

CITY OF WARRENTON, OREGON
FINANCIAL STATEMENTS AND SUPPLEMENTAL
INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022
WITH
INDEPENDENT AUDITOR'S REPORT

CITY OF WARRENTON, OREGON

Financial Statements and Supplemental Information

For the Year Ended June 30, 2022

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INTRODUCTORY SECTION



CITY OF WARRENTON, OREGON

List of Elected and Appointed Officials

June 30, 2022

ELECTED OFFICIALS - CITY COMMISSION

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

Mailing Address

PO Box 250
Warrenton, Oregon 97146

APPOINTED OFFICIALS

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

Mailing Address

PO Box 250
Warrenton, Oregon 97146



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Warrenton, Oregon

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Eugene, OR 97403
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www.islercpa.com

Opinions

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, ("City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, the State Tax Street Fund, and the Grant fund the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of the Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Notes to Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual fund financial statements and schedules, and schedules of resources and requirements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The 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 nonmajor fund financial statements and the schedules of resources and requirements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The introductory section is presented for purposes of additional analysis and are not a required part of the basic financial statements.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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 February 14, 2023 on our consideration of the City of Warrenton's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA

By:

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

Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

February 14, 2023



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, 2022. 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, 2022 were \$75,368,815.

The City's total liabilities and deferred inflows at June 30, 2022 were \$20,577,709.

The net position of the City at June 30, 2022 was \$54,791,106. Of this amount, \$15,333,702 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2022, the City's governmental funds reported combined ending fund balances of \$11,050,262.

At the end of the fiscal year, the City's total combined governmental funds had a restricted fund balance of \$8,483,497, a committed fund balance of \$96,274, an assigned fund balance of \$583,218, and an unassigned fund balance of \$1,885,860.

The General Fund's unassigned fund balance is \$1,885,860 at the end of the current fiscal year, or 41.7% 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 reconciliation can also be found in the basic financial statements as listed in the table of contents.

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

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

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

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

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

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$54,791,106 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position, 55.2%, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 16.8%, represents resources that are subject to external restrictions on how they may be used. The remaining portion represents 28.0% of total net position, and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole and for its separate business-type activities. The governmental activities category, unrestricted net position, is reported as negative \$2,436,468. The negative balance in unrestricted net position is a result of the City issuing general obligation bonded debt for the Wastewater Treatment Facility (an asset in the Sewer Enterprise). The debt reduces unrestricted net position in the governmental activities column by \$2,307,397 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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 14,498,513	\$ 10,430,319	\$21,157,489	\$18,632,067	\$35,656,002	\$29,062,386
Capital assets, net	<u>12,321,633</u>	<u>12,005,818</u>	<u>25,067,716</u>	<u>25,861,453</u>	<u>37,389,349</u>	<u>37,867,271</u>
Total assets	<u>26,820,146</u>	<u>22,436,137</u>	<u>46,225,205</u>	<u>44,493,520</u>	<u>73,045,351</u>	<u>66,929,657</u>
Deferred outflows	<u>1,381,531</u>	<u>1,598,306</u>	<u>941,933</u>	<u>1,111,612</u>	<u>2,323,464</u>	<u>2,709,918</u>
Noncurrent liabilities	6,498,494	9,424,756	6,781,372	8,946,642	13,279,866	18,371,398
Other liabilities	<u>1,517,440</u>	<u>666,885</u>	<u>523,323</u>	<u>630,615</u>	<u>2,040,763</u>	<u>1,297,500</u>
Total liabilities	<u>8,015,934</u>	<u>10,091,641</u>	<u>7,304,695</u>	<u>9,577,257</u>	<u>15,320,629</u>	<u>19,668,898</u>
Deferred inflows	<u>3,769,478</u>	<u>198,964</u>	<u>1,487,602</u>	<u>138,379</u>	<u>5,257,080</u>	<u>337,343</u>
Net position:						
Net investment in capital						
assets	10,224,868	9,571,536	20,040,493	20,120,723	30,265,361	29,692,259
Restricted	8,627,865	7,770,422	564,178	414,686	9,192,043	8,185,108
Unrestricted	<u>(2,436,468)</u>	<u>(3,598,120)</u>	<u>17,770,170</u>	<u>15,354,087</u>	<u>15,333,702</u>	<u>11,755,967</u>
Total net position	<u>\$ 16,416,265</u>	<u>\$ 13,743,838</u>	<u>\$38,374,841</u>	<u>\$35,889,496</u>	<u>\$54,791,106</u>	<u>\$49,633,334</u>

The City's net position increased by \$5,501,151 during the current fiscal year.

The City's total assets and deferred outflows at June 30, 2022 increased \$5,729,240 from \$69,639,575 to \$75,368,815, or 8.23% from the prior year. Cash increased by \$4,938,882, or 18.30% from the prior year. Receivables decreased by \$3,091, or 0.19% from the prior year. Capital assets, net, decreased by \$477,922, or 1.26%, from the prior year. The remaining current assets, prepayments, increased by \$1,528, or 72.90%, from the prior year.

The City's total liabilities and deferred inflows at June 30, 2022 increased by \$571,468, or 2.86%, from the prior year. Accounts payable and other current liabilities increased \$101,911, or 11.01%, from the prior year. Interest payable on long term debt decreased by \$16,108 or 17.67% from the prior year. The City's outstanding debt decreased \$1,513,463, or 13.47%.

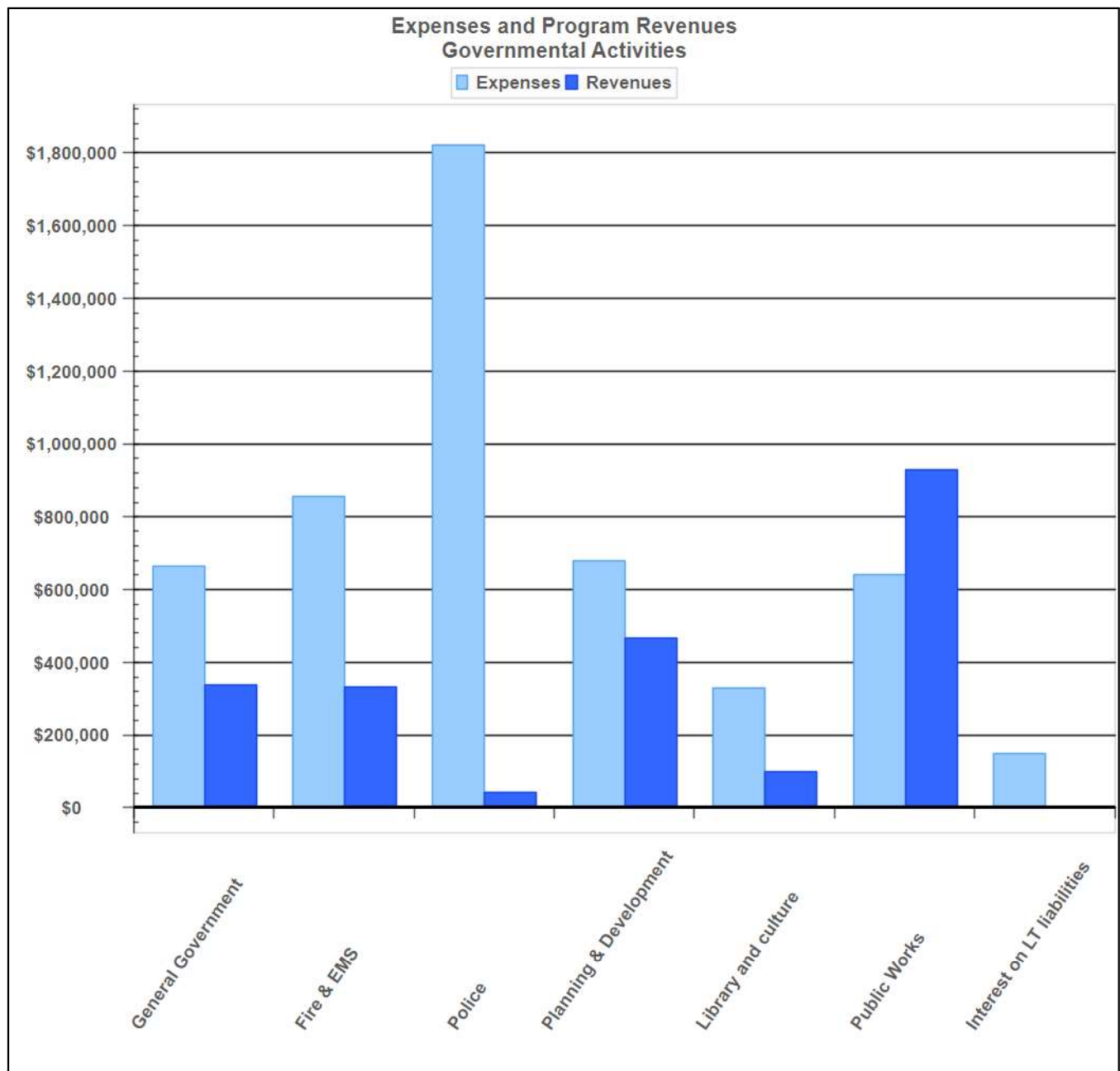
City of Warrenton's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Fines, fees & charges for services	\$ 1,097,488	\$ 1,036,912	\$ 9,594,819	\$ 9,500,921	\$10,692,307	\$10,537,833
Operating grants & contributions	580,406	620,582	-	13,834	580,406	634,416
Capital grants & contributions	530,668	216,191	205,203	241,415	735,871	457,606
General revenues:						
Property taxes	2,987,338	2,790,625	-	-	2,987,338	2,790,625
Other taxes	1,307,408	1,187,824	229,977	160,903	1,537,385	1,348,727
Franchise fees	924,075	918,595	-	-	924,075	918,595
Unrestricted state revenue sharing	192,271	195,716	-	-	192,271	195,716
Gain on sale of assets	135,508	-	-	-	135,508	-
Unrestricted investment earnings	60,274	70,238	110,360	121,350	170,634	191,588
Total revenues	<u>7,815,436</u>	<u>7,036,683</u>	<u>10,140,359</u>	<u>10,038,423</u>	<u>17,955,795</u>	<u>17,075,106</u>
Expenses:						
General government	665,345	844,932	-	-	665,345	844,932
Fire & emergency medical services	855,101	1,012,786	-	-	855,101	1,012,786
Police	1,821,401	2,095,763	-	-	1,821,401	2,095,763
Planning and development	678,698	704,569	-	-	678,698	704,569
Library and cultural services	329,155	306,963	-	-	329,155	306,963
Public works	640,086	1,037,323	-	-	640,086	1,037,323
Interest on long-term liabilities	150,462	175,690	-	-	150,462	175,690
Water utility	-	-	2,457,043	2,497,761	2,457,043	2,497,761
Sewer utility	-	-	2,629,732	2,811,660	2,629,732	2,811,660
Sanitation utility	-	-	1,250,438	1,339,244	1,250,438	1,339,244
Marinas	-	-	977,183	1,000,986	977,183	1,000,986
Total expenses	<u>5,140,248</u>	<u>6,178,026</u>	<u>7,314,396</u>	<u>7,649,651</u>	<u>12,454,644</u>	<u>13,827,677</u>
Change in net position	2,675,188	858,657	2,825,963	2,388,772	5,501,151	3,247,429
Net position, July 1 as restated	<u>13,741,077</u>	<u>12,885,181</u>	<u>35,548,878</u>	<u>33,500,724</u>	<u>49,289,955</u>	<u>46,385,905</u>
Net position, June 30	<u>\$16,416,265</u>	<u>\$13,743,838</u>	<u>\$38,374,841</u>	<u>\$35,889,496</u>	<u>\$54,791,106</u>	<u>\$49,633,334</u>

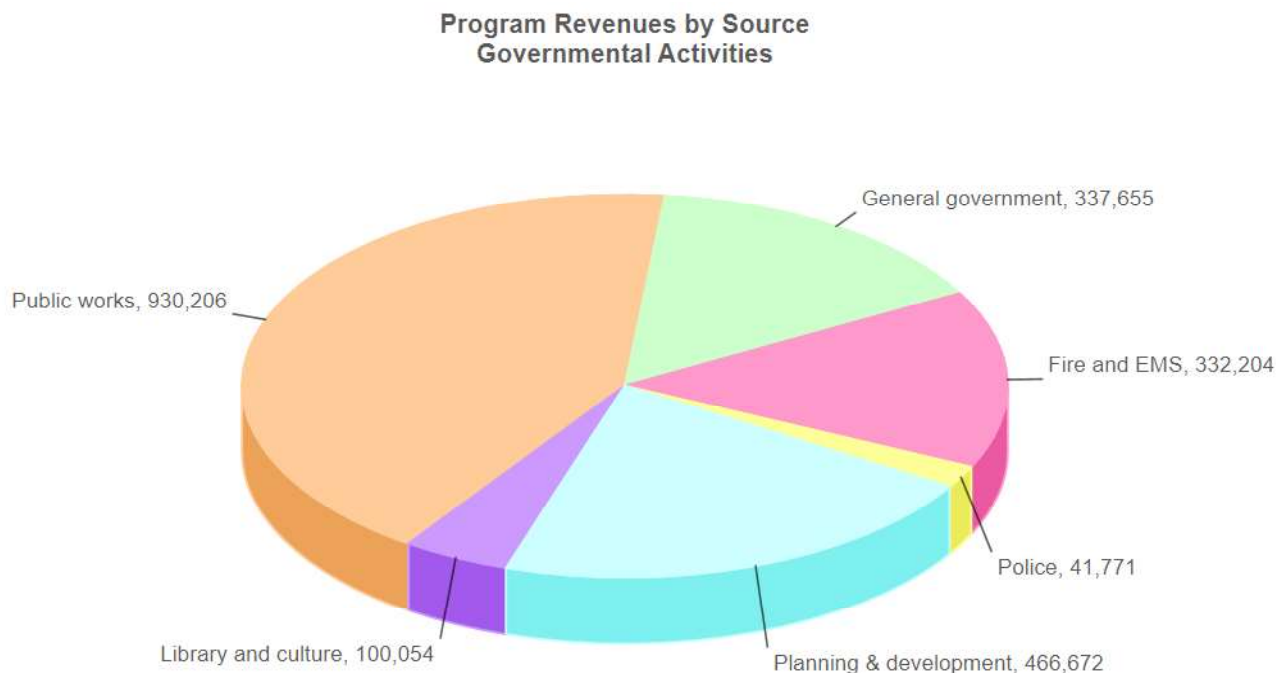
Governmental activities. Governmental activities increased the City's net position by \$2,675,188. The primary elements of the change in total net position are as follows:

- Revenues overall increased \$778,753 as program revenues increased \$334,877 and general revenues increased \$443,876. The increase in program revenues relates to increased state gas taxes, capital grants for fire equipment and street projects.
- The General Fund permanent rate tax and Police Department local option tax increased \$72,383, the Urban Renewal Agency's tax increased \$116,839 and the Library increased \$16,839, and taxes to pay debt decreased \$9,148.
- Franchise fees increased by \$5,480 during the year. This revenue can be cyclical due to weather conditions and demand for telecommunication services.
- Other taxes increased \$119,584, unrestricted state revenue sharing decreased \$3,445.
- Gain on sale of assets increased by \$135,508 from sale of property.
- Unrestricted investment earnings (interest from bank accounts) decreased by \$9,964 during the year.
- Interest expense on debt decreased \$25,228 from the prior year.
- Total expenses decreased by \$1,037,778. This decrease is mostly a result of decreased street maintenance, and decreases in administrative, police, and fire departments from the prior year.

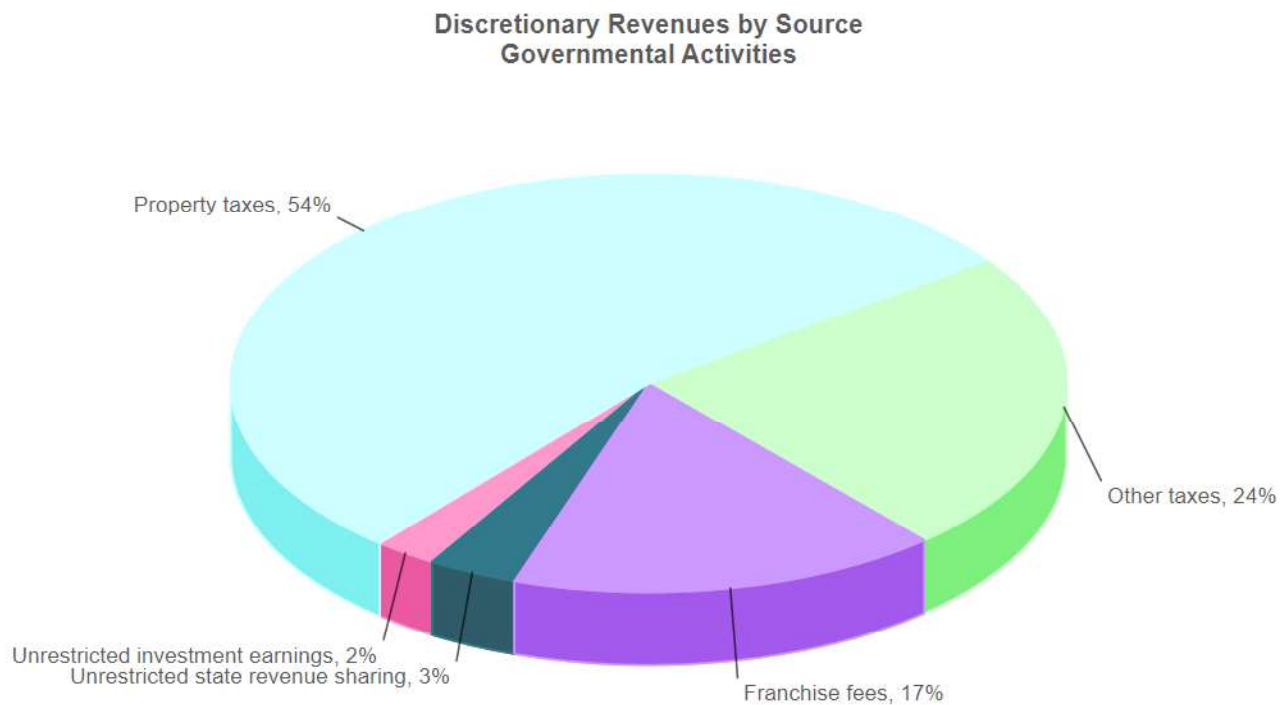
The following graph summarizes the 2021-2022 governmental activity program revenues and corresponding expenses. The revenues shown total \$2,208,562, an increase from the prior year of \$334,877, are directly attributable to each activity (program revenues) and do not include property taxes, other taxes, franchise fees, unrestricted state revenue sharing, investment earnings, and other one-time or extraordinary revenue streams which are discretionary (general revenues). Discretionary revenues amount to \$5,606,874, an increase of \$443,876 from the prior year.



