WARREN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2007

BERRY & ASSOCIATES, P.C.

Certified Public Accountants

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WARREN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
JUNE 30, 2007

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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, 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, 2007, which collectively comprise the County's basic financial statements 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. 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, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2007, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of tat testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and the schedules of funding progress for the Retirement System on pages 6 through 15 and pages 52 and 53, 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.

Berry + Associates P.C.

December 7, 2007

WARREN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

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, 2007. 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 $63,089,274 (net assets) for the year ended June 30, 2007.

- Total net assets are comprised of the following:
  (1) Capital assets, net of related debt, of $59,134,547 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 $2,394,998 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws or regulations.
  (3) Unrestricted net assets of $1,559,729 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 $3,677,985 this year. This compares to the prior year fund balance of $4,044,721 showing an decrease of $366,736 during the current year. Unreserved fund balance of $3,648,522 at June 30, 2007 shows a $366,324 decrease from the prior year.

- At the end of the current calendar year, unreserved fund balance for the General Fund was $1,417,938 or 43.5% 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 16 and 17 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 governmental Fund

Reporting the County's Most Significant Funds

Financial Statements (Continued)

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 18 and 20 of this report.

Individual fund information for non-major governmental funds is found in combining statements on pages 54 and 55 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 2007. Proprietary funds financial statements can be found on pages 23 - 25.

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 26 - 27 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 31 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 their nonmajor funds are presented in this section of this report beginning on page 54.

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 $63 million for the fiscal year ended June 30, 2007.

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, 2007 are $63,089,274. The following table provides a summary of the County's net assets: Summary of Net Assets.

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current assets	$ 4,034,010	$ 4,212,395	$ 220,844	$ 125,766	$ 4,254,854	$ 4,338,161
Capital assets	57,089,406	57,112,744	3,017,608	3,079,404	60,107,014	60,192,148
Total assets	61,123,416	61,325,139	3,238,452	3,205,170	64,361,868	64,530,309
Liabilities						
Current liabilities	357,578	177,694	9,486	8,260	367,064	185,954
Long-term liabilities	425,994	484,387	479,626	488,147	905,620	972,534
Total liabilities	783,572	662,081	489,112	496,407	1,272,684	1,158,488
Net assets:						
Invested in capital assets, Net of related debt	56,605,089	56,572,371	2,529,458	2,582,997	59,134,547	59,155,368
Restricted	2,260,047	2,413,611	134,951	93,440	2,394,998	2,507,051
Unrestricted	1,474,798	1,677,076	84,931	32,326	1,559,729	1,709,402
Total net assets	$ 60,339,934	$ 60,663,058	$ 2,749,340	$ 2,708,763	$ 63,089,274	$ 63,371,821

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 at June 30, 2007 is 11.3 to 1 which compares to 23.7 to 1 at June 30, 2006.

The County reported positive balances in net assets for governmental activities and business-type. Net assets in 2007 decreased $(323,124) for governmental activities and increase by $40,577 for business-type activities. The County's overall financial position decreased, approximately four tenth of a percent during the fiscal year 2007.

Note that approximately 93.9% 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 93.8% 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 $3,887,790, which consists of $3,676,432 from governmental activities and $211,358 from business-type activities. This represents a (6.3%) decrease in working capital over last year. This decrease resulted entirely form expenditures exceeding revenue in the County's governmental and business-type activities.

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 11.6 on a County-wide basis, 11.3 for governmental activities and 23.3 for business-type activities. More simply stated the County has $11.59 of current assets for each $1.00 of current liabilities on a County-wide basis. Last year, the County had $23.32 of current assets for each $1.00 of current liabilities on a County-wide basis. While last year the business-type ratio had $15.23 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 265 days on a County-wide basis. This is a increase over last year, when the County could operate for 194 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 2.0% 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 2.0% on a County-wide basis, 1.3% for governmental activities, and 15.1% for business-type activities. Last year total liabilities compared to total assets was 1.8% County-wide 1.1% for governmental activities and 15.1% 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:	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Program revenues:						
Charges for services	$ 1,347,650	$ 830,000	$ 45,163	$ 19,070	$ 1,392,813	$ 849,070
Operating grants and contributions	73,647	270,576	-	33,097	73,647	303,673
Capital grant	-	0	-	278,340	-	278,340
General revenues:						0
Property tax	2,166,780	1,974,598	-	-	2,166,780	1,974,598
Sales tax	754,264	670,276	77,629	60,012	831,893	730,288
Unrestricted investment earnings	125,798	92,043	287	396	126,085	92,439
Other/transfers	(51,859)	54,352	51,859	-	-	54,352
Total Revenues	$ 4,416,280	$ 3,891,845	$ 174,938	$ 390,915	$ 4,591,218	$ 4,282,760

Summary of Changes in Net Assets (Continued)

	Governmental Activities		Business-Type Activities		Total	
Program Expenses:	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
General government	959,332	759,670	-	-	959,332	759,670
Public safety	1,322,434	1,339,898	-	-	1,322,434	1,339,898
Judicial	344,565	317,408	-	-	344,565	317,408
Public works	1,642,424	881,891	-	-	1,642,424	881,891
Health & welfare	185,361	142,223	-	-	185,361	142,223
Library & recreation	66,309	79,350	-	-	66,309	79,350
Housing & development	196,680	110,452	-	-	196,680	110,452
Interest on debt	22,299	1,598	-	-	22,299	1,598
Water	-	-	134,361	63,150	134,361	63,150
Total expenses	4,739,404	3,632,490	134,361	63,150	4,873,765	3,695,640
Changes in net assets	(323,124)	259,355	40,577	327,765	(282,547)	587,120
Net assets, July 1	60,663,058	60,403,703	2,708,763	2,380,998	63,371,821	62,784,701
Net assets, June 30	$ 60,339,934	$ 60,663,058	$ 2,749,340	$ 2,708,763	$ 63,089,274	$ 63,371,821

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes to support governmental operations. Property taxes for year ended June 30, 2007 provided 2.1 million or 49% of the County's total governmental revenues as compared to 51% in 2006. Sales taxes revenue was approximately 0.75 million of revenues or 17% as compared to a similar amount in 2006.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up approximately 63% or $2.96 million of the total governmental activities expenses. General government totals over $0.95 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	2007		2006	
	Total cost of service	Net Cost of service	Total cost of service	Net Cost of service
General government	$ 959,332	$ 939,166	$ 759,670	$ 747,908
Public safety	1,322,434	917,974	1,339,898	880,492
Judicial	344,565	21,680	317,408	17,910
Public works	1,642,424	1,042,103	881,891	618,321
Health & welfare	185,361	114,256	142,223	75,883
Library & recreation	66,309	66,309	79,350	79,350
Housing & development	196,680	194,320	110,452	110,452
Interest on debt	22,299	22,299	1,598	1,598
Total assets	$ 4,739,404	$ 3,318,107	$ 3,632,490	$ 2,531,914

After reducing gross expenses by program revenues, public safety totals 27.7% of the net cost of services and public works totals 31.4% 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 is in its second year of operation. Revenue generated from water services totaled $45,000 for the year ended June 30, 2007 as compared to $19,000 for 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 $3,677,985. Of this year-end total, $1,417,938 is unreserved indicating availability for continuing county service requirements. Legally restricted fund balances (i.e., the reserved fund balances) include $2,260,047 set aside for specific program purposes and capital projects.

The total ending fund balances of governmental funds show a decrease of ($366,736).

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 decreased ($213,172).

The General Fund (continued)

Some of the more notable changes in expenditures at June 30, 2007 follow. The general government function increased $136,000 over 2006. As noted, public safety had a decrease of approximately $103,000. Public works expenditures increased $114,000 over 2006. The increase was due primarily from work in progress on infrastructure for roads and work on industrial park.

All other functional costs had modest increases with those of the prior year totaling approximately $130,000.

The unreserved fund balance (i.e. the amount available for future spending), and is considered adequate, representing the equivalent of 43% of annual expenditures.

