	<u>184,281</u>	<u>931,987</u>	<u>1,116,268</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable assets	262,973	-	262,973
Depreciable assets, net	<u>1,209,283</u>	<u>-</u>	<u>1,209,283</u>
Total noncurrent assets	<u>1,472,256</u>	<u>-</u>	<u>1,472,256</u>
Total assets	<u>1,656,537</u>	<u>931,987</u>	<u>2,588,524</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	<u>51,404</u>	<u>-</u>	<u>51,404</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	3,505	2,290	5,795
Compensated absences	<u>10,410</u>	<u>-</u>	<u>10,410</u>
Total current liabilities	13,915	2,290	16,205
Noncurrent liabilities:			
Net pension liability	<u>150,483</u>	<u>-</u>	<u>150,483</u>
Total liabilities	<u>164,398</u>	<u>2,290</u>	<u>166,688</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	<u>14,763</u>	<u>-</u>	<u>14,763</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,472,256	-	1,472,256
Unrestricted	<u>56,524</u>	<u>929,697</u>	<u>986,221</u>
Total net position	<u>\$ 1,528,780</u>	<u>\$ 929,697</u>	<u>\$ 2,458,477</u>

**CITY OF WARRENTON**

Hammond Marina

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

For the Year Ended June 30, 2020

	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Hammond Marina
Operating revenues:			
Charges for services	\$ 354,936	\$ -	\$ 354,936
Lease receipts	13,101	-	13,101
Other revenue	4,376	-	4,376
Total operating revenues	<u>372,413</u>	<u>-</u>	<u>372,413</u>
Operating Expenses:			
Payroll and payroll benefits	249,287	-	249,287
Contracted services	4,566	-	4,566
Utilities and telephone	30,770	-	30,770
Repairs and maintenance	18,185	-	18,185
Other operating expenses	24,462	-	24,462
Overhead cost allocation	22,073	-	22,073
Depreciation	36,048	-	36,048
Total operating expenses	<u>385,391</u>	<u>-</u>	<u>385,391</u>
Operating income (loss)	<u>(12,978)</u>	<u>-</u>	<u>(12,978)</u>
Nonoperating Revenues (Expenses):			
Investment earnings	21,741	-	21,741
Taxes	-	131,300	131,300
Intergovernmental	240	50,771	51,011
Total nonoperating revenues (expenses)	<u>21,981</u>	<u>182,071</u>	<u>204,052</u>
Income (loss) before contributions	9,003	182,071	191,074
Capital contributions	590,225	-	590,225
Capital transfers, net	49,608	(49,608)	-
Net transfers within Enterprise	<u>(36,850)</u>	<u>36,850</u>	<u>-</u>
Change in net position	611,986	169,313	781,299
Net Position:			
Beginning of year	916,794	760,384	1,677,178
End of year	<u>\$ 1,528,780</u>	<u>\$ 929,697</u>	<u>\$ 2,458,477</u>

**CITY OF WARRENTON**

Hammond Marina

Combining Statement of Cash Flows

For the Year Ended June 30, 2020

	<u>Hammond Marina (011)</u>	<u>Hammond Marina Capital Reserve (013)</u>	<u>Total Hammond Marina</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 371,491	\$ -	\$ 371,491
Payments to suppliers and contractors	(79,405)	-	(79,405)
Payments to employees	(193,882)	-	(193,882)
Payments for interfund services	<u>(54,208)</u>	<u>-</u>	<u>(54,208)</u>
Net cash provided by (used in) operating	<u>43,996</u>	<u>-</u>	<u>43,996</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental operating grants received	240	-	240
Taxes collected	-	167,393	167,393
Transfers within enterprise, net	<u>(36,850)</u>	<u>36,850</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(36,610)</u>	<u>204,243</u>	<u>167,633</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Intergovernmental capital grants received	-	40,289	40,289
Acquisition and construction of capital assets	<u>-</u>	<u>(75,163)</u>	<u>(75,163)</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>(34,874)</u>	<u>(34,874)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	<u>21,741</u>	<u>-</u>	<u>21,741</u>
Net change in cash and cash equivalents	29,127	169,369	198,496
Cash and cash equivalents:			
Beginning of year	151,476	720,484	871,960
End of year	<u>\$ 180,603</u>	<u>\$ 889,853</u>	<u>\$ 1,070,456</u>