This next chart shows the total functional revenues for each program in the amount of \$2,208,562 by its source.



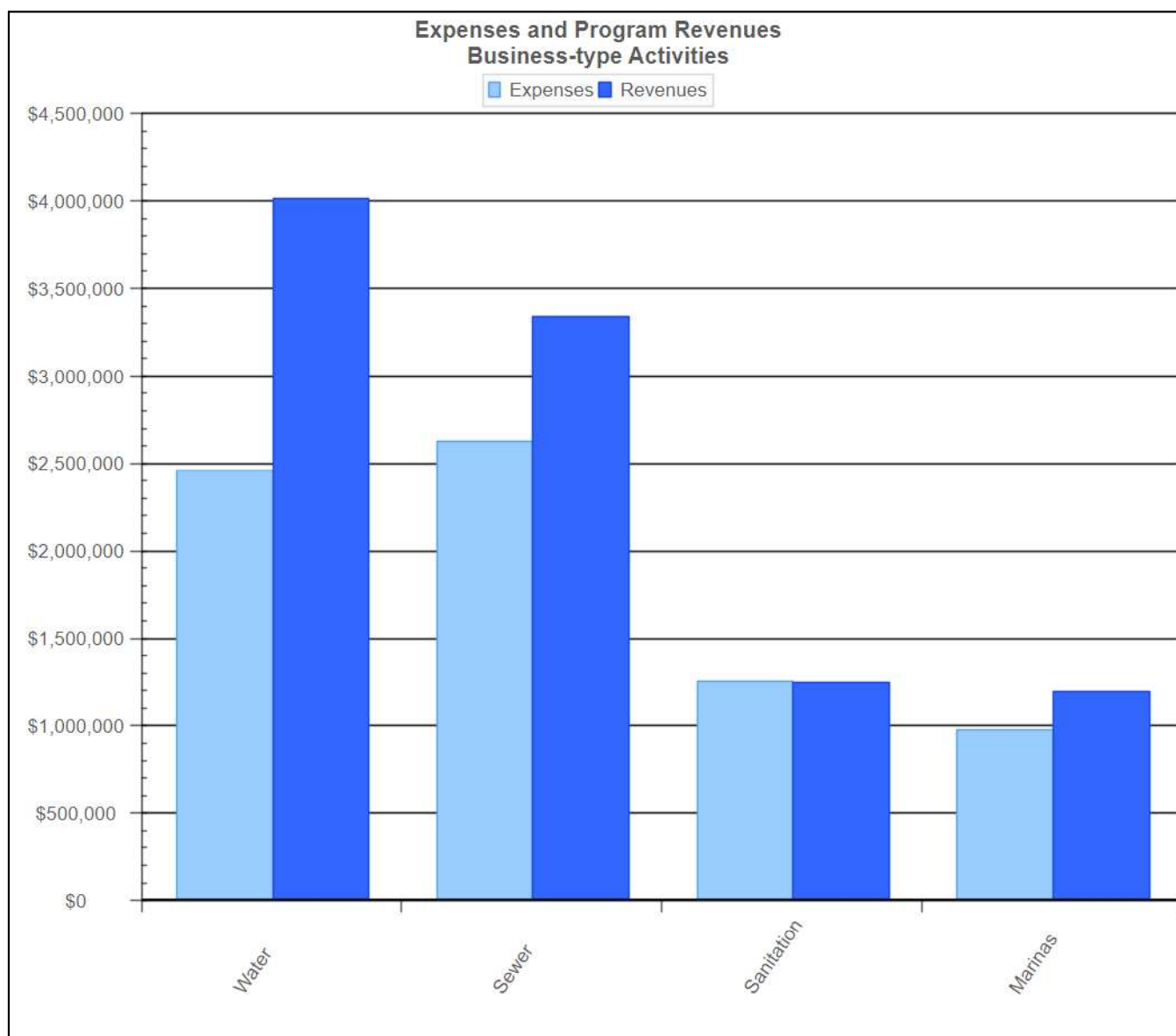
As the next chart reflects, most 2021-2022 governmental activities relied on general discretionary revenues to support the function. This graph shows total discretionary revenues in the amount of \$5,606,874 by percentage in each category



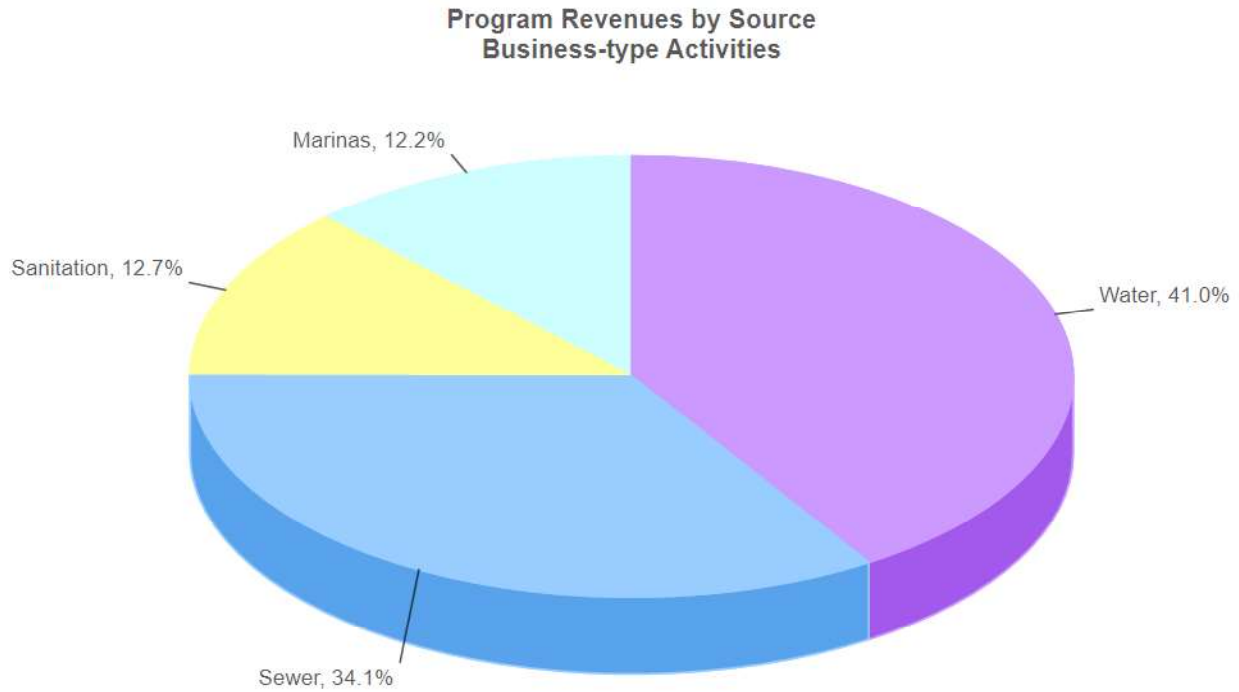
Business-type activities. Business-type activities increased the City's net position by \$2,825,963. Key elements of this increase are as follows:

- Fines, fees, and charges for services had a net increase this year of \$93,898 from the prior year. Revenues decreased in the Water fund, this year by \$54,489, they decreased in the Sewer Fund by \$92,581, and increased in the Sanitation Fund by \$41,824, and the Marinas show increases of \$199,143. Gross water sales decreased by \$88,761, or 2.27%, from the prior year, as a result of water consumption decreases of approximately 16.8 million gallons.
- Combined operating and capital grants and contributions decreased this year by \$50,046 and are mostly due to higher water system development charges for large projects in the previous year.
- Unrestricted investment earnings (interest from bank accounts) decreased by \$10,990 during the year.
- Total business-type activity revenues increased by \$101,936.
- Total operating expenses decreased from the prior year in the amount of \$335,255.

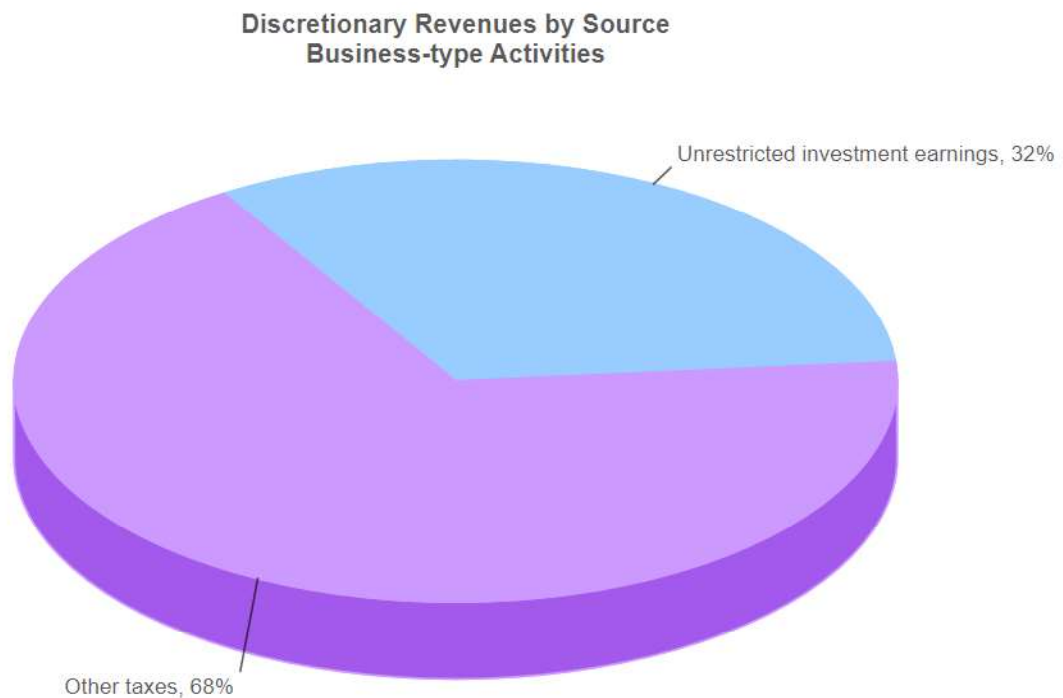
Business-type activities of the City of Warrenton are supported by charges for utility service, capital contributions, development fees, and other grants. The graph below summarizes the 2021-2022 expenses and revenues of those funds.



Total program revenues in the business-type activities of the City total \$9,800,022 as represented by the percentages in the chart below for 2021-2022.



In the following graph, discretionary revenues amount to \$340,337. Consisting of transient room tax dedicated to the Hammond Marina in the amount of \$229,977. and Unrestricted investment earnings of \$110,360



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 \$11,050,262, an increase of \$1,284,073 in comparison with the prior year. Approximately 17.1% of this amount (\$1,885,860) 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 (\$1,413), 2) restricted for particular purposes (\$8,483,497), 3) committed for particular purposes (\$96,274), or 4) assigned for particular purposes (\$583,218).

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 \$1,885,860. This balance increased from the prior year, in the amount of \$418,470. 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 41.7% of total General Fund expenditures and transfers out.

The fund balance of the City's General Fund increased by \$418,470 during the current fiscal year. While revenues increased \$347,205, expenditures also increased by \$252,434. Key elements of the increase to fund balance are as follows:

- Taxes increased by \$125,213 during the year. Revenue in this category comes mostly from property taxes and land sales which increased by \$42,987 and transient room tax which increased by \$82,226.
- Franchise fees increased by \$5,479. This revenue stream can be quite cyclical.
- Intergovernmental receipts from Oregon state revenue sharing for cigarette, liquor and marijuana taxes and fees decreased by \$3,445.
- Charges for services increased by \$8,026. This increase is mainly from planning services.
- Lease receipts increased by \$7,638 due to scheduled increases per lease agreements
- Fines and fees from Municipal Court decreased by \$7,431.
- Investment (interest) earnings increased by \$3,295.
- Indirect cost allocations increased by \$156,829
- Expenditures and other financing sources and uses in the General Fund also increased \$353,034 from the prior year. The decrease in fire and emergency medical services (\$8,387) was offset by increases in general government (Administration, Commission, Finance and Municipal Court) (\$142,053), public works (\$28,681), police (\$74,214), planning & development (\$15,874) and transfers out (\$100,600).

The State Tax Street Fund has a total fund balance of \$2,778,651, all of which is restricted to road maintenance. The net increase in fund balance during the current year was \$170,372.

- Revenue, from all sources increased from the prior year by \$176,865. Increases in State and City fuel taxes of \$82,501 were offset by the decrease in investment income of \$5,003.
- Total expenses increased this year by \$52,933. Operational expenses decreased this year by \$382,127 and capital project costs this year increased by \$435,060.

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 \$16,412,570, and those for the marinas amount to \$1,359,530.

The total change in net position for all funds was \$2,831,037. 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 budget of the Transient Room Fund for the fiscal year ended June 30, 2022.

An adjustment was approved and adopted in the Transient Room Tax Fund for pass through payments to increase both resources and appropriations to pass through an additional \$30,000 of transient room taxes collected from lodging operators to tourism related organizations and tourist facilities.

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, 2022, amounts to \$37,389,349. 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 \$477,922 during the year because capital asset additions of \$1,657,431 less current year depreciation, in the amount of \$2,135,348 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	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,405,574	\$ 2,410,432	\$ 422,041	\$ 422,041	\$ 2,827,615	\$ 2,832,473
Buildings	2,760,357	2,864,787	1,473,995	1,406,449	4,234,352	4,271,236
Equipment	1,696,556	1,581,002	674,382	819,809	2,370,938	2,400,811
Improvements	991,772	1,048,620	1,250,566	402,165	2,242,338	1,450,785
Facilities	-	-	20,708,139	21,914,164	20,708,139	21,914,164
Infrastructure	3,964,732	3,803,150	-	-	3,964,732	3,803,150
Right to use asset	20,940	-	-	-	20,940	-
Construction in progress	481,702	297,827	538,593	896,825	1,020,295	1,194,652
Total	<u>\$12,321,633</u>	<u>\$12,005,818</u>	<u>\$25,067,716</u>	<u>\$25,861,453</u>	<u>\$37,389,349</u>	<u>\$37,867,271</u>

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

Equipment acquisitions amounted to a total of \$276,851 for a vehicle for the building inspector, a police patrol vehicle, self-contained breathing apparatus for the fire department, and an emergency response trailer for streets.

Major capital improvements were as follows:

- SW Alder 1st to 2nd Street in the amount of \$430,235.
- Hammond Marina Dredging Project in the amount of \$304,271.
- Safe Routes to School Grade School to Main Avenue in the amount of \$128,382.
- Replace Raw Water Pipe Downstream in the amount of \$111,695.
- SE Marlin & 101 Pump Station Upgrade in the amount of \$75,980.
- N Main/NW 7th Place Improvement in the amount of \$69,054.
- The Warrenton Urban Renewal Agency spent \$97,606 in capital improvements this year for the commercial work pier at the Warrenton Marina (\$68,775) food pod parking lot improvement (\$25,242), Downtown improvements (\$538) and Landscape Improvements (\$3,050).

Overall, these construction and equipment additions total \$1,494,074 and represent approximately 92% 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 \$9,408,786. Of this amount, \$5,027,222 is proprietary fund secured loans and \$4,112,322 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 2,307,397	\$ 2,780,287	\$ -	\$ -	\$ 2,307,397	\$ 2,780,287
Tax increment financial bonds	1,804,925	2,102,201	-	-	1,804,925	2,102,201
Notes payable	269,242	332,081	5,027,222	5,740,730	5,296,464	6,072,811
Total	<u>\$ 4,381,564</u>	<u>\$ 5,214,569</u>	<u>\$ 5,027,222</u>	<u>\$ 5,740,730</u>	<u>\$ 9,408,786</u>	<u>\$ 10,955,299</u>

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

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 following are the major assumptions used in developing the FY 2023 budget:

- A 3% increase in assessed property values resulting in the same increase in property tax revenue.
- Cost of living adjustment to wages of 5% for police association members and 2.5% for general union and non-union employees..
- A 4% increase in water utility, sewer utility and storm sewer rates.
- A return to normal for Transient Room Tax Collections following the Covid-19 Pandemic.
- Interest rates on money market and savings accounts are improving.
- Coronavirus State & Local Fiscal Recovery Funds will be utilized to provide government services.
- 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, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 11,850,133	\$ 20,072,620	\$ 31,922,753
Receivables	816,549	847,657	1,664,206
Leases receivable, current	207,780	46,451	254,231
Prepaid items	1,413	2,211	3,624
Noncurrent assets:			
Restricted cash	-	63,012	63,012
Lease receivable	1,622,638	125,538	1,748,176
Capital assets:			
Right to use asset	20,940	-	20,940
Nondepreciable assets	2,887,276	960,634	3,847,910
Depreciable assets, net	<u>9,413,417</u>	<u>24,107,082</u>	<u>33,520,499</u>
Total assets	26,820,146	46,225,205	73,045,351
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	<u>1,381,531</u>	<u>941,933</u>	<u>2,323,464</u>
Total assets and deferred outflows	<u>28,201,677</u>	<u>47,167,138</u>	<u>75,368,815</u>
LIABILITIES			
Accounts payable	720,193	307,355	1,027,548
Accrued interest payable	12,187	62,850	75,037
Compensated absences	123,046	125,275	248,321
Unearned revenue	639,417	27,843	667,260
Noncurrent liabilities:			
Lease Liabilities, due in one year	22,597	-	22,597
Debt Due within one year	856,491	603,523	1,460,014
Debt Due in more than one year	3,525,073	4,734,521	8,259,594
Net pension liability	<u>2,116,930</u>	<u>1,443,328</u>	<u>3,560,258</u>
Total liabilities	8,015,934	7,304,695	15,320,629
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	1,939,060	1,322,056	3,261,116
Deferred Inflows -Leases Receivable	<u>1,830,418</u>	<u>165,546</u>	<u>1,995,964</u>
Total deferred inflows	<u>3,769,478</u>	<u>1,487,602</u>	<u>5,257,080</u>
Total liabilities and deferred inflows	<u>11,785,412</u>	<u>8,792,297</u>	<u>20,577,709</u>
NET POSITION			
Net investment in capital assets	10,224,868	20,040,493	30,265,361
Restricted for:			
Debt service	3,190,040	63,012	3,253,052
Building inspection program	728,293	-	728,293
Road maintenance	2,880,995	-	2,880,995
Urban renewal improvements	9,011	-	9,011
Library and culture	169,353	-	169,353
Public works	221,864	-	221,864
System development	1,428,309	501,166	1,929,475
Unrestricted	<u>(2,436,468)</u>	<u>17,770,170</u>	<u>15,333,702</u>
Total net position	<u>\$ 16,416,265</u>	<u>\$ 38,374,841</u>	<u>\$ 54,791,106</u>