Budgetary Highlights

The General Fund

The revenue budget for 2007 was increased approximately $708,000 for the year. However, the County only realized 91.3% of the final estimated revenues and the actual expenditures decrease a similar amount of the final budgeted estimated expenditures. Judicial, public works, and housing and development 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 $63,875,665. The following table provides a summary of capital asset activity.

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2005
Land	$ 426,839	$ 426,839	$ -	$ -	$ 426,839	$ 426,839
Building & improvements	5,097,072	5,097,072	-	-	5,097,072	5,097,072
Vehicles & equipment	5,149,813	5,027,534	-	-	5,149,813	5,027,534
Infrastructure	50,060,900	49,297,500	-	-	50,060,900	49,297,500
Contracts in progress	36,175	512,648	-	-	36,175	512,648
Utility systems	-	-	3,104,866	3,104,866	3,104,866	3,104,866
	$ 60,770,799	$ 60,361,593	$ 3,104,866	$ 3,104,866	$ 63,875,665	$ 63,466,459

The county investment in capital assets increased for the year ended June 30, 2007 by $409,206. 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	
Public safety	$ 60,101
Judicial	37,178
Public works	311,927
	409,206
Business-type activities	
Water system infrastructure	-
	$ 409,206

The funds provided to acquire capital assets for the Governmental activities functions were from reserve funds and a Georgia DOT Grant.

Additional information on the County capital assets can be found on pages 40 through 42 and long term debt on pages 42 through 44, 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, 2007

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Current assets				
Cash & cash equivalents	$ 3,505,036	$ 41,461	$ 3,546,497	$ 254,198
Receivables, net				
Taxes	56,860	-	56,860	-
Accounts/notes	133,915	3,639	137,554	76,055
Sales taxes	58,923	-	58,923	-
Other	45,018	-	45,018	-
Due from other governments	275,051	-	275,051	-
Internal balances	(40,793)	40,793	-	-
Restricted assets				
Cash and cash equivalent	-	134,951	134,951	-
Receivables	-	-	-	7,500
Total current assets	4,034,010	220,844	4,254,854	337,753
NONCURRENT ASSETS				
Capital assets				
Land	426,839	-	426,839	-
Buildings & improvements	5,097,072	-	5,097,072	-
Vehicle & equipment	5,149,813	-	5,149,813	1,232,286
Infrastructure	50,060,900	-	50,060,900	-
Water system	-	3,104,866	3,104,866	-
Construction in progress	36,175	-	36,175	-
Less accumulated depreciation	(3,681,303)	(87,258)	(3,768,561)	(340,135)
Total noncurrent assets	57,089,496	3,017,608	60,107,104	892,151
Total assets	$ 61,123,506	$ 3,238,452	$ 64,361,958	$ 1,229,904

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
LIABILITIES				
Current liabilities				
Accounts payable	$ 116,045	$ -	$ 116,045	$ 15,824
Accrued expenses	96,999	962	97,961	-
Due to other governments	86,121	-	86,121	-
Current portion of long-term debt	58,413	8,524	66,937	24,504
Total current liabilities	357,578	9,486	367,064	40,328
LONG TERM LIABILITIES				
Long term debt, net of current portion	425,994	479,626	905,620	127,635
Total long term liabilities	425,994	479,626	905,620	127,635
Total liabilities	783,572	489,112	1,272,684	167,963
Net assets				
Invested in capital assets, net of related debt	56,605,089	2,529,458	59,134,547	744,725
Restricted for:				
Capital project fund	1,192,106	132,474	1,324,580	-
Special revenue funds	195,805	-	195,805	-
Program Purposes	872,136	2,477	874,613	24,874
Unrestricted	1,474,798	84,931	1,559,729	292,342
Total net assets	$ 60,339,934	$ 2,749,340	$ 63,089,274	$1,061,941

WARREN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

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	Net (Expenses) Revenue and Changes in Net Assets, Primary Government: Business-type Activities	Net (Expenses) Revenue and Changes in Net Assets, Primary Government: Total	Component Units
Primary Government								
Governmental Activities								
General government	$ 959,332	$ 20,166	$ -	$ -	$ (939,166)	$ -	$ (939,166)	$ -
Judicial	344,565	322,885	-	-	(21,680)	-	(21,680)	-
Public safety	1,322,434	404,460	-	-	(917,974)	-	(917,974)	-
Public works (highways & streets)	1,642,424	526,674	73,647	-	(1,042,103)	-	(1,042,103)	-
Health & welfare	185,361	71,105	-	-	(114,256)	-	(114,256)	-
Library & recreation	66,309	-	-	-	(66,309)	-	(66,309)	-
Housing & development	196,680	2,360	-	-	(194,320)	-	(194,320)	-
Interest on long term debt	22,299	-	-	-	(22,299)	-	(22,299)	-
Total Governmental Activities	4,739,404	1,347,650	73,647	-	(3,318,107)	-	(3,318,107)	-
Business-Type Activities								
Water	134,361	45,163	-	-	-	(89,198)	(89,198)	-
Total Business-Type Activities	134,361	45,163	-	-	-	(89,198)	(89,198)	-
Total Primary Government	$ 4,873,765	$1,392,813	$ 73,647	$ -	(3,318,107)	(89,198)	(3,496,503)	-
Component Units								
Warren County Development Authority	$ 48,588	$ 32,004	$ 60,000	$ -				43,416
Warren County Health Department	165,181	27,157	125,303	25,000				12,279
Total Component Units	$ 213,769	$ 59,161	$ 185,303	$ 25,000				55,695
General revenues								
Property taxes					1,973,819	-	1,973,819	-
Sales taxes					315,325	-	315,325	-
Special purpose local option sales tax					438,939	77,629	516,568	-
Insurance premium taxes					173,290	-	173,290	-
Franchise, beer & wine tax					19,671	-	19,671	-
Unrestricted investment earnings					125,798	287	126,085	-
Transfers					(51,859)	51,859	-	-
Total general revenues and transfers					2,994,983	129,775	3,124,758	-
Change in Net Assets					(323,124)	40,577	(282,547)	82,226
Net Assets - beginning of year					60,663,058	2,708,763	63,371,821	979,715
Net Assets - ending of year					$ 60,339,934	$ 2,749,340	$ 63,089,274	$ 1,061,941

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

WARREN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007
(WITH COMPARATIVE TOTALS AT JUNE 30, 2006)

	2007								2006
	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	$ 1,243,031	$ 333,306	$ 350,035	$ 419,229	$ 275,437	$ 389,918	$ 494,080	$ 3,505,036	$ 3,723,281
Receivables:									
Accounts	173,165	-	-	-	98,127	102,720	5,768	379,780	238,294
Property tax, net	56,860	-	-	-	-	-	-	56,860	45,966
Sales tax	58,923	-	-	-	-	-	-	58,923	137,917
Due from other funds	-	56,025	-	145,678	-	-	58,103	259,806	61,431
Due from other governments	-	-	-	-	-	-	1,589	1,589	18,808
Due from others	72,615	-	-	-	-	-	-	72,615	57,508
Total Assets	$ 1,604,594	$ 389,331	$ 350,035	$ 564,907	$ 373,564	$ 492,638	$ 559,540	$ 4,334,609	$ 4,283,205
Liabilities and fund balance									
Liabilities									
Accounts payable	19,641	-	-	-	-	-	96,404	116,045	76,288
Accrued expenditures	96,999	-	-	-	-	-	-	96,999	17,185
Deferred revenue	56,860	-	-	-	-	-	-	56,860	45,966
Due to other governments	10,946	-	-	-	75,175	-	-	86,121	28,235
Due to other funds	2,210	-	-	-	298,389	-	-	300,599	70,810
Total liabilities	186,656	-	-	-	373,564	-	96,404	656,624	238,484
Fund Balance									
Reserved for:									
Program purposes	-	-	-	-	-	-	29,463	29,463	29,875
Unreserved, and									
Undesignated reported in:									
General fund	1,417,938	-	-	-	-	-	-	1,417,938	1,631,110
Capital project funds	-	389,331	-	564,907	-	-	237,868	1,192,106	1,286,570
Special revenue funds	-	-	350,035	-	-	492,638	195,805	1,038,478	1,097,166
Total fund balance	1,417,938	389,331	350,035	564,907	-	492,638	463,136	3,677,985	4,044,721
Total liabilities and fund balance	$ 1,604,594	$ 389,331	$ 350,035	$ 564,907	$ 373,564	$ 492,638	$ 559,540	$ 4,334,609	$ 4,283,205