Continued on next page

**CITY OF WARRENTON**

Hammond Marina

Combining Statement of Cash Flows, Continued

For the Year Ended June 30, 2020

	<u>Hammond Marina (011)</u>	<u>Hammond Marina Capital Reserve (013)</u>	<u>Total Hammond Marina</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (12,978)	\$ -	\$ (12,978)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	36,048	-	36,048
Pension adjustments	22,775	-	22,775
(Increase) decrease in assets:			
Receivables	(970)	-	(970)
Prepaid items	639	-	639
Increase (decrease) in liabilities:			
Accounts payable	(2,061)	-	(2,061)
Compensated absences	495	-	495
Unearned revenue	48	-	48
	<u>48</u>	<u>-</u>	<u>48</u>
 Net cash provided by (used in) operating activities	 <u>\$ 43,996</u>	 <u>\$ -</u>	 <u>\$ 43,996</u>
 <b>Schedule of noncash transactions:</b>			
Capital assets transferred between funds	<u>\$ 49,608</u>	<u>\$ (49,608)</u>	<u>\$ -</u>
Capital assets contributed	<u>\$ 590,225</u>	<u>\$ -</u>	<u>\$ 590,225</u>

**CITY OF WARRENTON**  
 Nonmajor Enterprise Funds  
 Combining Statement of Net Position  
 June 30, 2020

	<u>Warrenton Marina (010)</u>	<u>Warrenton Marina Capital Reserve (012)</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 163,770	\$ 382,175	\$ 545,945
Accounts receivable	20,628	-	20,628
Other receivables	698	-	698
Prepaid expenses	286	-	286
Total current assets	<u>185,382</u>	<u>382,175</u>	<u>567,557</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable assets	74,778	-	74,778
Depreciable assets, net	<u>213,074</u>	<u>-</u>	<u>213,074</u>
Total noncurrent assets	<u>287,852</u>	<u>-</u>	<u>287,852</u>
Total assets	<u>473,234</u>	<u>382,175</u>	<u>855,409</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	<u>77,190</u>	<u>-</u>	<u>77,190</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	15,179	-	15,179
Compensated absences	<u>14,778</u>	<u>-</u>	<u>14,778</u>
Total current liabilities	29,957	-	29,957
Noncurrent liabilities:			
Net pension liability	<u>225,973</u>	<u>-</u>	<u>225,973</u>
Total liabilities	<u>255,930</u>	<u>-</u>	<u>255,930</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	<u>22,169</u>	<u>-</u>	<u>22,169</u>
<b>NET POSITION</b>			
Net investment in capital assets	287,852	-	287,852
Unrestricted	<u>(15,527)</u>	<u>382,175</u>	<u>366,648</u>
Total net position	<u>\$ 272,325</u>	<u>\$ 382,175</u>	<u>\$ 654,500</u>



**CITY OF WARRENTON**

Nonmajor Enterprise Funds

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

For the Year Ended June 30, 2020

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 556,181	\$ -	\$ 556,181
Lease receipts	29,188	-	29,188
Other revenue	5,826	-	5,826
Total operating revenues	<u>591,195</u>	<u>-</u>	<u>591,195</u>
Operating Expenses:			
Payroll and payroll benefits	345,278	-	345,278
Contracted services	3,399	-	3,399
Utilities and telephone	85,691	-	85,691
Repairs and maintenance	36,364	-	36,364
Other operating expenses	22,392	-	22,392
Overhead cost allocation	31,356	-	31,356
Depreciation	48,268	-	48,268
Total operating expenses	<u>572,748</u>	<u>-</u>	<u>572,748</u>
Operating income (loss)	<u>18,447</u>	<u>-</u>	<u>18,447</u>
Nonoperating Revenues (Expenses):			
Investment earnings	15,435	-	15,435
Intergovernmental	340	-	340
Total nonoperating revenues (expenses)	<u>15,775</u>	<u>-</u>	<u>15,775</u>
Income (loss) before contributions	34,222	-	34,222
Net transfers within Enterprise	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
Change in net position	(65,778)	100,000	34,222
Net Position:			
Beginning of year	338,103	282,175	620,278
End of year	<u>\$ 272,325</u>	<u>\$ 382,175</u>	<u>\$ 654,500</u>