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

CITY OF WARRENTON

Statement of Activities

For the Year Ended June 30, 2022

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		
			Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 1,804,995	\$(1,139,650)	\$ 337,655	\$ -	\$ -
Fire and emergency medical services	767,454	87,647	171,252	-	160,952
Police	1,748,090	73,311	32,467	9,304	-
Planning and development	654,222	24,476	466,672	-	-
Library and culture	295,005	34,150	83,410	15,128	1,516
Public works	563,977	76,109	6,032	555,974	368,200
Interest on long-term liabilities	150,462	-	-	-	-
Total governmental activities	<u>5,984,205</u>	<u>(843,957)</u>	<u>1,097,488</u>	<u>580,406</u>	<u>530,668</u>
Business-type activities:					
Water utilities	2,144,100	312,943	3,941,066	-	74,598
Sewer utilities	2,307,697	322,035	3,264,723	-	72,619
Sanitation utilities	1,163,723	86,715	1,249,396	-	-
Marinas	854,919	122,264	1,139,634	-	57,986
Total business-type activities	<u>6,470,439</u>	<u>843,957</u>	<u>9,594,819</u>	<u>-</u>	<u>205,203</u>
Total activities	<u>\$12,454,644</u>	<u>\$ -</u>	<u>\$ 10,692,307</u>	<u>\$ 580,406</u>	<u>\$ 735,871</u>

General revenues:

Taxes:

Property taxes levied for general purpose

Property taxes levied for debt service

Other taxes

Franchise fees

Unrestricted state revenue sharing

Gain on sale of assets

Unrestricted investment earnings

Total general revenues

Change in net position

Net position, beginning

Opening balance adjustment see note IV E

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>
\$ (327,690)	\$ -	\$ (327,690)
(522,897)	-	(522,897)
(1,779,630)	-	(1,779,630)
(212,026)	-	(212,026)
(229,101)	-	(229,101)
290,120	-	290,120
<u>(150,462)</u>	<u>-</u>	<u>(150,462)</u>
<u>(2,931,686)</u>	<u>-</u>	<u>(2,931,686)</u>
-	1,558,621	1,558,621
-	707,610	707,610
-	(1,042)	(1,042)
<u>-</u>	<u>220,437</u>	<u>220,437</u>
<u>-</u>	<u>2,485,626</u>	<u>2,485,626</u>
<u>(2,931,686)</u>	<u>2,485,626</u>	<u>(446,060)</u>
1,505,173	-	1,505,173
1,482,165	-	1,482,165
1,307,408	229,977	1,537,385
924,075	-	924,075
192,271	-	192,271
135,508	-	135,508
<u>60,274</u>	<u>110,360</u>	<u>170,634</u>
<u>5,606,874</u>	<u>340,337</u>	<u>5,947,211</u>
2,675,188	2,825,963	5,501,151
13,743,838	35,889,494	49,633,332
<u>(2,761)</u>	<u>(340,616)</u>	<u>(343,377)</u>
<u>\$ 16,416,265</u>	<u>\$ 38,374,841</u>	<u>\$ 54,791,106</u>

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

CITY OF WARRENTON

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2022

	<u>General (001)</u>	<u>State Tax Street (040)</u>	<u>Grant (015)</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 1,924,248	\$ 2,871,658	\$ 641,974	\$ 6,412,252	\$ 11,850,132
Receivables:					
Taxes	57,164	-	-	77,995	135,159
Accounts	289,201	-	-	85,508	374,709
Rehabilitation loans	48,462	-	-	-	48,462
Intergovernmental	40,577	107,508	-	-	148,085
Grants	-	109,126	1,008	-	110,134
Prepaid items	-	-	-	1,413	1,413
Leases Receivable	<u>1,830,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,830,418</u>
Total assets	<u>\$ 4,190,070</u>	<u>\$ 3,088,292</u>	<u>\$ 642,982</u>	<u>\$ 6,577,168</u>	<u>\$ 14,498,512</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 382,020	\$ 200,515	\$ -	\$ 137,657	\$ 720,192
Unearned revenue	<u>665</u>	<u>-</u>	<u>637,358</u>	<u>1,389</u>	<u>639,412</u>
Total liabilities	<u>382,685</u>	<u>200,515</u>	<u>637,358</u>	<u>139,046</u>	<u>1,359,604</u>
Deferred Inflows of Resources:					
Unavailable revenues	91,107	109,126	-	57,995	258,228
Deferred inflows -Leases Receivable	<u>1,830,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,830,418</u>
Total deferred Inflows of resources	<u>1,921,525</u>	<u>109,126</u>	<u>-</u>	<u>57,995</u>	<u>2,088,646</u>
Fund Balances:					
Nonspendable - Prepaid items	-	-	-	1,413	1,413
Restricted for:					
Road maintenance	-	2,778,651	-	-	2,778,651
Debt service	-	-	-	3,148,476	3,148,476
Library and culture	-	-	-	160,984	160,984
Public works	-	-	-	221,864	221,864
Urban renewal improvements	-	-	-	9,011	9,011
Building inspection program	-	-	-	736,202	736,202
System development	-	-	-	1,428,309	1,428,309
Committed to:					
Library and culture	-	-	-	90,650	90,650
Grant expenditures	-	-	5,624	-	5,624
Assigned to:					
Capital projects	-	-	-	583,218	583,218
Unassigned	<u>1,885,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,885,860</u>
Total fund balances	<u>1,885,860</u>	<u>2,778,651</u>	<u>5,624</u>	<u>6,380,127</u>	<u>11,050,262</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,190,070</u>	<u>\$ 3,088,292</u>	<u>\$ 642,982</u>	<u>\$ 6,577,168</u>	<u>\$ 12,668,094</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, 2022

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

Fund balances - governmental funds	\$ 11,050,262
Receivables are not available to pay for current period expenditure	258,227

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

Nondepreciable assets	\$ 2,887,276	
Depreciable assets	9,413,416	
Right to use asset	<u>20,940</u>	
		12,321,632

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

Deferred outflows of resources related to pensions	1,381,531	
Net pension liability	(2,116,930)	
Deferred inflows of resources related to pensions	<u>(1,939,060)</u>	
		(2,674,459)

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

Compensated absences	(123,047)	
Accrued interest payable	(12,188)	
Lease liability	(22,598)	
Long-term debt	<u>(4,381,564)</u>	
		(4,539,397)

Net position of governmental activities	<u>\$ 16,416,265</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2022

	General (001)	State Tax Street (040)	Grant (015)	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	\$ 1,891,607	\$ 358,658	\$ -	\$ 2,008,264	\$ 4,258,529
Franchise fees	924,075	-	-	-	924,075
Licenses and permits	575	-	-	431,250	431,825
Intergovernmental	192,271	476,151	9,304	160,952	838,678
Charges for services	270,398	-	-	14,525	284,923
Lease receipts	227,021	-	-	-	227,021
Fines and forfeits	102,086	-	-	402	102,488
Investment earnings	10,660	14,445	-	35,169	60,274
Donations	12	79,811	-	78,812	158,635
Indirect cost allocation	1,165,525	-	-	-	1,165,525
Other revenue	155,309	5,212	-	31,076	191,597
Total revenues	4,939,539	934,277	9,304	2,760,450	8,643,570
Expenditures:					
Current:					
General government	1,292,556	-	-	359,617	1,652,173
Fire and emergency medical services	784,237	-	-	-	784,237
Police	1,826,795	-	9,304	-	1,836,099
Planning and development	232,998	-	-	453,882	686,880
Library and culture	-	-	-	311,554	311,554
Public works	141,671	331,860	-	-	473,531
Debt service:					
Principal retirement	62,839	-	-	770,166	833,005
Interest expense	9,195	-	-	143,758	152,953
Capital outlay	-	457,270	-	368,702	825,972
Total expenditures	4,350,291	789,130	9,304	2,407,679	7,556,404
Excess (deficiency) of revenues over (under) expenditures	589,248	145,147	-	352,771	1,087,166
Other Financing Sources (Uses):					
Transfers in	-	-	-	301,235	301,235
Transfers out	(170,778)	-	-	(130,457)	(301,235)
Capital contributions	-	25,225	-	171,682	196,907
Total other financing sources (uses)	(170,778)	25,225	-	342,460	196,907
Net change in fund balances	418,470	170,372	-	695,231	1,284,073
Fund Balances:					
Beginning of year	1,467,390	2,608,279	5,624	5,684,896	9,766,189
End of year	\$ 1,885,860	\$ 2,778,651	\$ 5,624	\$ 6,380,127	\$ 11,050,262

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, 2022

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

Net change in fund balances - governmental funds	\$ 1,284,073
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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	3,216	
Receivable for grant received after the available period	109,126	
Net change in lease receivable and deferred inflows related to leases	<u>(1,662)</u>	
		110,680

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	\$ 823,890	
Current year depreciation	<u>(526,251)</u>	
		297,639

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	10,913	
Accrued interest payable	2,492	
Expenses related to pension obligations	<u>136,386</u>	
		149,791

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>833,005</u>	
		<u>833,005</u>

Change in net position of governmental activities	<u>\$ 2,675,188</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, 2022

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 875,000	\$ 875,000	\$ 1,467,390	\$ 592,390
Taxes	1,733,282	1,733,282	1,891,607	158,325
Franchise fees	891,269	891,269	924,075	32,806
Licenses and permits	500	500	575	75
Intergovernmental	170,653	170,653	192,271	21,618
Charges for services	190,130	190,130	270,398	80,268
Lease receipts	222,761	222,761	227,021	4,260
Fines and forfeits	127,800	127,800	102,086	(25,714)
Investment earnings	8,000	8,000	10,660	2,660
Donations	-	-	12	12
Indirect cost allocation	1,223,114	1,223,114	1,165,525	(57,589)
Other revenue	<u>2,000</u>	<u>2,000</u>	<u>155,309</u>	<u>153,309</u>
Total resources	<u>\$ 5,444,509</u>	<u>\$ 5,444,509</u>	<u>\$ 6,406,929</u>	<u>\$ 962,420</u>
Requirements				
Municipal Court	\$ 187,431	\$ 187,431	\$ 127,031	\$ 60,400
Administration/Commission	1,223,114	1,223,114	1,165,525	57,589
Community Development	287,914	287,914	232,998	54,916
Police	2,098,395	2,098,395	1,826,795	271,600
Fire	944,476	944,476	856,271	88,205
Parks	186,654	186,654	141,671	44,983
Contingency	254,938	254,938	-	254,938
Transfers	<u>170,778</u>	<u>170,778</u>	<u>170,778</u>	<u>-</u>
Total department requirements	5,353,700	5,353,700	4,521,069	832,631
Ending fund balance	<u>90,809</u>	<u>90,809</u>	<u>1,885,860</u>	<u>(1,795,051)</u>
Total requirements	<u>\$ 5,444,509</u>	<u>\$ 5,444,509</u>	<u>\$ 6,406,929</u>	<u>\$ (962,420)</u>

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

CITY OF WARRENTON

State Tax Street Fund

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 1,900,000	\$ 1,900,000	\$ 2,608,279	\$ 708,279
Taxes	361,000	361,000	358,658	(2,342)
Intergovernmental	999,063	999,063	476,151	(522,912)
Investment earnings	20,000	20,000	14,445	(5,555)
Donations	-	-	79,811	79,811
Capital contributions	-	-	25,225	25,225
Other revenue	-	-	5,212	5,212
Total resources	<u>\$ 3,280,063</u>	<u>\$ 3,280,063</u>	<u>\$ 3,567,781</u>	<u>\$ 287,718</u>
Requirements:				
Public Works:				
Personal services	\$ 167,894	\$ 167,894	\$ 127,096	\$ 40,798
Materials and services	744,215	744,215	204,764	539,451
Capital outlay	<u>2,071,350</u>	<u>2,071,350</u>	<u>457,270</u>	<u>1,614,080</u>
Total department expenditures	2,983,459	2,983,459	789,130	2,194,329
Contingency	<u>200,000</u>	<u>200,000</u>	-	<u>200,000</u>
Total expenditures	3,183,459	3,183,459	789,130	2,394,329
Ending fund balance	<u>96,604</u>	<u>96,604</u>	<u>2,778,651</u>	<u>(2,682,047)</u>
Total requirements	<u>\$ 3,280,063</u>	<u>\$ 3,280,063</u>	<u>\$ 3,567,781</u>	<u>\$ (287,718)</u>

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

CITY OF WARRENTON

Grant Fund

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 4,698	\$ 4,698	\$ 5,624	\$ 926
Intergovernmental	170,227	170,227	9,304	(160,923)
Donations	300	300	-	(300)
Total resources	<u>\$ 175,225</u>	<u>\$ 175,225</u>	<u>\$ 14,928</u>	<u>\$ (160,297)</u>
Requirements:				
Police Department	\$ 18,921	\$ 18,921	\$ 9,304	\$ 9,617
Fire Department	144,325	144,325	-	144,325
Admin Department	9,000	9,000	-	9,000
Total expenditures	172,246	172,246	9,304	162,942
Ending fund balance	<u>2,979</u>	<u>2,979</u>	<u>5,624</u>	<u>(2,645)</u>
Total requirements	<u>\$ 175,225</u>	<u>\$ 175,225</u>	<u>\$ 14,928</u>	<u>\$ 160,297</u>

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

CITY OF WARRENTON

PROPRIETARY FUNDS

Statement of Net Position

June 30, 2022

	Business-type Activities - Enterprise Funds					Business-type Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 8,180,547	\$ 9,449,181	\$ 756,361	\$ 1,682,095	\$20,068,184	\$ 4,436
Accounts receivable	303,236	315,349	121,765	23,166	763,516	-
Intergovernmental receivables	-	-	-	79,600	79,600	-
Other receivables	1,909	2,632	-	-	4,541	-
Lease Receivable, Current	-	-	-	46,451	46,451	-
Prepaid expenses	942	862	407	-	2,211	-
Total current assets	<u>8,486,634</u>	<u>9,768,024</u>	<u>878,533</u>	<u>1,831,312</u>	<u>20,964,503</u>	<u>4,436</u>
Noncurrent assets:						
Restricted cash	-	63,012	-	-	63,012	-
Lease Receivable, less current portion	-	-	-	125,538	125,538	-
Capital assets:						
Nondepreciable assets	472,482	194,172	29,669	264,311	960,634	-
Depreciable assets, net	<u>12,580,946</u>	<u>8,934,763</u>	<u>470,196</u>	<u>2,121,177</u>	<u>24,107,082</u>	-
Total noncurrent assets	<u>13,053,428</u>	<u>9,191,947</u>	<u>499,865</u>	<u>2,511,026</u>	<u>25,256,266</u>	-
Total assets	<u>21,540,062</u>	<u>18,959,971</u>	<u>1,378,398</u>	<u>4,342,338</u>	<u>46,220,769</u>	<u>4,436</u>
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions	<u>309,486</u>	<u>352,468</u>	<u>99,445</u>	<u>178,675</u>	<u>940,074</u>	<u>1,859</u>
LIABILITIES						
Current liabilities:						
Accounts payable	81,957	118,574	84,172	22,483	307,186	169
Accrued interest payable	51,826	11,024	-	-	62,850	-
Compensated absences	33,539	47,371	6,207	35,559	122,676	2,599
Unearned revenue	-	-	-	27,843	27,843	-
Loans payable - current	449,731	142,142	-	-	591,873	-
Landfill postclosure care - current	-	-	11,650	-	11,650	-
Total current liabilities	<u>617,053</u>	<u>319,111</u>	<u>102,029</u>	<u>85,885</u>	<u>1,124,078</u>	<u>2,768</u>
Noncurrent liabilities:						
Loans payable	3,021,482	1,413,868	-	-	4,435,350	-
Landfill postclosure care liability	-	-	299,171	-	299,171	-
Net pension liability	<u>474,226</u>	<u>540,091</u>	<u>152,379</u>	<u>273,784</u>	<u>1,440,480</u>	<u>2,848</u>
Total liabilities	<u>4,112,761</u>	<u>2,273,070</u>	<u>553,579</u>	<u>359,669</u>	<u>7,299,079</u>	<u>5,616</u>
DEFERRED INFLOWS OF RESOURCES						
Related to pensions	434,380	494,712	139,575	250,780	1,319,447	2,609
Deferred Inflows - Leases Receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,546</u>	<u>165,546</u>	<u>-</u>
Total deferred Inflows of resources	<u>434,380</u>	<u>494,712</u>	<u>139,575</u>	<u>416,326</u>	<u>1,484,993</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	9,582,215	7,572,925	499,865	2,385,488	20,040,493	-
Restricted for debt service	-	63,012	-	-	63,012	-
Restricted for system development	230,434	270,732	-	-	501,166	-
Unrestricted	<u>7,489,758</u>	<u>8,637,988</u>	<u>284,824</u>	<u>1,359,530</u>	<u>17,772,100</u>	<u>(1,930)</u>
Total net position	<u>\$17,302,407</u>	<u>\$16,544,657</u>	<u>\$ 784,689</u>	<u>\$ 3,745,018</u>	<u>\$38,376,771</u>	<u>\$ (1,930)</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, 2022

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

Net position - enterprise funds	\$ 38,376,771
Internal service funds are used by management to charge the cost of engineering to individual funds. The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service fund are included in business-type activities in the statement of net position.	<u>(1,930)</u>
Net position of business-type activities	<u>\$ 38,374,841</u>