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, 2007

Total fund balances - Governmental funds	$ 3,677,985
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	60,770,799
Accumulated depreciation	(3,681,303)
Liabilities, including notes payable are not due and payable in current period and are not reported in the funds	
Capitalized lease payable	(58,413)
Note payable	(425,994)
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	56,860
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	257,596
Interfund payables	(257,596)
Net assets of Governmental activities	$60,339,934

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

Revenues
- Taxes
- Permits & Licenses
- Intergovernmental
- Charges for Service
- Fines & Forfeitures
- Use of money and property
- Other
  - Total revenues

Expenditures
Current Operating
- General government
- Public safety
- Judicial
- Public works
- Health & Welfare
- Library and Recreation
- Housing & Development

Debt service
- Principal
- Interest
  - Total Expenditures

Excess (deficiency) of revenues ov
Other financial sources (uses)
- Note issued (USDA Loan)
- Transfers in (out)

- Total other financing sources an
- Net changes in fund balances
- Fund balance
  - Beginning of year
  - End of year

Notes to the Financial Statements a

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, 2007

Net change in Fund Balance - Total governmental funds		$ (366,736)
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	409,206	
Depreciation expense	(432,454)	
		(23,248)
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		
Repayment of capitalized lease is an expenditure in governmental funds, but the repayment reduced long term liabilities on the government-wide		55,967
Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
Property taxes:		
Deferral @ 6/30/06	(45,967)	
Deferral @ 6/30/07	56,860	
		10,893
Changes in net assets of governmental activities		$ (323,124)

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, 2007

	Budgeted Amounts			Variance with Final Budget Positive
REVENUES	Original	Final	Actual	(Negative)
Taxes	$ 2,154,096	$ 2,571,937	$ 2,506,906	$ (65,031)
Permits and licenses	10,000	10,000	12,144	2,144
Intergovernmental	7,200	-	73,647	73,647
Charges for service	481,364	448,850	528,450	79,600
Fines & Forfeitures	329,000	144,750	157,527	12,777
Uses of money and property	40,000	40,000	67,543	27,543
Other	243,409	448,928	-	(448,928)
Total revenues	3,265,069	3,664,465	3,346,217	(318,248)
EXPENDITURES				
Current operating:				
General government	906,925	1,089,517	947,426	(142,091)
Public safety	1,106,159	1,188,190	881,921	(306,269)
Judicial	289,169	303,059	316,916	13,857
Public Works	619,925	682,722	763,628	80,906
Health and welfare	120,590	166,005	165,975	(30)
Library and recreation	67,828	50,702	56,429	5,727
Housing & development	134,473	123,770	139,485	15,715
Total expenditure	3,245,069	3,603,965	3,271,780	(332,185)
Excess (deficiency) of revenues over (under) expenditures	$ 20,000	$ 60,500	74,437	$ 13,937
Other financing sources (uses)				
Transfers out			(277,104)	
Total other finance sources (uses)			(277,104)	
Excess expenditures over resources			(202,667)	
Reconciliation to GAAP Basis to record effect of changes in receivable and other assets and payables and other liabilities				
Receivables and other assets			(22,323)	
Payables and other liabilities			11,818	
			(10,505)	
Net changes in fund balances			(213,172)	
Fund balance - Unreserved				
Beginning of year			1,631,110	
End of year			$ 1,417,938	

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

WARREN COUNTY, GEORGIA
PROPRIETARY FUND
COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30, 2007 AND 2006

	Water Fund 2007	2006
Assets		
Current assets		
Cash in bank - operating account	$ 41,461	$ 21,882
Accounts receivable	3,639	1,065
Due from other funds	40,793	9,379
Total cash & other assets	85,893	32,326
Restricted assets		
Cash in bank - reserve fund	2,477	354
Cash in bank - retainage	-	302
Cash in bank - sales tax fund for water project	80,825	34,551
Cash in bank - GEFA Funds	51,649	58,233
Total restricted assets	134,951	93,440
Total current assets	220,844	125,766
Utility System		
Water Distribution Facility	3,104,866	3,104,866
Accumulated depreciation	(87,258)	(25,462)
	3,017,608	3,079,404
Total assets	3,238,452	3,205,170
Liabilities and net assets		
Current liabilities		
Accrued Interest	962	-
Current maturities of long term debt	8,524	8,260
Total current liabilities	9,486	8,260
Long term debt		
Note payable, net of current maturities	479,626	488,147
Total long term debt	479,626	488,147
Total liabilities	489,112	496,407
Net assets		
Invested in capital assets, net of related debt	2,529,458	2,582,997
Restricted for debt service	2,477	354
Restricted for water project	132,474	93,086
Unrestricted	84,931	32,326
	$ 2,749,340	$ 2,708,763

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, 2007 AND 2006

	2007	2006
Operating revenue		
Water revenue	$ 45,163	$ 16,095
Water tap	-	2,975
Total operating revenue	45,163	19,070
Operating expenses		
Materials & supplies	8,271	2,194
Water testing	5,494	4,871
Billing services	22,995	10,005
Water purchases	15,108	11,038
Equipment rental	-	3,997
Office expense, dues and fees	-	1,016
Depreciation	61,796	25,462
Total operating expenses	113,664	58,583
Operating income (loss)	(68,501)	(39,513)
Non operating revenue (expense)		
Capital grants	-	311,437
Sales tax revenue (SPLOST Funds)	77,629	60,012
Investment earnings	287	396
Interest expense	(20,697)	(4,567)
Total Non operating revenue (expenses)	57,219	367,278
Other financing sources (uses)		
Transfers in	51,859	54,016
Total other finance sources (uses)	51,859	54,016
Change in net assets	40,577	327,765
Net assets, beginning of year	2,708,763	2,380,998
Net assets, end of year	$ 2,749,340	$ 2,708,763

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, 2007

	2007	2006
Cash flows for operating activities:		
Cash received from customer	$ 42,589	$ 18,005
Cash payments for goods and services	(50,179)	(100,093)
Net cash provided by operating activities	(7,590)	(82,088)
Cash flows non capital financing activities:		
None	-	-
	-	-
Cash flow from capital and related financing activities:		
Capital grant	50,170	311,437
Sales tax revenue (SPLOST fund)	46,215	60,012
Increase from loan net	(8,257)	106,907
Interest on loan	(19,735)	(4,567)
Construction of water distribution facility	-	(491,935)
Net cash provided in capital and related financing activities	68,393	(18,146)
Cash flow from investing activities:		
Investment earnings	287	396
Net cash provided by investing activities	287	396
Net (decrease) increase in cash and cash equivalents	61,090	(99,838)
Cash and cash equivalent, beginning of year	115,322	215,160
Cash and cash equivalent, end of year	$ 176,412	$ 115,322
Reconciliation of operating income to net cash (used by) operating activities:		
Operating income	(66,812)	(39,513)
Depreciation	61,796	25,462
Due from other funds	(2,574)	(188)
Accounts payable	-	(1,065)
Retainage payable	-	(66,784)
Due to other funds	-	0
Net cash (used) by operating activities	$ (7,590)	$ (82,088)

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

WARREN COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - AGENCY FUNDS
JUNE 30, 2007