**CITY OF WARRENTON**  
 Nonmajor Enterprise Funds  
 Combining Statement of Cash Flows  
 For the Year Ended June 30, 2020

	<u>Warrenton Marina (010)</u>	<u>Warrenton Marina Capital Reserve (012)</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 589,546	\$ -	\$ 589,546
Payments to suppliers and contractors	(149,725)	-	(149,725)
Payments to employees	(269,430)	-	(269,430)
Payments for interfund services	<u>(77,004)</u>	<u>-</u>	<u>(77,004)</u>
Net cash provided by (used in) operating	<u>93,387</u>	<u>-</u>	<u>93,387</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental operating grants received	340	-	340
Transfers within enterprise, net	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(99,660)</u>	<u>100,000</u>	<u>340</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	<u>15,435</u>	<u>-</u>	<u>15,435</u>
Net change in cash and cash equivalents	9,162	100,000	109,162
Cash and cash equivalents:			
Beginning of year	154,608	282,175	436,783
End of year	<u>\$ 163,770</u>	<u>\$ 382,175</u>	<u>\$ 545,945</u>

Continued on next page

**CITY OF WARRENTON**  
 Nonmajor Enterprise Funds  
 Combining Statement of Cash Flows, Continued  
 For the Year Ended June 30, 2020

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 18,447	\$ -	\$ 18,447
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	48,268	-	48,268
Pension adjustments	30,329	-	30,329
(Increase) decrease in assets:			
Receivables	(7,770)	-	(7,770)
Prepaid items	898	-	898
Increase (decrease) in liabilities:			
Accounts payable	(2,777)	-	(2,777)
Compensated absences	(129)	-	(129)
Unearned revenue	6,121	-	6,121
 Net cash provided by (used in) operating activities	 \$ 93,387	 \$ -	 \$ 93,387

**CITY OF WARRENTON**

Water Operating Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 900,000	\$ 900,000	\$ 1,857,462	\$ 957,462
Intergovernmental	-	-	920	920
Charges for services	3,361,800	3,361,800	3,819,207	457,407
Investment earnings	60,000	60,000	88,337	28,337
Other revenue	1,000	1,000	11,032	10,032
Loan proceeds	<u>1,645,000</u>	<u>1,645,000</u>	<u>-</u>	<u>(1,645,000)</u>
<b>Total resources</b>	<b><u>\$ 5,967,800</u></b>	<b><u>\$ 5,967,800</u></b>	<b><u>\$ 5,776,958</u></b>	<b><u>\$ (190,842)</u></b>
<b>Requirements:</b>				
<b>Water Department:</b>				
Personal services	\$ 1,109,180	\$ 1,109,180	\$ 886,826	\$ 222,354
Materials and services	<u>1,342,167</u>	<u>1,342,167</u>	<u>714,088</u>	<u>628,079</u>
<b>Total department expenditures</b>	<b>2,451,347</b>	<b>2,451,347</b>	<b>1,600,914</b>	<b>850,433</b>
Debt service	638,376	638,376	606,575	31,801
Contingency	450,447	450,447	-	450,447
Transfers out	<u>2,069,489</u>	<u>2,069,489</u>	<u>424,489</u>	<u>1,645,000</u>
<b>Total expenditures</b>	<b>5,609,659</b>	<b>5,609,659</b>	<b>2,631,978</b>	<b>2,977,681</b>
Ending fund balance	<u>358,141</u>	<u>358,141</u>	<u>3,144,980</u>	<u>(2,786,839)</u>
<b>Total requirements</b>	<b><u>\$ 5,967,800</u></b>	<b><u>\$ 5,967,800</u></b>	<b><u>\$ 5,776,958</u></b>	<b><u>\$ 190,842</u></b>
<b>Reconciliation to GAAP Basis:</b>				
Ending fund balance - budget basis			\$ 3,144,980	
Insurance recovery receivable			3,402	
Capital assets - net			14,070,880	
Deferred outflows of resources Related to pensions			267,535	
Accrued interest payable			(76,010)	
Compensated absences			(34,098)	
Net pension liability			(783,209)	
Loans payable			(4,604,489)	
Deferred inflow of resources Related to pensions			<u>(76,839)</u>	
<b>Ending net position - GAAP basis</b>			<b><u>\$ 11,912,152</u></b>	