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, 2022

	Business-type Activities - Enterprise Funds					Business-type Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
Operating Revenues:						
Charges for services	\$ 3,926,543	\$ 3,246,352	\$ 1,247,017	\$ 1,083,382	\$ 9,503,294	\$ 88,883
Lease receipts	-	-	-	44,821	44,821	-
Other revenue	14,523	18,371	2,379	11,431	46,704	-
Total operating revenues	<u>3,941,066</u>	<u>3,264,723</u>	<u>1,249,396</u>	<u>1,139,634</u>	<u>9,594,819</u>	<u>88,883</u>
Operating Expenses:						
Payroll and payroll benefits	829,632	837,907	229,973	550,298	2,447,810	93,249
Contracted services	124,123	185,894	746,830	14,038	1,070,885	563
Utilities and telephone	114,227	164,991	5,826	122,726	407,770	-
Repairs and maintenance	256,458	280,869	30,660	100,422	668,409	-
Other operating expenses	254,246	232,853	101,545	60,943	649,587	145
Overhead cost allocation	126,846	130,531	35,149	49,557	342,083	-
Depreciation	650,788	755,811	100,455	79,199	1,586,253	-
Total operating expenses	<u>2,356,320</u>	<u>2,588,856</u>	<u>1,250,438</u>	<u>977,183</u>	<u>7,172,797</u>	<u>93,957</u>
Operating income (loss)	<u>1,584,746</u>	<u>675,867</u>	<u>(1,042)</u>	<u>162,451</u>	<u>2,422,022</u>	<u>(5,074)</u>
Nonoperating Revenues (Expenses):						
Investment earnings	41,240	49,057	3,271	16,792	110,360	-
Taxes	-	-	-	229,977	229,977	-
Intergovernmental	-	-	-	57,986	57,986	-
Interest expense	(98,186)	(38,339)	-	-	(136,525)	-
Total nonoperating revenues (expenses)	<u>(56,946)</u>	<u>10,718</u>	<u>3,271</u>	<u>304,755</u>	<u>261,798</u>	<u>-</u>
Income (loss) before contributions	1,527,800	686,585	2,229	467,206	2,683,820	(5,074)
Capital contributions	<u>74,598</u>	<u>72,619</u>	<u>-</u>	<u>-</u>	<u>147,217</u>	<u>-</u>
Change in net position	1,602,398	759,204	2,229	467,206	2,831,037	(5,074)
Net Position:						
Beginning of year	15,936,421	15,873,590	804,021	3,272,318	35,886,350	3,144
Opening balance adjustment see note IV E	<u>(236,412)</u>	<u>(88,137)</u>	<u>(21,561)</u>	<u>5,494</u>	<u>(340,616)</u>	<u>-</u>
End of year	<u>\$17,302,407</u>	<u>\$16,544,657</u>	<u>\$ 784,689</u>	<u>\$ 3,745,018</u>	<u>\$38,376,771</u>	<u>\$ (1,930)</u>

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

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

Change in net position - enterprise funds	\$ 2,831,037
The internal service fund is used by management to charge the cost of engineering services to individual funds. The net revenue is reported with business-type activities in the statement of activities	<u>(5,074)</u>
Change in net position of business-type activities	<u>\$ 2,825,963</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, 2022

	Business-type Activities - Enterprise Funds					Business-type Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 4,011,960	\$ 3,272,633	\$1,246,558	\$1,137,038	\$ 9,668,189	\$ -
Receipts from interfund charges	-	-	-	-	-	88,883
Payments to suppliers and contractors	(734,927)	(914,839)	(807,573)	(420,500)	(2,877,839)	(572)
Payments to employees	(710,173)	(634,138)	(254,528)	(491,319)	(2,090,158)	(89,411)
Payments for interfund services	(312,943)	(322,035)	(86,715)	(78,440)	(800,133)	-
Net cash provided by (used in) operating	<u>2,253,917</u>	<u>1,401,621</u>	<u>97,742</u>	<u>146,779</u>	<u>3,900,059</u>	<u>(1,100)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Taxes collected	-	-	-	229,977	229,977	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,977</u>	<u>229,977</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Intergovernmental capital grants	-	-	-	44,681	44,681	-
Capital contributions	74,598	72,619	-	-	147,217	-
Acquisition and construction of capital assets	(112,485)	(324,831)	-	(355,104)	(792,420)	-
Principal paid on debt	(575,336)	(138,171)	-	-	(713,507)	-
Interest paid on debt	(110,487)	(39,654)	-	-	(150,141)	-
Net cash used in capital and related financing activities	<u>(723,710)</u>	<u>(430,037)</u>	<u>-</u>	<u>(310,423)</u>	<u>(1,464,170)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and dividends received	<u>41,240</u>	<u>49,057</u>	<u>3,271</u>	<u>16,791</u>	<u>110,359</u>	<u>-</u>
Net change in cash and cash equivalents	1,571,447	1,020,641	101,013	83,124	2,776,225	(1,100)
Cash and cash equivalents:						
Beginning of year	<u>6,609,100</u>	<u>8,491,552</u>	<u>655,348</u>	<u>1,598,971</u>	<u>17,354,971</u>	<u>5,536</u>
End of year	<u>\$ 8,180,547</u>	<u>\$ 9,512,193</u>	<u>\$ 756,361</u>	<u>\$1,682,095</u>	<u>\$20,131,196</u>	<u>\$ 4,436</u>
Cash and cash equivalents are reported on the Statement of Net Position as follows:						
Cash and cash equivalents	\$ 8,180,547	\$ 9,449,181	\$ 756,361	\$1,682,095	\$20,068,184	\$ 4,436
Restricted cash	-	63,012	-	-	63,012	-
	<u>\$ 8,180,547</u>	<u>\$ 9,512,193</u>	<u>\$ 756,361</u>	<u>\$1,682,095</u>	<u>\$20,131,196</u>	<u>\$ 4,436</u>

Continued on next page

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

PROPRIETARY FUNDS
Statement of Cash Flows, Continued
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds					Business-type Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 1,584,746	\$ 675,867	\$ (1,042)	\$ 162,451	\$ 2,422,022	\$ (5,074)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	650,788	755,811	100,455	79,199	1,586,253	-
Pension adjustments	(66,176)	(6,315)	(22,902)	(39,660)	(135,053)	3,598
(Increase) decrease in assets:						
Receivables	70,897	26,695	(2,837)	(5,753)	89,002	-
Leases receivable	-	-	-	(949)	(949)	-
Prepaid expenses	(58)	(44)	(110)	-	(212)	-
Increase (decrease) in liabilities:						
Accounts payable	14,181	(50,188)	(7,217)	(57,962)	(101,186)	136
Compensated absences	(461)	580	(1,653)	5,347	3,813	240
Unearned revenue	-	(785)	-	4,106	3,321	-
Landfill postclosure care liability	-	-	33,048	-	33,048	-
Net cash provided by (used in) operating activities	<u>\$ 2,253,917</u>	<u>\$ 1,401,621</u>	<u>\$ 97,742</u>	<u>\$ 146,779</u>	<u>\$ 3,900,059</u>	<u>\$ (1,100)</u>

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

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

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, 2022

Note I - Summary of Significant Accounting Policies, Continued

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

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

The City reports the following major governmental funds:

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

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

The *Grant Fund* accounts for grants received from a variety of sources.

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

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, 2022

Note I - Summary of Significant Accounting Policies, Continued

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

3. *Prepaid Items*

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, a separate section for deferred outflows of resources will sometimes be reported. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, a separate section for deferred inflows of resources will sometimes be reported. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note I - Summary of Significant Accounting Policies, Continued

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

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 payable and accrued comp-time are 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. *Leases*

Lessee: The City is a lessee for several noncancellable leases of office and building space. The City recognizes a lease liability and an intangible right to use lease asset (lease asset) in the government wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straightline basis over its useful life

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with longterm debt on the statement of net position.

Lessor: The City is a lessor for several noncancellable leases of land and moorage space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note I - Summary of Significant Accounting Policies, Continued

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

8. Leases, Continued

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

9. 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.

10. 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.

11. 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.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note I - Summary of Significant Accounting Policies, Continued

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

12. 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.

13. 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.

14. 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.

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

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note II - Stewardship, Compliance, and Accountability, Continued

A. Budgetary Information, Continued

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	1,726,872
State of Oregon Local Government Investment Pool	30,257,693
Total	<u>\$ 31,985,765</u>

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

Cash and cash equivalents	\$ 31,922,753
Restricted cash	63,012
Total	<u>\$ 31,985,765</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 and www.oregon.gov/treasury.

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, 2022, the City's deposits were covered and collateralized by federal depository insurance and the PFCP.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note III - Detailed Notes On All Funds, Continued

A. Deposits and Investments, Continued

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

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

B. Receivables and Deferred Inflows of Resources

Housing rehabilitation loans

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

Unavailable revenues

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

	General Fund	State Tax Street Fund	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total
Property taxes receivable	\$ 42,645	\$ -	\$ 7,974	\$ 50,021	\$ 100,640
Grant receivable	-	109,126	-	-	109,126
Rehabilitation loans	48,462	-	-	-	48,462
Total unavailable revenues	<u>\$ 91,107</u>	<u>\$ 109,126</u>	<u>\$ 7,974</u>	<u>\$ 50,021</u>	<u>\$ 258,228</u>

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note III - Detailed Notes On All Funds, Continued

C. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,410,432	\$ -	\$ (4,858)	\$ -	\$ 2,405,574
Construction in progress	<u>297,827</u>	<u>243,680</u>	<u>(59,805)</u>	<u>-</u>	<u>481,702</u>
Total capital assets, not being depreciated	<u>2,708,259</u>	<u>243,680</u>	<u>(64,663)</u>	<u>-</u>	<u>2,887,276</u>
Capital assets, being depreciated:					
Parking and land improvements	1,696,743	3,050	-	-	1,699,793
Buildings	4,751,719	-	-	-	4,751,719
Equipment and vehicles	3,502,841	276,871	(5,800)	-	3,773,912
Infrastructure	<u>6,132,598</u>	<u>362,188</u>	<u>-</u>	<u>-</u>	<u>6,494,786</u>
Total capital assets, being depreciated	<u>16,083,901</u>	<u>642,109</u>	<u>(5,800)</u>	<u>-</u>	<u>16,720,210</u>
Less accumulated depreciation for:					
Parking and land improvements	(648,123)	(59,898)	-	-	(708,021)
Buildings	(1,886,932)	(104,430)	-	-	(1,991,362)
Equipment and vehicles	(1,921,839)	(161,317)	5,800	-	(2,077,356)
Infrastructure	<u>(2,329,448)</u>	<u>(200,606)</u>	<u>-</u>	<u>-</u>	<u>(2,530,054)</u>
Total accumulated depreciation	<u>(6,786,342)</u>	<u>(526,251)</u>	<u>5,800</u>	<u>-</u>	<u>(7,306,793)</u>
Total capital assets, being depreciated, net	<u>9,297,559</u>	<u>115,858</u>	<u>-</u>	<u>-</u>	<u>9,413,417</u>
Governmental activities capital assets, net	<u>\$ 12,005,818</u>	<u>\$ 359,538</u>	<u>\$ (64,663)</u>	<u>\$ -</u>	<u>\$ 12,300,693</u>

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

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>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 422,041	\$ -	\$ -	\$ -	\$ 422,041
Construction in progress	<u>896,825</u>	<u>262,005</u>	<u>(620,237)</u>	<u>-</u>	<u>538,593</u>
Total capital assets, not being depreciated	<u>1,318,866</u>	<u>262,005</u>	<u>(620,237)</u>	<u>-</u>	<u>960,634</u>
Capital assets, being depreciated:					
Parking areas	927,187	868,552	(280,418)	-	1,515,321
Buildings	2,763,021	134,003	-	-	2,897,024
Equipment and vehicles	5,322,397	-	-	-	5,322,397
Utility facilities	<u>44,373,209</u>	<u>148,192</u>	<u>-</u>	<u>-</u>	<u>44,521,401</u>
Total capital assets, being depreciated	<u>53,385,814</u>	<u>1,150,747</u>	<u>(280,418)</u>	<u>-</u>	<u>54,256,143</u>
Less accumulated depreciation for:					
Parking areas	(525,022)	(20,151)	280,418	-	(264,755)
Buildings	(1,356,572)	(66,457)	-	-	(1,423,029)
Equipment and vehicles	(4,502,588)	(145,427)	-	-	(4,648,015)
Utility facilities	<u>(22,459,045)</u>	<u>(1,354,217)</u>	<u>-</u>	<u>-</u>	<u>(23,813,262)</u>
Total accumulated depreciation	<u>(28,843,227)</u>	<u>(1,586,252)</u>	<u>280,418</u>	<u>-</u>	<u>(30,149,061)</u>
Total capital assets, being depreciated, net	<u>24,542,587</u>	<u>(435,505)</u>	<u>-</u>	<u>-</u>	<u>24,107,082</u>
Business-type activities capital assets, net	<u>\$ 25,861,453</u>	<u>\$ (173,500)</u>	<u>\$ (620,237)</u>	<u>\$ -</u>	<u>\$ 25,067,716</u>

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

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	\$ 184,445
Fire and emergency medical services	100,169
Police	47,891
Library and culture	22,036
Public works	<u>171,710</u>
Total depreciation expense - governmental activities	<u>\$ 526,251</u>
Business-type activities:	
Water utilities	\$ 650,788
Sewer utilities	755,811
Sanitation utilities	100,455
Marinas	<u>79,199</u>
Total depreciation expense - business-type activities	<u>\$ 1,586,253</u>

D. Interfund Receivables, Payables, and Transfers

During the year ended June 30, 2022 the general fund transferred \$170,778 to nonmajor governmental funds. Interfund transfers were used to provide funds for contribute towards the cost of capital projects, and to provide operational resources.

During the year ended June 30, 2022 \$130,457 was transferred within nonmajor governmental funds for debt capital expenditures.

E. Leases

Leases Receivable

The City has 1 lease receivable for land leased by a wood fiber processing company. This lease began October 1995, and continues through December 31, 2035. This lease balance at June 30, 2022 was \$1,830,418. Lease payments during the year were \$71,933 and \$144,167 in principal and interest respectively.

The City has several leases receivable for land in the nonmajor enterprise funds. These leases began at various times and end at various times. These leases had a balance of \$171,988 at June 30, 2022. Lease payments during the year were \$30,721 and \$7,786 in principal and interest respectively.

Leases payable

The City leases a building as a lessee for use by the Library

The value of the right to use asset is as follows:

	Governmental
	Activities
Building	\$ 138,966
Less: Accumulated Depreciation	<u>(118,026)</u>
Total	<u>\$ 20,940</u>

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note III - Detailed Notes On All Funds, Continued

E. Leases, Continued

The future lease payments under the capital lease at June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Present Value</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 22,597	\$ 2,423	\$ 25,020

F. Long-Term Debt

Long-term liability activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds payable	\$ 2,780,287	\$ -	\$ (472,890)	\$ 2,307,397	\$ 486,895
Direct Borrowings:					
Tax increment financial bonds	2,102,201	-	(297,276)	1,804,925	305,017
Notes/loans payable	<u>332,081</u>	<u>-</u>	<u>(62,839)</u>	<u>269,242</u>	<u>64,579</u>
Total long-term debt	5,214,569	-	(833,005)	4,381,564	856,491
Net pension liability	4,210,187	-	(2,093,257)	2,116,930	-
Compensated absences	<u>133,959</u>	<u>123,046</u>	<u>(133,959)</u>	<u>123,046</u>	<u>123,046</u>
Governmental activities long-term liabilities	<u>\$ 9,558,715</u>	<u>\$ 123,046</u>	<u>\$ (3,060,221)</u>	<u>\$ 6,621,540</u>	<u>\$ 979,537</u>
Business-Type Activities:					
Loans payable - direct borrowings	\$ 5,740,730	\$ -	\$ (713,508)	\$ 5,027,222	\$ 591,873
Landfill postclosure care (see note IV.D.)	<u>277,772</u>	<u>57,786</u>	<u>(24,738)</u>	<u>310,820</u>	<u>11,650</u>
Total noncurrent liabilities	6,018,502	57,786	(738,246)	5,338,042	603,523
Net pension liability	2,928,140	-	(1,484,812)	1,443,328	-
Compensated absences	<u>121,222</u>	<u>125,275</u>	<u>(121,222)</u>	<u>125,275</u>	<u>125,275</u>
Business-type activities long-term liabilities	<u>\$ 9,067,864</u>	<u>\$ 183,061</u>	<u>\$ (2,344,280)</u>	<u>\$ 6,906,645</u>	<u>\$ 728,798</u>

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note III - Detailed Notes On All Funds, Continued

F. Long-Term Debt, Continued

General obligation bonds outstanding at June 30, 2022 were as follows:

Purpose	Interest Rates	Governmental Activities
The general obligation bonds series 2007 in the original amount of \$8,079,696 were facilities bonds. The bonds were authorized by taxpayers in November 2006 to finance improvements to the wastewater treatment and disposal system of the City. These general obligation bonds are direct obligations and pledge the full faith and credit of the City. The Wastewater Treatment GO Bond fund is used to liquidate these bonds. Final maturity of these 20-year bonds is December 1, 2026.	2.94% plus 0.5% annual fee	\$ 2,307,397
Total general obligation bonds outstanding		2,307,397
Less current portion		(486,895)
Long-term portion		<u>\$ 1,820,502</u>

Tax increment financial bonds outstanding at June 30, 2022 were as follows:

Purpose	Interest Rates	Governmental Activities
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%	\$ 649,788
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>1,155,137</u>
Total debt outstanding		1,804,925
Less current portion		(305,017)
Long-term portion		<u>\$ 1,499,908</u>

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

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note III - Detailed Notes On All Funds, Continued

F. Long-Term Debt, Continued

Notes/loans outstanding at June 30, 2022 were as follows:

Purpose	Interest Rates	Governmental Activities	Business-Type Activities
The Full Faith and Credit Note, Series 2015, in the original amount of \$621,771, was used as a deposit on the purchase of an aerial fire truck that was purchased in FY2017. The General fund is used to liquidate this note. The loan is secured by Warrenton Fiber Revenues and matures on December 29, 2025. If an event of default occurs, the interest rate on the note shall be equal to the 10-year US Treasury rate plus 2%.	2.7690%	\$ 269,242	\$ -
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%	-	420,198
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%	-	93,227
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%	-	975,109
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%	-	1,638,717
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%	-	343,962
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%	-	107,804
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	-	196,168

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note III - Detailed Notes On All Funds, Continued

F. Long-Term Debt, Continued

Purpose	Interest Rates	Governmental Activities	Business-Type Activities
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	\$ -	\$ 1,231,566
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%	-	20,473
Total notes/loans outstanding		269,242	5,027,224
Less current portion		(64,579)	(591,873)
Long-term portion		<u>\$ 204,663</u>	<u>\$ 4,435,351</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	28,459
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.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note III - Detailed Notes On All Funds, Continued

F. Long-Term Debt, Continued

Annual debt service requirements to maturity for long-term debt at June 30, 2022 are as follows:

Year Ending June 30,	Governmental Activities				Business-Type Activities	
	GO Bonds		Direct Borrowings		Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 486,895	\$ 74,614	\$ 369,596	\$ 52,454	\$ 591,873	\$ 124,400
2024	501,315	57,723	379,352	42,698	613,238	103,590
2025	516,162	40,333	389,392	32,659	407,103	81,853
2026	531,449	22,427	399,723	22,326	308,684	71,803
2027	271,576	3,992	338,324	15,685	310,018	64,951
2028 - 2032	-	-	197,780	2,743	1,535,318	228,180
2033 - 2037	-	-	-	-	661,753	87,451
2038 - 2042	-	-	-	-	272,669	45,364
2043 - 2047	-	-	-	-	270,151	19,809
2048 - 2052	-	-	-	-	56,415	756
Total	<u>\$ 2,307,397</u>	<u>\$ 199,089</u>	<u>\$ 2,074,167</u>	<u>\$ 168,565</u>	<u>\$ 5,027,222</u>	<u>\$ 828,157</u>

G. 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

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

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note III - Detailed Notes On All Funds, Continued

G. Pension Plans, Continued

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.