	Pension Funds	Agency Funds
Assets		
Cash and cash equivalents	$ -	$ 207,065
Investments at fair value		
Mutual Funds	534,845	-
Total assets	$ 534,845	$ 207,065
Liabilities		
Due to other governments	$ -	$ 106,066
Due to others	-	100,999
Total liabilities	-	$ 207,065
Net assets		
Held in trust for retirement benefits (present value of vested benefits $515,397)	$ 534,845	

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, 2007

	Pension Funds
Addition	
Contribution - Employer	$ -
Net adjustment to fair value of investments	99,734
Total additions	99,734
Deductions	
Distributions	14,609
Total deductions	14,609
Changes in net assets	85,125
Net assets, beginning of year	449,720
Net assets, end of year	$ 534,845

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, 2007
(WITH COMPARATIVE TOTALS AT JUNE 30, 2006)

ASSETS	Warren County Development Authority Enterprise Fund	Warren County Board of Health Fund	Totals 2007	Totals 2006
Current assets				
Cash	$ 204,455	$ 49,743	$ 254,198	$ 246,486
Accounts receivable	60,000	16,055	76,055	66,467
Grant receivable	-	-	-	-
Total current assets	264,455	65,798	330,253	312,953
Restricted assets				
Receivables	7,500	-	7,500	7,500
Total restricted assets	7,500	-	7,500	7,500
Capital assets				
Property & equipment	1,232,286	-	1,232,286	1,158,635
Less accumulated depreciation	(340,135)	-	(340,135)	(315,172)
Total capital assets, net	892,151	-	892,151	843,463
Total assets	1,164,106	65,798	1,229,904	1,163,916
LIABILITIES				
Current liabilities				
Accounts payable	-	15,824	-	-
Retainage payable	-	-	-	-
Current liabilities payable from restricted assets - note payable	24,504	-	24,504	24,504
Total current liabilities	24,504	15,824	24,504	24,504
Long term liabilities				
Accounts for accrued compensated absences	-	4,643	-	10,819
Notes payable	122,922	-	122,922	147,496
Total long term liabilities	122,922	4,643	122,922	158,315
Total liabilities	147,426	20,467	147,426	182,819
Net assets				
Invested in capital assets, net of related debt	744,725	-	744,725	671,463
Restricted	-	24,874	-	32,279
Unrestricted	271,955	20,457	292,412	277,355
Total net assets	$ 1,016,680	$ 45,331	$ 1,037,137	$ 981,097

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, 2007

FUNCTION/PROGRAM:	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: Warren Cty Development Authority	Net (Expenses) Revenue and Changes in Net Assets: Warren Cty Public Health Program	Total
Warren County Development Authority							
Governmental type activities	$ 48,588	$ 32,004	$ 60,000	$ -	$ 43,416	$ -	$ 43,416
Warren County Public Health Program							
Governmental type activities							
Health and welfare	165,181	27,157	125,303	25,000	-	12,279	12,279
Total component units	$ 213,769	$ 59,161	$ 185,303	$ 25,000	43,416	12,279	55,695
General revenue							
Unrestricted investment earnings					6,831	-	6,831
Other					19,500	200	19,700
Total general revenue					26,331	200	26,531
Changes in net assets					69,747	12,479	82,226
Net assets, beginning of year					946,863	34,233	981,096
Prior period adjustment					-	(1,381)	(1,381)
Net assets, beginning of year, restated					946,863	32,852	979,715
Net assets, end of year, restated					$ 1,016,610	$ 45,331	$ 1,061,941

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, 2007 AND 2006

	2007	2006
Cash flows from operating activities:		
Cash received from customers	$ 51,504	$ 32,004
Cash payments to vendors	(16,125)	(36,789)
Net Cash Used by Operating Activities	35,379	(4,785)
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	(73,652)	(57,854)
Capital grant	-	76,338
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	(105,656)	(13,520)
Cash flows from investing activities:		
Proceeds from interest earnings	6,831	2,044
Net Cash Provided by Investing Activities	6,831	2,044
Net increase in cash and cash equivalents:	(3,446)	43,739
Cash and Cash Equivalents, beginning of year	207,901	164,162
Cash and Cash Equivalents, end of year	$ 204,455	$ 207,901
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating (loss) income	$ 10,416	$ (29,748)
Depreciation	24,963	24,963
Net cash (used) provided by operating activities	$ 35,379	$ (4,785)

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

WARREN COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

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.

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

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 began operating in January 2006.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 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, 2006 and became due October 20, 2006 and past due after December 20, 2006. 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.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and payables (Continued)

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.

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, 2007, 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 accrual, basis except the General fund is presented on a cash 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, 2007, expenditures exceeded appropriations in the Judicial, public works, library and recreation, and housing and development of the general fund by $13,857, $80,906, $5,725 and $15,715 respectively. Also, expenditures exceeded appropriations in the funds listed below. These over expenditures were funded in available fund balance (reserve funds) in each of the above funds.

Library Fund	$ 412	Communication Grant	$ 30,000
Fire Department Fund	489	Landfill Fund	3,488
Emergency 911 Fund	1,880	Roads & Bridges Fund	159,391
Community Facilities Project	55,443	Revolving Loan Fund	41,761

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	$ 3,505,036	$ 254,198	$ 3,759,234
2	0	0	0
3	0	0	0
Total	$ 3,505,036	$ 254,198	$ 3,759,234

At June 30, 2007, the County's total book cash balance and bank deposit balance, including certificates of deposit, totaled $3,505,036. The Development Authority's and Board of Health's total book cash balances and bank deposit balances, including certificates of deposit, totaled $254,198.

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 2006 were levied on October 20, 2006 and were due December 20, 2006. 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, 2007 totaled $536,568.

A summary of the 2006 tax levy follows:

General Fund	
2006 millage rate - County wide	11.25
Net Property Tax Levy-All Taxes	$1,843,457
Property Taxes Receivable-Real and Personal Property Taxes, Net	$ 56,860

At June 30, 2007, the component of deferred revenue reported in the governmental funds for property taxes was $56,860.

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	$ 173,165	$ 200,847	$ 5,768	$ 379,780
Property taxes	92,758	-	-	92,758
Sales tax	58,923	-	-	58,923
Other	72,615	201,703	59,692	334,010
Gross receivables	397,461	402,550	65,460	865,471
Less, allowance for uncollectible	35,898	-	-	(35,898)
Net total receivable	$ 361,563	$ 402,550	$ 65,460	$ 829,573

Discretely Presented Component Unit

	Development Authority	Health Fund	Total
Rent	$ 7,500	$ -	$ 7,500
Intergovernmental	60,000	16,055	76,055
	$ 67,500	$ 16,055	$ 83,555

NOTE IV - CAPITAL ASSETS

Primary Government

Changes in capital assets for the year ended June 30, 2007 are summarized as follows:

Governmental activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 426,839	$ -	$ -	$ 426,839
Infrastructure	49,297,500	763,400	-	50,060,900
Construction in progress	512,648	36,175	512,648	36,175
Total capital assets, not being depreciated	50,236,987	799,575	512,648	50,523,914
Capital assets, being depreciated				
Buildings & improvement	5,097,072	-	-	5,097,072
Vehicle & equipment	5,027,534	122,279	-	5,149,813
Total capital assets, being depreciated	10,124,606	122,279	-	10,246,885
Total capital assets	60,361,593	921,854	512,648	60,770,799

NOTE IV - CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

Governmental activities (continued)	Beginning Balance	Increases	Decreases	Ending Balance
Accumulated depreciation				
Buildings & improvement	$ (754,205)	$ (85,376)	$ -	$ (839,581)
Vehicles & equipment	(2,494,644)	(347,078)	-	(2,841,722)
Total accumulated depreciation	(3,248,849)	(432,454)	-	(3,681,303)
Governmental activities capital assets, net	$ 57,112,744	$ 489,400	$ 512,648	$ 57,089,496

Governmental activities depreciation expense	
General government	$ 11,895
Public safety	146,339
Judicial	54,350
Public works	184,065
Health & welfare	22,883
Library & recreation	9,879
Housing & development	3,043
Total Governmental activities depreciation expense	$ 432,454

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.