**CITY OF WARRENTON**

Water System Development

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 80,000	\$ 80,000	\$ 100,715	\$ 20,715
Investment earnings	-	-	1,713	1,713
Capital contributions	<u>57,000</u>	<u>57,000</u>	<u>69,367</u>	<u>12,367</u>
Total resources	<u>\$ 137,000</u>	<u>\$ 137,000</u>	<u>\$ 171,795</u>	<u>\$ 34,795</u>
Requirements:				
Debt service	\$ 80,000	\$ 80,000	\$ 80,000	\$ -
Ending fund balance	<u>57,000</u>	<u>57,000</u>	<u>91,795</u>	<u>(34,795)</u>
Total requirements	<u>\$ 137,000</u>	<u>\$ 137,000</u>	<u>\$ 171,795</u>	<u>\$ (34,795)</u>

**CITY OF WARRENTON**

Water Capital Reserve Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 2,600,000	\$ 2,600,000	\$ 2,813,615	\$ 213,615
Transfers in	<u>2,069,489</u>	<u>2,069,489</u>	<u>424,489</u>	<u>(1,645,000)</u>
Total resources	<u>\$ 4,669,489</u>	<u>\$ 4,669,489</u>	<u>\$ 3,238,104</u>	<u>\$ (1,431,385)</u>
Requirements:				
Water Department:				
Capital outlay	\$ 2,845,489	\$ 2,845,489	\$ 970,526	\$ 1,874,963
Ending fund balance	<u>1,824,000</u>	<u>1,824,000</u>	<u>2,267,578</u>	<u>(443,578)</u>
Total requirements	<u>\$ 4,669,489</u>	<u>\$ 4,669,489</u>	<u>\$ 3,238,104</u>	<u>\$ 1,431,385</u>

**CITY OF WARRENTON**

Sewer Operating Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 1,800,000	\$ 1,800,000	\$ 2,001,200	\$ 201,200
Intergovernmental	-	-	955	955
Charges for services	2,757,800	2,757,800	2,745,531	(12,269)
Investment earnings	74,000	74,000	103,727	29,727
Other revenue	-	-	3,426	3,426
	<u>\$ 4,631,800</u>	<u>\$ 4,631,800</u>	<u>\$ 4,854,839</u>	<u>\$ 223,039</u>
<b>Requirements:</b>				
Sewer Department:				
Personal services	\$ 1,042,002	\$ 1,042,002	\$ 913,817	\$ 128,185
Materials and services	<u>1,630,047</u>	<u>1,630,047</u>	<u>682,994</u>	<u>947,053</u>
Total department expenditures	2,672,049	2,672,049	1,596,811	1,075,238
Debt service	157,366	157,366	156,510	856
Contingency	645,350	645,350	-	645,350
Transfers out	<u>413,305</u>	<u>413,305</u>	<u>413,305</u>	<u>-</u>
Total expenditures	3,888,070	3,888,070	2,166,626	1,721,444
Ending fund balance	<u>743,730</u>	<u>743,730</u>	<u>2,688,213</u>	<u>(1,944,483)</u>
Total requirements	<u>\$ 4,631,800</u>	<u>\$ 4,631,800</u>	<u>\$ 4,854,839</u>	<u>\$ (223,039)</u>
<b>Reconciliation to GAAP Basis:</b>				
Ending fund balance - budget basis			\$ 2,688,213	
Insurance recovery receivable			2,511	
Capital assets - net			9,557,479	
Deferred outflows of resources Related to pensions			227,836	
Accrued interest payable			(13,610)	
Compensated absences			(39,139)	
Net pension liability			(666,994)	
Loans payable			(1,828,509)	
Deferred inflow of resources Related to pensions			<u>(65,437)</u>	
Ending net position - GAAP basis			<u>\$ 9,862,350</u>	