Benefit Changes

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

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits.

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

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

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

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

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note III - Detailed Notes On All Funds, Continued

G. Pension Plans, Continued

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

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

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.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note III - Detailed Notes On All Funds, Continued

G. Pension Plans, Continued

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, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2020. Employer contributions for the year ended June 30, 2022 were \$859,769 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2022 were 25.72 percent for Tier One/Tier Two General Service Member, 25.72 percent for Tier One/Tier Two Police and Fire, 20.03 percent for OPSRP Pension Program General Services, 24.39 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, 2022 the City reported a liability of \$3,560,258 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. 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, 2021, the City's proportion was 0.02975192 percent, which was a changed from its proportion measured as of June 30, 2020 of 0.03270945 percent.

For the year ended June 30, 2022 the City recognized pension expense of \$1,082,160. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 333,263	\$ -
Change in assumptions	891,240	9,370
Net difference between projected and actual earnings on pension plan investments	-	2,635,631
Changes in proportionate share	360,610	540,872
Differences between City contributions and proportionate share of contributions	42,100	75,243
Subtotal before post-measurement date contributions	1,627,213	3,261,116
City contributions subsequent to the measurement date	696,251	-
Total	<u>\$ 2,323,464</u>	<u>\$ 3,261,116</u>

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note III - Detailed Notes On All Funds, Continued

G. Pension Plans, Continued

Deferred outflows of resources related to pensions of \$696,251 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, 2023. Net deferred outflows (inflows) of resources of \$1,633,903 will be recognized in pension expense as follows:

Year Ended June 30,		
2023	\$	294,226
2024		296,734
2025		384,269
2026		702,517
2027		<u>(43,843)</u>
Total	\$	<u><u>1,633,903</u></u>

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note III - Detailed Notes On All Funds, Continued

G. Pension Plans, Continued

Actuarial Methods and Assumptions:

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age normal
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Discount Rate	6.90 percent
Project Salary Increases	3.40% overall payroll growth; salaries for individuals are assumed to grow at 3.40% plus assumed rates of merit/longevity increases based on service Mortality Healthy retirees and beneficiaries:
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and Graded COLA (1.25%/0.015%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note III - Detailed Notes On All Funds, Continued

G. Pension Plans, Continued

Long-term Expected Rate of Return

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

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

Depletion Date Projection

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

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

PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.

The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.

GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

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

Discount Rate

The discount rate used to measure the total pension liability of the Plan was 6.90 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, 2022

Note III - Detailed Notes On All Funds, Continued

G. 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 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate Share of Net Pension Liability	\$ 6,991,494	\$ 3,560,258	\$ 689,558

Pension Plan Fiduciary Net Position

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

Note IV - Other Information

A. Risk Management

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

B. Contingencies Under Grant Provisions

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

C. Contingent Liabilities

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

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2022

Note IV - Other Information, Continued

D. Postclosure Landfill Care

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

The City has recorded a liability for the estimated costs of landfill postclosure care. Annually, the City evaluates the liability by examining the estimated costs needed to perform the postclosure care over the next 20 years and adjusts the liability accordingly. During the year ended June 30, 2022 the City's estimated liability changed as follows:

	<u>Landfill postclosure care liability</u>
Balance at June 30, 2021	\$ 277,772
Change in estimate	57,786
Maintenance costs paid in 2022	<u>(24,738)</u>
Balance at June 30, 2022	<u>\$ 310,820</u>

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

E. Prior Period Adjustment

In Fiscal Year 2022, the City changed to the consumption method for inventory and supplies. The City also implemented new accounting policies required under GASB 87 Leases. The table below adjusts net position as of June 30, 2021 to account for these changes

<u>Opinion Unit</u>	<u>Beginning Net Position</u>	<u>Record lease receivable and related deferred inflow of resource</u>	<u>Record inventory items purchased in prior years</u>	<u>Restated Net Position</u>
Governmental Activities	\$ 13,743,838	\$ (2,761)	\$ -	\$ 13,741,077
Water Enterprise	15,936,421	-	(236,412)	15,700,009
Sewer Enterprise	15,873,590	-	(88,137)	15,785,453
Sanitation Enterprise	804,021	-	(21,561)	782,460
Nonmajor Enterprise Funds	3,272,319	5,494	-	3,277,813



REQUIRED SUPPLEMENTARY INFORMATION



CITY OF WARRENTON

Required Supplementary Information

June 30, 2022

Schedule of the Proportionate Share of the Net Pension Liability

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.02975192 %	0.03270945 %	0.02871178 %	0.03023090 %	0.03216011 %	0.03340720 %	0.03518114 %	0.03043630 %
Proportionate share of the net pension liability (asset)	\$ 3,560,258	\$ 7,138,327	\$ 4,966,450	\$ 4,579,583	\$ 4,335,195	\$ 5,015,196	\$ 2,019,912	\$ (689,903)
Covered payroll	\$ 3,342,216	\$ 3,397,193	\$ 3,370,391	\$ 3,172,039	\$ 3,074,084	\$ 3,036,331	\$ 2,744,201	\$ 2,594,589
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	106.52 %	210.12 %	147.36 %	144.37 %	141.02 %	165.17 %	73.61 %	(26.59)%
Plan net position as a percentage of the total pension liability	52.3 %	75.8 %	80.2 %	82.1 %	83.1 %	80.5 %	91.9 %	103.6 %

Schedule of Pension Contributions

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 859,769	\$ 814,318	\$ 856,834	\$ 728,293	\$ 650,268	\$ 557,802	\$ 545,611	\$ 475,054
Contributions in relation to the contractually required contribution	859,769	814,318	856,834	728,293	650,268	557,802	545,611	475,054
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 3,496,251	\$ 3,342,216	\$ 3,397,193	\$ 3,370,391	\$ 3,172,039	\$ 3,074,084	\$ 3,036,331	\$ 2,744,201
Contributions as a percentage of covered employee payroll	24.59 %	24.36 %	25.22 %	21.61 %	20.50 %	18.15 %	17.97 %	17.31 %

CITY OF WARRENTON

Notes to Required Supplementary Information

June 30, 2022

Note I - Measurement Period

Amounts presented are for the measurement period, which for FY 2022 is July 1, 2020 - June 30, 2021.

Note II - Changes in Benefit Terms

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

Note III - Changes in Assumptions

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability, which contributes to the net pension liability reported by the City for fiscal year 2017. The changes include the lowering of the long-term expected rate of return to 7.50 percent and lowering the assumed inflation to 2.50 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

The June 30, 2018 total pension liability includes the effect of PERS Board adopting a change to the long-term expected rate of return, reducing it from 7.50 to 7.20 percent. This contributes to the net pension liability reported by the City for fiscal year 2019.

The June 30, 2021 total pension liability includes the effect of the PERS Board adopting a change to the long-term expected rate of return, reducing it from 7.20 percent to 6.90 percent. This contributes to the net pension liability reported by the City for fiscal year 2022.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



CITY OF WARRENTON
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
ASSETS				
Cash and cash equivalents	\$ 1,248,408	\$ 3,131,246	\$ 2,032,598	\$ 6,412,252
Receivables:				
Taxes	10,744	67,251	-	77,995
Accounts	85,508	-	-	85,508
Prepaid items	<u>1,413</u>	<u>-</u>	<u>-</u>	<u>1,413</u>
Total assets	<u>\$ 1,346,073</u>	<u>\$ 3,198,497</u>	<u>\$ 2,032,598</u>	<u>\$ 6,577,168</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 125,597	\$ -	\$ 12,060	\$ 137,657
Deferred revenue	<u>1,389</u>	<u>-</u>	<u>-</u>	<u>1,389</u>
Total liabilities	<u>126,986</u>	<u>-</u>	<u>12,060</u>	<u>139,046</u>
Deferred Inflows of Resources:				
Unavailable revenues	<u>7,974</u>	<u>50,021</u>	<u>-</u>	<u>57,995</u>
Fund Balances:				
Nonspendable - Prepaid items	1,413	-	-	1,413
Restricted for:				
Debt service	-	3,148,476	-	3,148,476
Library and culture	160,984	-	-	160,984
Public works	221,864	-	-	221,864
Urban renewal improvements	-	-	9,011	9,011
Building inspection program	736,202	-	-	736,202
System development	-	-	1,428,309	1,428,309
Committed to:				
Library and culture	90,650	-	-	90,650
Assigned to:				
Capital projects	<u>-</u>	<u>-</u>	<u>583,218</u>	<u>583,218</u>
Total fund balances	<u>1,211,113</u>	<u>3,148,476</u>	<u>2,020,538</u>	<u>6,380,127</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,346,073</u>	<u>\$ 3,198,497</u>	<u>\$ 2,032,598</u>	<u>\$ 6,577,168</u>

CITY OF WARRENTON

Nonmajor Governmental Funds

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

For the Year Ended June 30, 2022

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Taxes	\$ 543,757	\$ 1,464,507	\$ -	\$ 2,008,264
Licenses and permits	431,250	-	-	431,250
Intergovernmental	-	-	160,952	160,952
Charges for services	14,525	-	-	14,525
Fines and forfeits	402	-	-	402
Investment earnings	6,680	18,353	10,136	35,169
Donations	78,812	-	-	78,812
Other revenue	5,342	-	25,734	31,076
Total revenues	<u>1,080,768</u>	<u>1,482,860</u>	<u>196,822</u>	<u>2,760,450</u>
Expenditures:				
Current:				
General government	304,359	-	55,258	359,617
Planning and development	453,882	-	-	453,882
Library and culture	308,263	-	3,291	311,554
Debt service:				
Principal retirement	-	770,166	-	770,166
Interest expense	-	143,758	-	143,758
Capital outlay	29,449	-	339,253	368,702
Total expenditures	<u>1,095,953</u>	<u>913,924</u>	<u>397,802</u>	<u>2,407,679</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,185)</u>	<u>568,936</u>	<u>(200,980)</u>	<u>352,771</u>
Other Financing Sources (Uses):				
Transfers in	-	-	301,235	301,235
Transfers out	(11,000)	(119,457)	-	(130,457)
Capital contributions	-	-	171,682	171,682
Total other financing sources (uses)	<u>(11,000)</u>	<u>(119,457)</u>	<u>472,917</u>	<u>342,460</u>
Net change in fund balances	(26,185)	449,479	271,937	695,231
Fund Balances:				
Beginning of year	<u>1,237,298</u>	<u>2,698,997</u>	<u>1,748,601</u>	<u>5,684,896</u>
End of year	<u>\$ 1,211,113</u>	<u>\$ 3,148,476</u>	<u>\$ 2,020,538</u>	<u>\$ 6,380,127</u>

NONMAJOR SPECIAL REVENUES FUNDS

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

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

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

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

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

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

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

CITY OF WARRENTON

Nonmajor Special Revenues Funds

Combining Balance Sheet

June 30, 2022

	Community Center (005)	Warrenton Business License (006)	Library (020)	Building Department (021)
ASSETS				
Cash and cash equivalents	\$ 25,285	\$ 69,463	\$ 160,025	\$ 769,062
Receivables:				
Taxes	-	-	10,744	-
Accounts	-	-	-	-
Prepaid items	-	-	1,413	-
Total assets	<u>\$ 25,285</u>	<u>\$ 69,463</u>	<u>\$ 172,182</u>	<u>\$ 769,062</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,177	\$ 532	\$ 1,811	\$ 32,860
Unearned revenue	1,389	-	-	-
Total liabilities	<u>3,566</u>	<u>532</u>	<u>1,811</u>	<u>32,860</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	7,974	-
Fund Balances:				
Nonspendable - Prepaid items	-	-	1,413	-
Restricted for:				
Library and culture	-	-	160,984	-
Public works	-	-	-	-
Building inspection program	-	-	-	736,202
Committed to:				
Library and culture	21,719	68,931	-	-
Total fund balances	<u>21,719</u>	<u>68,931</u>	<u>162,397</u>	<u>736,202</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,285</u>	<u>\$ 69,463</u>	<u>\$ 172,182</u>	<u>\$ 769,062</u>

Transient Room Tax (024)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenues Funds
\$ 2,709	\$ 221,864	\$ 1,248,408
-	-	10,744
85,508	-	85,508
-	-	1,413
<u>\$ 88,217</u>	<u>\$ 221,864</u>	<u>\$ 1,346,073</u>

\$ 88,217	\$ -	\$ 125,597
-	-	1,389
<u>88,217</u>	<u>-</u>	<u>126,986</u>

-	-	7,974
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-	-	1,413
-	-	160,984
-	221,864	221,864
-	-	736,202
-	-	90,650
-	221,864	1,211,113

<u>\$ 88,217</u>	<u>\$ 221,864</u>	<u>\$ 1,346,073</u>
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CITY OF WARRENTON

Nonmajor Special Revenues Funds

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

For the Year Ended June 30, 2022

	Community Center (005)	Warrenton Business License (006)	Library (020)	Building Department (021)
Revenues:				
Taxes	\$ -	\$ -	\$ 239,398	\$ -
Licenses and permits	-	63,665	-	367,585
Charges for services	14,525	-	-	-
Fines and forfeits	-	-	402	-
Investment earnings	122	406	940	4,277
Donations	9,327	-	5,801	-
Other revenue	120	-	4,699	523
Total revenues	<u>24,094</u>	<u>64,071</u>	<u>251,240</u>	<u>372,385</u>
Expenditures:				
Current:				
General government	-	-	-	-
Planning and development	-	-	-	453,882
Library and culture	18,132	38,579	251,552	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,449</u>
Total expenditures	<u>18,132</u>	<u>38,579</u>	<u>251,552</u>	<u>483,331</u>
Excess (deficiency) of revenues over (under) expenditures	5,962	25,492	(312)	(110,946)
Other Financing Sources (Uses):				
Transfers out	<u>(1,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,962	15,492	(312)	(110,946)
Fund Balances:				
Beginning of year	16,757	53,439	162,709	847,148
End of year	<u>\$ 21,719</u>	<u>\$ 68,931</u>	<u>\$ 162,397</u>	<u>\$ 736,202</u>

Transient Room Tax (024)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenues Funds
\$ 304,359	\$ -	\$ 543,757
-	-	431,250
-	-	14,525
-	-	402
-	935	6,680
-	63,684	78,812
-	-	5,342
<u>304,359</u>	<u>64,619</u>	<u>1,080,768</u>
304,359	-	304,359
-	-	453,882
-	-	308,263
-	-	29,449
<u>304,359</u>	<u>-</u>	<u>1,095,953</u>
-	64,619	(15,185)
-	-	(11,000)
-	64,619	(26,185)
-	157,245	1,237,298
<u>\$ -</u>	<u>\$ 221,864</u>	<u>\$ 1,211,113</u>

CITY OF WARRENTON

Community Center Fund

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 15,000	\$ 15,000	\$ 16,757	\$ 1,757
Charges for services	13,400	13,400	14,525	1,125
Investment earnings	200	200	122	(78)
Donations	3,000	3,000	9,327	6,327
Other revenue	-	-	120	120
Total resources	<u>\$ 31,600</u>	<u>\$ 31,600</u>	<u>\$ 40,851</u>	<u>\$ 9,251</u>
Requirements:				
Community Center:				
Personal services	\$ 8,366	\$ 8,366	\$ 7,397	\$ 969
Materials and services	<u>15,405</u>	<u>15,405</u>	<u>10,735</u>	<u>4,670</u>
Total department expenditures	23,771	23,771	18,132	5,639
Contingency	1,500	1,500	-	1,500
Transfers out	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total expenditures	26,271	26,271	19,132	7,139
Ending fund balance	<u>5,329</u>	<u>5,329</u>	<u>21,719</u>	<u>(16,390)</u>
Total requirements	<u>\$ 31,600</u>	<u>\$ 31,600</u>	<u>\$ 40,851</u>	<u>\$ (9,251)</u>

CITY OF WARRENTON

Warrenton Business License Fund

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 40,000	\$ 40,000	\$ 53,439	\$ 13,439
Licenses and permits	59,000	59,000	63,665	4,665
Investment earnings	<u>500</u>	<u>500</u>	<u>406</u>	<u>(94)</u>
Total resources	<u>\$ 99,500</u>	<u>\$ 99,500</u>	<u>\$ 117,510</u>	<u>\$ 18,010</u>
Requirements:				
WBL Program:				
Personal services	\$ 6,154	\$ 6,154	\$ 6,030	\$ 124
Materials and services	<u>60,937</u>	<u>60,937</u>	<u>32,549</u>	<u>28,388</u>
Total department expenditures	67,091	67,091	38,579	28,512
Contingency	5,000	5,000	-	5,000
Transfers out	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total expenditures	82,091	82,091	48,579	33,512
Ending fund balance	<u>17,409</u>	<u>17,409</u>	<u>68,931</u>	<u>(51,522)</u>
Total requirements	<u>\$ 99,500</u>	<u>\$ 99,500</u>	<u>\$ 117,510</u>	<u>\$ (18,010)</u>

