WARREN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2006

BERRY & ASSOCIATES, P.C.

Certified Public Accountants

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WARREN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
JUNE 30, 2006

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INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and members of the
Warren County Board of Commissioners
Warren County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, aggregate discretely presented component units, and the aggregate remaining fund information of Warren County, Georgia, as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Warren County, Georgia's nonmajor governmental funds presented in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of Warren County, Georgia's management. Our responsibility is to express an opinions on these financial statements based on our audit. We did not audit the financial statements of the Warren County Health Department discretely presented component unit which represent four percent (4%) of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Georgia, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Warren County, Georgia, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for all of the nonmajor special revenue and capital project funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2006, on our consideration of Warren County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis and the schedules of funding progress for the Retirement System on pages 7 through 16 and pages 53 and 54, are not required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Warren County, Georgia's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Warren County, Georgia. The schedule of expenditures of federal awards have been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Berry & Associates P.C.

December 7, 2006

WARREN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006

As Management of Warren County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the County for the fiscal year ended June 30, 2006. This discussion and analysis does include comparative data for prior years, as this information is now available subsequent to the implementation of Governmental Accounting Standards Board (GASB) Statement Number 34.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities by $63,371,821 (net assets) for the year ended June 30, 2006.

- Total net assets are comprised of the following:
  (1) Capital assets, net of related debt, of $59,155,368 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net assets of $2,507,051 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws or regulations.
  (3) Unrestricted net assets of $1,709,402 represent the portion available to maintain the County's continuing obligations to citizens and creditors.

- The County's governmental funds reported total ending fund balances of $4,044,721 this year. This compares to the prior year fund balance of $3,942,473 showing an increase of $102,248 during the current year. Unreserved fund balance of $4,014,846 at June 30, 2006 shows a $101,727 increase over the prior year.

- At the end of the current calendar year, unreserved fund balance for the General Fund was $1,631,110 or 50.9% of total General Fund expenditures.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

For many years, the primary focus of local government financial statements has been summarized by fund type information presented on a current financial resources basis. Governmental Accounting Standards Board Statement 34 (GASB 34) has modified this presentation by presenting two kinds of statements, each with a different picture of the County's financial operation. These statements focus on the County as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the County's overall financial health. The fund financial statements, which have been included in the past, focus on the individual components of County government and report the County's operations in greater detail than the government-wide presentations.

Government-wide financial statements. These statements present financial information about the County as a whole. When evaluating the County's overall financial health it is appropriate to present information to determine "Is the County as a whole better or worse off as a result of the current year's activities?" The Statement of Net Assets and the Statement of Activities provide a response to this question. These statements, prepared under the full-accrual basis of accounting, present information about all assets and liabilities of the County in a manner similar to the consolidated business statements for private companies.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Under this basis, all of the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Assets reflects the County's net assets at the end of the fiscal year. The net assets of the County are the difference between assets: what the citizens own, and liabilities: what the citizens owe. Over time, increase or decreases in the County's net assets become an indicator in determining if the County's financial health is improving or declining. However, a comprehensive evaluation of the County's financial health should also include other non-financial information such as changes in the County's property tax base and the condition of the County's capital assets (roads, bridges, water, etc).

The Statement of Activities reflects the changes in the County's net assets that occurred during the fiscal year. These changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Accordingly, revenues and expenses are reported for some items that will only result in cash flows in future fiscal years (i.e., uncollected property taxes).

The government-wide financial statements are divided into two types of activities:

Governmental Activities. These activities of the County include general government, public safety, judicial, public works, health and welfare, libraries/recreation, and housing and development. These activities are principally supported by property taxes, sales taxes, and insurance premium taxes and franchise fees.

Business-type Activities. The County charges fees to recover all or some of the costs associated with providing certain services. The County's water services are reported here.

The government-wide financial statements are located on pages 17 and 18 of this report.

Reporting the County's Most Significant Funds

Fund Financial Statements. Experienced readers of governmental financial statements will find these financial statements most familiar. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, 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 County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Most of the County's basic services are reported in governmental funds that focus on how money flows in/out of the fund and balances remaining at year-end that are available for spending in future years. The narrower focus of the governmental funds allows the reader to compare the information presented for each fund with similar information presented for governmental activities in the government-wide financial statements. This comparison allows the reader to better understand the long-term impact of the County's near-term financing decisions. Both the Governmental Fund Balance Sheet and the

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Reporting the County's Most Significant Funds

Financial Statements (Continued)

Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provided a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the difference between these two perspectives.

The basic governmental fund financial statements are presented on pages 19 and 21 of this report.

Individual fund information for non-major governmental funds is found in combining statements on pages 55 and 56 of this report.

Proprietary (enterprise) funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water system activities. The water fund began operating in January 2006. Proprietary funds financial statements can be found on pages 24 - 26.

Fiduciary funds consist solely of trust and agency funds, are used to account for resources held for the benefit of parties within and outside the County. Fiduciary funds are *not* included in the government-wide financial statements because the resources are *not* available to support the County's operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary funds financial statements can be found on pages 27 - 28 of this report.

Notes to the basic financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 32 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the county's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the General fund, special revenue funds and capital project funds where applicable.

Other Supplementary Information

This section includes budgetary comparison schedules for all other governmental funds. These statements and schedules demonstrate compliance with the County's adopted and final revised budget. As discussed, the County reports major funds in the basic financial statements. Combining and individual comparative statements and schedules for some major funds and their nonmajor funds are presented in this section of this report beginning on page 55.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets - As noted earlier, net assets may serve as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by approximately $58 million for the fiscal year ended June 30, 2006.

The largest portion of the County's net assets (93.0%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses its capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County'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.

The County's net assets at June 30, 2006 are $63,371,821. The following table provides a summary of the County's net assets: Summary of Net Assets.

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current assets	$ 4,212,395	$ 4,109,387	$ 125,766	$ 224,351	$ 4,338,161	$ 4,333,738
Capital assets	57,112,744	56,841,914	3,079,404	2,612,931	60,192,148	59,454,845
Total assets	61,325,139	60,951,301	3,205,170	2,837,282	64,530,309	63,788,583
Liabilities						
Current liabilities	177,694	152,060	8,260	456,284	185,954	608,344
Long-term liabilities	484,387	395,538	488,147	0	972,534	395,538
Total liabilities	662,081	547,598	496,407	456,284	1,158,488	1,003,882
Net assets:						
Invested in capital assets, Net of related debt	56,572,371	56,424,471	2,582,997	2,223,431	59,155,368	58,647,902
Restricted	2,413,611	2,340,205	93,440	113,389	2,507,051	2,453,594
Unrestricted	1,677,076	1,639,027	32,326	44,178	1,709,402	1,683,205
Total net assets	$60,663,058	$60,403,703	$ 2,708,763	$ 2,380,998	$ 63,371,821	$ 62,784,701

Summary of net assets (continued)

The County maintains a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 23.7 to 1 which compares to 27.0 to 1 at June 30, 2005.

The County reported positive balances in net assets for governmental activities and business-type. Net assets in 2006 increased $259,355 for governmental activities and by $327,765 for business-type activities. The County's overall financial position increased, approximately one percent during the fiscal year 2006.

Note that approximately 93.3% of the governmental activities net assets are invested in capital assets. The County uses their capital assets to provide service to its citizens. The county also has invested 95.4% in business-type capital assets. Capital assets in the business-type activities will provide water service and will generate revenue for these funds.

Financial Indicators and Ratios

The following financial indicators and ratios can be used to assist the reader in assessing the financial strength of the County. When used in conjunction with other financial information contained in this report, these indicators help users assess the County's financial strengths and weaknesses.

Working Capital - is the difference between current assets and current liabilities. Sources of working capital are income from operating activities, sales of non-current assets or the issuance of long-term debt. Uses of working capital include losses from operating activities, purchase of non-current assets or retirement of long-term debt. The working capital of the County is $4,152,207, which consists of $4,034,701 from governmental activities and $117,506 from business-type activities. This represents a (11.5%) increase in working capital over last year. This increase resulted entirely form the change in working capital balances in the County's governmental and business-type activities, where last year working capital totaled $3,725,394. This increase is caused by a reduction in current liabilities with the cash remaining substantially the same.

Current Ratio - is the ratio of total current assets to current liabilities. This ratio is an indicator of the County's ability to meet its short-term obligations, and is expressed as current assets divided by current liabilities. The County's current ratio is 23.3 on a County-wide basis, 23.7 for governmental activities and 15.2 for business-type activities. More simply stated the County has $23.32 of current assets for each $1.00 of current liabilities on a County-wide basis. Last year, the County had $7.12 of current assets for each $1.00 of current liabilities on a County-wide basis. While last year the business-type ratio had $2.03 current liabilities for each $1.00 of current asset.

Reporting the County's Most Significant Funds (Continued)

Days Cash and Investments in Reserve - represents the number of days that normal operations of the County could continue with no revenue collections. The results of this ratio indicate that the County could operate 194 days on a County-wide basis. This is a decrease over last year, when the County could operate for 441 days on a County-wide basis.

Total Liabilities to Net Assets - This ratio, expressed as a percentage, compares the total obligations (liabilities) of the County to current equity (net assets). It represents the extent to which borrowing has been used to finance short-term operations. Total liabilities to net assets for the County is 1.8% on a County-wide basis, 1.1% for governmental activities and 18.3% for business-type activities. Last year, the ratio of total liabilities to net assets was 1.6% County-wide, 0.9% for governmental activities and 19.2% for business-type activities.

Total Liabilities to Total Assets - The ratio compares the total obligations of the County to total assets. It is an indicator of the level of borrowing that has been used to finance operations of the County on a long-term basis. Total liabilities to total assets for the County is 1.8% on a County-wide basis, 1.1% for governmental activities, and 15.5% for business-type activities. Last year total liabilities compared to total assets was 1.5% County-wide (0.9% for governmental activities and 16.5% for business-type activities).

The following table provides summary of the County's changes in net assets:

Summary of Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
Revenues:	**2006**	**2005**	**2006**	**2005**	**2006**	**2005**
Program revenues:						
Charges for services	$ 830,000	$ 769,652	$ 19,070	$ 1,900	$ 849,070	$ 771,552
Operating grants and contributions	270,576	0	33,097	0	303,673	0
Capital grant	0	0	278,340	2,279,755	278,340	2,279,755
General revenues:						0
Property tax	1,974,598	1,858,389	0	0	1,974,598	1,858,389
Sales tax	670,276	639,724	60,012	0	730,288	639,724
Unrestricted investment earnings	92,043	83,277	396	263	92,439	83,540
Other	54,352	9,334	0	0	54,352	9,334
Total Revenues	$ 3,891,845	$ 3,360,376	$ 390,915	$ 2,281,918	$ 4,282,760	$ 5,642,294

Summary of Changes in Net Assets (Continued)

	Governmental Activities		Business-Type Activities		Total	
Program Expenses:	**2006**	**2005**	**2006**	**2005**	**2006**	**2005**
General government	759,670	628,873	0	0	759,670	628,873
Public safety	1,339,898	1,189,924	0	0	1,339,898	1,189,924
Judicial	317,408	306,532	0	0	317,408	306,532
Public works	881,891	641,488	0	0	881,891	641,488
Health & welfare	142,223	123,527	0	0	142,223	123,527
Library & recreation	79,350	77,699	0	0	79,350	77,699
Housing & development	110,452	93,433	0	0	110,452	93,433
Interest on debt	1,598	3,961	0	0	1,598	3,961
Water		0	63,150	117	63,150	117
Total expenses	3,632,490	3,065,437	63,150	117	3,695,640	3,065,554
Changes in net assets	259,355	294,939	327,765	2,281,801	587,120	2,576,740
Net assets, July 1	60,403,703	60,108,764	2,380,998	99,197	# 62,784,701	60,207,961
Net assets, June 30	$60,663,058	$60,403,703	$ 2,708,763	$ 2,380,998	$ 63,371,821	$ 62,784,701

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes to support governmental operations. Property taxes for year ended June 30, 2006 provided 1.9 million or 51% of the County's total governmental revenues as compared to 55% in 2005. Sales taxes revenue was approximately 0.7 million of revenues or 17% as compared to 19% in 2005.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up approximately 59% or $2.2 million of the total governmental activities expenses. General government totals over $0.7 million.

