BERRY
& ASSOCIATES, P.C.

Certified Public Accountants

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Independent Accountant's Report

We have examined management's assertion included in the accompanying Annual Report of 9-1-1 Collections and Expenditures about Warren County, Georgia's compliance during the fiscal year ended June 30, 2009 with the requirement to expend 9-1-1 funds in compliance with the expenditure requirements of the Official Code of Georgia Annotated, Section 46-5-134. Management is responsible for Warren County's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Warren County's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Warren County's compliance with this requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Warren County's compliance with specified requirement.

In our opinion, management's assertion that Warren County complied with the aforementioned requirement during the fiscal year ended June 30, 2009 is fairly stated, in all material respects.

This report is intended solely for the information and use of management and the Georgia Department of Audits and Accounts and is not intended to be and should not be used by anyone other than the specified parties.

December 19, 2009

WARREN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2009

WARREN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
JUNE 30, 2009

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, aggregate discretely presented component units, and the aggregate remaining fund information of Warren County, Georgia, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Warren County, Georgia's nonmajor governmental funds presented in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2009, 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 one-tenth percent (0.1%) of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units is based on the report of other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Georgia, as of June 30, 2009, 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 addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Warren County, Georgia, as of June 30, 2009, 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 19, 2009, on our consideration of Warren County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 that testing, and not to provide an opinion on the internal control over financial reporting or 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 14 and pages 51 and 52, 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 19, 2009

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, 2009. 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 $62,544,258 (net assets) for the year ended June 30, 2009.

- Total net assets are comprised of the following:
  (1) Capital assets, net of related debt, of $58,815,109 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 $1,616,783 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net assets of $2,112,366 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 $3,366,546 this year. This compares to the prior year fund balance of $3,677,985 showing a decrease of $311,439 during the current year. Unreserved fund balance of $1,460,997 at June 30, 2009 shows a $43,059 increase from the prior year.

- At the end of the current fiscal year, unreserved fund balance for the General Fund was $1,460,997 or 43.6% 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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

about all assets and liabilities of the County in a manner similar to the consolidated business statements for private companies.

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 15 and 16 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 Statement of Revenues, Expenditures, and Changes in Fund Balances

Reporting the County's Most Significant Funds
Financial Statements (Continued)

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 17 – 19 of this report.

Individual fund information for non-major governmental funds is found in combining statements on pages 53 and 54 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 21 – 23.

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 25 – 28 of this report.

Notes To The Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 29 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 statement. Combining and individual comparative statements and schedules for their non-major funds are presented in this section of this report beginning on page 53.

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, 2009.

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, 2009 are $62,544,258. The following table provides a summary of the County's net assets: Summary of Net Assets.

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current assets	$ -	$ 3,544,341	$ -	$ 299,369	$ -	$ 3,843,710
Capital assets		56,870,454		2,955,511	-	59,825,965
Total assets	-	60,414,795	-	3,254,880	-	63,669,675
Liabilities						
Current liabilities		158,200		9,759	-	167,959
Long-term liabilities		486,633		470,824	-	957,457
Total liabilities	-	644,833	-	480,583	-	1,125,416
Net assets:						
Invested in capital assets, Net of related debt		56,339,221		2,475,888	-	58,815,109
Restricted		1,404,074		212,709	-	1,616,783
Unrestricted		2,026,667		85,700	-	2,112,367
Total net assets	$ -	$ 59,769,962	$ -	$ 2,774,297	$ -	$ 62,544,259

Summary of Net Assets (continued)

The County maintains a high current ration. 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 as June 30, 2009 is 22.4 to 1 which compares to 11.3 to 1 at June 30, 2008.

The County reported positive balances in net assets for governmental activities and business-type. Net assets in 2008 decreased $569,973 for governmental activities and increased by $24,957 for business-type activities. The County's overall financial position decreased, approximately four-tenth of a percent during the fiscal year 2009.

Note that approximately 94.1% 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 89.3% 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 $3,675,750, which consists of $3,386,140 from governmental activities and $289,610 from business-type activities. This represents a (5.4%) 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 22.9 on a County-wide basis, 22.4 for governmental activities and 30.7 for business-type activities. More simply stated the County has $22.88 of current assets for each $1.00 of current liabilities on a County-wide basis. Last year, the County had $11.59 of current assets for each $1.00 of current liabilities on a County-wide basis. While last year the business-type ratio had $23.28 current liabilities for each $1.00 of current asset.