CITY OF WARRENTON

Library Fund

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 168,000	\$ 168,000	\$ 162,709	\$ (5,291)
Taxes	228,475	228,475	239,398	10,923
Fines and forfeits	250	250	402	152
Investment earnings	1,000	1,000	940	(60)
Donations	10,578	10,578	5,801	(4,777)
Other revenue	3,200	3,200	4,699	1,499
Total resources	<u>\$ 411,503</u>	<u>\$ 411,503</u>	<u>\$ 413,949</u>	<u>\$ 2,446</u>
Requirements:				
Library:				
Personal services	\$ 191,905	\$ 191,905	\$ 161,734	\$ 30,171
Materials and services	91,572	91,572	89,818	1,754
Total department expenditures	283,477	283,477	251,552	31,925
Contingency	25,000	25,000	-	25,000
Total expenditures	308,477	308,477	251,552	56,925
Ending fund balance	103,026	103,026	162,397	(59,371)
Total requirements	<u>\$ 411,503</u>	<u>\$ 411,503</u>	<u>\$ 413,949</u>	<u>\$ (2,446)</u>

CITY OF WARRENTON

Building Department Fund

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 840,000	\$ 840,000	\$ 847,148	\$ 7,148
Licenses and permits	327,361	327,361	367,585	40,224
Investment earnings	5,000	5,000	4,277	(723)
Other revenue	<u>-</u>	<u>-</u>	<u>523</u>	<u>523</u>
Total resources	<u>\$ 1,172,361</u>	<u>\$ 1,172,361</u>	<u>\$ 1,219,533</u>	<u>\$ 47,172</u>
Requirements:				
Building Department:				
Personal services	\$ 296,128	\$ 296,128	\$ 299,228	\$ (3,100)
Materials and services	160,017	160,017	154,654	5,363
Capital outlay	<u>35,000</u>	<u>35,000</u>	<u>29,449</u>	<u>5,551</u>
Total department expenditures	491,145	491,145	483,331	7,814
Contingency	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>80,000</u>
Total expenditures	571,145	571,145	483,331	87,814
Ending fund balance	<u>601,216</u>	<u>601,216</u>	<u>736,202</u>	<u>(134,986)</u>
Total requirements	<u>\$ 1,172,361</u>	<u>\$ 1,172,361</u>	<u>\$ 1,219,533</u>	<u>\$ (47,172)</u>

CITY OF WARRENTON

Transient Room Tax Fund

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Taxes	<u>290,000</u>	<u>320,000</u>	<u>304,359</u>	<u>(15,641)</u>
Total resources	<u>\$ 290,000</u>	<u>\$ 320,000</u>	<u>\$ 304,359</u>	<u>\$ (15,641)</u>
Requirements:				
Transient Room Tax Program:				
Materials and services	\$ 290,000	\$ 320,000	\$ 304,359	\$ 15,641
Ending fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total requirements	<u>\$ 290,000</u>	<u>\$ 320,000</u>	<u>\$ 304,359</u>	<u>\$ 15,641</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 127,000	\$ 127,000	\$ 157,245	\$ 30,245
Investment earnings	700	700	935	235
Donations	<u>45,000</u>	<u>45,000</u>	<u>63,684</u>	<u>18,684</u>
Total resources	<u>\$ 172,700</u>	<u>\$ 172,700</u>	<u>\$ 221,864</u>	<u>\$ 49,164</u>
Requirements:				
Parks Department:				
Capital outlay	\$ 123,000	\$ 123,000	\$ -	\$ 123,000
Ending fund balance	<u>49,700</u>	<u>49,700</u>	<u>221,864</u>	<u>(172,164)</u>
Total requirements	<u>\$ 172,700</u>	<u>\$ 172,700</u>	<u>\$ 221,864</u>	<u>\$ (49,164)</u>

NONMAJOR DEBT SERVICE FUND

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

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

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

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



CITY OF WARRENTON

Nonmajor Debt Service Fund

Combining Balance Sheet

June 30, 2022

	Wastewater Treatment GO Bond (059)	Warrenton Urban Renewal Agency Debt Service (300)	Warrenton Urban Renewal Agency Debt Reserve (400)	Total Nonmajor Debt Service Fund
ASSETS				
Cash and cash equivalents	\$ 95,826	\$ 2,685,403	\$ 350,017	\$ 3,131,246
Receivables:				
Taxes	26,784	40,467	-	67,251
Total assets	<u>\$ 122,610</u>	<u>\$ 2,725,870</u>	<u>\$ 350,017</u>	<u>\$ 3,198,497</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Deferred Inflows of Resources:				
Unavailable revenues	\$ 19,984	\$ 30,037	\$ -	\$ 50,021
Fund Balances:				
Restricted for:				
Debt service	<u>102,626</u>	<u>2,695,833</u>	<u>350,017</u>	<u>3,148,476</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 122,610</u>	<u>\$ 2,725,870</u>	<u>\$ 350,017</u>	<u>\$ 3,198,497</u>

CITY OF WARRENTON

Nonmajor Debt Service Fund

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

For the Year Ended June 30, 2022

	Wastewater Treatment GO Bond (059)	Warrenton Urban Renewal Agency Debt Service (300)	Warrenton Urban Renewal Agency Debt Reserve (400)	Total Nonmajor Special Revenues Funds
Revenues:				
Taxes	\$ 558,759	\$ 905,748	\$ -	\$ 1,464,507
Investment earnings	1,608	16,745	-	18,353
Total revenues	<u>560,367</u>	<u>922,493</u>	<u>-</u>	<u>1,482,860</u>
Expenditures:				
Debt service:				
Principal retirement	472,890	297,276	-	770,166
Interest expense	<u>91,018</u>	<u>52,740</u>	<u>-</u>	<u>143,758</u>
Total expenditures	<u>563,908</u>	<u>350,016</u>	<u>-</u>	<u>913,924</u>
Excess (deficiency) of revenues over (under) expenditures	(3,541)	572,477	-	568,936
Other Financing Sources (Uses):				
Transfers out	<u>-</u>	<u>(119,457)</u>	<u>-</u>	<u>(119,457)</u>
Net change in fund balances	(3,541)	453,020	-	449,479
Fund Balances:				
Beginning of year	106,167	2,242,813	350,017	2,698,997
End of year	<u>\$ 102,626</u>	<u>\$ 2,695,833</u>	<u>\$ 350,017</u>	<u>\$ 3,148,476</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 74,000	\$ 74,000	\$ 106,167	\$ 32,167
Taxes	533,421	533,421	558,759	25,338
Investment earnings	<u>1,600</u>	<u>1,600</u>	<u>1,608</u>	<u>8</u>
Total resources	<u>\$ 609,021</u>	<u>\$ 609,021</u>	<u>\$ 666,534</u>	<u>\$ 57,513</u>
Requirements:				
Debt service	\$ 563,908	\$ 563,908	\$ 563,908	\$ -
Ending fund balance	<u>45,113</u>	<u>45,113</u>	<u>102,626</u>	<u>(57,513)</u>
Total requirements	<u>\$ 609,021</u>	<u>\$ 609,021</u>	<u>\$ 666,534</u>	<u>\$ (57,513)</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 2,089,327	\$ 2,089,327	\$ 2,242,813	\$ 153,486
Taxes	898,301	898,301	905,748	7,447
Investment earnings	<u>18,000</u>	<u>18,000</u>	<u>16,745</u>	<u>(1,255)</u>
Total resources	<u>\$ 3,005,628</u>	<u>\$ 3,005,628</u>	<u>\$ 3,165,306</u>	<u>\$ 159,678</u>
Requirements:				
Debt service	\$ 550,017	\$ 550,017	\$ 350,016	\$ 200,001
Transfers out	<u>2,100,000</u>	<u>2,100,000</u>	<u>119,457</u>	<u>1,980,543</u>
Total expenditures	2,650,017	2,650,017	469,473	2,180,544
Ending fund balance	<u>355,611</u>	<u>355,611</u>	<u>2,695,833</u>	<u>(2,340,222)</u>
Total requirements	<u>\$ 3,005,628</u>	<u>\$ 3,005,628</u>	<u>\$ 3,165,306</u>	<u>\$ (159,678)</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, 2022

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



NONMAJOR CAPITAL PROJECTS FUND

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

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

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

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

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

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

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

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

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

CITY OF WARRENTON

Nonmajor Capital Projects Fund

Combining Balance Sheet

June 30, 2022

	<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>
ASSETS				
Cash and cash equivalents	<u>\$ 214,135</u>	<u>\$ 6,812</u>	<u>\$ 112,903</u>	<u>\$ 1,216,418</u>
Total assets	<u><u>\$ 214,135</u></u>	<u><u>\$ 6,812</u></u>	<u><u>\$ 112,903</u></u>	<u><u>\$ 1,216,418</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	<u>\$ 2,244</u>	<u>\$ -</u>	<u>\$ 4,743</u>	<u>\$ -</u>
Fund Balances:				
Restricted for:				
Urban renewal	-	-	-	-
improvements				
System development	211,891	-	-	1,216,418
Assigned to:				
Capital projects	<u>-</u>	<u>6,812</u>	<u>108,160</u>	<u>-</u>
Total fund balances	<u>211,891</u>	<u>6,812</u>	<u>108,160</u>	<u>1,216,418</u>
Total liabilities and fund balances	<u><u>\$ 214,135</u></u>	<u><u>\$ 6,812</u></u>	<u><u>\$ 112,903</u></u>	<u><u>\$ 1,216,418</u></u>

Police Vehicle Replacement (070)	Fire Apparatus Replacement (071)	Tansy Point Dock Capital Reserve (072)	Warrenton Urban Renewal Agency Capital Projects (200)	Total Nonmajor Capital Projects Fund
<u>\$ 95,459</u>	<u>\$ 159,065</u>	<u>\$ 213,722</u>	<u>\$ 14,084</u>	<u>\$ 2,032,598</u>
<u>\$ 95,459</u>	<u>\$ 159,065</u>	<u>\$ 213,722</u>	<u>\$ 14,084</u>	<u>\$ 2,032,598</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,073</u>	<u>\$ 12,060</u>
-	-	-	9,011	9,011
-	-	-	-	1,428,309
<u>95,459</u>	<u>159,065</u>	<u>213,722</u>	<u>-</u>	<u>583,218</u>
<u>95,459</u>	<u>159,065</u>	<u>213,722</u>	<u>9,011</u>	<u>2,020,538</u>
<u>\$ 95,459</u>	<u>\$ 159,065</u>	<u>\$ 213,722</u>	<u>\$ 14,084</u>	<u>\$ 2,032,598</u>

CITY OF WARRENTON

Nonmajor Capital Projects Fund

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

For the Year Ended June 30, 2022

	Parks System Development Charges (003)	Community Center Capital Reserve (004)	Facilities Maintenance (035)	Streets System Development Charges (041)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings	1,059	-	517	6,208
Other revenue	-	-	-	-
Total revenues	<u>1,059</u>	<u>-</u>	<u>517</u>	<u>6,208</u>
Expenditures:				
Current:				
General government	-	-	28,995	-
Library and culture	-	3,291	-	-
Capital outlay	<u>2,244</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,244</u>	<u>3,291</u>	<u>28,995</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(1,185)	(3,291)	(28,478)	6,208
Other Financing Sources (Uses):				
Transfers in	-	1,000	50,000	-
Capital contributions	<u>32,643</u>	<u>1,516</u>	<u>-</u>	<u>137,523</u>
Net change in fund balances	31,458	(775)	21,522	143,731
Fund Balances:				
Beginning of year	<u>180,433</u>	<u>7,587</u>	<u>86,638</u>	<u>1,072,687</u>
End of year	<u>\$ 211,891</u>	<u>\$ 6,812</u>	<u>\$ 108,160</u>	<u>\$ 1,216,418</u>

Police Vehicle Replacement (070)	Fire Apparatus Replacement (071)	Tansy Point Dock Capital Reserve (072)	Warrenton Urban Renewal Agency Capital Projects (200)	Total Nonmajor Capital Projects Fund
\$ -	\$ 160,952	\$ -	\$ -	\$ 160,952
458	735	1,136	23	10,136
-	25,509	-	225	25,734
<u>458</u>	<u>187,196</u>	<u>1,136</u>	<u>248</u>	<u>196,822</u>
-	-	-	26,263	55,258
-	-	-	-	3,291
<u>52,417</u>	<u>186,986</u>	<u>-</u>	<u>97,606</u>	<u>339,253</u>
<u>52,417</u>	<u>186,986</u>	<u>-</u>	<u>123,869</u>	<u>397,802</u>
(51,959)	210	1,136	(123,621)	(200,980)
80,000	30,000	20,778	119,457	301,235
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,682</u>
28,041	30,210	21,914	(4,164)	271,937
<u>67,418</u>	<u>128,855</u>	<u>191,808</u>	<u>13,175</u>	<u>1,748,601</u>
<u>\$ 95,459</u>	<u>\$ 159,065</u>	<u>\$ 213,722</u>	<u>\$ 9,011</u>	<u>\$ 2,020,538</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 178,187	\$ 178,187	\$ 180,433	\$ 2,246
Investment earnings	1,100	1,100	1,059	(41)
Capital contributions	<u>12,000</u>	<u>12,000</u>	<u>32,643</u>	<u>20,643</u>
Total resources	<u>\$ 191,287</u>	<u>\$ 191,287</u>	<u>\$ 214,135</u>	<u>\$ 22,848</u>
Requirements:				
Capital outlay	\$ 40,000	\$ 40,000	\$ 2,244	\$ 37,756
Ending fund balance	<u>\$ 151,287</u>	<u>\$ 151,287</u>	<u>\$ 211,891</u>	<u>\$ (60,604)</u>
Total requirements	<u>\$ 191,287</u>	<u>\$ 191,287</u>	<u>\$ 214,135</u>	<u>\$ (22,848)</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources				
Beginning fund balance	\$ 7,587	\$ 7,587	\$ 7,587	\$ -
Capital contributions	-	-	1,516	1,516
Transfers in	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total resources	<u>\$ 8,587</u>	<u>\$ 8,587</u>	<u>\$ 10,103</u>	<u>\$ 1,516</u>
Requirements:				
Community Center:				
Materials and services	\$ 8,587	\$ 8,587	\$ 3,291	\$ 5,296
Ending fund balance	<u>-</u>	<u>-</u>	<u>6,812</u>	<u>(6,812)</u>
Total requirements	<u>\$ 8,587</u>	<u>\$ 8,587</u>	<u>\$ 10,103</u>	<u>\$ (1,516)</u>

CITY OF WARRENTON

Facilities Maintenance Fund

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 75,000	\$ 75,000	\$ 86,638	\$ 11,638
Investment earnings	500	500	517	17
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total resources	<u>\$ 125,500</u>	<u>\$ 125,500</u>	<u>\$ 137,155</u>	<u>\$ 11,655</u>
Requirements:				
Facilities Maintenance:				
Materials and services	\$ 63,670	\$ 63,670	\$ 28,995	\$ 34,675
Contingency	<u>51,830</u>	<u>51,830</u>	<u>-</u>	<u>51,830</u>
Total expenditures	115,500	115,500	28,995	86,505
Ending fund balance	<u>10,000</u>	<u>10,000</u>	<u>108,160</u>	<u>(98,160)</u>
Total requirements	<u>\$ 125,500</u>	<u>\$ 125,500</u>	<u>\$ 137,155</u>	<u>\$ (11,655)</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 1,070,400	\$ 1,070,400	\$ 1,072,687	\$ 2,287
Investment earnings	6,500	6,500	6,208	(292)
Capital contributions	<u>170,000</u>	<u>170,000</u>	<u>137,523</u>	<u>(32,477)</u>
Total resources	<u>\$ 1,246,900</u>	<u>\$ 1,246,900</u>	<u>\$ 1,216,418</u>	<u>\$ (30,482)</u>
Requirements:				
Ending fund balance	<u>\$ 1,246,900</u>	<u>\$ 1,246,900</u>	<u>\$ 1,216,418</u>	<u>\$ 30,482</u>
Total requirements	<u>\$ 1,246,900</u>	<u>\$ 1,246,900</u>	<u>\$ 1,216,418</u>	<u>\$ 30,482</u>

CITY OF WARRENTON

Police Vehicle Replacement Fund

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 67,282	\$ 67,282	\$ 67,418	\$ 136
Investment earnings	-	-	458	458
Transfers in	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Total resources	<u>\$ 147,282</u>	<u>\$ 147,282</u>	<u>\$ 147,876</u>	<u>\$ 594</u>
Requirements:				
Police Department:				
Capital outlay	\$ 118,000	\$ 118,000	\$ 52,417	\$ 65,583
Ending fund balance	<u>29,282</u>	<u>29,282</u>	<u>95,459</u>	<u>(66,177)</u>
Total requirements	<u>\$ 147,282</u>	<u>\$ 147,282</u>	<u>\$ 147,876</u>	<u>\$ (594)</u>

CITY OF WARRENTON

Fire Apparatus Replacement Fund

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 113,500	\$ 113,500	\$ 128,855	\$ 15,355
Intergovernmental	618,450	618,450	160,952	(457,498)
Investment earnings	500	500	735	235
Other revenue	-	-	25,509	25,509
Transfers in	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total resources	<u>\$ 762,450</u>	<u>\$ 762,450</u>	<u>\$ 346,051</u>	<u>\$ (416,399)</u>
Requirements:				
Fire Department:				
Capital outlay	\$ 713,000	\$ 713,000	\$ 186,986	\$ 526,014
Ending fund balance	<u>49,450</u>	<u>49,450</u>	<u>159,065</u>	<u>(109,615)</u>
Total requirements	<u>\$ 762,450</u>	<u>\$ 762,450</u>	<u>\$ 346,051</u>	<u>\$ 416,399</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 191,802	\$ 191,802	\$ 191,808	\$ 6
Investment earnings	1,000	1,000	1,136	136
Transfers in	<u>20,778</u>	<u>20,778</u>	<u>20,778</u>	<u>-</u>
Total resources	<u>\$ 213,580</u>	<u>\$ 213,580</u>	<u>\$ 213,722</u>	<u>\$ 142</u>
Requirements:				
Administration:				
Capital outlay	\$ 213,580	\$ 213,580	\$ -	\$ 213,580
Ending fund balance	<u>-</u>	<u>-</u>	<u>213,722</u>	<u>(213,722)</u>
Total requirements	<u>\$ 213,580</u>	<u>\$ 213,580</u>	<u>\$ 213,722</u>	<u>\$ (142)</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, 2022