This table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

Governmental Activities

	2006		2005	
	Total cost of service	Net Cost of service	Total cost of service	Net Cost of service
General government	$ 759,670	$ 747,908	$ 628,873	$ 616,041
Public safety	1,339,898	880,492	1,189,924	792,393
Judicial	317,408	17,910	306,532	6,425
Public works	881,891	618,321	641,488	635,963
Health & welfare	142,223	75,883	123,527	69,870
Library & recreation	79,350	79,350	77,699	77,699
Housing & development	110,452	110,452	93,433	93,433
Interest on debt	1,598	1,598	3,961	3,961
Total assets	$ 3,632,490	$ 2,531,914	$ 3,065,437	$ 2,295,785

After reducing gross expenses by program revenues, public safety totals 34.5% of the net cost of services and public works totals only 19.6% of these costs. The primary revenue stream that reduced total cost of service were charges for services.

Business-Type Activities

As stated previously, the water system began operations in January 2006. Revenue generated from water services totalled $19,000 for the year ended June 30, 2006.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statement with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $4,044,721. Of this year-end total, $1,631,110 is unreserved indicating availability for continuing county service requirements. Legally restricted fund balances (i.e., the reserved fund balances) include $2,413,611 set aside for specific program purposes and capital projects.

The total ending fund balances of governmental funds show an increase of $102,248.

Major Governmental Funds

The General Fund

The General fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased $28,842.

The General Fund (continued)

Some of the more notable changes in expenditures at June 30, 2006 follow. The general government function increased $192,000 over 2005. As noted, public safety is the County's most costly function and the costs increased approximately $215,000. Public works expenditures increased $485,132 over 2005. The increase was due primarily from work in progress on infrastructure for roads and work on industrial park.

Most other functional costs were consistent with those of the prior year.

The unreserved fund balance (i.e. the amount available for future spending), and is considered adequate, representing the equivalent of 42% of annual expenditures.

Budgetary Highlights

The General Fund

The revenue budget for 2006 was increased approximately $60,000 for the year. Overall the County realized 103.1% of the final estimated revenues and the actual expenditures increase a similar amount of the final budgeted estimated expenditures. Public safety, public works, and health and welfare functions expenditures exceeded those authorized budgets.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2006 was $63,466,459. The following table provides a summary of capital asset activity.

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	$ 426,839	$ 426,839	$ 0	$ 0	$ 426,839	$ 426,839
Building & improvements	5,097,072	5,097,072	0	0	5,097,072	5,097,072
Vehicles & equipment	5,027,534	4,807,052	0	0	5,027,534	4,807,052
Infrastructure	49,297,500	49,297,500	0	0	49,297,500	49,297,500
Contracts in progress	512,648	0	0	0	512,648	0
Utility systems	0	0	3,104,866	2,612,931	3,104,866	2,612,931
	$60,361,593	$59,628,463	$ 3,104,866	$ 2,612,931	$ 63,466,459	$ 62,241,394

The county investment in capital assets increased for the year ended June 30, 2006 by $1,225,065. The capital assets additions were for vehicles, equipment and road infrastructure for the governmental activities and water system development for the business-type activities. The allocation of the assets by function is as follows:

Governmental activities	
General government	$ 21,695
Public safety	189,835
Judicial	5,100
Public works	512,648
Health & welfare	3,852
	733,130
Business-type activities	
Water system infrastructure	491,935
	$ 1,225,065

The funds provided to acquire capital assets for the Governmental activities functions were from reserve funds and a note payable of $144,835. While the funds for water system infrastructure were provided from grants, sales taxes, and a construction loan of $107,829.

Additional information on the County capital assets can be found on pages 41 through 43 and long term debt on pages 43 through 45, respectively.

Economic Conditions Affecting the County

Warren County is located approximately 45 miles west of Augusta, GA (Interstate 20) and approximately 100 miles east of Atlanta. The County's population is currently estimated at 6,300. The County has been experiencing low to moderate growth. The County's leadership and management team work with Local Industrial Development Authority to attract commercial business and industry to locate in the County.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Board of commissioners of Warren County, P.O. Box 46, Warrenton, Georgia 30828.

WARREN COUNTY, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2006

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Current assets				
Cash & cash equivalents	$ 3,723,282	$ 21,882	$ 3,745,164	$ 246,486
Receivables, net				
Taxes	45,966	0	45,966	0
Accounts/notes	238,293	1,065	239,358	66,467
Sales taxes	137,917	0	137,917	0
Other	57,508	0	57,508	0
Due from other governments	18,808	0	18,808	0
Internal balances	(9,379)	9,379	0	0
Restricted assets				
Cash and cash equivalent	0	93,440	93,440	0
Receivables	0	0	0	7,500
Total current assets	4,212,395	125,766	4,338,161	320,453
NONCURRENT ASSETS				
Capital assets				
Land	426,839	0	426,839	282,399
Buildings & improvements	5,097,072	0	5,097,072	499,265
Vehicle & equipment	5,027,534	0	5,027,534	0
Infrastructure	49,297,500	0	49,297,500	0
Water system	0	3,104,866	3,104,866	0
Construction in progress	512,648	0	512,648	376,971
Less accumulated depreciation	(3,248,849)	(25,462)	(3,274,311)	(315,172)
Total noncurrent assets	57,112,744	3,079,404	60,192,148	843,463
Total assets	$ 61,325,139	$ 3,205,170	$ 64,530,309	$ 1,163,916

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
LIABILITIES				
Current liabilities				
Accounts payable	$ 76,288	$ 0	$ 76,288	$ 0
Accrued expenses	17,185	0	17,185	0
Due to other governments	28,235	0	0	0
Current portion of long-term debt	55,986	8,260	28,235	0
			64,246	24,504
Total current liabilities	177,694	8,260	185,954	24,504
LONG TERM LIABILITIES				
Long term debt, net of current portion	484,387	488,147	972,534	158,315
Total long term liabilities	484,387	488,147	972,534	158,315
Total liabilities	662,081	496,407	1,158,488	182,819
Net assets				
Invested in capital assets related debt	56,572,371	2,582,997	59,155,368	671,463
Restricted for:				
Capital project fund	1,286,570	93,440	1,380,010	0
Special revenue funds	1,097,166	0	1,097,166	32,279
Program Purposes	29,875	0	29,875	0
Unrestricted	1,677,076	32,326	1,709,402	277,355
Total net assets	$ 60,663,058	$ 2,708,763	$ 63,371,821	$ 981,097

WARREN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary Government								
Governmental Activities								
General government	$ 759,670	$ 11,762	$ 0	$ 0	$ (747,908)	$ 0	$ (747,908)	$ 0
Judicial	317,408	299,498	0	0	(17,910)	0	(17,910)	0
Public safety	1,339,898	429,406	30,000	0	(880,492)	0	(880,492)	0
Public works (highways & streets)	881,891	22,994	240,576	0	(618,321)	0	(618,321)	0
Health & welfare	142,223	66,340	0	0	(75,883)	0	(75,883)	0
Library recreation	79,350	0	0	0	(79,350)	0	(79,350)	0
Housing & development	110,452	0	0	0	(110,452)	0	(110,452)	0
Interest on long term debt	1,598	0	0	0	(1,598)	0	(1,598)	0
Total Governmental Activities	3,632,490	830,000	270,576	0	(2,531,914)	0	(2,531,914)	0
Business-Type Activities								
Water	63,150	19,070	33,097	278,340	0	267,357	267,357	0
Total Business-Type Activities	63,150	19,070	33,097	278,340	0	267,357	267,357	0
Total Primary Government	$ 3,695,640	$ 849,070	$ 303,673	$ 278,340	(2,531,914)	267,357	(2,264,557)	0
Component Units								
Warren County Development Authority	$ 50,768	$ 32,004	$ 60,000	$ 76,338	0	0	0	117,574
Warren County Health Department	180,825	42,033	124,248	0	0	0	0	(14,544)
Total Component Units	$ 231,593	$ 74,037	$ 184,248	$ 76,338	0	0	0	103,030
General revenues								
Property taxes					1,794,158	0	1,794,158	0
Sales taxes					299,878	0	299,878	0
Special purpose local option sales tax					370,398	60,012	430,410	0
Insurance premium taxes					165,358	0	165,358	0
Franchise, beer & wine tax					15,082	0	15,082	0
Unrestricted investment earnings					92,043	396	92,439	2,044
Other					54,352	0	54,352	25,000
Total general revenues and transfers					2,791,269	60,408	2,851,677	27,044
Change in Net Assets					259,355	327,765	587,120	130,074
Net Assets - beginning of year					60,403,703	2,380,998	62,784,701	851,023
Net Assets - ending of year					$ 60,663,058	$ 2,708,763	$ 63,371,821	$ 981,097

Notes to the Financial Statements are an integral part of these statements.

WARREN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006
(WITH COMPARATIVE TOTALS AT JUNE 30, 2005)

	2006								2005
	General Fund	Economic Development	Landfill Fund	Roads & Bridges Fund	Sales Tax Distribution Fund	Revolving Loan Fund	Other Governmental Funds	Total Governmental Fund	Total Governmental Funds
Assets									
Cash & Cash Equivalent	$ 1,531,515	$ 279,554	$ 353,523	$ 689,107	$ 0	$ 377,417	$ 492,165	$ 3,723,281	$ 3,541,821
Receivables:									
Accounts	77,169	0	0	0	0	156,982	4,143	238,294	387,557
Property tax	45,966	0	0	0	0	0	0	45,966	36,759
Sales tax	52,028	0	0	0	85,889	0	0	137,917	135,422
Due from other funds	0	12,883	0	35,192	0	0	13,356	61,431	60,247
Due from other governments	18,808	0	0	0	0	0	0	18,808	17,019
Due from others	57,508	0	0	0	0	0	0	57,508	0
Total Assets	$ 1,782,994	$ 292,437	$ 353,523	$ 724,299	$ 85,889	$ 534,399	$ 509,664	$ 4,283,205	$ 4,178,825
Liabilities and fund balance									
Liabilities									
Accounts payable	75,577	0	0	0	0	0	711	76,288	64,500
Accrued expenditures	17,185	0	0	0	0	0	0	17,185	37,771
Intergovernmental	0	0	0	0	0	0	0	0	0
Deferred revenue	45,966	0	0	0	0	0	0	45,966	36,759
Due to other governments	10,946	0	0	0	17,289	0	0	28,235	27,884
Due to other funds	2,210	0	0	0	68,600	0	0	70,810	69,438
Total liabilities	151,884	0	0	0	85,889	0	711	238,484	236,352
Fund Balance									
Reserved for:									
Program purposes	0	0	0	0	0	0	29,875	29,875	29,354
Unreserved, and									
Undesignated reported in:									
General fund	1,631,110	0	0	0	0	0	0	1,631,110	1,602,268
Capital project funds	0	292,437	0	724,299	0	0	269,834	1,286,570	1,208,892
Special revenue funds	0	0	353,523	0	0	534,399	209,244	1,097,166	1,101,959
Total fund balance	1,631,110	292,437	353,523	724,299	0	534,399	508,953	4,044,721	3,942,473
Total liabilities and fund balance	$ 1,782,994	$ 292,437	$ 353,523	$ 724,299	$ 85,889	$ 534,399	$ 509,664	$ 4,283,205	$ 4,178,825

Notes to the Financial Statements are an integral part of these statements.

WARREN COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2006

Total fund balances - Governmental funds	$ 4,044,721
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	
Cost of capital assets	60,361,593
Accumulated depreciation	(3,248,849)
Liabilities, including notes payable are not due and payable in current period and are not reported in the funds	
Capitalized lease payable	(43,284)
Note payable	(497,089)
Certain tax revenue that was earned and accrued in the current period but not received after 60 days is deferred in the fund statement but recognized under full accrual	45,966
Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets	
Interfund receivables	(61,431)
Interfund payables	61,431
Net assets of Governmental activities	$60,663,058

Notes to the Financial Statements are an integral part of these statements.