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 230 days on a County-wide basis. This is an increase over last year, when the County could operate for 265 days on a County-wide basis.

Total Liabilities to Net Assets - This ratio, expressed as a percentage, compares the total obligations (liabilities) of the County to current equity (net assets). It represents the extent to which borrowing has been used to finance short-term operations. Total liabilities to net assets for the County is 1.8% on a County-wide basis, 1.1% for governmental activities and 17.3% for business-type activities. Last year, the ratio of total liabilities to net assets was 2.0% County-wide, 1.1% for governmental activities and 18.3% for business-type activities.

Reporting the County's Most Significant Funds (Continued)

Total Liabilities to Total Assets - The ratio compares the total obligations of the County to total assets. It is an indicator of the level of borrowing that has been used to finance operations of the County on a long-term basis. Total liabilities to total assets for the County is 1.8% on a County-wide basis, 1.1% for governmental activities, and 14.8% for business-type activities. Last year total liabilities compared to total assets was 2.0% County-wide 1.3% 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:	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Program revenues:						
Charges for services	$ -	$ 1,375,401	$ -	$ 44,634	$ -	$ 1,420,035
Operating grants and contributions		111,857		-	-	111,857
Capital grant		-		-	-	-
General revenues:						
Property tax		2,235,280		-	-	2,235,280
Sales tax		810,261		62,418	-	872,679
Unrestricted investment earnings		93,854		598	-	94,452
Other/transfers		(31,663)		31,663	-	-
Total Revenues	$ -	$ 4,594,990	$ -	$ 139,313	$ -	$ 4,734,303
Program Expenses:						
General government		772,301		-	-	772,301
Public safety		1,508,332		-	-	1,508,332
Judicial		373,767		-	-	373,767
Public works		1,631,095		-	-	1,631,095
Health & welfare		172,345		-	-	172,345
Library & recreation		75,085		-	-	75,085
Housing & development		607,809		-	-	607,809
Interest on debt		24,228		-	-	24,228
Water		-		114,356	-	114,356
Total expenses	-	5,164,962	-	114,356	-	5,279,318
Changes in net assets	-	(5,164,962)	-	24,957	-	(545,015)
Net assets, July 1		60,339,934		2,708,763	-	63,048,697
Net assets, June 30	$ -	$ 55,174,972	$ -	$ 2,733,720	$ -	$ 62,503,682

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes to support governmental operations. Property taxes for year ended June 30, 2008 provided 2.2 million or 48% of the County's total governmental revenues as compared to 49% in 2006. Sales taxes revenue was approximately 0.81 million of revenues or 17% as compared to a similar amount in 2007.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up approximately 61% or $3.14 million of the total governmental activities expenses. General government totals over $0.77 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

	2009		2008	
	Total cost of service	Net Cost of service	Total cost of service	Net Cost of service
General government	$	$	$ 772,301	$ 640,396
Public safety			1,508,332	1,075,863
Judicial			373,767	(44,667)
Public works			1,631,095	1,202,267
Health & welfare			172,345	96,723
Library & recreation			75,085	75,085
Housing & development			607,809	607,809
Interest on debt			24,228	24,228
Total assets	$ -	$ -	$ 5,164,962	$ 3,677,704

After reducing gross expenses by program revenues, public safety totals 29.3% of the net cost of services and public works totals 32.7% 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 $44,634 for the year ended June 30, 2009 as compared to $45,167 for year ended June 30, 2008.

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 $3,366,546. Of this year-end total, $1,460,997 is unreserved indicating availability for continuing county service requirements. Legally restricted fund balances (i.e., the reserved fund balances) include $1,905,549 set aside for specific program purposes and capital projects.

The total ending fund balances of governmental funds show a decrease of ($311,439).

Major Governmental Funds

The General Fund

The General fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased $43,059.

Some of the more notable changes in expenditures at June 30, 2008 follow. The general government function decreased ($185,939) in 2008. As noted, public safety had an increase of approximately $223,226. Public works expenditures decreased ($46,051) in 2008.

All other functional costs had modest increases with those of the prior year totaling approximately $118,961.

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

Budgetary Highlights

The General Fund

The revenue budget for 2009 was decreased approximately ($15,470) for the year. However, the County realized 101% of the final estimated revenues and the actual expenditures increased a similar amount. General government, judicial, public safety, 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, 2009 was $64,057,749. The following table provides a summary of capital asset activity.