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 16,220	\$ 16,220	\$ 13,175	\$ (3,045)
Investment earnings	-	-	23	23
Other revenue	-	-	225	225
Transfers in	1,900,000	1,900,000	119,457	(1,780,543)
Loan proceeds	<u>4,281,812</u>	<u>4,281,812</u>	<u>-</u>	<u>(4,281,812)</u>
Total resources	<u>\$ 6,198,032</u>	<u>\$ 6,198,032</u>	<u>\$ 132,880</u>	<u>\$ (6,065,152)</u>
Requirements:				
Materials and services	\$ 144,000	\$ 144,000	\$ 26,263	\$ 117,737
Capital outlay	<u>6,054,032</u>	<u>6,054,032</u>	<u>97,606</u>	<u>5,956,426</u>
Total expenditures	6,198,032	6,198,032	123,869	6,074,163
Ending fund balance	<u>-</u>	<u>-</u>	<u>9,011</u>	<u>(9,011)</u>
Total requirements	<u>\$ 6,198,032</u>	<u>\$ 6,198,032</u>	<u>\$ 132,880</u>	<u>\$ 6,065,152</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 - 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, 2022

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,637,479	\$ 229,025	\$ 6,314,043	\$ 8,180,547
Accounts receivable	303,236	-	-	303,236
Other receivables	500	1,409	-	1,909
Prepaid expenses	942	-	-	942
Total current assets	<u>1,942,157</u>	<u>230,434</u>	<u>6,314,043</u>	<u>8,486,634</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable assets	472,482	-	-	472,482
Depreciable assets, net	12,580,946	-	-	12,580,946
Total noncurrent assets	<u>13,053,428</u>	<u>-</u>	<u>-</u>	<u>13,053,428</u>
Total assets	<u>14,995,585</u>	<u>230,434</u>	<u>6,314,043</u>	<u>21,540,062</u>
DEFERRED OUTFLOWS OF RESOURCES				
related to pensions	<u>309,486</u>	<u>-</u>	<u>-</u>	<u>309,486</u>
LIABILITIES				
Current liabilities:				
Accounts payable	63,612	-	18,345	81,957
Accrued interest payable	51,826	-	-	51,826
Compensated absences	33,539	-	-	33,539
Loans payable - current	449,731	-	-	449,731
Total current liabilities	<u>598,708</u>	<u>-</u>	<u>18,345</u>	<u>617,053</u>
Noncurrent liabilities:				
Loans payable	3,021,482	-	-	3,021,482
Net pension liability	474,226	-	-	474,226
Total liabilities	<u>4,094,416</u>	<u>-</u>	<u>18,345</u>	<u>4,112,761</u>
DEFERRED INFLOWS OF RESOURCES				
related to pensions	<u>434,380</u>	<u>-</u>	<u>-</u>	<u>434,380</u>
NET POSITION				
Net investment in capital assets	9,582,215	-	-	9,582,215
Restricted for system development	-	230,434	-	230,434
Unrestricted	1,194,060	-	6,295,698	7,489,758
Total net position	<u>\$ 10,776,275</u>	<u>\$ 230,434</u>	<u>\$ 6,295,698</u>	<u>\$ 17,302,407</u>

CITY OF WARRENTON

Water Enterprise

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

For the Year Ended June 30, 2022

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
Operating Revenues:				
Charges for services	\$ 3,926,543	\$ -	\$ -	\$ 3,926,543
Other revenue	<u>14,523</u>	<u>-</u>	<u>-</u>	<u>14,523</u>
Total operating revenues	<u>3,941,066</u>	<u>-</u>	<u>-</u>	<u>3,941,066</u>
Operating Expenses:				
Payroll and payroll benefits	829,632	-	-	829,632
Contracted services	119,129	-	4,994	124,123
Utilities and telephone	114,227	-	-	114,227
Repairs and maintenance	256,458	-	-	256,458
Other operating expenses	254,246	-	-	254,246
Overhead cost allocation	126,846	-	-	126,846
Depreciation	<u>650,788</u>	<u>-</u>	<u>-</u>	<u>650,788</u>
Total operating expenses	<u>2,351,326</u>	<u>-</u>	<u>4,994</u>	<u>2,356,320</u>
Operating income (loss)	<u>1,589,740</u>	<u>-</u>	<u>(4,994)</u>	<u>1,584,746</u>
Nonoperating Revenues (Expenses):				
Investment earnings	40,215	1,025	-	41,240
Interest expense	<u>(98,186)</u>	<u>-</u>	<u>-</u>	<u>(98,186)</u>
Total nonoperating revenues (expenses)	<u>(57,971)</u>	<u>1,025</u>	<u>-</u>	<u>(56,946)</u>
Income (loss) before contributions	1,531,769	1,025	(4,994)	1,527,800
Capital contributions	-	74,598	-	74,598
Capital transfers, net	112,485	-	(112,485)	-
Net transfers within enterprise	<u>(2,750,000)</u>	<u>-</u>	<u>2,750,000</u>	<u>-</u>
Change in net position	(1,105,746)	75,623	2,632,521	1,602,398
Net Position:				
Beginning of year	12,118,433	154,811	3,663,177	15,936,421
Restatement of beginning balance	<u>(236,412)</u>	<u>-</u>	<u>-</u>	<u>(236,412)</u>
End of year	<u>\$ 10,776,275</u>	<u>\$ 230,434</u>	<u>\$ 6,295,698</u>	<u>\$ 17,302,407</u>

CITY OF WARRENTON

Sewer Enterprise

Combining Statement of Net Position

June 30, 2022

	Sewer Operating (030)	System Development (036)	Capital Reserve (038)	Storm Sewer Operating (028)	Storm System Development Charges (051)	Total Sewer Enterprise
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 2,711,391	\$ 174,158	\$ 4,847,435	\$ 1,619,623	\$ 96,574	\$ 9,449,181
Accounts receivable	265,495	-	-	49,854	-	315,349
Other receivables	2,632	-	-	-	-	2,632
Prepaid expenses	771	-	-	91	-	862
Total current assets	<u>2,980,289</u>	<u>174,158</u>	<u>4,847,435</u>	<u>1,669,568</u>	<u>96,574</u>	<u>9,768,024</u>
Noncurrent assets:						
Restricted cash	63,012	-	-	-	-	63,012
Capital assets:						
Nondepreciable assets	145,269	-	-	48,903	-	194,172
Depreciable assets, net	<u>8,355,330</u>	<u>-</u>	<u>-</u>	<u>579,433</u>	<u>-</u>	<u>8,934,763</u>
Total noncurrent assets	<u>8,563,611</u>	<u>-</u>	<u>-</u>	<u>628,336</u>	<u>-</u>	<u>9,191,947</u>
Total assets	<u>11,543,900</u>	<u>174,158</u>	<u>4,847,435</u>	<u>2,297,904</u>	<u>96,574</u>	<u>18,959,971</u>
DEFERRED OUTFLOWS OF RESOURCES						
related to pensions	<u>316,688</u>	<u>-</u>	<u>-</u>	<u>35,780</u>	<u>-</u>	<u>352,468</u>
LIABILITIES						
Current liabilities:						
Accounts payable	64,551	-	46,153	7,870	-	118,574
Accrued interest payable	11,024	-	-	-	-	11,024
Compensated absences	43,070	-	-	4,301	-	47,371
Loans payable - current	<u>142,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,142</u>
Total current liabilities	<u>260,787</u>	<u>-</u>	<u>46,153</u>	<u>12,171</u>	<u>-</u>	<u>319,111</u>
Noncurrent liabilities:						
Loans payable	1,413,868	-	-	-	-	1,413,868
Net pension liability	<u>485,263</u>	<u>-</u>	<u>-</u>	<u>54,828</u>	<u>-</u>	<u>540,091</u>
Total liabilities	<u>2,159,918</u>	<u>-</u>	<u>46,153</u>	<u>66,999</u>	<u>-</u>	<u>2,273,070</u>
DEFERRED INFLOWS OF RESOURCES						
related to pensions	<u>444,491</u>	<u>-</u>	<u>-</u>	<u>50,221</u>	<u>-</u>	<u>494,712</u>
NET POSITION						
Net investment in capital assets	6,944,589	-	-	628,336	-	7,572,925
Restricted for debt service	63,012	-	-	-	-	63,012
Restricted for system development	-	174,158	-	-	96,574	270,732
Unrestricted	<u>2,248,578</u>	<u>-</u>	<u>4,801,282</u>	<u>1,588,128</u>	<u>-</u>	<u>8,637,988</u>
Total net position	<u>\$ 9,256,179</u>	<u>\$ 174,158</u>	<u>\$ 4,801,282</u>	<u>\$ 2,216,464</u>	<u>\$ 96,574</u>	<u>\$16,544,657</u>

CITY OF WARRENTON

Sewer Enterprise

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

For the Year Ended June 30, 2022

	Sewer Operating (030)	System Development (036)	Capital Reserve (038)	Storm Sewer Operating (028)	Storm System Development Charges (051)	Total Sewer Enterprise
Operating Revenues:						
Charges for services	\$ 2,734,115	\$ -	\$ -	\$ 512,237	\$ -	\$ 3,246,352
Other revenue	<u>13,587</u>	<u>-</u>	<u>-</u>	<u>4,784</u>	<u>-</u>	<u>18,371</u>
Total operating revenues	<u>2,747,702</u>	<u>-</u>	<u>-</u>	<u>517,021</u>	<u>-</u>	<u>3,264,723</u>
Operating Expenses:						
Payroll and payroll benefits	755,332	-	-	82,575	-	837,907
Contracted services	155,601	-	-	30,293	-	185,894
Utilities and telephone	153,552	-	-	11,439	-	164,991
Repairs and maintenance	226,759	-	-	54,110	-	280,869
Other operating expenses	223,627	-	-	9,226	-	232,853
Overhead cost allocation	121,319	-	-	9,212	-	130,531
Depreciation	<u>705,035</u>	<u>-</u>	<u>-</u>	<u>50,776</u>	<u>-</u>	<u>755,811</u>
Total operating expenses	<u>2,341,225</u>	<u>-</u>	<u>-</u>	<u>247,631</u>	<u>-</u>	<u>2,588,856</u>
Operating income (loss)	<u>406,477</u>	<u>-</u>	<u>-</u>	<u>269,390</u>	<u>-</u>	<u>675,867</u>
Nonoperating Revenues (Expenses):						
Investment earnings	39,401	755	-	8,406	495	49,057
Interest expense	<u>(38,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,339)</u>
Total nonoperating revenues (expenses)	<u>1,062</u>	<u>755</u>	<u>-</u>	<u>8,406</u>	<u>495</u>	<u>10,718</u>
Income (loss) before contributions	407,539	755	-	277,796	495	686,585
Capital contributions	-	60,509	-	-	12,110	72,619
Capital transfers, net	172,844	-	(172,844)	-	-	-
Net transfers within enterprise	<u>(1,000,000)</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(419,617)	61,264	827,156	277,796	12,605	759,204
Net Position:						
Beginning of year	9,760,197	112,894	3,974,126	1,942,404	83,969	15,873,590
Restatement of beginning balancer	<u>(84,401)</u>	<u>-</u>	<u>-</u>	<u>(3,736)</u>	<u>-</u>	<u>(88,137)</u>
End of year	<u>\$ 9,256,179</u>	<u>\$ 174,158</u>	<u>\$ 4,801,282</u>	<u>\$ 2,216,464</u>	<u>\$ 96,574</u>	<u>\$16,544,657</u>

CITY OF WARRENTON
Sanitation Enterprise
Combining Statement of Net Position
June 30, 2022

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 466,967	\$ 289,394	\$ 756,361
Accounts receivable	121,765	-	121,765
Prepaid expenses	407	-	407
Total current assets	<u>589,139</u>	<u>289,394</u>	<u>878,533</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable assets	29,669	-	29,669
Depreciable assets, net	<u>470,196</u>	<u>-</u>	<u>470,196</u>
Total noncurrent assets	<u>499,865</u>	<u>-</u>	<u>499,865</u>
Total assets	<u>1,089,004</u>	<u>289,394</u>	<u>1,378,398</u>
DEFERRED OUTFLOWS OF RESOURCES			
related to pensions	<u>99,445</u>	<u>-</u>	<u>99,445</u>
LIABILITIES			
Current liabilities:			
Accounts payable	84,172	-	84,172
Compensated absences	6,207	-	6,207
Landfill postclosure care - current	<u>11,650</u>	<u>-</u>	<u>11,650</u>
Total current liabilities	102,029	-	102,029
Noncurrent liabilities:			
Landfill postclosure care liability	299,171	-	299,171
Net pension liability	<u>152,379</u>	<u>-</u>	<u>152,379</u>
Total liabilities	<u>553,579</u>	<u>-</u>	<u>553,579</u>
DEFERRED INFLOWS OF RESOURCES			
related to pensions	<u>139,575</u>	<u>-</u>	<u>139,575</u>
NET POSITION			
Net investment in capital assets	499,865	-	499,865
Unrestricted	<u>(4,570)</u>	<u>289,394</u>	<u>284,824</u>
Total net position	<u>\$ 495,295</u>	<u>\$ 289,394</u>	<u>\$ 784,689</u>

CITY OF WARRENTON

Sanitation Enterprise

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

For the Year Ended June 30, 2022

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
Operating Revenues:			
Charges for services	\$ 1,247,017	\$ -	\$ 1,247,017
Other revenue	<u>2,379</u>	<u>-</u>	<u>2,379</u>
Total operating revenues	<u>1,249,396</u>	<u>-</u>	<u>1,249,396</u>
Operating Expenses:			
Payroll and payroll benefits	229,973	-	229,973
Contracted services	746,830	-	746,830
Utilities and telephone	5,826	-	5,826
Repairs and maintenance	30,660	-	30,660
Other operating expenses	101,545	-	101,545
Overhead cost allocation	35,149	-	35,149
Depreciation	<u>100,455</u>	<u>-</u>	<u>100,455</u>
Total operating expenses	<u>1,250,438</u>	<u>-</u>	<u>1,250,438</u>
Operating income (loss)	<u>(1,042)</u>	<u>-</u>	<u>(1,042)</u>
Nonoperating Revenues (Expenses):			
Investment earnings	<u>3,271</u>	<u>-</u>	<u>3,271</u>
Total nonoperating revenues (expenses)	<u>3,271</u>	<u>-</u>	<u>3,271</u>
Income (loss) before contributions	2,229	-	2,229
Capital transfers, net	96	(96)	-
Net transfers within enterprise	<u>(35,000)</u>	<u>35,000</u>	<u>-</u>
Change in net position	(32,675)	34,904	2,229
Net Position:			
Beginning of year	549,531	254,490	804,021
Restatement of beginning balancer	<u>(21,561)</u>	<u>-</u>	<u>(21,561)</u>
End of year	<u>\$ 495,295</u>	<u>\$ 289,394</u>	<u>\$ 784,689</u>

CITY OF WARRENTON
Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2022

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 338,287	\$ 463,868	\$ 216,907	\$ 663,033	\$ 1,682,095
Accounts receivable	19,536	-	3,630	-	23,166
Intergovernmental receivables	-	-	-	79,600	79,600
Lease Receivable, Current	30,000	-	16,451	-	46,451
Total current assets	<u>387,823</u>	<u>463,868</u>	<u>236,988</u>	<u>742,633</u>	<u>1,831,312</u>
Noncurrent assets:					
Lease Receivable	125,538	-	-	-	125,538
Capital assets:					
Nondepreciable assets	97,703	-	166,608	-	264,311
Depreciable assets, net	<u>157,266</u>	<u>-</u>	<u>1,963,911</u>	<u>-</u>	<u>2,121,177</u>
Total noncurrent assets	<u>380,507</u>	<u>-</u>	<u>2,130,519</u>	<u>-</u>	<u>2,511,026</u>
Total assets	<u>768,330</u>	<u>463,868</u>	<u>2,367,507</u>	<u>742,633</u>	<u>4,342,338</u>
DEFERRED OUTFLOWS OF RESOURCES					
related to pensions	<u>114,547</u>	<u>-</u>	<u>64,128</u>	<u>-</u>	<u>178,675</u>
LIABILITIES					
Current liabilities:					
Accounts payable	11,554	611	10,318	-	22,483
Compensated absences	22,709	-	12,850	-	35,559
Unearned revenue	<u>23,836</u>	<u>-</u>	<u>4,007</u>	<u>-</u>	<u>27,843</u>
Total current liabilities	58,099	611	27,175	-	85,885
Noncurrent liabilities:					
Net pension liability	<u>175,521</u>	<u>-</u>	<u>98,263</u>	<u>-</u>	<u>273,784</u>
Total liabilities	<u>233,620</u>	<u>611</u>	<u>125,438</u>	<u>-</u>	<u>359,669</u>
DEFERRED INFLOWS OF RESOURCES					
related to pensions	160,773	-	90,007	-	250,780
Deferred Inflows -Leases					
Receivable	<u>151,353</u>	<u>-</u>	<u>14,193</u>	<u>-</u>	<u>165,546</u>
Total deferred Inflows of resources	<u>312,126</u>	<u>-</u>	<u>104,200</u>	<u>-</u>	<u>416,326</u>
NET POSITION					
Net investment in capital assets	254,969	-	2,130,519	-	2,385,488
Unrestricted	<u>82,162</u>	<u>463,257</u>	<u>71,478</u>	<u>742,633</u>	<u>1,359,530</u>
Total net position	<u>\$ 337,131</u>	<u>\$ 463,257</u>	<u>\$ 2,201,997</u>	<u>\$ 742,633</u>	<u>\$ 3,745,018</u>