WARREN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE TOTALS AT JUNE 30, 2005)

	2006							2005
	General Fund	Economic Development	Landfill Fund	Roads & Bridges Fund	Revolving Loan Fund	Other Governmental Funds	Total Governmental Fund	Total Governmental Funds
Revenues								
Taxes	$ 2,265,268	$ 80,560	$ 0	$ 206,297	$ 0	$ 0	$ 2,552,125	$ 2,135,336
Permits & Licenses	11,762	0	0	0	0	0	11,762	1,125
Intergovernmental	61,486	0	0	240,576	0	113,542	415,604	436,731
Charges for Service	490,879	0	0	0	0	61,206	552,085	453,995
Fines & Forfeitures	169,013	0	0	0	0	35,655	204,668	218,656
Use of money and property	48,685	7,842	6,383	16,982	16,425	1,181	97,498	81,164
Other	43,136	0	0	0	0	5,760	48,896	41,433
Total revenues	3,090,229	88,402	6,383	463,855	16,425	217,344	3,882,638	3,368,440
Expenditures								
Current Operating								
General government	811,623	0	0	0	1,042	21	812,686	620,115
Public safety	1,205,345	0	0	0	0	129,872	1,335,217	1,119,709
Judicial	259,448	0	0	0	0	9,417	268,865	281,753
Public works	643,715	0	40,000	512,648	0	0	1,196,363	920,886
Health & Welfare	120,792	0	0	0	0	0	120,792	126,680
Library and Recreation	66,112	0	0	0	0	0	66,112	65,714
Housing & Development	99,187	2,500	0	0	0	0	101,687	64,276
Debt service								
Principal	0	0	0	0	0	21,905	21,905	20,058
Interest	0	0	0	0	0	1,598	1,598	3,961
Total Expenditures	3,206,222	2,500	40,000	512,648	1,042	162,813	3,925,225	3,223,152
Excess (deficiency) of revenues over expenditures	(115,993)	85,902	(33,617)	(48,793)	15,383	54,531	(42,587)	145,288
Other financial sources (uses)								
Note issued (USDA Loan)	144,835	0	0	0	0	0	144,835	352,254
Transfers in (out)	0	0	0	(67,836)	0	67,836	0	0
Total other financing sources and (uses)	144,835	0	0	(67,836)	0	67,836	144,835	352,254
Net changes in fund balances	28,842	85,902	(33,617)	(116,629)	15,383	122,367	102,248	497,542
Fund balance								
Beginning of year	1,602,268	206,535	387,140	840,928	519,016	386,586	3,942,473	3,444,931
End of year	$ 1,631,110	$ 292,437	$ 353,523	$ 724,299	$ 534,399	$ 508,953	$ 4,044,721	$ 3,942,473

Notes to the Financial Statements are an integral part of these statements.

WARREN COUNTY, GEORGIA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

Net change in Fund Balance - Total governmental funds		$ 102,248
Governmental funds report capital outlays as expenditures, However, in the statement of net assets, the cost of those assets are capitalized and they are depreciated over the estimated useful lives as depreciation expense. The difference is the amount by which capital outlay, exceeded depreciation		
Capital outlays	733,130	
Depreciation expense	(462,300)	
		270,830
The issue of general long term debt is reported as other financing sources at the fund reporting line but is reported as a liability on the governmental - wide		(144,835)
Repayment of capitalized lease is an expenditure in governmental funds, but the repayment reduced long term liabilities on the government-wide		21,905
Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
Property taxes:		
Deferral @ 6/30/05	(36,759)	
Deferral @ 6/30/06	45,966	
		9,207
Changes in net assets of governmental activities		$ 259,355

Notes to the Financial Statements are an integral part of these statements.

WARREN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE BUDGETED AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive
REVENUES	Original	Final	Actual	(Negative)
Taxes	$ 2,133,303	$ 2,133,303	$ 2,261,993	$ 128,690
Permits and licenses	4,225	4,225	4,225	0
Intergovernmental	4,000	4,000	23,925	19,925
Charges for service	370,518	395,518	497,855	102,337
Fines & Forfeitures	169,150	169,150	168,063	(1,087)
Uses of money and property	12,500	12,500	48,943	36,443
Other	237,328	237,328	43,136	(194,192)
Total revenues	2,931,024	2,956,024	3,048,140	(92,116)
EXPENDITURES				
Current operating:				
General government	825,562	825,562	812,325	13,237
Public safety	955,254	980,254	1,057,917	(77,663)
Judicial	261,449	261,449	259,376	2,073
Public Works	696,353	696,353	755,462	(59,109)
Health and welfare	64,830	64,830	66,112	(1,282)
Culture and recreation	127,576	127,576	99,078	28,498
Total expenditure	2,931,024	2,956,024	3,050,270	(94,246)
Excess (deficiency) of revenues over (under) expenditures	$ 0	$ 0	(2,130)	$ (2,130)
Reconciliation to GAAP Basis to record effect of changes in receivable and other assets and payables and other liabilities				
Receivables and other assets			42,089	
Payables and other liabilities			(11,117)	
			30,972	
Net changes in fund balances			28,842	
Fund balance - Unreserved				
Beginning of year			1,602,268	
End of year			$ 1,631,110	

The Notes to Financial Statements are an integral part of these statements.

WARREN COUNTY, GEORGIA
PROPRIETARY FUND
COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30, 2006 AND 2005

	Water Fund	
Assets	2006	2005
Current assets		
Cash in bank - operating account	$ 21,882	$ 44,178
Accounts receivable	1,065	0
Due from other funds	9,379	9,191
Total cash & other assets	32,326	53,369
Restricted assets		
Cash in bank - reserve fund	354	9,443
Cash in bank - retainage	302	66,784
Cash in bank - sales tax fund for water project	34,551	94,755
Cash in bank - GEFA Funds	58,233	0
Total restricted assets	93,440	170,982
Total current assets	125,766	224,351
Utility System		
Water Distribution Facility	3,104,866	2,612,931
Accumulated depreciation	(25,462)	0
	3,079,404	2,612,931
Total assets	3,205,170	2,837,282
Liabilities and net assets		
Current liabilities		
Contract retainage	0	66,784
Current maturities of long term debt	8,260	0
Total current liabilities	8,260	66,784
Long term debt		
Note payable, net of current maturities	488,147	389,500
Total long term debt	488,147	389,500
Total liabilities	496,407	456,284
Net assets		
Invested in capital assets net of related debt	2,582,997	2,223,431
Restricted for debt service	354	9,443
Restricted for water project	93,086	103,946
Unrestricted	32,326	44,178
	$ 2,708,763	$ 2,380,998

Notes to the Financial Statements are an integral part of these statements.

WARREN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS (WATER FUND)
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	2006	2005
Operating revenue		
Water revenue	$ 16,095	$ 1,900
Water tap	2,975	0
Total operating revenue	19,070	1,900
Operating expenses		
Materials & supplies	2,194	117
Water testing	4,871	0
Billing services	10,005	0
Water purchases	11,038	0
Equipment rental	3,997	0
Office expense, dues and fees	1,016	0
Depreciation	25,462	0
Total operating expenses	58,583	117
Operating income (loss)	(39,513)	1,783
Non operating revenue (expense)		
Capital grants	311,437	2,221,061
Sales tax revenue (SPLOST Funds)	60,012	58,693
Investment earnings	396	264
Interest expense	(4,567)	0
Total Non operating revenue	367,278	2,280,018
Change in net assets	327,765	2,281,801
Net assets, beginning of year	2,380,998	99,197
Net assets, end of year	$ 2,708,763	$ 2,380,998

Notes to the Financial Statements are an integral part of these statements.

WARREN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (WATER FUND)
FOR THE YEARS ENDED JUNE 30, 2006

	2006	2005
Cash flows for operating activities:		
Cash received from customer	$ 18,005	$ 69,389
Cash payments for goods and services	(100,093)	(85,520)
Net cash provided by operating activities	(82,088)	(16,131)
Cash flows non capital financing activities:		
None	0	0
	0	0
Cash flow from capital and related financing activities:		
Capital grant	311,437	2,221,061
Sales tax revenue (SPLOST fund)	60,012	58,693
Increase from loan net	106,907	389,500
Interest on loan	(4,567)	0
Construction of water distribution facility	(491,935)	(2,527,528)
Net cash provided in capital and related financing activities	(18,146)	141,726
Cash flow from investing activities:		
Investment earnings	396	264
Net cash provided by investing activities	396	264
Net (decrease) increase in cash and cash equivalents	(99,838)	125,859
Cash and cash equivalent, beginning of year	215,160	89,301
Cash and cash equivalent, end of year	$ 115,322	$ 215,160
Reconciliation of operating income to net cash (used by) operating activities:		
Operating income	(39,513)	1,783
Depreciation	25,462	0
Due from other funds	(188)	705
Accounts payable	(1,065)	0
Retainage payable	(66,784)	66,784
Due to other funds	0	(85,403)
Net cash (used) by operating activities	$ (82,088)	$ (16,131)

Notes to the Financial Statements are an integral part of these statements.

WARREN COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
JUNE 30, 2006

	Pension Funds	Agency Funds
Assets		
Cash and cash equivalents	$ 0	$ 149,413
Investments at fair value		
Mutual Funds	449,720	0
Total assets	$ 449,720	$ 149,413
Liabilities		
Due to other governments	$ 0	$ 77,870
Due to others	0	71,543
Total liabilities	0	$ 149,413
Net assets		
Hold in trust for retirement benefits	$ 449,720	

Notes to the Financial Statements are an integral part of these statements.

WARREN COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2006

	Pension Funds
Addition	
Contribution - Employer	$ 31,336
Net adjustment to fair value of investments	(11,271)
Total additions	20,065
Deductions	
Distributions	14,609
Total deductions	14,609
Changes in net assets	5,456
Net assets, beginning of year	444,264
Net assets, end of year	$ 449,720

Notes to the Financial Statements are an integral part of these statements.

WARREN COUNTY, GEORGIA
COMBINING STATEMENT OF NET ASSETS
DISCREETLY PRESENTED COMPONENT UNITS
JUNE 30, 2006
(WITH COMPARATIVE TOTALS AT JUNE 30, 2005)

ASSETS	Warren County Development Authority Enterprise Funds	Warren County Health Department Funds	Totals 2006	Totals 2005
Current assets				
Cash	$ 207,901	$ 38,585	$ 246,486	$ 198,246
Accounts receivable	60,000	6,467	66,467	71,289
Grant receivable	0	0	0	160,966
Total current assets	267,901	45,052	312,953	430,501
Restricted assets				
Receivables	7,500	0	7,500	7,500
Total restricted assets	7,500	0	7,500	7,500
Capital assets				
Property & equipment	1,158,635	0	1,158,635	1,100,781
Less accumulated depreciation	(315,172)	0	(315,172)	(290,209)
Total capital assets, net	843,463	0	843,463	810,572
Total assets	1,118,864	45,052	1,163,916	1,248,573
LIABILITIES				
Current liabilities				
Accounts payable	0	0	0	171,008
Retainage payable	0	0	0	18,484
Current liabilities payable from restricted assets - note payable	24,504	0	24,504	24,504
Total current liabilities	24,504	0	24,504	213,996
Long term liabilities				
Accounts for accrued compensated absences	0	10,819	10,819	11,554
Notes payable	147,496	0	147,496	172,000
Total long term liabilities	147,496	10,819	158,315	183,554
Total liabilities	172,000	10,819	182,819	397,550
Net assets				
Invested in capital assets, net of related debt	671,463	0	671,463	621,568
Restricted	0	32,279	32,279	22,558
Unrestricted	275,401	1,954	277,355	206,897
Total net assets	$ 946,864	$ 34,233	$ 981,097	$ 851,023

The Notes to Financial Statements are an integral part of this statement.

WARREN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2006

	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets			
FUNCTION/PROGRAM:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Warren Cty Development Authority	Warren Cty Public Health Program	Total
Warren County Development Authority							
Governmental type activities	$ 50,768	$ 32,004	$ 60,000	$ 76,338	$ 117,574	$ 0	$ 117,574
Warren County Public Health Program							
Governmental type activities	180,825	42,033	124,248	0	0	(14,544)	(14,544)
Total component units	$ 231,593	$ 74,037	$ 184,248	$ 76,338	117,574	(14,544)	103,030
General revenue							
Unrestricted investment earnings					2,044	0	2,044
Other					0	25,000	25,000
Total general revenue					2,044	25,000	27,044
Changes in net assets					119,618	10,456	130,074
Net assets, beginning of year, restricted					827,246	23,777	851,023
Net assets, end of year, restricted					$ 946,864	$ 34,233	$ 981,097

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

WARREN COUNTY, GEORGIA
DISCRETELY PRESENTED COMPONENT UNIT
DEVELOPMENT AUTHORITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	2006	2005
Cash flows from operating activities:		
Cash received from customers	$ 32,004	$ 32,004
Cash payments to vendors	(36,789)	(17,568)
Net Cash Used by Operating Activities	(4,785)	14,436
Cash flows from noncapital financial activities:		
Operating contribution	60,000	60,000
Net Cash Used for Noncapital Financing Activities	60,000	60,000
Cash flows from capital & related financing activities:		
Acquisition of capital assets	(57,854)	(319,117)
Capital grant	76,338	300,633
Repayment on long term debt	(24,504)	(24,504)
Interest paid on long term debt	(7,500)	(7,500)
Net Cash Used for Capital and Related Financing Activities	(13,520)	(50,488)
Cash flows from investing activities:		
Proceeds from interest earnings	2,044	4,536
Net Cash Provided by Investing Activities	2,044	4,536
Net increase in cash and cash equivalents:	43,739	20,629
Cash and Cash Equivalents, beginning of year	164,162	143,533
Cash and Cash Equivalents, end of year	$ 207,901	$ 164,162
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating (loss) income	$ (29,748)	$ (10,527)
Depreciation	24,963	24,963
Net cash (used) provided by operating activities	$ (4,785)	$ 14,436

The Notes to the Financial Statements are an integral part of this statement.