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	$ -	$ 426,839	$ -	$ -	$ -	$ 426,839
Building & improvements		5,143,383		-	-	5,143,383
Vehicles & equipment		5,321,761		-	-	5,321,761
Infrastructure		50,060,900		-	-	50,060,900
Contracts in progress		-		-	-	-
Utility systems		-		3,104,866	-	3,104,866
	$ -	$ 60,952,883	$ -	$ 3,104,866	$ -	$ 64,057,749

The county investment in capital assets increased for the year ended June 30, 2008 by $237,748. 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	$ 224,488
Library	13,260
	237,748
Business-type activities	
Water system infrastructure	-
	$ 237,748

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 38 through 40 and long term debt on pages 40 through 42, 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, 2009

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Current assets				
Cash & cash equivalents	$	$	$ -	$
Receivables, net			-	
Taxes			-	
Accounts/notes			-	
Sales taxes			-	
Other			-	
Due from other governments			-	
Internal balances			-	
Restricted assets			-	
Cash and cash equivalent			-	
Receivables			-	
Total current assets	-	-	-	-
NONCURRENT ASSETS				
Capital assets				
Land			-	
Buildings & improvements			-	
Vehicle & equipment			-	
Infrastructure			-	
Water system			-	
Construction in progress			-	
Less accumulated depreciation			-	
Total noncurrent assets	-	-	-	-
Total assets	$ -	$ -	$ -	$ -

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
LIABILITIES				
Current liabilities				
Accounts payable	$	$	$ -	$
Accrued expenses			-	
Due to other governments			-	
Current portion of long-term debt			-	
Total current liabilities	-	-	-	-
LONG TERM LIABILITIES				
Obligations for accrued compensated absences			-	
Long term debt, net of current portion			-	
Total long term liabilities	-	-	-	-
Total liabilities	-	-	-	-
Net assets				
Invested in capital assets, net of related debt			-	
Restricted for:				
Capital projects			-	
Program Purposes			-	
Unrestricted			-	
Total net assets	$ -	$ -	$ -	$ -

WARREN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary Government								
Governmental Activities								
General government	$	$	$	$	$	$	$	$
Judicial								
Public safety								
Public works (highways & streets)								
Health & welfare								
Library & recreation								
Housing & development								
Interest on long term debt								
Total Governmental Activities	-	-	-	-	$ -	$ -	$ -	$ -
Business-Type Activities								
Water								
Total Business-Type Activities	-	-	-	-	-	-	-	-
Total Primary Government	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Component Units								
Warren County Development Authority	$	$	$	$				
Warren County Health Department								
Total Component Units	$ -	$ -	$ -	$ -				-
		General revenues						
		Property taxes						
		Sales taxes						
		Special purpose local option sales tax						
		Insurance premium taxes						
		Franchise, beer & wine tax						
		Unrestricted investment earnings						
		Transfers						
		Total general revenues and transfers			-	-	-	-
		Change in Net Assets						
		Net Assets - beginning of year						
		Net Assets - ending of year			$ -	$ -	$ -	$ -

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

WARREN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009
(WITH COMPARATIVE TOTALS AT JUNE 30, 2008)

	P. 75 General Fund	P. 77 Economic Development	Landfill Fund	P. 79 Roads & Bridges Fund	P. 81 Sales Tax Distribution Fund	P. 82 Revolving Loan Fund	Warren Co. Planning Commission	Other Governmental Funds	2009 Total Governmental Fund	2008 Total Governmental Funds
Assets										
Cash & Cash Equivalent	$	$ 249,774	$ 0	$ 448,071	$ 109,936	$ 503,359	$	$	$ -	$ 3,505,036
Receivables:										
Accounts									-	379,780
Property tax, net									-	56,860
Sales tax									-	58,923
Due from other funds		13,192		43,986					-	259,806
Due from other governments									-	1,589
Due from others									-	72,615
Total Assets	$ -	$ 262,966 -	$ 0 -	$ 492,057 -	$ 109,936 -	$ 503,359 -	$ -	$ -	$ -	$ 4,334,609
Liabilities and fund balance										
Liabilities										
Accounts payable									-	116,045
Accrued expenditures									-	96,999
Deferred revenue									-	56,860
Due to other governments					22,471				-	86,121
Due to other funds					87,465				-	300,599
Total liabilities	-	-	-	-	109,936 -	-	-	-	-	656,624
Fund Balance										
Reserved for:										
Program purposes									-	29,463
Unreserved, and										
Undesignated reported in:										
General fund										1,417,938
Capital projects		262,966	6	492,057						1,192,106
Special revenue						503,359				1,038,478
Total fund balance	-	262,966 -	0 -	492,057 -	-	503,359 -	-	-	-	3,677,985
Total liabilities and fund balance	$ -	$ 262,966 -	$ -	$ 492,057 -	$ 109,936 -	$ 503,359 -	$ -	$ -	$ -	$ 4,334,609