**CITY OF WARRENTON**

Sewer System Development Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 42,000	\$ 42,000	\$ 50,643	\$ 8,643
Investment earnings	2,100	2,100	976	(1,124)
Capital contributions	<u>57,000</u>	<u>57,000</u>	<u>40,874</u>	<u>(16,126)</u>
Total resources	<u>\$ 101,100</u>	<u>\$ 101,100</u>	<u>\$ 92,493</u>	<u>\$ (8,607)</u>
Requirements:				
Debt service	\$ 39,305	\$ 39,305	\$ 39,305	\$ -
Ending fund balance	<u>61,795</u>	<u>61,795</u>	<u>53,188</u>	<u>8,607</u>
Total requirements	<u>\$ 101,100</u>	<u>\$ 101,100</u>	<u>\$ 92,493</u>	<u>\$ 8,607</u>



**CITY OF WARRENTON**

Sewer Capital Reserve Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 2,990,000	\$ 2,990,000	\$ 3,121,689	\$ 131,689
Transfers in	<u>413,305</u>	<u>413,305</u>	<u>413,305</u>	<u>-</u>
Total resources	<u>\$ 3,403,305</u>	<u>\$ 3,403,305</u>	<u>\$ 3,534,994</u>	<u>\$ 131,689</u>
Requirements:				
Sewer Department:				
Capital outlay	\$ 1,253,308	\$ 1,253,308	\$ 1,442	\$ 1,251,866
Ending fund balance	<u>2,149,997</u>	<u>2,149,997</u>	<u>3,533,552</u>	<u>(1,383,555)</u>
Total requirements	<u>\$ 3,403,305</u>	<u>\$ 3,403,305</u>	<u>\$ 3,534,994</u>	<u>\$ (131,689)</u>

**CITY OF WARRENTON**

Storm Sewer Operating Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 700,000	\$ 700,000	\$ 815,590	\$ 115,590
Intergovernmental	-	-	150	150
Charges for services	462,800	462,800	481,502	18,702
Investment earnings	10,000	10,000	17,740	7,740
Other revenue	-	-	435	435
	<u>\$ 1,172,800</u>	<u>\$ 1,172,800</u>	<u>\$ 1,315,417</u>	<u>\$ 142,617</u>
<b>Total resources</b>				
<b>Requirements:</b>				
Storm Sewer Department:				
Personal services	\$ 93,009	\$ 93,009	\$ 75,160	\$ 17,849
Materials and services	289,338	289,338	51,831	237,507
Capital outlay	<u>325,353</u>	<u>325,353</u>	<u>3,228</u>	<u>322,125</u>
Total department expenditures	707,700	707,700	130,219	577,481
Contingency	<u>76,483</u>	<u>76,483</u>	-	<u>76,483</u>
Total expenditures	784,183	784,183	130,219	653,964
Ending fund balance	<u>388,617</u>	<u>388,617</u>	<u>1,185,198</u>	<u>(796,581)</u>
	<u>\$ 1,172,800</u>	<u>\$ 1,172,800</u>	<u>\$ 1,315,417</u>	<u>\$ (142,617)</u>
<b>Total requirements</b>				
<b>Reconciliation to GAAP Basis:</b>				
Ending fund balance - budget basis			\$ 1,185,198	
Insurance recovery receivable			243	
Capital assets - net			566,826	
Deferred outflows of resources Related to pensions			33,590	
Compensated absences			(3,781)	
Net pension liability			(98,336)	
Deferred inflow of resources Related to pensions			<u>(9,648)</u>	
Ending net position - GAAP basis			<u>\$ 1,674,092</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 40,000	\$ 40,000	\$ 43,628	\$ 3,628
Investment earnings	650	650	1,086	436
Capital contributions	<u>14,000</u>	<u>14,000</u>	<u>12,588</u>	<u>(1,412)</u>
Total resources	<u>\$ 54,650</u>	<u>\$ 54,650</u>	<u>\$ 57,302</u>	<u>\$ 2,652</u>
Requirements:				
Ending fund balance	<u>\$ 54,650</u>	<u>\$ 54,650</u>	<u>\$ 57,302</u>	<u>\$ (2,652)</u>
Total requirements	<u>\$ 54,650</u>	<u>\$ 54,650</u>	<u>\$ 57,302</u>	<u>\$ (2,652)</u>