WARREN COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2006

Warren County, Georgia (the County) is a political subdivision of the State of Georgia and was formed in 1793. The County operates under a Commissioner form of government and is governed by a three member elected board of county commissioners, which is governed, by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax commissioner, Probate Court Judge, Magistrate Court Judge and Clerk of the Superior Court. The County's major services include general government, judicial, public safety, public works, health and welfare, library, recreation and housing and development.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards board (GASB) is accepted standard-setting body for governmental accounting and financial reporting. The county also applies Financial Accounting Standards Board (FASB) Statements and interpretations issued on or before November 30, 1989, the government-wide and proprietary fund financial statements level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the County's accounting policies are described below.

A. Financial Reporting Entity - Basis of Presentation

Primary Government

The County provides the following services: public safety, streets and highways, public improvements, judicial, health and welfare, and general and administrative services. The accompanying financial statements present the County's primary government and component units over which the County is financially accountable. Accountability is based primarily on operational or financial relationship with the County (as distinct from legal relationships).

Discretely Presented Component Units

In conformity with generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity as discretely presented component units. The component unit's columns in the combined financial statements include the financial data of the County's two component units. These units are reported in a separate column to emphasize that they are legally separate from the County.

Warren County Development Authority

This Authority was created for the purpose of promoting and developing trade, commerce, industry, and employment opportunities within Warren County, Georgia. The members of its board of directors are appointed by the County and its primary source of revenue is from leasing real estate. The Warren County Development Authority, an Enterprise Fund, financial statements are included in the individual fund financial statements. The Warren County Development Authority does not issue separate financial statements.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Warren County Board of Health

The Warren County Board of Health receives funding from Warren County. Members of its governing board are appointed by the Warren County Board of Commissioners. The Warren County Board of Health, Special Revenue Fund, financial statements are included in the individual fund financial statements. Separate financial statements have been issued, and are available from the Warren County Board of Health located on Legion Drive in Warrenton, Georgia 30828.

B. Government-wide and fund financial statements

The **government-wide financial statements** include the statement of net assets and statement of activities. Government-wide statements report, except for County fiduciary activity, information on all of the activities of the County and its component unit. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. The primary government is reported separately from the component unit within the government-wide statements.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter excluded from the government-wide financial statements. The General Fund, and Major Projects meet criteria as ***major governmental funds***. Each major fund is reported in separate columns in the fund financial statements. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

The County's fiduciary funds (which have been refined and narrowed in scope) are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of timing and 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 have been met.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues availability period is generally considered to be one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgements, are recorded only when the liability has matured and payment is due.

The government reports the following major governmental funds:

The General Fund is the general operating fund of the County and is always classified as major fund. The General fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, public works, judicial, public welfare, health services, and capital acquisition.

Economic Development Fund account is for the special local option sales tax revenue allocated for the promotion and development activities of the County.

Landfill Fund provides revenue for the purpose of maintaining the landfill that closed in 1994. For additional information see Note XIII.

Road and Bridges Fund account is for the special local option sales tax revenue allocated for the purpose of maintaining and improving the road infrastructure in the County.

Revolving Loan Fund was created when a grant was received by the County for the purpose of providing funds by way of a loan to encourage industry to locate in the County. This fund accounts for the prepayment of the principal and interest on the loan.

Nonmajor funds include Special revenue and capital project funds.

Proprietary fund level financial statements are used to account for activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The County's only Proprietary Fund, the water fund was in the developmental stage at the beginning of year. The water system began operating in January 2006.

The **Proprietary fund** is accounted for using the accrual basis of accounting as follows: Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred. Proprietary fund distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

principal ongoing operations. Items commonly included in the non operating category are interest, contribution and operating grants.

Fiduciary fund level financial statements include agency funds which are used to account for assets held by the County as an agent for individuals, (i.e. pension participants), other governments and other funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

When both restricted and unrestricted resources are available for use, it is the County's policy to use unrestricted resources when budgeted first, then restricted resources as they are needed.

D. Assets, liabilities, and net assets or equity

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments. State statues and the County's official Investment Policy authorize the County to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements, Banker's acceptances, money market mutual funds and direct obligations of the State of Georgia.

The County records investments at fair market value in accordance with provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. All investment income is recognized as revenue in the appropriate fund's statement of activity of revenues, expenditures and changes in fund balance.

2. Receivables and payables

Accounts Receivable

Property taxes were levied based on taxable value at January 1, 2005 and became due October 20, 2005 and past due after December 20, 2005. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

Accounts receivables from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements. Receivables are shown net of an allowance for uncollectibles.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, liabilities, and net assets or equity (Continued)

3. Inventories and prepaid items

Inventories for all governmental funds are valued at cost. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets of the respective fund. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation even though they are reported as assets.

4. Restricted Funds - Component Units

The Development Authority Enterprise Fund is required to establish and maintain prescribed amounts of resources (consisting of cash and long-term investments) that can be used only to service outstanding debt.

5. Capital Assets - Primary Government

Capital assets, which include land, buildings and infrastructure assets (e.g., roads and bridges) are reported in the government-wide financial statements. Capital assets such as vehicle, furniture and equipment are defined as assets with a cost of $2,500 or more. Infrastructure assets include County-owned roads and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets except for infrastructure are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	40 - 50
Furniture & Fixtures	5 - 7
General Equipment	5 - 10
Trucks & Ambulance	4 - 7
Cars	4 - 5
Computer hardware	3 - 5
Distribution system - water	40 - 50

The County uses the modified approach to report its infrastructure assets in the government-wide statement of net assets. Infrastructure assets are listed at historical costs but they are not depreciated. Rather, under the modified approach allowed by GASB Statement No. 34, the County reports annual expenses for maintaining roads and highways and preserving them at a 2.5 level of a 4.0 scale.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, liabilities, and net assets or equity (Continued)

6. Compensated Absences

Employees with one to five years of service are allowed nine sick leave days and nine days of vacation. After five years of service, vacation leave increases to three weeks. Employees can accumulate no more than nine days sick leave and nine days vacation in any year. The County will pay employees up to five days accumulated vacation pay annually. Any remaining accumulations up to the maximum allowable nine days, must be taken as time off. Unused vacation leave is payable in full upon termination of employment. No compensation is available for unused sick leave. County policy requires accumulated amounts of sick leave to be carried over, not to exceed nine days.

At June 30, 2006, unrecorded General Fund accumulated unpaid vacation and sick pay was not material in amount and does not exceed normal years accumulation.

7. Long-term Obligations

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

8. Lease Obligations

The County leases various assets under capital lease agreements. In the government-wide financial statements, capital leases and the related lease obligations are reported as liabilities in the government-wide financial statements.

9. Unemployment Compensation Benefits

The County is a reimbursing employer for unemployment compensation benefits. Reimbursements are made on the basis of regular billings received from the Georgia Unemployment Commission.

10. Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represents tentative management plans that are subject to change.

11. Net Assets

Net assets represent the difference between the assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets net of accumulated depreciation, plus any outstanding balances of borrowing not yet expended, but restricted for the acquisition constructions or improvement of those assets. All other assets are reported as unrestricted.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Use of Estimates

The preparation of basic financial statements in conformance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

E. Stewardship, Compliance and Accountability Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds on an annual basis. All annual appropriations lapse at fiscal year end. Special revenue funds and capital project funds of Warren County are generally for the purchase of capital assets and short term construction projects respectively.

During the year proceeding the budget year, the County follows the below administrative and fiscal procedures in establishing the budgetary data reflected in the accompanying financial statements of the Governmental Funds:

- During June, the Chairman submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1.
- The Board of Commissioners holds public hearings, and during June, the Board adopts the budget. A balanced budget is required by law.
- Changes in and amendments to the adopted budget are approved during the course of the year, as long as reserves are available to fund these modifications.

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances, Budget (Budgetary Basis) and Actual, for the General Fund, presents comparison of the legally adopted budget with actual operating results on a budgetary basis. Since the legally adopted budget is essentially on a cash basis, which differs significantly from GAAP, the actual data is similarly presented for comparison purposes. A reconciliation from the budgetary basis to GAAP basis is also presented in the statements. Encumbrance accounting, under which purchase orders and contracts are recorded in order to reserve that portion of the applicable appropriation, is not used by the County.

For the year ended June 30, 2006, expenditures exceeded appropriations in the public safety, public works, health and welfare of the general fund by $77,663, $59,109, and $1,282 respectively, and the public safety section of the Emergency 911 special revenue fund by $25,902. Also, expenditures exceeded appropriations in the public safety system of the emergency service capital project fund by $20,000. These over expenditures were funded in part by greater than anticipated revenue and available fund balance (reserve funds) in each of the above funds.

NOTE II - DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES

Primary Government and Discretely Presented Component Units

The County's reporting entity considers highly liquid debt instruments with an original maturity of three months or less when purchased to be cash equivalents. The carrying amount of cash is a reasonable estimate of fair value. Investment fair values are based on quoted market prices or dealer quotes.

Deposits

It is the County's policy for cash to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insured Corporation insurance. The County's cash deposits are categorized to give an indication of the level of risk assumed by the County. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the County or by its agent in the County's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Category 3 - Uncollateralized.

Category	Primary Government	Component Units	Reporting Entity
1	$ 3,838,604	$ 246,486	$ 4,085,090
2	0	0	0
3	0	0	0
Total	$ 3,838,604	$ 246,486	$ 4,085,090

At June 30, 2006, the County's total book cash balance and bank deposit balance, including certificates of deposit, totaled $3,838,604. The Development Authority's and Board of Health's total book cash balances and bank deposit balances, including certificates of deposit, totaled $246,486.

Investments

The County can invest money subject to its control and jurisdiction in obligations of the United States, bonds or certificates of indebtedness of the State of Georgia, certificates of deposits of banks which have deposits insured by the Federal Deposit Insurance corporation, and other legal investments. All investments held by the County are in accordance with this policy.

NOTE III - PROPERTY TAXES AND OTHER RECEIVABLES

Primary Government

As stated previously, the County's Tax Commissioner bills and collects property taxes, then remits the county its respective share of property taxes. Property taxes for 2005 were levied on October 20, 2005 and were due December 20, 2005. The unpaid taxes became a lien thirty days after the due date. Unpaid property taxes received within 60 days of the year end are recognized and recorded as revenue (considered measurable and available), and property taxes unpaid 60 days after year end are recorded as deferred revenue.

The County also bills and collects various taxes for the Warren County Board of Education and other local governments. Collections and remittance of taxes for these entities are accounted for in the Tax Commissioner Fund (an Agency Fund). Collections of taxes for the County also are collected by the tax commissioner and disbursed to the General Fund.

The County receives approximately 80 % of a 1% local option sales tax on all retail sales within the County. The proceeds of such tax collected each year are used to reduce, on a dollar for dollar basis, the millage equivalent amount of property taxes to be levied in the subsequent year. Local option sales tax collections collected during the year ended June 30, 2006 totaled $299,878.

A summary of the 2005 tax levy follows:

General Fund	
2005 millage rate - County wide	12.75
Net Property Tax Levy-All Taxes	$1,672,482
Property Taxes Receivable-Real and Personal Property Taxes, Net	$ 45,966

At June 30, 2006, the component of deferred revenue reported in the governmental funds for property taxes was $45,966.

Primary Government - Receivables as of year end for the governmental activities, individual major governmental funds, and non-major governmental funds, including allowances for uncollectible accounts, as required by GASB Statement No. 34 are as follows:

Property taxes attach as an enforceable lean on property as of January 1. Taxes are levied prior to December 20, and are delinquent after that date. The County bills and collects its own property taxes and those for the Warren County Board of Education states the County acts only as an intermediary in the collection and distribution of property taxes to the other entities. Collections and remittance of taxes to other entities are accounted for in the agency funds.