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

WARREN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009
(WITH COMPARATIVE TOTALS AT JUNE 30, 2008)

	General Fund	Economic Development	Landfill Fund	Roads & Bridges Fund	Sales Tax Distribution Fund	Revolving Loan Fund	Warren Co. Planning Commission	Other Governmental Funds	2009 Total Governmental Fund	2008 Total Governmental Funds
Assets										
Cash & Cash Equivalent	$	$ 249,774	$ 0	$ 448,071	$ 109,936	$ 503,359	$	$	$ -	$ 3,505,036
Receivables:										
Accounts									-	379,780
Property tax, net									-	56,860
Sales tax									-	58,923
Due from other funds		13,192		43,986					-	259,806
Due from other governments									-	1,589
Due from others									-	72,615
Total Assets	$ -	$ 262,966 -	$ 0 -	$ 492,057 -	$ 109,936 -	$ 503,359 -	$ -	$ -	$ -	$ 4,334,609
Liabilities and fund balance										
Liabilities										
Accounts payable									-	116,045
Accrued expenditures									-	96,999
Deferred revenue									-	56,860
Due to other governments					22,471				-	86,121
Due to other funds					87,465				-	300,599
Total liabilities	-	-	-	-	109,936 -	-	-	-	-	656,624
Fund Balance										
Reserved for:										
Program purposes									-	29,463
Unreserved, and										
Undesignated reported in:										
General fund										1,417,938
Capital projects		262,966	6	492,057						1,192,106
Special revenue						503,359				1,038,478
Total fund balance	-	262,966 -	0 -	492,057 -	-	503,359 -	-	-	-	3,677,985
Total liabilities and fund balance	$ -	$ 262,966 -	$ -	$ 492,057 -	$ 109,936 -	$ 503,359 -	$ -	$ -	$ -	$ 4,334,609

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

WARREN COUNTY, GEORGIA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Net change in Fund Balance – Total governmental funds		$ (311,438)
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 expense in the current period.		
Capital outlays	237,748	
Depreciation expense	(456,790)	
		(219,042)
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 statement of assets.		
Repayment of capitalized lease is an expenditure in governmental funds, but the repayment reduced long term liabilities on the government-wide statement of net assets.		(46,855)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
Property taxes:		
Deferral @ 6/30/07	(56,861)	
Deferral @ 6/30/08	64,224	
		7,363
Changes in net assets of governmental activities		$ (569,972)

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

WARREN COUNTY, GEORGIA
PROPRIETARY FUND (WATER FUND)
COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30, 2009 AND 2008

	Water Fund	
Assets	2009	2008
Current assets		
Cash in bank - operating account	$ 78198	$ 62,377
Accounts receivable	3939	4,183
Due from other funds	12004	20,100
Total cash & other assets	94141 -	86,660
Restricted assets		
Cash in bank - reserve fund USDA	4722	4,599
Cash in bank - reserve fund GEFA	13134	13,009
Cash in bank - sales tax fund for water project	218246	150,036
Cash in bank - GEFA Funds	38480	45,065
Total restricted assets	276,582 -	212,709
Total current assets	370,723 -	299,369
Utility System		
Water Distribution Facility	3104866	3,104,866
Accumulated depreciation	(212,355)	(149,355)
	2892511 -	2,955,511
Total assets	3263234 -	3,254,880
Liabilities and net assets		
Current liabilities		
Accrued Interest	929	960
Current maturities of long term debt	9113	9,154
Total current liabilities	10042 -	10,114
Long term debt		
Note payable, net of current maturities	461683	470,469
Total long term debt	461683 -	470,469
Total liabilities	471725 -	480,583
Net assets		
Invested in capital assets, net of related debt	2421715	2,475,888
Restricted for debt service	19856	17,608
Restricted for water project	256726	195,101
Unrestricted	93212	85,700
	$2791509 -	$ 2,774,297