**CITY OF WARRENTON**

Sanitation Operating Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 380,000	\$ 380,000	\$ 420,570	\$ 40,570
Intergovernmental	-	-	1,600	1,600
Charges for services	1,145,772	1,145,772	1,162,777	17,005
Investment earnings	12,000	12,000	17,176	5,176
Other revenue	-	-	1,207	1,207
	<u>\$ 1,537,772</u>	<u>\$ 1,537,772</u>	<u>\$ 1,603,330</u>	<u>\$ 65,558</u>
Total resources				
Requirements:				
Sanitation Department:				
Personal services	\$ 327,436	\$ 327,436	\$ 304,610	\$ 22,826
Materials and services	<u>930,861</u>	<u>930,861</u>	<u>782,183</u>	<u>148,678</u>
Total department expenditures	1,258,297	1,258,297	1,086,793	171,504
Contingency	188,783	188,783	-	188,783
Transfers out	<u>83,840</u>	<u>83,840</u>	<u>83,840</u>	<u>-</u>
Total expenditures	1,530,920	1,530,920	1,170,633	360,287
Ending fund balance	<u>6,852</u>	<u>6,852</u>	<u>432,697</u>	<u>(425,845)</u>
	<u>\$ 1,537,772</u>	<u>\$ 1,537,772</u>	<u>\$ 1,603,330</u>	<u>\$ (65,558)</u>
Total requirements				
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 432,697	
Insurance recovery receivable			1,053	
Capital assets - net			689,263	
Deferred outflows of resources Related to pensions			66,501	
Compensated absences			(7,287)	
Net pension liability			(194,685)	
Landfill postclosure care			(236,576)	
Deferred inflow of resources Related to pensions			<u>(19,100)</u>	
Ending net position - GAAP basis			<u>\$ 731,866</u>	

**CITY OF WARRENTON**

Sanitation Capital Reserve Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 484,000	\$ 484,000	\$ 483,726	\$ (274)
Transfers in	<u>83,840</u>	<u>83,840</u>	<u>83,840</u>	<u>-</u>
Total resources	<u>\$ 567,840</u>	<u>\$ 567,840</u>	<u>\$ 567,566</u>	<u>\$ (274)</u>
Requirements:				
Sanitation Department:				
Capital outlay	\$ 463,840	\$ 463,840	\$ 369,100	\$ 94,740
Ending fund balance	<u>104,000</u>	<u>104,000</u>	<u>198,466</u>	<u>(94,466)</u>
Total requirements	<u>\$ 567,840</u>	<u>\$ 567,840</u>	<u>\$ 567,566</u>	<u>\$ 274</u>

**CITY OF WARRENTON**

Warrenton Marina Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 149,000	\$ 149,000	\$ 157,790	\$ 8,790
Intergovernmental	-	-	340	340
Charges for services	580,500	580,500	558,319	(22,181)
Lease receipts	28,978	28,978	29,188	210
Investment earnings	7,000	7,000	15,435	8,435
Other revenue	<u>7,500</u>	<u>7,500</u>	<u>5,826</u>	<u>(1,674)</u>
<b>Total resources</b>	<b><u>\$ 772,978</u></b>	<b><u>\$ 772,978</u></b>	<b><u>\$ 766,898</u></b>	<b><u>\$ (6,080)</u></b>
<b>Requirements:</b>				
<b>Marinas:</b>				
Personal services	\$ 337,368	\$ 337,368	\$ 315,078	\$ 22,290
Materials and services	<u>230,097</u>	<u>230,097</u>	<u>179,093</u>	<u>51,004</u>
Total department expenditures	567,465	567,465	494,171	73,294
Contingency	105,513	105,513	-	105,513
Transfers out	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	772,978	772,978	594,171	178,807
Ending fund balance	<u>-</u>	<u>-</u>	<u>172,727</u>	<u>(172,727)</u>
<b>Total requirements</b>	<b><u>\$ 772,978</u></b>	<b><u>\$ 772,978</u></b>	<b><u>\$ 766,898</u></b>	<b><u>\$ 6,080</u></b>
<b>Reconciliation to GAAP Basis:</b>				
Ending fund balance - budget basis			\$ 172,727	
Allowance for doubtful accounts			(2,524)	
Capital assets - net			287,852	
Deferred outflows of resources Related to pensions			77,190	
Compensated absences			(14,778)	
Net pension liability			(225,973)	
Deferred inflow of resources Related to pensions			<u>(22,169)</u>	
<b>Ending net position - GAAP basis</b>			<b><u>\$ 272,325</u></b>	