NOTE III - PROPERTY TAXES AND OTHER RECEIVABLES (CONTINUED)

Primary Government (Continued)

Receivables as of year end for the governmental activities, individual major governmental funds, and non major governmental funds, including the applicable allowances for uncollectible accounts, as required by GASB Statement No. 34 are as follows:

Receivables	General Fund	Major Governmental Fund	Other Governmental Fund	Total Governmental Fund
Accounts	$ 77,169	$ 156,982	$ 4,143	$ 238,294
Project taxes	67,436	0	0	67,436
Sales tax	52,028	85,889	0	137,917
Other	76,316	48,075	13,356	137,747
Gross receivables	272,949	290,946	17,499	581,394
Less, allowance for uncollectible	(21,470)	0	0	(21,470)
Net total receivable	$ 251,479	$ 290,946	$ 17,499	$ 559,924

Discretely Presented Component Unit

	Development Authority	Health Fund	Total
Rent	$ 7,500	$ 0	$ 7,500
Intergovernmental	60,000	6,467	66,467
	$ 67,500	$ 6,467	$ 73,967

NOTE IV - CAPITAL ASSETS

Primary Government

A summary of changes in capital assets follows:

Governmental activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 426,839	$ 0	$ 0	$ 426,839
Infrastructure	49,297,500	0	0	49,297,500
Construction in progress	0	512,648	0	512,648
Total capital assets, not being depreciated	49,724,339	512,648	0	50,236,987
Capital assets, being depreciated				
Buildings & improvement	5,097,072	0	0	5,097,072
Vehicle & equipment	4,807,052	220,482	0	5,027,534
Total capital assets, being depreciated	9,904,124	220,482	0	10,124,606
Total capital assets	59,628,463	733,130	0	60,361,593

NOTE IV - CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

Governmental activities (continued)	Beginning Balance	Increases	Decreases	Ending Balance
Accumulated depreciation				
Buildings & improvement	(668,829)	(85,376)	0	(754,205)
Vehicles & equipment	(2,117,720)	(376,924)	0	(2,494,644)
Total accumulated depreciation	(2,786,549)	(462,300)	0	(3,248,849)
Governmental activities capital assets, net	$ 56,841,914	$ 270,830	$ 0	$ 57,112,744

Governmental activities depreciation expense	
General government	$ 29,932
Public safety	176,755
Judicial	33,990
Public works	183,509
Health & welfare	22,434
Library & recreation	9,879
Housing & development	5,801
Total Governmental activities depreciation expense	$ 462,300

In accordance with GASB Statement No. 34, the county has reported all capital assets infrastructure in the government-wide statement of net assets. The County elected to use the "modified approach" as defined by GASB for infrastructure reporting for its pavement system.

Business-Type activities

The County has established a water system infrastructure in a portion of the County. Funds provided for the water system were from sales tax (SPLOST Funds), grants and revenue bonds. A summary of the funds available and drawn is as follows:

	Amount Available	Drawn to Date
USDA Grant	$ 1,045,045	$ 1,041,045
One Georgia Funds	467,356	467,356
REBA Grant	500,000	500,000
Community Development Block Grant	500,000	500,000
USDA Revenue Bonds	389,500	389,500
GEFA Loan	108,197	108,197
	$ 3,010,098	3,006,098
Sales tax (SPLOST Funds) & General funds		98,768
Total funds available and used for water system infrastructure at June 30, 2006		$ 3,104,866

NOTE IV - CAPITAL ASSETS (CONTINUED)

Business-Type activities (Continued)

Water system	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, water system				
Contracts in progress	$ 2,612,931	$ 491,935	$ 0	$ 3,104,866
Accumulated depreciation	0	(25,462)	0	(25,462)
Business-Type activities, net	$ 2,612,931	$ 466,473	$ 0	$ 3,079,404

Discretely Presented Component Unit

Changes in capital assets for year ended June 30, 2006 for the County are summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 282,399	$ 0	$ 0	$ 282,399
Construction in progress, industrial park	319,117	57,854	0	376,971
Total capital assets, not being depreciated	601,516	57,854	0	659,370
Capital assets, being depreciated				
Buildings	499,265	0	0	499,265
Total capital assets, being depreciated	499,265	0	0	499,265
Less accumulated depreciation	(290,209)	(24,963)	0	(315,172)
Total accumulated depreciation	(290,209)	(24,963)	0	(315,172)
Capital assets, net	$ 810,572	$ 32,891	$ 0	$ 843,463

NOTE V - LONG-TERM DEBT

Primary Government - Capital Lease

The County has entered into lease agreements for financing of a vehicle for the Sheriff's department and an ambulance for the Emergency Medical Service (EMS) Department.

Lease obligations for the fiscal year ended June 30, 2006 comprise the following:

Capital lease -	Balances June 30, 2005	Additions	Retirements	Balances June 30, 2006
Vehicles	$ 65,189	$ 0	$ 21,905	$ 43,284

NOTE V - LONG-TERM DEBT (CONTINUED)

Primary Government - Capital Lease (Continued)

The following is an analysis of fixed assets based under capital lease as of June 30, 2006:

	Governmental Activities
Vehicles	$ 96,016
Less accumulated depreciation	53,345
	$ 42,671

For financial reporting purposes, the County follows the requirements of Statement of Financial Accounting Standards No. 13 which states that, under certain circumstances, the present value of future minimum lease payments should be shown as a liability and that the related assets should be capitalized in the financial statements.

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2006:

Fiscal year ending June 30	Long-term Debt
2007	$ 16,392
2008	16,392
2009	13,107
Total minimum lease payments	45,891
Less amount representing interest	2,607
Present value of future minimum lease payments	$ 43,284

Long term Debt

The County obtained a loan from USDA Rural Development in the amount of $497,090 for the purpose of purchasing public works equipment and Emergency service equipment. The loan was closed September 23, 2005. The loan is payable in the ten annual installment of $61,669 including interest at 4.125% per annum beginning September 26, 2006. However, in order to purchase a portion of the equipment, interim financing was obtained from a local bank in the amount of $352,254. During the year, the balance of the loan of $149,836 was drawn and the bank was repaid from the proceeds of the loan from USDA.

	Outstanding June 30, 2005	Additions	Reductions	Outstanding June 30, 2006	Amount due within one year
Note payable	$ 352,254	$ 144,836	$ 0	$ 497,090	$ 41,164

Business-type activities	Outstanding June 30, 2005	Additions	Reductions	Outstanding June 30, 2006	Amount due within one year
USDA Water Revenue Bonds 4.5% interest rate	$ 389,500	$ 0	$ 922	$ 388,578	$ 3,792
GEFA/Highway 278 Water expansion loan 2.0% interest rate	0	108,197	368	107,829	4,468
	$ 389,500	$ 108,197	$ 1,290	$ 496,407	$ 8,260

NOTE V - LONG-TERM DEBT (CONTINUED)

Annual debt service to maturity for the above note obligations are as follows:

	Governmental Activities Principal	Governmental Activities Interest	Business-type Activities Principal	Business-type Activities Interest
2007	$ 41,164	$ 20,505	$ 8,260	$ 19,552
2008	42,862	18,807	8,525	19,287
2009	44,630	17,039	8,800	19,012
2010	46,471	15,198	9,084	18,728
2011	48,388	13,281	9,379	18,433
2012-2016	273,575	34,770	51,734	87,327
2017-2021	0	0	61,000	78,061
2022-2026	0	0	71,263	66,857
2027-2031	0	0	51,107	55,033
2032-2036	0	0	63,999	42,141
2037-2041	0	0	80,143	25,997
2042-2045	0	0	73,114	6,490
	$ 497,090	$ 119,600	$ 496,408	$ 456,918

Component unit

Changes in long-term debt for the year ended June 30, 2006 are as follows:

Development Authority	Balance 6/30/2005	Additions	Deletions	Balance 6/30/2006
Note payable-City of Warrenton	$ 196,504	$ 0	$ 24,504	$ 172,000

The Development Authority has a note payable with the City of Warrenton, Georgia whose proceeds were used to purchase land and construct a building that the Authority has an operating lease with a local industry. The original balance of this note payable was $490,000 and the principal balance on this note as of June 30, 2006 was $172,000. Payment of this note is to be made in 236 equal monthly payments of $2,042 and a final payment of $519. This note is a non-interest bearing note and is due May 2013.

Annual debt service to maturity of the above note obligations are as follows:

June 30,	Development Authority
2007	$ 24,504
2008	24,504
2009	24,504
2010	24,504
2011	24,504
2012-2013	49,480
Totals	$ 172,000

NOTE VI - INTERFUND BALANCES

Interfund balances at June 30, 2006 consisted of the following amounts and represent reimbursable expenses and sales tax distribution. These remaining balances resulted from the time lag between the dates that (1) transactions are recorded in the accounting period and (2) payments between funds are made. The County will liquidate all interfund balances within one year.

	Payable From		
Payable to:	General Fund	Sales tax Distribution Fund	Total
Economic development fund	$ 0	$ 12,883	$ 12,883
Emergency service fund	0	6,055	6,055
Recreation fund	0	7,301	7,301
Roads & Bridges	2,210	32,982	35,192
Water fund	0	9,379	9,379
	$ 2,210	$ 68,600	$ 70,810

NOTE VII - RISK MANAGEMENT

The County carries property and liability insurance through commercial insurance companies. Annual premiums are based on the amount of coverage and policy deductibles requested by the County.

Risk Pool

Workman's compensation insurance is provided through the Association of County Commissioners of Georgia (A.C.C.G). Annual premiums for workman's compensation are based on projected salaries of county employees for the policy period. The County feels its insurance coverages are adequate, and no insurance related losses will be incurred in excess of deductible amounts. There were no significant reductions in insurance coverage from the prior year and no insurance settlements exceeded coverage in any of the past three fiscal years.

In order to minimize the total cost of workman's compensation and property and liability insurance, the County is a member of the Georgia Interlocal Risk Management Agency Fund (GIRMA), and the Group Self-Insured Workman's Compensation Fund, which are administered by the A.C.C.G. The County pays an annual premium to these funds through the A.C.C.G. The County retains the first $1,000 of each risk of loss in the form of a deductible. All claims were filed with GIRMA and GIRMA bills the County for any risk of loss up to the deductible amount.

As part of their agreement, the County must assist and cooperate in the defense and settlement of claims against the County. The County must provide full cooperation to GIRMA's attorneys, claims adjusters, and any agent or independent contractor of GIRMA. In addition, the County must report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the County participates.

NOTE VII - RISK MANAGEMENT (CONTINUED)

The fund is to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

NOTE VIII - PENSION PLAN

The Warren County Pension Plan (WCPP) is a single-employer defined benefit pension plan administered by a board of trustees appointed by the County. WCPP provides retirement benefits to plan members and beneficiaries. A publicly available financial report that includes financial statement and required supplementary information for WCPP may be obtained by writing to Circle Pension, Inc., 260 Madison Avenue, New York, NY 10016 or by placing a call to (212) 679-2525.

All full-time employees, not excluded by class, are eligible to participate in the Plan after completing three years of service provided they have attained age 21. Benefits are fully vested after fifteen years of service. Participants become eligible to retire at age 65 with 2 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of sixty percent of compensation, with the benefit reduced proportionately for each year of service less than fifteen years. The maximum benefit is $9,900 per month and the maximum percent of salary is one hundred percent. The benefit is based on average salary during the highest three consecutive years of employment. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

On July 7, 2000, the County executed an amendment to the Warren County, Georgia Retirement Plan. The amendment increases the eligibility requirements from 3 years to 5 years and the hours of service from 1,500 to 1,800. This amendment was effective January 1, 2000.

A second amendment to the plan was adopted on November 10, 2000 and amends the plan to allow participants to elect a lump-sum distribution in lieu of annuitized monthly payments. The lump-sum amount will be based on the actuarial equivalent of the monthly retirement benefit as provided for in the plan agreement. This amendment was effective January 1, 2000.

For fiscal year ending June 30, 2006, the plan included nine active participants, three retirees, beneficiaries, and five members who terminated service but are not yet receiving benefits. The County's payroll for employees covered by the Plan as of January 1, 2005 (the most recent actuarial valuation date) was $302,611.

The Warren County Pension Plan financial statements are prepared on the accrual basis of accounting. Contributions from the County are recognized as revenue in the period in which employees provide services to the County. Investment income is recognized as earned by the pension plan. The net appreciation/depreciation in the fair value of investments held by the Plan is recorded as an increase/decrease in investment income based on valuation of investments as of the balance sheet date. Investment valuations are based on quoted market prices at the balance sheet date.

NOTE VIII - PENSION PLAN (CONTINUED)

Summary of Significant Accounting Policies and Plan Asset Matters

Plan assets, liabilities, and fund balances reported on the combined balance sheet-all fund types, account groups, and discretely presented component units are included in the Fiduciary Fund Types. A combined statement of plan assets and a statement of changes in net plan assets are also included in the County's general purpose financial statements.

The Pension Trust Fund is invested in, approximately, 21% equities and 79% fixed income securities. No securities of the employer and related parties were included in plan assets. As of June 30, 2006, net assets reserved for employee's retirement benefits totaled $449,720.

Funding Policy

The Plan funding policy provides for making required actuarially determined periodic contributions under the "Individual Entry Age" actuarial cost method. This cost method determines the normal cost to fund the benefits under the Plan as a level percentage of compensation from the date a participant was eligible to enter the Plan to retirement. Any variance from assumptions is considered a supplemental liability and funded over a period of five to ten years. An initial liability was established based on an estimate of what the value of the funds would have been, had the plan been in effect on the date of hire of the first employee. This amount is being funded over a period of ten to thirty years. The County contributes the entire cost of the Plan; County employees are not required to contribute.