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, 2009 AND 2008

	2009		2008
Operating revenue			
Water revenue	$ 38763		$ 44,634
Water tap			-
Total operating revenue	38763	-	44,634
Operating expenses			
Materials & supplies	2184		5,341
Water testing	823		1,323
Billing services			12,712
Water purchases	13505		13,425
Equipment rental	19045		-
Office expense, dues and fees	1175		175
Depreciation	63000		62,097
Total operating expenses	99832	-	95,073
Operating income (loss)	(61069)	-	(50,439)
Non operating revenue (expense)			
Sales tax revenue (SPLOST Funds)	59697		62,418
Investment earnings	706		598
Interest expense	(18956)		(19,283)
Total Non operating revenue (expenses)	41449	-	43,733
Other financing sources (uses)			
Transfers in	36832		31,663
Total other finance sources (uses)	36832	-	31,663
Change in net assets	17212	-	24,957
Net assets, beginning of year	2774297		2,749,340
Net assets, end of year	$2791509	-	$ 2,774,297

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, 2009 AND 2008

	2009	2008
Cash flows for operating activities:		
Cash received from customer	$ 39007	$ 44,090
Cash payments for goods and services	(36832)	(32,976)
Net cash provided by operating activities	2175 -	11,114
Cash flows non capital financing activities:		
Operating transfer from other funds	36832	31,663
	36832 -	31,663
Cash flow from capital and related financing activities:		
Capital grant		-
Sales tax revenue (SPLOST fund)	61793	83,111
Decrease in loans	(8827)	(8,527)
Interest on loan	(18985)	(19,285)
Construction of water distribution facility		-
Net cash provided in capital and related financing activities	39981 -	55,299
Cash flow from investing activities:		
Investment earnings	706	598
Net cash provided by investing activities	706 -	598
Net (decrease) increase in cash and cash equivalents	79,694	98,674
Cash and cash equivalent, beginning of year	275,086	176,412
Cash and cash equivalent, end of year	$ 354780 -	$ 275,086
Reconciliation of operating income to net cash (used by) operating activities:		
Operating income	(61069)	(50,439)
Depreciation	63000	62,097
Due from other funds		-
Accounts receivable	244	(544)
~~Retainage payable~~		-
~~Due to other funds~~		-
Net cash (used) by operating activities	$ 2175 -	$ 11,114

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, 2009

	Pension Funds	Agency Funds
Assets		
Cash and cash equivalents	$	$
Investments at fair value		
Mutual Funds		
Total assets	$ -	$ -
Liabilities		
Due to other governments	$	$
Due to others		
Total liabilities	-	$ -
Net assets		
Held in trust for retirement benefits (see schedule of funding progress on page 47 for additional information)	$ -	

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, 2009

	Pension Funds
Addition	
Contribution - Employer	$
Net adjustment to fair value of investments	
Total additions	-
Deductions	
Distributions	
Total deductions	-
Changes in net assets	-
Net assets, beginning of year	
Net assets, end of year	$ -

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, 2009
(WITH COMPARATIVE TOTALS AT JUNE 30, 2008)

ASSETS	Warren County Development Authority Enterprise Fund	Warren County Board of Health Fund	Totals 2008	Totals 2007
Current assets				
Cash	$	$	$ -	$ 182,659
Accounts receivable			-	83,613
Total current assets	-	-	-	266,272
Restricted assets				
Receivables			-	7,500
Total restricted assets	-	-	-	7,500
Capital assets				
Property & equipment			-	1,375,363
Less accumulated depreciation			-	(365,098)
Total capital assets, net	-	-	-	1,010,265
Total assets	-	-	-	1,284,037
LIABILITIES				
Current liabilities				
Accounts payable			-	18,151
Current liabilities payable from restricted assets - note payable			-	24,504
Total current liabilities	-	-	-	42,655
Long term liabilities				
Obligations for accrued compensated absences			-	8,890
Notes payable			-	98,488
Total long term liabilities	-	-	-	107,378
Total liabilities	-	-	-	150,033
Net assets				
Invested in capital assets, net of related debt			-	887,273
Reserve			-	28,052
Unreserve			-	218,679
Total net assets	$ -	$ -	$ -	$ 1,134,004