Water system	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, water system	$ 3,104,866	$ -	$ -	$ 3,104,866
Accumulated depreciation	(25,462)	(61,796)	-	(87,258)
Business-Type activities, net	$ 3,079,404	$ (61,796)	$ -	$ 3,017,608

NOTE IV - CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Unit

Changes in capital assets for year ended June 30, 2007 are summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 282,399	$ -	$ -	$ 282,399
Construction in progress, industrial park	376,971	73,651	-	450,622
Total capital assets, not being depreciated	659,370	73,651	-	733,021
Capital assets, being depreciated				
Buildings	499,265	-	-	499,265
Total capital assets, being depreciated	499,265	-	-	499,265
Less accumulated depreciation	(315,172)	(24,963)	-	(340,135)
Total accumulated depreciation	(315,172)	(24,963)	-	(340,135)
Capital assets, net	$ 843,463	$ 48,688	$ -	$ 892,151

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, 2007 comprise the following:

	Balances June 30, 2006	Additions	Retirements	Balances June 30, 2007
Capital lease -				
Vehicles	$ 43,284	$ -	$ 14,803	$ 28,481

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, 2007:

	Governmental Activities
Vehicles	$ 96,016
Less accumulated depreciation	73,714
	$ 22,302

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, 2007:

Fiscal year ending June 30	Long-term Debt
2008	$ 16,392
2009	13,107
Total minimum lease payments	29,499
Less amount representing interest	1,018
Present value of future minimum lease payments	$ 28,481

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.

	Outstanding June 30, 2006	Additions	Reductions	Outstanding June 30, 2007	Amount due within one year
Note payable	$ 497,090	$ -	$ 41,164	$ 455,926	$ 42,862

Business-type activities	Outstanding June 30, 2006	Additions	Reductions	Outstanding June 30, 2007	Amount due within one year
USDA Water Revenue [1]					
Bonds 4.5% interest rate	$ 388,578	$ -	$ 3,788	$ 384,790	$ 3,966
GEFA/Highway 278 Water expansion loan 2.0% interest rate	107,829	-	4,469	103,360	4,558
	$ 496,407	$ -	$ 8,257	$ 488,150	$ 8,524

[1] The USDA Revenue Bonds agreement, the County is required to fund and maintain reserve funds while the loan is outstanding. The County is required to deposit in the reserve fund 10% of the annual principal and interest payment. The County is in compliance with the bond agreement for the year ended June 30, 2007.

NOTE V - LONG-TERM DEBT (CONTINUED)

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

	Governmental		Business Type Activities			
	USDA Loan		USDA Loan		GEFA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	42,862	18,807	3,966	17,262	4,558	2,025
2009	44,630	17,039	4,149	17,079	4,651	1,933
2010	46,471	15,198	4,339	16,889	4,745	1,839
2011	48,388	13,281	4,539	16,639	4,840	1,744
2012-2016	273,575	34,770	26,030	80,113	25,707	7,214
2017-2021	-	-	32,591	73,549	28,409	4,512
2022-2026	-	-	40,813	65,327	30,450	1,530
2027-2031	-	-	51,107	55,033	-	-
2032-2036	-	-	63,999	42,141	-	-
2037-2041	-	-	80,143	25,997	-	-
2042-2045	-	-	73,114	6,490	-	-
	$ 455,926	$ 99,095	$ 384,790	$ 416,519	$ 103,360	$ 20,797

Component unit

Changes in long-term debt for the year ended June 30, 2007 are as follows:

Development Authority	Balance 6/30/2006	Additions	Deletions	Balance 6/30/2007
Note payable-City of Warrenton	$ 172,000	$ 24,504	$ -	$ 147,496

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, 2007 was $147,496. 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
2008	$ 24,504
2009	24,504
2010	24,504
2011	24,504
2012-2013	49,480
Totals	$ 147,496

NOTE VI - INTERFUND BALANCES

Interfund balances at June 30, 2007 consisted of the following amounts and represent reimbursable expenses and sales tax distributions. These remaining balances resulted from a 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	$ -	$ 56,025	$ 56,025
Emergency service fund	-	26,350	26,350
Recreation fund	-	31,753	31,753
Roads & Bridges	2,210	143,468	145,678
Water fund	-	40,973	40,973
	$ 2,210	$ 298,569	$ 300,779

The County maintains a Special Local Option Sales Tax Fund (SPLOST) to receive sales tax from the state. Those amounts undistributed in the fund at June 30, 2007 are shown as a liability to the various funds of the county and a corresponding receivable is recorded in those funds. Those interfund accounts are liquidated within 60 days.

The transfers are primarily from the general funds for expenditures made for various funds of the County. The Emergency 911 Fund and Water Revenue Fund has been operating less that two years a summary of the transfers for the year is as follows:

Emergency E-911	$ 178,540
Water Revenue Fund	51,859
Communication Grant	46,705
	$ 277,104

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 coverage's 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, 2007, 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, 2006 (the most recent actuarial valuation date) was $409,319.

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, 2007, net assets reserved for employee's retirement benefits totaled $534,845.

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	$ 143,028
Interest on net pension obligation	7,151
Adjustment to annual required contribution	-
Annual pension cost	150,179
Less contributions made	-
Increase (decrease) in net pension obligations	150,179
Net pension obligation (credit), beginning of year	(338,915)
Net pension obligation (credit), end of year	$ (188,726)

NOTE VIII - PENSION PLAN (CONTINUED)

Annual Pension Cost (Continued)

For the year ended June 30, 2007, 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.

The recommended minimum and maximum contributions were determined as part of an actuarial valuation as of January 1, 2007 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, 2007.

There were no changes in actuarial assumptions or benefit provisions for the year ended June 30, 2007.

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, 2007	$ 0	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, 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%
Jan 1, 2006	$ 425,744	$ 515,397	$ 89,653	86.00%	$ 409,319	21.91%

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, 2007 totaled $24,963 and $340,135, 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 2007. However, in 2007, the Company filed bankruptcy and the loan is not current with a balance outstanding at June 30, 2007 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.

Subsequent to year end the County received a settlement of $102,720 in bankruptcy court with Wheland Foundry LLC in payment of a loan previously made by the County. This resulted in a write off of $54,262 shown in the Revolving Loan Fund for the year ended June 30, 2007.

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, 2007, 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 June 1, 2007, 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	$ 1,216,000
Water	349,440
Economic Development	384,000
Recreation	384,000
Emergency Service	212,480
	2,545,920
City of Warrenton projects	431,360
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, 2007, associated with the maintenance and monitoring of the landfill, totaled $89,838.

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, 2007

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 $1,216,000.

During the year ended June 30, 2007, the expenditures through Public works of the General Fund and Special Revenue Sales Tax fund was in excess of $956,031 for road maintenance.

WARREN COUNTY, GEORGIA
MAJOR AND NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

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.