Annual Pension Cost

The County's annual pension cost and net pension obligation to WCPP for the current year was as follows:

Annual required contribution	$ 0
Interest on net pension obligation	0
Adjustment to annual required contribution	0
Annual pension cost	0
Less contributions made	0
Increase (decrease) in net pension obligations	0
Net pension obligation, beginning of year	0
Net pension obligation, end of year	$ 0

NOTE VIII - PENSION PLAN (CONTINUED)

Annual Pension Cost (Continued)

For the year ended June 30, 2006, the County's actuarially determined minimum and recommended contribution to the Plan and the maximum recommended contribution was $0. Actuarially recommended contributions are used as guidance for the County in funding the Plan and are not deemed to be the required contribution. Actual contributions are left to the discretion of the Pension Trustees and the County. For the year ended June 30, 2006, the County's annual pension cost totaled $31,336.

The recommended minimum and maximum contributions were determined as part of an actuarial valuation as of January 1, 2006 using the "Individual Entry Age" method, as described above. Significant actuarial assumptions used in the valuation include: (a) a rate of return on the investment of present and future assets of 7 percent per year, (b) normal retirement age was the assumed retirement age, no future salary increases or provisions for inflation, and (d) no post-retirement benefit increases. The actuarial value of WCPP assets was determined using techniques that smooth the effect of short-term volatility in market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a percentage of current salary history on a closed basis. The remaining amortization was 20 years at June 30, 2006.

There were no changes in actuarial assumptions or benefit provisions for the year ended June 30, 2006.

Schedule of Employer Contributions:

Year Ending	Annual Pension Cost (APC)	% APC Funded	Net Pension Obligation
June 30, 1997	$ 60,000	100%	None
June 30, 1998	$ 110,000	100%	None
June 30, 1999	$ 130,000	100%	None
June 30, 2000	$ 60,000	100%	None
June 30, 2001	$ 0	100%	None
June 30, 2002	$ 23,000	100%	None
June 30, 2003	$ 20,000	100%	None
June 30, 2004	$ 0	100%	None
June 30, 2005	$ 0	100%	None
June 30, 2006	$ 31,336	100%	None

NOTE VIII - PENSION PLAN (CONTINUED)

Annual Pension Cost (Continued)

A schedule of funding progress follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of covered Payroll
Jan 1, 1997	$ 314,545	$ 511,127	$ 196,582	61.54%	$ 194,431	101.01%
Jan 1, 1998	425,713	550,478	124,000	77.34%	180,944	68.95%
Jan 1, 1999	618,435	605,406	0	100.00%	197,059	0.00%
Jan 1, 2000	923,150	612,370	0	100.00%	209,595	0.00%
Jan 1, 2001	881,407	653,895	0	100.00%	228,900	0.00%
Jan 1, 2002	469,136	469,003	0	100.00%	262,115	0.00%
Jan 1, 2003	462,884	512,579	49,695	90.30%	276,426	17.98%
Jan 1, 2004	414,674	502,123	87,449	83.00%	281,968	31.01%
Jan 1, 2005	$ 436,070	$ 509,017	$ 72,947	86.00%	$ 302,611	24.11%

Other State of Georgia Pension Plans

The Sheriff, Clerk of Superior Court, Probate Judge, and various other employees of the County are covered by the State of Georgia retirement plans and are not included as a part of the County's plan described above. These State Plans are funded, in part, through County fines and forfeiture collections.

NOTE IX - LEASED FACILITIES RENTED UNDER OPERATING LEASES

The County's Development Authority Enterprise Fund leases land and buildings to a local industry. The lease is accounted for as operating leases in accordance with generally accepted accounting principles. Terms of the leases are as follows:

The Authority has on lease, land and building to United Parcel Service for a period of twenty years. The lease requires monthly lease payments of $2,042 and contains an option to purchase on various anniversary dates of the lease, beginning in the tenth year. The purchase price at the stated anniversary dates total $490,000. Proceeds from the sale of this property will be paid to the City of Warrenton.

NOTE IX - LEASED FACILITIES RENTED UNDER OPERATING LEASES (CONTINUED)

Cost basis in the land and building totaled $511,265. Depreciation is being provided for using the straight-line method over the expected lease term of twenty years. Depreciation and accumulated depreciation on this land and building for the year ended June 30, 2006 totaled $24,963 and $315,172, respectively.

NOTE X - NEW INDUSTRY LOCATED IN WARREN COUNTY

In 2003, the County was successful in locating a tenant that would come and operate a manufacturing facility employing a labor force in Warren County. In order for the Company to locate in the County, the County applied for and received a One Georgia grant for $500,000. The proceeds were used as a loan to the Company for the purpose of assisting in the refurbishing of machinery and equipment. The note was dated July 17, 2003 for $500,000 with 3% interest and was subsequently modified October 17, 2003 with a principal balance remaining at that date of $494,529.63 which would be due and payable in thirty-six (36) equal, consecutive monthly installments of $14,090.71 each commencing on the 17th day of November 2003 with the final installment due on the 17th day of October 2006. However, in 2006, the Company filed bankruptcy and the loan is not current with a balance outstanding at June 30, 2006 of $156,982 as shown in the government-wide statement of net assets. The County's attorney has filed the appropriate forms to pursue the County's interest in the loan. At date of this report the amount to be recovered on this loan has not been determined.

NOTE XI - JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the Central Savannah River Area, is a member of the Central Savannah River area Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended June 30, 2006, the County paid $7,902 in such dues and service charges. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 that provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from:

CSRA Regional Development Center
2123 Wrightsboro Road, P.O. Box 2800
Augusta, GA 30914-2800

NOTE XII - COMMITMENTS

New Special 1% Sales Tax For Roads and Bridges, Water and Other Projects

On July 1, 2002, a new special 1% sales tax went into effect. The sales tax is to remain in effect not exceeding 20 quarters (5 years) or until $3,200,000 is collected. The sales tax proceeds are to be allocated to the following projects and other governments in the County:

NOTE XII - COMMITMENTS (CONTINUED)

New Special 1% Sales Tax For Roads and Bridges, Water and Other Projects (Continued)

Warren County projects

Roads and bridges	$ 1,228,800
Water	349,440
Economic Development	480,000
Recreation	272,000
Emergency Service	225,760
	2,556,000
City of Warrenton projects	421,280
City of Norwood projects	111,360
City of Camak projects	111,360
	$ 3,200,000

NOTE XIII - CONTINGENCIES

Judgements and Claims

As of the report date, the County was not involved in any lawsuit or other pending or threatened litigation. Accordingly, no accrual has been recorded related to judgements and claims against the County.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the Federal and State Governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

Landfill Closure

The County landfill closed April 9, 1994. Currently, the County has a contract with a private waste disposal facility, whereby, all county waste will be transferred to and disposed of by the private company.

State and Federal regulations require that the County maintain its landfill after closure. The County submitted a post closure plan to the State of Georgia and received plan approval on October 16, 1995. The closure plan requires monitoring of ground water and methane gas wells on a periodic basis and maintenance of the landfill site for a period of five years. Costs incurred for the year ended June 30, 2006, associated with the maintenance and monitoring of the landfill, totaled $42,421.

Future costs to monitor the wells, and adhere to the provisions and conditions of the post closure plan, are not expected to be material in amount. However, this estimate is subject to changes, if any, that may be required due to inflation or deflation, technology, or applicable laws or regulations.

WARREN COUNTY, GEORGIA
REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2006

Budget

Budget for the General fund and certain special revenue was adopted on a cash basis and reconciled to accrual basis of accounting that is consistent with accounting principles generally accepted in the United States of America as applied to governments.

Infrastructure Assets - Modified Approach

The county elected to use the modified approach method and not depreciate the infrastructure assets consisting of roads in the county.

The Chairman of the Board of Commission along with the County's Public Works Department performed a physical inventory and assessment of every County road. The following conditions were defined associated to a rating:

Condition	Rating
Excellent	4
Good	3
Fair	2
Poor	1

The review of the overall road conditions remain in a rating at 2.5 or better. The county constantly expends considerable resources annually for maintenance and preservation of the road system.

In 2002, the voters approved a special 1% Local Option Sales Tax resolution for the purpose of collecting taxes for five years to fund various projects needed. The County road paving, resurfacing and maintenance will receive the larger share of the Sales Tax proceeds of $1,228,800.

During the year ended June 30, 2006, the expenditures through Public works of the General Fund and Special Revenue Sales Tax fund was in excess of $665,000 for road maintenance.

WARREN COUNTY, GEORGIA
MAJOR AND NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2006

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or appropriated by management of the County to expenditures for particular purposes.

Capital Project Funds

Capital project funds are used to account for the acquisition and construction of capital facilities, other than those financed by proprietary funds.

Budgetary Information

A comparison of the budget with statements of actual revenues and expenditures, including, budget variance for all funds except general funds is presented as required supplemental information.

WARREN COUNTY, GEORGIA
BALANCE SHEET
NONMAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUND
JUNE 30, 2006
(WITH COMPARATIVE TOTALS AT JUNE 30, 2005)

	2006												2005
Assets	Law Library	Drug Abuse Fund	Jail Fund	Sheriff Drug Fund	Volunteer Fire Department	Emergency 911 Fund	Knox Theater Fund	Emergency Service Fund	Recreation Fund	Community Facilities Project	Warren County Communications Grant	Total Governmental Revenue Fund	Total Governmental Revenue Fund
Cash & Cash Equivalent	$ 30,586	$ 16,168	$ 125,513	$ 2,595	$ 9,359	$ 21,466	$ 3,013	$ 25,246	$ 160,404	$ 67,815	$ 30,000	$ 492,165	$ 360,959
Receivables:													
Accounts	0	215	1,571	0	0	2,357	0	0	0	0	0	4,143	12,535
Sales tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Due from other funds	0	0	0	0	0	0	0	6,055	7,301	0	0	13,356	13,092
Due from other governments	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	$ 30,586	$ 16,383	$ 127,084	$ 2,595	$ 9,359	$ 23,823	$ 3,013	$ 31,301	$ 167,705	$ 67,815	$ 30,000	$ 509,664	$ 386,586
Liabilities and fund balance													
Liabilities													
Accounts payable	$ 711	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 711	$ 0
Due to other funds	0	0	0	0	0	0	0	0	0	0	0	0	0
Due to other governments	0	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	711	0	0	0	0	0	0	0	0	0	0	711	0
Fund Balance													
Reserved for:													
Program purposes	29,875	0	0	0	0	0	0	0	0	0	0	29,875	29,354
Special revenue funds	0	16,383	127,084	2,595	9,359	23,823	0	0	0	67,815	30,000	277,059	195,803
Capital project funds	0	0	0	0	0	0	3,013	31,301	167,705	0	0	202,019	161,429
Total fund balance	29,875	16,383	127,084	2,595	9,359	23,823	3,013	31,301	167,705	67,815	30,000	508,953	386,586
Total liabilities and fund balance	$ 30,586	$ 16,383	$ 127,084	$ 2,595	$ 9,359	$ 23,823	$ 3,013	$ 31,301	$ 167,705	$ 67,815	$ 30,000	$ 509,664	$ 386,586

WARREN COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUND EXPENDITURES
STATEMENT OF REVENUES, AND CHANGES IN FUND BALANCES
JUNE 30, 2006
(WITH COMPARATIVE TOTALS AT JUNE 30, 2005)