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, 2009

	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets		
FUNCTION/PROGRAM:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Warren Cty Development Authority	Warren Cty Public Health Program	Total
Warren County Development Authority							
Governmental type activities	$	$	$	$	$	$	$ -
Warren County Public Health Program							
Governmental type activities							
Health and welfare							-
Total component units	$ -	$ -	$ -	$ -	-	-	-
General revenue							
Unrestricted investment earnings							
Other							
Total general revenue					-	-	-
Changes in net assets					-	-	-
Net assets, beginning of year							-
Net assets, end of year, restated					$ -	$ -	$ -

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, 2009 AND 2008

	2009	2008
Cash flows from operating activities:		
Cash received from customers	$	$ 62,004
Cash payments to vendors		(31,728)
Net Cash Used by Operating Activities	-	30,276
Cash flows from noncapital financial activities:		
Operating contribution		60,000
Net Cash Used for Noncapital Financing Activities	-	60,000
Cash flows from capital & related financing activities:		
Acquisition of capital assets		(143,077)
Capital grant		-
Repayment on long term debt		(24,504)
Interest paid on long term debt		(7,500)
Net Cash Used for Capital and Related Financing Activities	-	(175,081)
Cash flows from investing activities:		
Proceeds from interest earnings		3,618
Net Cash Provided by Investing Activities	-	3,618
Net increase in cash and cash equivalents:		(81,187)
Cash and Cash Equivalents, beginning of year		204,455
Cash and Cash Equivalents, end of year	$ -	$ 123,268
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating (loss) income	$	$ 5,313
Depreciation		24,963
Net cash (used) provided by operating activities	$ -	$ 30,276

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

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 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 units 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, propriety 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 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 as 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 judgments, 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 are 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 the 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.

The 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.

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.

Nonmajor funds include special revenue and capital project funds.

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, contributions 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

Property taxes were levied based on taxable value at January 1, 2008 and became due October 20, 2008 and past due after December 20, 2008. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

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

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

3. Inventories and Prepaid Items

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

4. Restricted Funds – Component Units

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

5. Capital Assets – Primary Government

Capital assets, which include land, buildings, and infrastructure assets (e.g., roads and bridges) are reported in the government-wide financial statements. Capital assets such as vehicles, 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 the 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	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.

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

6. Compensated Absences (Continued)

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, 2009, 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 and unrestricted.

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.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 constructions 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, 2009, expenditures exceeded appropriations in the General government, Judicial, public safety, public works, and housing and development of the General Fund by $24,510, $1,198, $22,388, $87,609 and $78,234 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.

Emergency Service Fund	$ 21,143	Economic Development Fund	$ 122,466
Recreation Fund	102,982	Roads & Bridges Fund	87,911
Emergency 911 Fund	8,911		

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	$ 3,282,094	$ 182,659	$ 3,464,753
2	0	0	0
3	0	0	0
Total	$ 3,282,094	$ 182,659	$ 3,464,753

At June 30, 2009, the County's total book cash balance and bank deposit balance, including certificates of deposit, totaled $3,282,094. The Development Authority's and Board of Health's total book cash balances and bank deposit balances, including certificates of deposit, totaled $182,659.

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 2008 were levied on October 20, 2008 and were due December 20, 2008. 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 (as 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, 2009 totaled $414,537.

A summary of the 2008 tax levy follows:

General Fund	
2008 millage rate – County wide	11.25
Net Property Tax Levy – All Taxes	$ 1,859,943
Property Taxes Receivable – Real and Personal Property Taxes, Net	$ 64,225

At June 30, 2009, the component of deferred revenue reported in the governmental funds for property taxes was $64,225.

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.

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:

NOTE III - PROPERTY TAXES AND OTHER RECEIVABLES (CONTINUED)

Primary Government (Continued)

Receivables	General Fund	Major Governmental Fund	Other Governmental Fund	Total Governmental Fund
Accounts	$	$	$	$ -
Property taxes				-
Sales tax				-
Other				-
Gross receivables	-	-	-	-
Less, allowance for uncollectible				-
Net total receivable	$ -	$ -	$ -	$ -

Discretely Presented Component Unit

	Development Authority	Health Fund	Total
Rent	$	$	$ -
Intergovernmental			-
	$ -	$ -	$ -