CITY OF WARRENTON

Nonmajor Enterprise Funds

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

For the Year Ended June 30, 2022

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
Operating Revenues:					
Charges for services	\$ 681,185	\$ -	\$ 402,197	\$ -	\$ 1,083,382
Lease receipts	30,913	-	13,908	-	44,821
Other revenue	8,033	-	3,398	-	11,431
Total operating revenues	<u>720,131</u>	<u>-</u>	<u>419,503</u>	<u>-</u>	<u>1,139,634</u>
Operating Expenses:					
Payroll and payroll benefits	366,579	-	183,719	-	550,298
Contracted services	6,067	-	7,971	-	14,038
Utilities and telephone	83,759	-	38,967	-	122,726
Repairs and maintenance	52,381	-	48,041	-	100,422
Other operating expenses	33,181	-	27,762	-	60,943
Overhead cost allocation	31,794	-	17,763	-	49,557
Depreciation	23,911	-	55,288	-	79,199
Total operating expenses	<u>597,672</u>	<u>-</u>	<u>379,511</u>	<u>-</u>	<u>977,183</u>
Operating income (loss)	<u>122,459</u>	<u>-</u>	<u>39,992</u>	<u>-</u>	<u>162,451</u>
Nonoperating Revenues (Expenses):					
Investment earnings	10,102	-	6,690	-	16,792
Taxes	-	-	-	229,977	229,977
Intergovernmental	-	-	-	57,986	57,986
Total nonoperating revenues (expenses)	<u>10,102</u>	<u>-</u>	<u>6,690</u>	<u>287,963</u>	<u>304,755</u>
Income (loss) before contributions	132,561	-	46,682	287,963	467,206
Capital transfers, net	38,918	(38,918)	316,188	(316,188)	-
Net transfers within enterprise	<u>(100,000)</u>	<u>100,000</u>	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
Change in net position	71,479	61,082	262,870	71,775	467,206
Net Position:					
Beginning of year	262,416	402,175	1,936,869	670,858	3,272,318
Restatement of beginning balance	3,236	-	2,258	-	5,494
End of year	<u>\$ 337,131</u>	<u>\$ 463,257</u>	<u>\$ 2,201,997</u>	<u>\$ 742,633</u>	<u>\$ 3,745,018</u>

CITY OF WARRENTON

Water Operating Fund

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 2,900,000	\$ 2,900,000	\$ 3,336,675	\$ 436,675
Charges for services	3,955,947	3,955,947	3,926,543	(29,404)
Investment earnings	35,000	35,000	40,215	5,215
Other revenue	1,500	1,500	14,523	13,023
Loan proceeds	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>(2,500,000)</u>
Total resources	<u>\$ 9,392,447</u>	<u>\$ 9,392,447</u>	<u>\$ 7,317,956</u>	<u>\$ (2,074,491)</u>
Requirements:				
Public Works:				
Personal services	\$ 1,129,276	\$ 1,129,276	\$ 896,270	\$ 233,006
Materials and services	<u>1,360,601</u>	<u>1,360,601</u>	<u>1,107,318</u>	<u>253,283</u>
Total department expenditures	2,489,877	2,489,877	2,003,588	486,289
Debt service	685,825	685,825	685,823	2
Contingency	500,000	500,000	-	500,000
Transfers out	<u>5,250,000</u>	<u>5,250,000</u>	<u>2,750,000</u>	<u>2,500,000</u>
Total expenditures	8,925,702	8,925,702	5,439,411	3,486,291
Ending fund balance	<u>466,745</u>	<u>466,745</u>	<u>1,878,545</u>	<u>(1,411,800)</u>
Total requirements	<u>\$ 9,392,447</u>	<u>\$ 9,392,447</u>	<u>\$ 7,317,956</u>	<u>\$ 2,074,491</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 1,878,545	
Capital assets			13,053,428	
Deferred outflows of resources related to pensions			309,486	
Accrued interest payable			(51,826)	
Compensated absences			(33,539)	
Net pension liability			(474,226)	
Loans payable			(3,471,213)	
Deferred inflow of resources related to pensions			<u>(434,380)</u>	
Ending net position - GAAP basis			<u>\$ 10,776,275</u>	

CITY OF WARRENTON

Water System Development

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 128,140	\$ 128,140	\$ 154,811	\$ 26,671
Investment earnings	800	800	1,025	225
Capital contributions	<u>104,000</u>	<u>104,000</u>	<u>74,598</u>	<u>(29,402)</u>
Total resources	<u>\$ 232,940</u>	<u>\$ 232,940</u>	<u>\$ 230,434</u>	<u>\$ (2,506)</u>
Requirements:				
Ending fund balance	<u>232,940</u>	<u>232,940</u>	<u>230,434</u>	<u>2,506</u>
Total requirements	<u>\$ 232,940</u>	<u>\$ 232,940</u>	<u>\$ 230,434</u>	<u>\$ 2,506</u>

CITY OF WARRENTON

Water Capital Reserve Fund

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 2,900,000	\$ 2,900,000	\$ 3,663,177	\$ 763,177
Transfers in	<u>5,250,000</u>	<u>5,250,000</u>	<u>2,750,000</u>	<u>(2,500,000)</u>
Total resources	<u>\$ 8,150,000</u>	<u>\$ 8,150,000</u>	<u>\$ 6,413,177</u>	<u>\$ (1,736,823)</u>
Requirements:				
Public Works:				
Capital outlay	\$ 4,128,600	\$ 4,128,600	\$ 117,478	\$ 4,011,122
Ending fund balance	<u>4,021,400</u>	<u>4,021,400</u>	<u>6,295,699</u>	<u>(2,274,299)</u>
Total requirements	<u>\$ 8,150,000</u>	<u>\$ 8,150,000</u>	<u>\$ 6,413,177</u>	<u>\$ 1,736,823</u>

CITY OF WARRENTON

Sewer Operating Fund

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 3,000,000	\$ 3,000,000	\$ 3,110,781	\$ 110,781
Charges for services	2,713,900	2,713,900	2,734,115	20,215
Investment earnings	40,000	40,000	39,401	(599)
Other revenue	-	-	13,587	13,587
Total resources	<u>\$ 5,753,900</u>	<u>\$ 5,753,900</u>	<u>\$ 5,897,884</u>	<u>\$ 143,984</u>
Requirements:				
Public Works::				
Personal services	\$ 1,080,463	\$ 1,080,463	\$ 776,049	\$ 304,414
Materials and services	<u>2,650,517</u>	<u>2,650,517</u>	<u>965,259</u>	<u>1,685,258</u>
Total department expenditures	3,730,980	3,730,980	1,741,308	1,989,672
Debt service	177,826	177,826	177,826	-
Contingency	530,103	530,103	-	530,103
Transfers out	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total expenditures	5,438,909	5,438,909	2,919,134	2,519,775
Ending fund balance	<u>314,991</u>	<u>314,991</u>	<u>2,978,750</u>	<u>(2,663,759)</u>
Total requirements	<u>\$ 5,753,900</u>	<u>\$ 5,753,900</u>	<u>\$ 5,897,884</u>	<u>\$ (143,984)</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 2,978,750	
Capital Assets			8,500,599	
Deferred outflows of resources related to pensions			316,688	
Accrued interest payable			(11,024)	
Compensated absences			(43,070)	
Net pension liability			(485,263)	
Loans payable			(1,556,010)	
Deferred inflow of resources related to pensions			<u>(444,491)</u>	
Ending net position - GAAP basis			<u>\$ 9,256,179</u>	

CITY OF WARRENTON

Sewer System Development

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 108,000	\$ 108,000	\$ 112,894	\$ 4,894
Investment earnings	650	650	755	105
Capital contributions	<u>60,000</u>	<u>60,000</u>	<u>60,509</u>	<u>509</u>
Total resources	<u>\$ 168,650</u>	<u>\$ 168,650</u>	<u>\$ 174,158</u>	<u>\$ 5,508</u>
Requirements:				
Ending fund balance	<u>\$ 168,650</u>	<u>\$ 168,650</u>	<u>\$ 174,158</u>	<u>\$ (5,508)</u>
Total requirements	<u>\$ 168,650</u>	<u>\$ 168,650</u>	<u>\$ 174,158</u>	<u>\$ (5,508)</u>

CITY OF WARRENTON

Sewer Capital Reserve Fund

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 3,600,000	\$ 3,600,000	\$ 3,974,126	\$ 374,126
Transfers in	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total resources	<u>\$ 4,600,000</u>	<u>\$ 4,600,000</u>	<u>\$ 4,974,126</u>	<u>\$ 374,126</u>
Requirements:				
Public Works:				
Capital outlay	\$ 555,650	\$ 555,650	\$ 172,844	\$ 382,806
Ending fund balance	<u>4,044,350</u>	<u>4,044,350</u>	<u>4,801,283</u>	<u>(756,933)</u>
Total requirements	<u>\$ 4,600,000</u>	<u>\$ 4,600,000</u>	<u>\$ 4,974,127</u>	<u>\$ (374,127)</u>

CITY OF WARRENTON

Storm Sewer Operating Fund

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 1,300,000	\$ 1,300,000	\$ 1,473,868	\$ 173,868
Charges for services	489,220	489,220	512,237	23,017
Investment earnings	6,000	6,000	8,406	2,406
Other revenue	-	-	4,785	4,785
Total resources	<u>\$ 1,795,220</u>	<u>\$ 1,795,220</u>	<u>\$ 1,999,296</u>	<u>\$ 204,076</u>
Requirements:				
Storm Sewer Department:				
Personal services	\$ 84,605	\$ 84,605	\$ 67,592	\$ 17,013
Materials and services	296,166	296,166	113,744	182,422
Capital outlay	<u>801,450</u>	<u>801,450</u>	<u>156,262</u>	<u>645,188</u>
Total department expenditures	1,182,221	1,182,221	337,598	844,623
Contingency	<u>90,000</u>	<u>90,000</u>	-	90,000
Total expenditures	1,272,221	1,272,221	337,598	934,623
Ending fund balance	<u>522,999</u>	<u>522,999</u>	<u>1,661,698</u>	<u>(1,138,699)</u>
Total requirements	<u>\$ 1,795,220</u>	<u>\$ 1,795,220</u>	<u>\$ 1,999,296</u>	<u>\$ (204,076)</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 1,661,698	
Capital Assets			628,336	
Deferred outflows of resources related to pensions			35,780	
Compensated absences			(4,301)	
Net pension liability			(54,828)	
Deferred inflow of resources related to pensions			<u>(50,221)</u>	
Ending net position - GAAP basis			<u>\$ 2,216,464</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 82,000	\$ 82,000	\$ 83,969	\$ 1,969
Investment earnings	500	500	495	(5)
Capital contributions	<u>25,000</u>	<u>25,000</u>	<u>12,110</u>	<u>(12,890)</u>
Total resources	<u>\$ 107,500</u>	<u>\$ 107,500</u>	<u>\$ 96,574</u>	<u>\$ (10,926)</u>
Requirements:				
Ending fund balance	<u>\$ 107,500</u>	<u>\$ 107,500</u>	<u>\$ 96,574</u>	<u>\$ 10,926</u>
Total requirements	<u>\$ 107,500</u>	<u>\$ 107,500</u>	<u>\$ 96,574</u>	<u>\$ 10,926</u>

CITY OF WARRENTON

Sanitation Operating Fund

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 425,000	\$ 425,000	\$ 450,351	\$ 25,351
Charges for services	1,161,092	1,161,092	1,247,017	85,925
Investment earnings	4,000	4,000	3,271	(729)
Other revenue	-	-	2,379	2,379
Total resources	<u>\$ 1,590,092</u>	<u>\$ 1,590,092</u>	<u>\$ 1,703,018</u>	<u>\$ 112,926</u>
Requirements:				
Public works:				
Personal services	\$ 317,761	\$ 317,761	\$ 254,528	\$ 63,233
Materials and services	<u>978,718</u>	<u>978,718</u>	<u>908,524</u>	<u>70,194</u>
Total department expenditures	1,296,479	1,296,479	1,163,052	133,427
Contingency	67,800	67,800	-	67,800
Transfers out	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Total expenditures	1,399,279	1,399,279	1,198,052	201,227
Ending fund balance	<u>190,813</u>	<u>190,813</u>	<u>504,966</u>	<u>(314,153)</u>
Total requirements	<u>\$ 1,590,092</u>	<u>\$ 1,590,092</u>	<u>\$ 1,703,018</u>	<u>\$ (112,926)</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 504,966	
Capital Assets			499,865	
Deferred outflows of resources related to pensions			99,445	
Compensated absences			(6,207)	
Net pension liability			(152,379)	
Landfill postclosure care liability			(310,820)	
Deferred inflow of resources related to pensions			<u>(139,575)</u>	
Ending net position - GAAP basis			<u>\$ 495,295</u>	

CITY OF WARRENTON

Sanitation Capital Reserve Fund

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 240,000	\$ 240,000	\$ 254,490	\$ 14,490
Transfers in	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Total resources	<u>\$ 275,000</u>	<u>\$ 275,000</u>	<u>\$ 289,490</u>	<u>\$ 14,490</u>
Requirements:				
Public Works:				
Capital outlay	\$ 34,950	\$ 34,950	\$ 96	\$ 34,854
Ending fund balance	<u>240,050</u>	<u>240,050</u>	<u>289,394</u>	<u>(49,344)</u>
Total requirements	<u>\$ 275,000</u>	<u>\$ 275,000</u>	<u>\$ 289,490</u>	<u>\$ (14,490)</u>

CITY OF WARRENTON

Warrenton Marina Fund

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 265,000	\$ 265,000	\$ 266,345	\$ 1,345
Charges for services	596,500	596,500	682,439	85,939
Lease receipts	29,538	29,538	29,965	427
Investment earnings	5,000	5,000	10,102	5,102
Other revenue	3,500	3,500	8,034	4,534
Total resources	<u>\$ 899,538</u>	<u>\$ 899,538</u>	<u>\$ 996,885</u>	<u>\$ 97,347</u>
Requirements:				
Marinas:				
Personal services	\$ 413,405	\$ 413,405	\$ 365,781	\$ 47,624
Materials and services	228,239	228,239	207,182	21,057
Total department expenditures	641,644	641,644	572,963	68,681
Contingency	110,000	110,000	-	110,000
Transfers out	100,000	100,000	100,000	-
Total expenditures	851,644	851,644	672,963	178,681
Ending fund balance	47,894	47,894	323,922	(276,028)
Total requirements	<u>\$ 899,538</u>	<u>\$ 899,538</u>	<u>\$ 996,885</u>	<u>\$ (97,347)</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 323,922	
Allowance for doubtful accounts			(1,489)	
Capital Assets			254,969	
Deferred outflows of resources related to pensions			114,547	
Leases receivable			155,538	
Compensated absences			(22,709)	
Net pension liability			(175,521)	
Deferred inflow of resources related to leases			(151,353)	
Deferred inflow of resources related to pensions			(160,773)	
Ending net position - GAAP basis			<u>\$ 337,131</u>	

CITY OF WARRENTON

Warrenton Marina Capital Reserve Fund

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 402,175	\$ 402,175	\$ 402,175	\$ -
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total resources	<u>\$ 502,175</u>	<u>\$ 502,175</u>	<u>\$ 502,175</u>	<u>\$ -</u>
Requirements:				
Capital outlay	\$ 385,000	\$ 385,000	\$ 38,918	\$ 346,082
Ending fund balance	<u>117,175</u>	<u>117,175</u>	<u>463,257</u>	<u>(346,082)</u>
Total requirements	<u>\$ 502,175</u>	<u>\$ 502,175</u>	<u>\$ 502,175</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, 2022

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 250,000	\$ 250,000	\$ 239,353	\$ (10,647)
Charges for services	326,000	326,000	402,197	76,197
Lease receipts	13,548	13,548	13,908	360
Investment earnings	9,000	9,000	6,690	(2,310)
Other revenue	3,000	3,000	3,398	398
Total resources	<u>\$ 601,548</u>	<u>\$ 601,548</u>	<u>\$ 665,546</u>	<u>\$ 63,998</u>

Resources:				
Marinas:				
Personal services	\$ 240,570	\$ 240,570	\$ 218,830	\$ 21,740
Materials and services	<u>143,082</u>	<u>143,082</u>	<u>140,505</u>	<u>2,577</u>
Total department expenditures	383,652	383,652	359,335	24,317
Contingency	80,000	80,000	-	80,000
Transfers out	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	563,652	563,652	459,335	104,317
Ending fund balance	<u>37,896</u>	<u>37,896</u>	<u>206,211</u>	<u>(168,315)</u>
Total requirements	<u>\$ 601,548</u>	<u>\$ 601,548</u>	<u>\$ 665,546</u>	<u>\$ (63,998)</u>

Reconciliation to GAAP Basis:

Ending fund balance - budget basis	\$ 206,211
Depreciable assets, net	2,130,520
Deferred outflows of resources related to pensions	64,128
Leases Receivable	16,451
Compensated absences	(12,850)
Net pension liability	(98,263)
Deferred Inflows -Leases Receivable	(14,193)
Deferred inflow of resources related to pensions	<u>(90,007)</u>
Ending net position - GAAP basis	<u>\$ 2,201,997</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 650,000	\$ 650,000	\$ 670,858	\$ 20,858
Taxes	150,000	150,000	229,977	79,977
Intergovernmental	40,000	40,000	57,986	17,986
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total resources	<u>\$ 940,000</u>	<u>\$ 940,000</u>	<u>\$ 1,058,821</u>	<u>\$ 118,821</u>
Requirements:				
Marinas:				
Capital outlay	\$ 398,000	\$ 398,000	\$ 316,188	\$ 81,812
Ending fund balance	<u>542,000</u>	<u>542,000</u>	<u>742,633</u>	<u>(200,633)</u>
Total requirements	<u>\$ 940,000</u>	<u>\$ 940,000</u>	<u>\$ 1,058,821</u>	<u>\$ (118,821)</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 5,406	\$ 5,406	\$ 5,503	\$ 97
Charges for services	<u>127,428</u>	<u>127,428</u>	<u>88,883</u>	<u>(38,545)</u>
Total resources	<u>\$ 132,834</u>	<u>\$ 132,834</u>	<u>\$ 94,386</u>	<u>\$ (38,448)</u>
Requirements:				
Engineering Department:				
Personal services	\$ 125,634	\$ 125,634	\$ 89,411	\$ 36,223
Materials and services	<u>7,200</u>	<u>7,200</u>	<u>708</u>	<u>6,492</u>
Total department expenditures	132,834	132,834	90,119	42,715
Ending fund balance	<u>-</u>	<u>-</u>	<u>4,267</u>	<u>(4,267)</u>
Total requirements	<u>\$ 132,834</u>	<u>\$ 132,834</u>	<u>\$ 94,386</u>	<u>\$ 38,448</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 4,267	
Deferred outflows of resources			1,859	
Compensated absences			(2,599)	
Net pension liability			(2,848)	
Deferred inflow of resources			<u>(2,609)</u>	
Ending net position - GAAP basis			<u>\$ (1,930)</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, 2022, and have issued our report thereon dated February 14, 2023. 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, flowing style.

Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

February 14, 2023