	2006												2005
Revenues	Law Library	Drug Abuse Fund	Jail Fund	Sheriff Drug Fund	Volunteer Fire Department	Emergency 911 Fund	Knox Theater Fund	Emergency Service Fund	Recreation Fund	Community Facility Project	Warren County Communications Grant	Total Governmental Revenue Fund	Total Governmental Revenue Fund
Taxes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Permits & Licenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0	0	37,891	45,651	0	30,000	113,542	83,203
Charges for Service	0	0	0	0	0	61,206	0	0	0	0	0	61,206	87,911
Fines & Forfeitures	9,711	2,358	23,586	0	0	0	0	0	0	0	0	35,655	31,977
Use of money and property	227	54	247	67	35	0	11	76	464	0	0	1,181	2,066
Other	0	0	0	0	5,760	0	0	0	0	0	0	5,760	12,320
Total revenues	9,938	2,412	23,833	67	5,795	61,206	11	37,967	46,115	0	30,000	217,344	217,477
Expenditures													
Current Operating													
General government	0	0	0	0	0	0	0	0	0	21	0	21	0
Public safety	0	0	30,025	0	5,945	73,902	0	20,000	0	0	0	129,872	113,900
Judicial	9,417	0	0	0	0	0	0	0	0	0	0	9,417	7,818
Public works	0	0	0	0	0	0	0	0	0	0	0	0	0
Health & welfare	0	0	0	0	0	0	0	0	0	0	0	0	0
Library recreation	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing & development	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital outlay													
Debt services													
Principal	0	0	0	0	0	0	0	21,905	0	0	0	21,905	20,058
Interest	0	0	0	0	0	0	0	1,598	0	0	0	1,598	3,961
Total Expenditures	9,417	0	30,025	0	5,945	73,902	0	43,503	0	21	0	162,813	145,737
Transfers													
In	0	0	0	0	0	0	0	0	0	67,836	0	67,836	0
Out	0	0	0	0	0	0	0	0	0	0	0	0	0
Net changes in fund balances	521	2,412	(6,192)	67	(150)	(12,696)	11	(5,536)	46,115	67,815	30,000	122,367	71,740
Fund balance													
Beginning of year	29,354	13,971	133,276	2,528	9,509	36,519	3,002	36,837	121,590	0	0	386,586	314,846
End of year	$ 29,875	$ 16,383	$ 127,084	$ 2,595	$ 9,359	$ 23,823	$ 3,013	$ 31,301	$ 167,705	$ 67,815	$ 30,000	$ 508,953	$ 386,586

WARREN COUNTY, GEORGIA
LAW LIBRARY FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 30,586	$ 29,354
Total assets	$ 30,586	$ 29,354
Liabilities & fund balance		
Accounts payable	$ 711	$ 0
Total liabilities	711	0
Fund balance		
Reserve for program purposes	29,875	29,354
Total fund balance	29,875	29,354
Total liabilities and fund balance	$ 30,586	$ 29,354

WARREN COUNTY, GEORGIA
LAW LIBRARY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2005)

	2006				2005
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fines and forfeitures	$ 9,500	$ 9,500	$ 9,711	$ 211	$ 9,401
Investment earnings	500	500	227	(273)	158
Total revenue	10,000	10,000	9,938	(62)	9,559
Expenditures					
Judicial materials & supplies	10,000	10,000	9,417	(583)	7,818
Total expenditures	10,000	10,000	9,417	(583)	7,818
Net changes in fund balance	$ 0	$ 0	521	$ (521)	1,741
Fund balance, beginning of year			29,354		27,613
Fund balance, end of year			$ 29,875		$ 29,354

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUNDS - DRUG ABUSE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 16,168	$ 13,871
Due from other governments	215	100
Total assets	$ 16,383	$ 13,971
Liabilities & fund balance		
Liabilities	$ 0	$ 0
Total liabilities	0	0
Fund balance		
Unreserved/unrestricted	16,383	13,971
Total fund balance	16,383	13,971
Total liabilities and fund balance	$ 16,383	$ 13,971

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUNDS - DRUG ABUSE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2005)

	2006				2005
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fines and forfeitures	$ 1,200	$ 1,200	$ 2,358	$ 1,158	$ 1,533
Reserve funds	1,800	1,800		(1,800)	0
Investment earnings	0	0	54	84	86
Total revenue	3,000	3,000	2,412	(558)	1,619
Expenditures					
Public Safety	3,000	3,000	0	(3,000)	3,000
Total expenditures	3,000	3,000	0	(3,000)	3,000
Net changes in fund balance	$ 0	$ 0	2,412	$ 2,442	(1,381)
Fund balance, beginning of year			13,971		15,352
Fund balance, end of year			$ 16,383		$ 13,971

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - JAIL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 125,513	$ 132,523
Due from other governments	1,571	753
Total assets	$ 127,084	$ 133,276
Liabilities & fund balance		
Liabilities	$ 0	$ 0
Total liabilities	0	0
Fund balance		
Unreserved/unrestricted	127,084	133,276
Total fund balance	127,084	133,276
Total liabilities and fund balance	$ 127,084	$ 133,276

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - JAIL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2005)

	2006				2005
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fines and forfeitures	$ 10,000	$ 10,000	$ 23,586	$ 13,586	$ 21,043
Reserve funds	20,000	20,000	0	(20,000)	0
Investment earnings	0	0	247	247	1,142
Total revenue	30,000	30,000	23,833	(6,167)	22,185
Expenditures					
Public Safety	30,000	30,000	30,025	25	15,000
Total expenditures	30,000	30,000	30,025	25	15,000
Net changes in fund balance	$ 0	$ 0	(6,192)	$ (6,192)	7,185
Fund balance, beginning of year			133,276		126,091
Fund balance, end of year			$ 127,084		$ 133,276

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - SHERIFF DRUG FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 2,595	$ 2,528
Total assets	$ 2,595	$ 2,528
Liabilities & fund balance		
Liabilities	$ 0	$ 0
Total liabilities	0	0
Fund balance		
Unreserved/unrestricted	2,595	2,528
Total fund balance	2,595	2,528
Total liabilities and fund balance	$ 2,595	$ 2,528

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - SHERIFF DRUG FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2005)

	2006				2005
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Investment earnings	$ 0	$ 0	$ 67	$ 67	$ 35
Reserve funds	2,400	2,400	0	(2,400)	0
Total revenue	2,400	2,400	67	(2,333)	35
Expenditures					
Public Safety	2,400	2,400	0	(2,400)	3,595
Total expenditures	2,400	2,400	0	(2,400)	3,595
Net changes in fund balance	$ 0	$ 0	67	$ 67	(3,560)
Fund balance, beginning of year			2,528		6,088
Fund balance, end of year			$ 2,595		$ 2,528

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - VOLUNTARY FIRE DEPARTMENT FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 9,359	$ 9,509
Total assets	$ 9,359	$ 9,509
Liabilities & fund balance		
Liabilities	$ 0	$ 0
Total liabilities	0	0
Fund balance		
Unreserved/unrestricted	9,359	9,509
Total fund balance	9,359	9,509
Total liabilities and fund balance	$ 9,359	$ 9,509

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUNDS - VOLUNTARY FIRE DEPARTMENT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2005)

	2006				2005
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fund raising & other	$ 2,000	$ 2,000	$ 5,760	$ 3,760	$ 12,320
Investment earnings	0	0	35	35	62
Reserve funds	5,000	5,000	0	(5,000)	0
Total revenue	7,000	7,000	5,795	(1,205)	12,382
Expenditures					
Public Safety	7,000	7,000	5,945	(1,055)	17,372
Total expenditures	7,000	7,000	5,945	(1,055)	17,372
Net changes in fund balance	$ 0	$ 0	(150)	$ (150)	(4,990)
Fund balance, beginning of year			9,509		14,499
Fund balance, end of year			$ 9,359		$ 9,509

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - EMERGENCY 911 FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 21,466	$ 24,837
Accounts receivable	2,357	11,682
Total assets	$ 23,823	$ 36,519
Liabilities & fund balance		
Due to other funds	$ 0	$ 0
Total liabilities	0	0
Fund balance	23,823	36,519
Total fund balance	23,823	36,519
Total liabilities and fund balance	$ 23,823	$ 36,519

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - EMERGENCY 911 FUND
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2005)

	2006				2005
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Charges for service	$ 48,000	$ 48,000	$ 61,206	$ 13,206	$ 87,911
Total revenue	48,000	48,000	61,206	13,206	87,911
Expenditures					
Public safety	48,000	48,000	73,902	25,902	74,933
Total expenditures	48,000	48,000	73,902	25,902	74,933
Net changes in fund balance	$ 0	$ 0	(12,696)	$ (12,696)	12,978
Fund balance, beginning of year			36,519		23,541
Fund balance, end of year			$ 23,823		$ 36,519

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - KNOX THEATER FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 3,013	$ 3,002
Total assets	$ 3,013	$ 3,002
Liabilities & fund balance		
Liabilities	$ 0	$ 0
Total liabilities	0	0
Fund balance		
Reserve for capital project	3,013	3,002
Total fund balance	3,013	3,002
Total liabilities and fund balance	$ 3,013	$ 3,002

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - KNOX THEATER FUND
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2005)

	2006				2005
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Reserve funds	$ 3,000	$ 3,000	$ 0	$ (3,000)	$ 0
Investment earnings	0	0	11	11	2
Total revenue	3,000	3,000	11	(2,989)	2
Expenditures					
Economic Development	3,000	3,000	0	(3,000)	0
Total expenditures	3,000	3,000	0	(3,000)	0
Net changes in fund balance	$ 0	$ 0	11	$ 11	2
Fund balance, beginning of year			3,002		3,000
Fund balance, end of year			$ 3,013		$ 3,002

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - EMERGENCY SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 25,246	$ 30,899
Due from other governments	6,055	5,938
Total assets	$ 31,301	$ 36,837
Liabilities & fund balance		
Liabilities	$ 0	$ 0
Total liabilities	0	0
Fund balance		
Reserve for capital project	31,301	36,837
Total fund balance	31,301	36,837
Total liabilities and fund balance	$ 31,301	$ 36,837

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - EMERGENCY SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEARS ENDED JUNE 30, 2006
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2005)

	2006				2005
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 31,000	$ 31,000	$ 37,891	$ 6,891	$ 37,764
Investment earnings	0	0	76	76	64
Total revenue	31,000	31,000	37,967	6,967	37,828
Expenditures					
Debt services programs	31,000	31,000	23,503	(7,497)	20,058
Public safety, capital outlay	0	0	20,000	20,000	3,961
Total expenditures	31,000	31,000	43,503	12,503	24,019
Net changes in fund balance	$ 0	$ 0	(5,536)	$ (5,536)	13,809
Fund balance, beginning of year			36,837		23,028
Fund balance, end of year			$ 31,301		$ 36,837

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - RECREATION FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 160,404	$ 114,436
Due from other governments	7,301	7,154
Total assets	$ 167,705	$ 121,590
Liabilities & fund balance		
Liabilities	$ 0	$ 0
Total liabilities	0	0
Fund balance		
Reserve for capital project	167,705	121,590
Total fund balance	167,705	121,590
Total liabilities and fund balance	$ 167,705	$ 121,590

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - RECREATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2005)

	2006				2005
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 40,000	$ 40,000	$ 45,651	$ 5,651	$ 45,439
Reserve fund	90,000	90,000	0	(90,000)	0
Investment earnings	0	0	464	464	517
Total revenue	130,000	130,000	46,115	(83,885)	45,956
Expenditures					
Culture and recreation	130,000	130,000	0	(130,000)	0
Total expenditures	130,000	130,000	0	(130,000)	0
Net changes in fund balance	$ 0	$ 0	46,115	$ 46,115	45,956
Fund balance, beginning of year			121,590		75,634
Fund balance, end of year			$ 167,705		$ 121,590

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - COMMUNITY FACILITIES PROJECT
BALANCE SHEET
JUNE 30, 2006

Assets	2006
Cash and cash equivalents	$ 67,815
Total assets	$ 67,815
Liabilities & fund balance	
Liabilities	$ 0
Total liabilities	0
Fund balance	
Unreserved/unrestricted	67,815
Total fund balance	67,815
Total liabilities and fund balance	$ 67,815

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - COMMUNITY FACILITIES PROJECT
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2006

	2006			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Charges for service	$ 0	$ 0	$ 0	$ 0
Total revenue	0	0	0	0
Expenditures				
Culture and recreation	0	0	21	21
Debt services	67,836	67,836	0	0
Total expenditures	67,836	67,836	21	21
Other financing sources				
Transfers in	67,836	67,836	67,836	0
Net changes in fund balance	$ 0	$ 0	67,815	$ 67,815
Fund balance, beginning of year			0	
Fund balance, end of year			$ 67,815	

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - WARREN COUNTY COMMUNICATIONS GRANT
BALANCE SHEET
JUNE 30, 2006

Assets	2006
Cash and cash equivalents	$ 30,000
Total assets	$ 30,000
Liabilities & fund balance	
Liabilities	$ 0
Total liabilities	0
Fund balance	
Reserve for capital project	30,000
Total fund balance	30,000
Total liabilities and fund balance	$ 30,000

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - WARREN COUNTY COMMUNICATIONS GRANT
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2006

	2006			
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget
Intergovernmental -				
Communication grant	$ 30,000	$ 30,000	$ 30,000	$ 0
Total revenue	30,000	30,000	30,000	0
Expenditures				
Public safety	30,000	30,000	0	(30,000)
Total expenditures	30,000	30,000	0	(30,000)
Net changes in fund balance	$ 0	$ 0	30,000	$ 30,000
Fund balance, beginning of year			0	
Fund balance, end of year			$ 30,000	