	Law Library	Drug Abuse Fund	Jail Fund	Sheriff Drug Fund
Assets				
Cash & Cash Equivalent	$ 30,590	$ 19,254	$ 134,220	$ 2,694
Receivables:				
Accounts	-	-	-	-
Sales tax	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	386	1,203	-
Total Assets	$ 30,590	$ 19,640	$ 135,423	$ 2,694
Liabilities and fund balance				
Liabilities				
Accounts payable	$ 1,127	$ -	$ 5,286	$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	1,127	-	5,286	-
Fund Balance				
Reserved for:				
Program purposes	29,463	-	-	-
Special revenue funds	-	19,640	130,137	2,694
Capital project funds	-	-	-	-
Total fund balance	29,463	19,640	130,137	2,694
Total liabilities and fund balance	$ 30,590	$ 19,640	$ 135,423	$ 2,694

WARREN COUNTY, GEORGIA
BALANCE SHEET
NONMAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUND
JUNE 30, 2007
(WITH COMPARATIVE TOTALS AT JUNE 30, 2006)

	2007									2006
	Volunteer Fire Department	Emergency 911 Fund	Knox Theater Fund	Emergency Service Fund	Recreation Fund	Community Facilities Project	Warren County Communications Grant	Warren County Planning Commission	Total Governmental Revenue Fund	Total Governmental Revenue Fund
	$ 8,870	$ 16,175	$ 3,023	$ 28,318	$ 148,424	$ 12,372	$ 29,991	$ 60,149	$ 494,080	$ 492,165
	-	5,768	-	-	-	-	-	-	5,768	4,143
	-	-	-	-	-	-	-	-	-	-
	-	-	-	26,350	31,753	-	-	-	58,103	13,356
	-	-	-	-	-	-	-	-	1,589	-
	$ 8,870	$ 21,943	$ 3,023	$ 54,668	$ 180,177	$ 12,372	$ -	$ 60,149	$ 559,540	$ 509,664
	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,991	$ 60,000	$ 96,404	$ 711
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	29,991	60,000	96,404	711
	-	-	-	-	-	-	-	-	29,463	29,875
	8,870	21,943	-	-	-	12,372	-	149	195,805	277,059
	-	-	3,023	54,668	180,177	-	-	-	237,868	202,019
	8,870	21,943	3,023	54,668	180,177	12,372	-	149	463,136	508,953
	$ 8,870	$ 21,943	$ 3,023	$ 54,668	$ 180,177	$ 12,372	$ 29,991	$ 60,149	$ 559,540	$ 509,664

	Law Library	Drug Abuse Fund	Jail Fund	Sheriff Drug Fund
Revenues				
Taxes	$ -	$ -	$ -	$ -
Permits & Licenses	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Service	-	-	-	-
Fines & Forfeitures	9,908	3,194	24,823	-
Use of money and property	228	63	158	99
Other	-	-	-	-
Total revenues	10,136	3,257	24,981	99
Expenditures				
Current Operating				
General government	-	-	-	-
Public safety	-	-	21,928	-
Judicial	10,548	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Library and recreation	-	-	-	-
Housing & development	-	-	-	-
Capital outlay				
Debt services	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	10,548	-	21,928	-
Transfers				
In	-	-	-	-
Out	-	-	-	-
Net changes in fund balances	(412)	3,257	3,053	99
Fund balance				
Beginning of year	29,875	16,383	127,084	2,595
End of year	$ 29,463	$ 19,640	$ 130,137	$ 2,694

WARREN COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUND EXPENDITURES
COMBINING STATEMENTS OF REVENUES, AND CHANGES IN FUND BALANCES
JUNE 30, 2007
(WITH COMPARATIVE TOTALS AT JUNE 30, 2006)

2006									2006
Volunteer Fire Department	Emergency 911 Fund	Knox Theater Fund	Emergency Service Fund	Recreation Fund	Community Facility Project	Warren County Communications Grant	Warren County Planning Commission	Total Governmental Revenue Fund	Total Governmental Revenue Fund
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	39,870	48,037	-	-	-	87,907	113,542
-	74,175	-	-	-	-	-	-	74,175	61,206
-	-	-	-	-	-	-	-	37,925	35,655
32	-	10	94	611	59	-	149	1,503	1,181
3,127	-	-	-	-	-	-	-	3,127	5,760
3,159	74,175	10	39,964	48,648	59	-	149	204,637	217,344
-	-	-	-	-	-	9	-	9	21
3,648	76,055	-	-	-	-	76,696	-	178,327	129,872
-	-	-	-	-	-	-	-	10,548	9,417
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	36,176	-	-	-	36,176	-
-	-	-	-	-	-	-	-	-	-
-	-	-	15,551	-	42,862	-	-	58,413	21,905
-	-	-	1,046	-	18,807	-	-	19,853	1,598
3,648	76,055	-	16,597	36,176	61,669	76,705	-	303,326	162,813
-	-	-	-	-	6,167	46,705	-	52,872	67,836
-	-	-	-	-	-	-	-	-	-
(489)	(1,880)	10	23,367	12,472	(55,443)	(30,000)	149	(45,817)	122,367
9,359	23,823	3,013	31,301	167,705	67,815	30,000	-	508,953	386,586
$ 8,870	$ 21,943	$ 3,023	$ 54,668	$ 180,177	$ 12,372	$ -	$ 149	$ 463,136	$ 508,953

WARREN COUNTY, GEORGIA
LAW LIBRARY FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2007 AND 2006

Assets	2007	2006
Cash and cash equivalents	$ 30,590	$ 30,586
Total assets	$ 30,590	$ 30,586
Liabilities & fund balance		
Accounts payable	$ 1,127	$ 711
Total liabilities	1,127	711
Fund balance		
Reserve for program purposes	29,463	29,875
Total fund balance	29,463	29,875
Total liabilities and fund balance	$ 30,590	$ 30,586

WARREN COUNTY, GEORGIA
LAW LIBRARY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2006)

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fines and forfeitures	$ 10,000	$ 10,000	$ 9,908	$ (92)	$ 9,711
Investment earnings	-	-	228	228	227
Total revenue	10,000	10,000	10,136	136	9,938
Expenditures					
Judicial materials & supplies	10,000	10,000	10,548	548	9,417
Total expenditures					9,417
Net changes in fund balance	$ -	$ -	(412)	$ (412)	521
Fund balance, beginning of year			29,875		29,354
Fund balance, end of year			$ 29,463		$ 29,875

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUNDS - DRUG ABUSE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2007 AND 2006

Assets	2007	2006
Cash and cash equivalents	$ 19,254	$ 16,168
Due from other governments	386	215
Total assets	$ 19,640	$ 16,383
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	19,640	16,383
Total fund balance	19,640	16,383
Total liabilities and fund balance	$ 19,640	$ 16,383

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, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2006)

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fines and forfeitures	$ 1,000	$ 1,000	$ 3,194	$ 2,194	$ 2,358
Reserve funds	10,000	10,000	-	(10,000)	-
Investment earnings	-	-	63	63	54
Total revenue	11,000	11,000	3,257	(7,743)	2,412
Expenditures					
Public Safety	11,000	11,000	-	(11,000)	-
Total expenditures	11,000	11,000	-	(11,000)	-
Net changes in fund balance	$ -	$ -	3,257	$ 3,257	2,412
Fund balance, beginning of year			16,383		13,971
Fund balance, end of year			$ 19,640		$ 16,383

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - JAIL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2007 AND 2006

Assets	2007	2006
Cash and cash equivalents	$ 134,220	$ 125,513
Due from other governments	1,203	1,571
Total assets	$ 135,423	$ 127,084
Liabilities & fund balance		
Accounts payable	$ 5,286	$ -
Total liabilities	5,286	-
Fund balance		
Unreserved/unrestricted	130,137	127,084
Total fund balance	130,137	127,084
Total liabilities and fund balance	$ 135,423	$ 127,084

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, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2006)

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fines and forfeitures	$ 15,000	$ 15,000	$ 24,823	$ 9,823	$ 23,586
Reserve funds	10,000	10,000	-	(10,000)	-
Investment earnings	-	-	158	158	247
Total revenue	25,000	25,000	24,981	(19)	23,833
Expenditures					
Public Safety	25,000	25,000	21,928	(3,072)	30,025
Total expenditures	25,000	25,000	21,928	(3,072)	30,025
Net changes in fund balance	$ -	$ -	3,053	$ 3,053	(6,192)
Fund balance, beginning of year			127,084		133,276
Fund balance, end of year			$ 130,137		$ 127,084

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - SHERIFF DRUG FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2007 AND 2006

Asscts	2007	2006
Cash and cash equivalents	$ 2,694	$ 2,595
Total assets	$ 2,694	$ 2,595
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	2,694	2,595
Total fund balance	2,694	2,595
Total liabilities and fund balance	$ 2,694	$ 2,595

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, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2006)

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Investment earnings	$ -	$ -	$ 99	$ 99	$ 67
Reserve funds	2,000	2,000	-	(2,000)	-
Total revenue	2,000	2,000	99	(1,901)	67
Expenditures					
Public Safety	2,000	2,000	-	(2,000)	-
Total expenditures	2,000	2,000	-	(2,000)	-
Net changes in fund balance	$ -	$ -	99	$ 99	67
Fund balance, beginning of year			2,595		2,528
Fund balance, end of year			$ 2,694		$ 2,595

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - VOLUNTARY FIRE DEPARTMENT FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2007 AND 2006

Assets	2007	2006
Cash and cash equivalents	$ 8,870	$ 9,359
Total assets	$ 8,870	$ 9,359
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	8,870	9,359
Total fund balance	8,870	9,359
Total liabilities and fund balance	$ 8,870	$ #VALUE!