**CITY OF WARRENTON**

Warrenton Marina Capital Reserve Fund

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 282,175	\$ 282,175	\$ 282,175	\$ -
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total resources	<u>\$ 382,175</u>	<u>\$ 382,175</u>	<u>\$ 382,175</u>	<u>\$ -</u>
Requirements:				
Marinas:				
Capital outlay	\$ 382,175	\$ 382,175	\$ -	\$ 382,175
Ending fund balance	<u>-</u>	<u>-</u>	<u>382,175</u>	<u>(382,175)</u>
Total requirements	<u>\$ 382,175</u>	<u>\$ 382,175</u>	<u>\$ 382,175</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 130,000	\$ 130,000	\$ 149,169	\$ 19,169
Intergovernmental	-	-	240	240
Charges for services	344,000	344,000	354,936	10,936
Lease receipts	12,901	12,901	13,101	200
Investment earnings	15,000	15,000	21,741	6,741
Other revenue	<u>4,000</u>	<u>4,000</u>	<u>4,376</u>	<u>376</u>
Total resources	<u>\$ 505,901</u>	<u>\$ 505,901</u>	<u>\$ 543,563</u>	<u>\$ 37,662</u>
 Resources:				
Marinas:				
Personal services	\$ 241,015	\$ 241,015	\$ 226,017	\$ 14,998
Materials and services	<u>150,713</u>	<u>150,713</u>	<u>99,920</u>	<u>50,793</u>
Total department expenditures	391,728	391,728	325,937	65,791
Contingency	77,323	77,323	-	77,323
Transfers out	<u>36,850</u>	<u>36,850</u>	<u>36,850</u>	<u>-</u>
Total expenditures	505,901	505,901	362,787	143,114
Ending fund balance	<u>-</u>	<u>-</u>	<u>180,776</u>	<u>(180,776)</u>
Total requirements	<u>\$ 505,901</u>	<u>\$ 505,901</u>	<u>\$ 543,563</u>	<u>\$ (37,662)</u>
 Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 180,776	
Capital assets - net			1,472,256	
Deferred outflows of resources Related to pensions			51,404	
Compensated absences			(10,410)	
Net pension liability			(150,483)	
Deferred inflow of resources Related to pensions			<u>(14,763)</u>	
Ending net position - GAAP basis			<u>\$ 1,528,780</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 645,150	\$ 645,150	\$ 760,384	\$ 115,234
Taxes	158,000	158,000	131,300	(26,700)
Intergovernmental	-	-	50,771	50,771
Transfers in	<u>36,850</u>	<u>36,850</u>	<u>36,850</u>	<u>-</u>
Total resources	<u>\$ 840,000</u>	<u>\$ 840,000</u>	<u>\$ 979,305</u>	<u>\$ 139,305</u>
 Requirements:				
Marinas:				
Capital outlay	\$ 840,000	\$ 840,000	\$ 49,608	\$ 790,392
Ending fund balance	<u>-</u>	<u>-</u>	<u>929,697</u>	<u>(929,697)</u>
Total requirements	<u>\$ 840,000</u>	<u>\$ 840,000</u>	<u>\$ 979,305</u>	<u>\$ (139,305)</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 5,406	\$ 5,406	\$ 5,406	\$ -
Charges for services	<u>166,599</u>	<u>166,599</u>	<u>-</u>	<u>(166,599)</u>
Total resources	<u>\$ 172,005</u>	<u>\$ 172,005</u>	<u>\$ 5,406</u>	<u>\$ (166,599)</u>
Requirements:				
Engineering Department:				
Personal services	\$ 163,305	\$ 163,305	\$ -	\$ 163,305
Materials and services	<u>8,700</u>	<u>8,700</u>	<u>-</u>	<u>8,700</u>
Total department expenditures	172,005	172,005	-	172,005
Ending fund balance	<u>-</u>	<u>-</u>	<u>5,406</u>	<u>(5,406)</u>
Total requirements	<u>\$ 172,005</u>	<u>\$ 172,005</u>	<u>\$ 5,406</u>	<u>\$ 166,599</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, 2020, and have issued our report thereon dated December 17, 2020. 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.

### **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 style with a long, sweeping underline.

Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

December 17, 2020