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - ECONOMIC DEVELOPMENT FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 279,554	$ 193,910
Due from other governments	12,883	12,625
Total assets	$ 292,437	$ 206,535
Liabilities & fund balance		
Due to other funds	$ 0	$ 0
Total liabilities	0	0
Fund balance		
Reserve for capital projects	292,437	206,535
Total fund balance	292,437	206,535
Total liabilities and fund balance	$ 292,437	$ 206,535

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - ECONOMIC DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2005)

	2006				2005
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 60,000	$ 60,000	$ 80,560	$ 20,560	$ 84,093
Investment earnings	0	0	7,842	7,842	1,220
Reserve fund	160,000	160,000	0	(160,000)	0
Total revenue	220,000	220,000	88,402	(131,598)	85,313
Expenditures					
Industrial park	220,000	220,000	2,500	(217,500)	0
Total expenditures	220,000	220,000	2,500	(217,500)	0
Net changes in fund balance	$ 0	$ 0	85,902	$ 85,902	85,313
Fund balance, beginning of year			206,535		121,222
Fund balance, end of year			$ 292,437		$ 206,535

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
SPECIAL LOCAL OPTION SALES TAX - LANDFILL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 353,523	$ 387,140
Total assets	$ 353,523	$ 387,140
Liabilities & fund balance		
Due to other funds	$ 0	$ 0
Total liabilities	0	0
Fund balance		
Unreserved/unrestricted	353,523	387,140
Total fund balance	353,523	387,140
Total liabilities and fund balance	$ 353,523	$ 387,140

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
SPECIAL LOCAL OPTION SALES TAX - LANDFILL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2005)

	2006				2005
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Investment earnings	$ 0	$ 0	$ 6,383	$ 6,383	$ 3,908
Reserve fund	80,000	80,000	0	(80,000)	0
Total revenue	80,000	80,000	6,383	(73,617)	3,908
Expenditures					
Sanitation	80,000	80,000	40,000	(40,000)	62,544
Total expenditures	80,000	80,000	40,000	(40,000)	62,544
Net changes in fund balance	$ 0	$ 0	(33,617)	$ (33,617)	(58,636)
Fund balance, beginning of year			387,140		445,776
Fund balance, end of year			$ 353,523		$ 387,140

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - ROADS AND BRIDGES FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 689,107	$ 806,398
Due from other governments	35,191	34,530
Total assets	$ 724,298	$ 840,928
Liabilities & fund balance		
Due to other funds	$ 0	$ 0
Total liabilities	0	0
Fund balance		
Reserve for capital projects	724,298	840,928
Total fund balance	724,298	840,928
Total liabilities and fund balance	$ 724,298	$ 840,928

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - ROADS AND BRIDGES FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2005)

	2006				2005
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 150,000	$ 150,000	$ 206,296	$ 56,296	$ 203,544
Georgia DOT	0	0	240,576	240,576	0
Investment earnings	0	0	16,982	16,982	6,527
Reserve funds	490,000	490,000	0	(490,000)	0
Total revenue	640,000	640,000	463,854	(176,146)	210,071
Expenditures					
Highway & streets	640,000	640,000	580,484	(127,352)	62,725
Total expenditures	640,000	640,000	580,484	(127,352)	62,725
Net changes in fund balance	$ 0	$ 0	(116,630)	$ (116,630)	147,346
Fund balance, beginning of year			840,928		693,582
Fund balance, end of year			$ 724,298		$ 840,928

WARREN COUNTY, GEORGIA
SPECIAL LOCAL OPTION SALES TAX DISTRIBUTION FUND
(SPLOST 2002-2007)
COMPARATIVE BALANCE SHEETS
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 85,889	$ 84,166
Total assets	$ 85,889	$ 84,166
Liabilities & fund balance		
Due to other funds	$ 68,600	$ 67,228
Due to other governments	17,289	16,938
Total liabilities	85,889	84,166
Fund balance	0	0
Total fund balance	0	0
Total liabilities and fund balance	$ 85,889	$ 84,166

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
REVOLVING LOAN FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2006 AND 2005

Assets	2006	2005
Cash and cash equivalents	$ 377,417	$ 298,400
Due from other governments	156,982	220,616
Total assets	$ 534,399	$ 519,016
Liabilities & fund balance		
Due to other funds	$ 0	$ 0
Total liabilities	0	0
Fund balance		
Unreserved/unrestricted	534,399	519,016
Total fund balance	534,399	519,016
Total liabilities and fund balance	$ 534,399	$ 519,016

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
REVOLVING LOAN FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	2006				2005
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Investment earnings	$ 15,000	$ 15,000	$ 12,901	$ (2,099)	$ 9,882
Other	5,000	5,000	3,523	(1,477)	2,114
Total revenue	20,000	20,000	16,424	(3,576)	11,996
Expenditures					
General government	20,000	20,000	1,041	(18,959)	2,500
Total expenditures	20,000	20,000	1,041	(18,959)	2,500
Net change in fund balance	0	0	15,383	15,383	9,496
Fund balance, beginning of year	$ 0	$ 0	519,016	$ 0	509,520
Fund balance, end of year			$ 534,399		$ 519,016

WARREN COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
JUNE 30, 2006

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
CLERK OF COURT				
Assets				
Cash	$ 39,517	$ 170,762	$ 168,092	$ 42,187
Liabilities				
Due to other governments	$ 27,267	$ 86,689	$ 88,000	$ 28,578
Due to others	12,250	81,403	82,762	13,609
	$ 39,517	$ 168,092	$ 170,762	$ 42,187
MAGISTRATE COURT				
Assets				
Cash	$ 1,932	$ 80,595	$ 80,176	$ 2,351
Liabilities				
Due to other government	$ 0	$ 14,603	$ 14,603	$ 0
Due to others	1,932	65,573	65,992	2,351
	$ 1,932	$ 80,176	$ 80,595	$ 2,351
PROBATE COURT				
Assets				
Cash	$ 15,980	$ 290,259	$ 282,934	$ 23,305
Liabilities				
Due to other governments	$ 0	$ 193,280	$ 193,280	$ 0
Due to others	15,980	89,654	98,979	25,305
	$ 15,980	$ 282,934	$ 292,259	$ 25,305
SHERIFF				
Assets				
Cash	$ 21	$ 0	$ 0	$ 21
Liabilities				
Due to other governments	$ 21	$ 0	$ 0	$ 21

WARREN COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES (CONT.)
JUNE 30, 2006

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
TAX ASSESSOR				
Assets				
Cash	$ 21	$ 2,894	$ 2,894	$ 21
Liabilities				
Due to other funds	$ 21	$ 21	$ 21	$ 21
TAX COMMISSIONER				
Assets				
Cash	$ 82,454	$ 4,577,458	$ 4,578,384	$ 81,528
Liabilities				
Due to other governments	$ 49,445	$ 2,786,434	$ 2,786,260	$ 49,271
Due to others	33,009	1,791,950	1,791,198	32,257
	$ 82,454	$ 4,578,384	$ 4,577,458	$ 81,528
ALL AGENCY FUNDS				
Assets				
Cash	$ 139,925	$ 5,121,968	$ 5,112,480	$ 149,413
Liabilities				
Due to other governments	$ 76,712	$ 3,081,006	$ 3,082,143	$ 77,849
Due to others	63,213	2,031,474	2,039,825	71,564
	$ 139,925	$ 5,112,480	$ 5,121,968	$ 149,413

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Warren County Board of Commissioners
Warren County, Georgia

We have audited the financial statements of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Georgia, as of and for the year ended June 30, 2006, which collectively comprise Warren County, Georgia's basic financial statements and have issued our report thereon dated December 7, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Warren County, Georgia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Compliance and other matters

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

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

Berry + Associates P.C.

December 7, 2006

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Warren County Board of Commissioners
Warren County, Georgia

We have audited the compliance of Warren County, Georgia with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Warren County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Warren County, Georgia's management. Our responsibility is to express an opinion on Warren County, Georgia's compliance based on our audit.

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

In our opinion, Warren County, Georgia, complied in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control over Compliance

The management of Warren County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Warren County, Georgia's, internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be a material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by

error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we considered to be material weaknesses.

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

Berry + Associates P.C.

December 7, 2006

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INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST)

Chairman and Members
of the Board of Commissioners
Warren County, Georgia

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax (SPLOST) for Warren County, Georgia, for the year ended June 30, 2006. This schedule is the responsibility of Warren County, Georgia's management. Our responsibility is to express an opinion on Special Purpose Local Option Sales Tax (SPLOST) based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether Schedule of Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax is prepared for the purpose of complying with the Official code fo Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and is not intended to be a complete presentation of Warren County, Georgia's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project of Warren County, Georgia for the year ended June 30, 2006, in conformity with accounting principles generally accepted in the United States of America.

Berry + Associates P.C.

December 7, 2006

Member of American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

WARREN COUNTY, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH SALES TAX
PROCEED (SPLOST 2002 - 2007)
FOR THE YEAR ENDED JUNE 30, 2006

Project	Original Estimated Cost	Prior Year	Current Year	Total To Date	Estimated Percentage of Completion
Roads & Bridges	$ 1,228,800	$ 235,754	$ 150,593	$ 386,347	31.40%
Water	349,440	46,337	120,208	166,545	47.70%
Economic Development	480,000	0	2,500	2,500	0.50%
Recreation	272,000	0	0	0	0.00%
Emergency Service	225,760	59,686	43,503	103,189	45.70%
	$ 2,556,000	$ 341,777	$ 316,804	$ 658,581	

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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF SOURCE AND APPLICATION FUNDS AND SCHEDULE OF PROJECT COST APPLICABLE TO COMMUNITY DEVELOPMENT BLOCK GRANTS

Warren County Board of Commissioners
Warren County, Georgia

We have audited the accompanying Schedule of Source and Application of Funds and Schedule of Project Costs as of June 30, 2006 and for the year then ended. These financial statements are the responsibility of Warren County, Georgia's management. Our responsibility is to express and opinion on these financial statements based on our audit.

Our audit was in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly the disposition and status of Warren County, Georgia's Community Development Block Grant funds at June 30, 2006 for the year then ended in conformity with applicable financial reporting provisions of governmental regulations and accounting principles generally accepted in the United States of America.

This report covers Community Development Block Grant Numbered 02P-Y-149-1-2671.

Berry + Associates P.C.

December 7, 2006

WARREN COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
SOURCE & APPLICATION OF FUNDS SCHEDULE
02P-Y-149-1-2671
FOR THE YEAR ENDED JUNE 30, 2006

Total program funds allocated to recipient year ended June 30, 2006	$ 500,000
Less: total fund drawn through June 30, 2006	500,000
Funds still available from program at June 30, 2006	$ 0
Total program funds drawn and received by recipient from program inception to June 30, 2006	$ 500,000
Less: funds applied and expended on program to year ended June 30, 2006	500,000
Total program funds held by recipient at June 30, 2006	$ 0

WARREN COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
PROJECT COST SCHEDULE 02P-Y-149-1-2671
FOR THE YEAR ENDED JUNE 30, 2006

Program Activity	Activity Number	Latest Approved Budget CDBG Funds	Accumulative Expenditures To Date CDBG Funds	Accumulative Expenditures To Date Other funds	Grand Total Expenditures To Date	Questioned Costs
Construction- Messena Water system	P-03J-01	470,000	470,000	0	470,000	0
Administration	A-21A-00	30,000	30,000	0	30,000	0
Total		$ 500,000	$ 500,000	$ 0	$ 500,000	$ 0

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

WARREN COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2006

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Department of Housing and Urban Development			
Water Expansion Project	14.228		$ 500,000

WARREN COUNTY, GEORGIA
REPORTING REQUIREMENTS AND COMMUNICATION CONSIDERATIONS
FOR YEAR ENDED JUNE 30, 2006

Schedule of findings and questioned costs
Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

* Material weakness(es) identified	___	yes	X	no
* Reportable condition(s) identified that are not considered to be material weaknesses?	___	yes	X	none reported
Noncompliance material financial statements noted?	___	yes	X	no

Federal Awards

Internal Control over major programs:

* Material weakness(es) identified	___	yes	X	no
* Reportable condition(s) identified that are not considered to be material weaknesses?	___	yes	X	none reported

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

Any audit finding disclosed tat are required to be reported in accordance with section 510(a) of OMB Circular A-133?	___	yes	X	no

Identification of major programs:

Water Expansion Project

WARREN COUNTY, GEORGIA
REPORTING REQUIREMENTS AND COMMUNICATION CONSIDERATIONS
FOR YEAR ENDED JUNE 30, 2006

Section II - Financial Statement Findings

There were no findings noted.

Section III - Federal Award Findings and Questioned Costs

There were no findings or questioned costs.

WARREN COUNTY, GEORGIA
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2006

NOTE I - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards included the federal grant activity of Warren County, Georgia is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.