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, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2006)

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fund raising & other	$ 1,000	$ 1,000	$ 3,127	$ 2,127	$ 5,760
Investment earnings	-	-	32	32	35
Reserve funds	5,000	5,000	-	(5,000)	-
Total revenue	6,000	6,000	3,159	(2,841)	5,795
Expenditures					
Public Safety	6,000	6,000	3,648	(2,352)	5,945
Total expenditures	6,000	6,000	3,648	(2,352)	5,945
Net changes in fund balance	$ -	$ -	(489)	$ (489)	(150)
Fund balance, beginning of year			9,359		9,509
Fund balance, end of year			$ 8,870		$ 9,359

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - EMERGENCY 911 FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2007 AND 2006

Assets	2007	2006
Cash and cash equivalents	$ 16,175	$ 21,466
Accounts receivable	5,768	2,357
Total assets	$ 21,943	$ 23,823
Liabilities & fund balance		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balance	21,943	23,823
Total fund balance	21,943	23,823
Total liabilities and fund balance	$ 21,943	$ 23,823

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, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2006)

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Charges for service	$ 48,000	$ 48,000	$ 70,761	$ 22,761	$ 61,206
Total revenue	48,000	48,000	70,761	22,761	61,206
Expenditures					
Public safety	48,000	48,000	251,181	203,181	73,902
Total expenditures	48,000	48,000	251,181	203,181	73,902
Expenditures in excess of revenue	-	-	(180,420)	(180,420)	-
Other financing sources					
Transfer in	-	-	178,540	178,540	-
Total other financing sources	-	-	178,540	178,540	-
Net changes in fund balance	$ -	$ -	(1,880)	$ (1,880)	(12,696)
Fund balance, beginning of year			23,823		36,519
Fund balance, end of year			$ 21,943		$ 23,823

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - KNOX THEATER FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2007 AND 2006

Assets	2007	2006
Cash and cash equivalents	$ 3,023	$ 3,013
Total assets	$ 3,023	$ 3,013
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital project	3,023	3,013
Total fund balance	3,023	3,013
Total liabilities and fund balance	$ 3,023	$ 3,013

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, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2006)

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Reserve funds	$ 3,000	$ 3,000	$ -	$ (3,000)	$ -
Investment earnings	-	-	10	10	11
Total revenue	3,000	3,000	10	(2,990)	11
Expenditures					
Economic Development	3,000	3,000	-	-	-
Total expenditures	3,000	3,000	-	-	-
Net changes in fund balance	$ -	$ -	10	$ (2,990)	11
Fund balance, beginning of year			3,013		3,002
Fund balance, end of year			$ 3,023		$ 3,013

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - EMERGENCY SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2007 AND 2006

Assets	2007	2006
Cash and cash equivalents	$ 28,318	$ 25,246
Due from other governments	26,350	6,055
Total assets	$ 54,668	$ 31,301
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital project	54,668	31,301
Total fund balance	54,668	31,301
Total liabilities and fund balance	$ 54,668	$ 31,301

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, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2006)

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 30,000	$ 30,000	$ 39,870	$ 9,870	$ 37,891
Investment earnings	-	-	94	94	76
Total revenue	30,000	30,000	39,964	9,964	37,967
Expenditures					
Debt services programs	30,000	30,000	16,597	(13,403)	23,503
Public safety, capital outlay	-	-	-	-	20,000
Total expenditures	30,000	30,000	16,597	(13,403)	43,503
Net changes in fund balance	$ -	$ -	23,367	$ 23,367	(5,536)
Fund balance, beginning of year			31,301		36,837
Fund balance, end of year			$ 54,668		$ 31,301

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - RECREATION FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2007 AND 2006

Assets	2007	2006
Cash and cash equivalents	$ 148,424	$ 160,404
Due from other governments	31,753	7,301
Total assets	$ 180,177	$ 167,705
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital project	180,177	167,705
Total fund balance	180,177	167,705
Total liabilities and fund balance	$ 180,177	$ 167,705

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, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2006)

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 60,000	$ 60,000	$ 48,037	$ (11,963)	$ 45,651
Reserve fund	220,000	220,000	-	(220,000)	-
Investment earnings	-	-	611	611	464
Total revenue	280,000	280,000	48,648	(231,352)	46,115
Expenditures					
Culture and recreation	280,000	280,000	36,176	(243,824)	-
Total expenditures	280,000	280,000	36,176	(243,824)	-
Net changes in fund balance	$ -	$ -	12,472	$ 12,472	46,115
Fund balance, beginning of year			167,705		121,590
Fund balance, end of year			$ 180,177		$ 167,705

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - COMMUNITY FACILITIES PROJECT
BALANCE SHEETS
JUNE 30, 2007 AND 2006

Assets	2007	2006
Cash and cash equivalents	$ 12,372	$ 67,815
Total assets	$ 12,372	$ 67,815
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	12,372	67,815
Total fund balance	12,372	67,815
Total liabilities and fund balance	$ 12,372	$ 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, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2006)

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Reserve Fund	$ 55,800	$ 55,800	$ -	$ (55,800)	$ -
Investment earnings	-	-	59	59	-
Total revenue	55,800	55,800	59	(55,741)	-
Expenditures					
Culture and recreation					21
Debt services	62,000	62,000	61,669	(331)	-
Total expenditures	62,000	62,000	61,669	(331)	21
Other financing sources					
Transfers in	6,200	6,200	6,167	(33)	67,836
Net changes in fund balance	$ -	$ -	(55,443)	$ (55,443)	67,815
Fund balance, beginning of year			67,815		-
Fund balance, end of year			$ 12,372		$ 67,815

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - WARREN COUNTY COMMUNICATIONS GRANT
BALANCE SHEET
JUNE 30, 2007

Assets	2007	2006
Cash and cash equivalents	$ -	$ 30,000
Total assets	$ -	$ 30,000
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
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, 2007

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Reserve funds	$ 30,000	$ 30,000	$ -	$ (30,000)	$ -
Intergovernmental -					
Communication grant	-	-	-	-	30,000
Total revenue	30,000	30,000	-	(30,000)	30,000
Expenditures					
Public safety	30,000	30,000	76,696	46,696	-
Total expenditures	30,000	30,000	76,696	46,696	-
Other Financing Sources					
Transfers in	-	-	46,696	(46,696)	-
Total other financing sources	-	-	46,696	(46,696)	-
Net changes in fund balance	$ -	$ -	(30,000)	$ (30,000)	30,000
Fund balance, beginning of year			30,000		-
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, 2007 AND 2006

Assets	2007	2006
Cash and cash equivalents	$ 333,306	$ 279,554
Due from other governments	56,025	12,883
Total assets	$ 389,331	$ 292,437
Liabilities & fund balance		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital projects	389,331	292,437
Total fund balance	389,331	292,437
Total liabilities and fund balance	$ 389,331	$ 292,437

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, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2006)

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 60,000	$ 60,000	$ 84,760	$ 24,760	$ 80,560
Investment earnings	-	-	12,134	12,134	7,842
Reserve fund	220,000	220,000	-	(220,000)	-
Total revenue	280,000	280,000	96,894	(183,106)	88,402
Expenditures					
Industrial park	280,000	280,000	-	(280,000)	2,500
Total expenditures	280,000	280,000	-	(280,000)	2,500
Net changes in fund balance	$ -	$ -	96,894	$ 96,894	85,902
Fund balance, beginning of year			292,437		206,535
Fund balance, end of year			$ 389,331		$ 292,437

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
SPECIAL LOCAL OPTION SALES TAX - LANDFILL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2007 AND 2006

Assets	2007	2006
Cash and cash equivalents	$ 350,035	$ 353,523
Total assets	$ 350,035	$ 353,523
Liabilities & fund balance		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	350,035	353,523
Total fund balance	350,035	353,523
Total liabilities and fund balance	$ 350,035	$ 353,523

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, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2006)

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Investment earnings	$ -	$ -	$ 16,512	$ 16,512	$ 6,383
Reserve fund	70,000	70,000	-	(70,000)	-
Total revenue	70,000	70,000	16,512	(53,488)	6,383
Expenditures					
Sanitation	70,000	70,000	20,000	(50,000)	40,000
Total expenditures	70,000	70,000	20,000	(50,000)	40,000
Net changes in fund balance	$ -	$ -	(3,488)	$ (3,488)	(33,617)
Fund balance, beginning of year			353,523		387,140
Fund balance, end of year			$ 350,035		$ 353,523

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - ROADS AND BRIDGES FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2007 AND 2006

Assets	2007	2006
Cash and cash equivalents	$ 419,229	$ 689,107
Due from other governments	145,678	35,191
Total assets	$ 564,907	$ 724,298
Liabilities & fund balance		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital projects	564,907	724,298
Total fund balance	564,907	724,298
Total liabilities and fund balance	$ 564,907	$ 724,298

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, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2006)

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 170,000	$ 170,000	$ 266,272	$ 96,272	$ 206,296
Georgia DOT	-	-	521,352	521,352	240,576
Investment earnings	-	-	15,183	15,183	16,982
Reserve funds	530,000	530,000	-	(530,000)	-
Total revenue	700,000	700,000	802,807	102,807	463,854
Expenditures					
Computer equipemcnt	-	-	-	-	-
Highway & streets	700,000	700,000	956,031	256,031	580,484
Total expenditures	700,000	700,000	956,031	256,031	580,484
Other Financing Sources (uses)					
Transfer out	-	-	(6,167)	(6,167)	-
Total other financing sources (uses)	-	-	(6,167)	(6,167)	-
Net changes in fund balance	$ -	$ -	(159,391)	$ (159,391)	(116,630)
Fund balance, beginning of year			724,298		840,928
Fund balance, end of year			$ 564,907		$ 724,298

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

Assets	2007	2006
Cash and cash equivalents	$ 275,437	$ 85,889
Accounts receivable	98,127	-
Total assets	$ 373,564	$ 85,889
Liabilities & fund balance		
Due to other funds	$ 298,389	$ 68,600
Due to other governments	75,175	17,289
Total liabilities	373,564	85,889
Fund balance	-	-
Total fund balance	-	-
Total liabilities and fund balance	$ 373,564	$ 85,889

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
REVOLVING LOAN FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2007 AND 2006

Assets	2007	2006
Cash and cash equivalents	$ 389,918	$ 377,417
Note receivable	102,720	156,982
Total assets	$ 492,638	$ 534,399
Liabilities & fund balance		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	492,638	534,399
Total fund balance	492,638	534,399
Total liabilities and fund balance	$ 492,638	$ 534,399

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
REVOLVING LOAN FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	2007				2006
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Investment earnings	$ -	$ -	$ 12,501	$ 12,501	$ 12,901
Other	350,000	350,000	-	(350,000)	3,523
Total revenue	350,000	350,000	12,501	(337,499)	16,424
Expenditures					
Economic Development	350,000	350,000	54,262	295,738	1,041
Total expenditures	350,000	350,000	54,262	295,738	1,041
Net change in fund balance	-	-	(41,761)	$ (41,761)	15,383
Fund balance, beginning of year	$ -	$ -	534,399		519,016
Fund balance, end of year			$ 492,638		$ 534,399

WARREN COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
JUNE 30, 2007

	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
CLERK OF COURT				
Assets				
Cash	$ 42,187	$ 268,175	$ 287,270	$ 23,092
Liabilities				
Due to other governments	$ 28,578	$ 158,036	$ 152,550	$ 23,092
Due to others	13,609	129,234	115,625	-
	$ 42,187	$ 287,270	$ 268,175	$ 23,092
MAGISTRATE COURT				
Assets				
Cash	$ 2,351	$ 84,189	$ 82,887	$ 3,653
Liabilities				
Due to other government	$ -	$ 156,536	$ 15,859	$ -
Due to others	2,351	110,768	68,330	3,653
	$ 2,351	$ 267,304	$ 84,189	$ 3,653
PROBATE COURT				
Assets				
Cash	$ 23,305	$ 283,318	$ 267,304	$ 39,319
Liabilities				
Due to other governments	$ -	$ 156,536	$ 156,536	$ -
Due to others	23,305	110,768	126,782	39,319
	$ 23,305	$ 267,304	$ 283,318	$ 39,319
SHERIFF				
Assets				
Cash	$ 21	$ -	$ -	$ 21
Liabilities				
Due to other governments	$ 21	$ -	$ -	$ 21

WARREN COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES (CONT.)
JUNE 30, 2007

	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
TAX ASSESSOR				
Assets				
Cash	$ 21	$ -	$ -	$ 21
Liabilities				
Due to other funds	$ 21	$ -	$ -	$ 21
TAX COMMISSIONER				
Assets				
Cash	$ 81,528	$ 5,235,961	$ 5,176,530	$ 140,959
Liabilities				
Due to other governments	$ 49,271	$ 3,194,353	$ 3,228,056	$ 82,974
Due to others	32,257	1,982,177	2,007,905	57,985
	$ 81,528	$ 5,176,530	$ 5,235,961	$ 140,959
ALL AGENCY FUNDS				
Assets				
Cash	$ 149,413	$ 5,871,643	$ 5,813,991	$ 207,065
Liabilities				
Due to other governments	$ 77,849	$ 3,524,784	$ 3,553,001	$ 106,066
Due to others	71,564	2,289,207	2,318,642	100,999
	$ 149,413	$ 5,813,991	$ 5,871,643	$ 207,065

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 PC.

December 7, 2007

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Cont'd.)
For the Year Ended June 30, 2007

Cause: The material weakness is the result of the Health Department not having employees with adequate time, training, and expertise in generally accepted accounting principles and governmental accounting standards to prepare or adequately review and evaluate the financial statements which were prepared by the independent auditor.

Recommendation: The Health Department should evaluate the cost/benefit implications of improving internal control with the preparation of year-end financial statements.

Management's Response: Management concurs with the finding. The Health Department is aware of this situation and will continue to evaluate the costs and related benefits of internally preparing the financial statements and/or explore contracting this service to an outside party.

BERRY & ASSOCIATES, P.C.
Certified Public Accountants
130 North Belair Road • Evans, Georgia 30809
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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, 2007. 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, 2007, in conformity with accounting principles generally accepted in the United States of America.

Berry & Associates P.C.

December 7, 2007

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WARREN COUNTY, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH SALES TAX
PROCEEDS (SPLOST 2007 - 2011)
FOR THE YEAR ENDED JUNE 30, 2007

Project	Original Estimated Cost	Prior Year	Current Year	Total To Date	Estimated Percentage of Completion
Roads & Bridges	$ 1,216,000	$ -	$ 434,679	$ 434,679	35.70%
Water	349,440	-	-	-	-
Economic Development	384,000	-	-	-	-
Recreation	384,000	-	36,176	36,176	9.40%
Emergency Service	212,480	-	16,597	16,597	7.80%
	$ 2,545,920	$ -	$ 487,452	$ 487,452	