NOTE IV - CAPITAL ASSETS

Primary Government

Changes in capital assets for the year ended June 30, 2009 are summarized as follows:

Governmental activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$	$	$	$ -
Infrastructure				-
Construction in progress				-
Total capital assets, not being depreciated	-	-	-	-
Capital assets, being depreciated				
Buildings & improvement				-
Vehicle & equipment				-
Total capital assets, being depreciated	-	-	-	-
Total capital assets	-	-	-	-
Accumulated depreciation				
Buildings & improvement	$	$	$	$ -
Vehicles & equipment				-
Total accumulated depreciation	-	-	-	-
Governmental activities capital assets, net	$ -	$ -	$ -	$ -

NOTE IV - CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

Governmental activities depreciation expense	
General government	$
Public safety	
Judicial	
Public works	
Health & welfare	
Library & recreation	
Housing & development	
Total Governmental activities depreciation expense	$ -

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	$	$	$	$ -
Accumulated depreciation				-
Business-Type activities, net	$ -	$ -	$ -	$ -

NOTE IV - CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Unit

Changes in capital assets for year ended June 30, 2009 are summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$	$	$	$ -
Construction in progress,				
Industrial park				-
Railroad Spur				-
Total capital assets, not being depreciated	-	-	-	-
Capital assets, being depreciated				
Buildings				-
Total capital assets, being depreciated	-	-	-	-
Less accumulated depreciation				-
Total accumulated depreciation	-	-	-	-
Capital assets, net	$ -	$ -	$ -	$ -

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, 2009 comprise the following:

	Balances June 30, 2008	Additions	Retirements	Balances June 30, 2009
Capital lease - Vehicles	$	$	$	$ -

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, 2009:

	Governmental Activities
Vehicles	$
Less accumulated depreciation	
	$ -

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, 2009:

Fiscal year ending June 30	Long-term Debt
2010	$ 46,471
2011	23,988
2012	11,994
2013	
Total minimum lease payments	82,453
Less amount representing interest	
Present value of future minimum lease payments	$ 82,453

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, 2008	Additions	Reductions	Outstanding June 30, 2009	Amount due within one year
Note payable	$	$	$	$	$

Business-type activities	Outstanding June 30, 2008	Additions	Reductions	Outstanding June 30, 2009	Amount due within one year
USDA Water Revenue [1] Bonds 4.5% interest rate	$	$	$	$	$
GEFA/Highway 278 Water expansion loan 2.0% interest rate					
	$ -	$ -	$ -	$ -	$ -

[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, 2008.

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
2010	$ 46,471	$ 15,198	$ 4,339	$ 16,889	$ 4,745	$ 1,839
2011	48,388	13,281	4,539	16,689	4,840	1,744
2012	50,384	11,283	4,748	16,480	4,938	1,646
2013-2017	223,191	24,720	27,224	78,916	26,226	6,695
2018-2022	-	-	34,091	72,049	28,982	3,939
2023-2027	-	-	42,691	63,449	24,420	973
2028-2032	-	-	53,459	52,681	-	-
2033-2037	-	-	66,944	39,196	-	-
2038-2042	-	-	83,831	22,309	-	-
2043	-	-	54,807	3,570	-	-
	$ 368,434	$ 64,482	$ 376,673	$ 382,228	$ 94,151	$ 16,836

Component unit

Changes in long-term debt for the year ended June 30, 2009 are as follows:

Development Authority	Balance 6/30/2008	Additions	Deletions	Balance 6/30/2009
Note payable-City of Warrenton	$	$	$	$

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, 2009 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
2010	$ 24,504
2011	24,504
2012	24,504
2013-2015	24,976
Totals	$ 98,488

NOTE VI – INTERFUND BALANCES

Interfund balances at June 30, 2009 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	$	$	$
Emergency Service Fund			
Recreation Fund			
Roads & Bridges			
Water Fund			
Total	$	$	$

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, 2009 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 have been operating less that two years a summary of the transfers for the year is as follows:

Emergency E-911	$
Water Revenue Fund	
Communication Grant	
	$

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.

NOTE VII – RISK MANAGEMENT (CONTINUED)

Risk Pool (Continued)

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.

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 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.

NOTE VIII – PENSION PLAN (CONTINUED)

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, 2009, 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, 2007 (the most recent actuarial valuation date) was $469,168.

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.

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, 2009, net assets reserved for employee's retirement benefits totaled $515,134.

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 of the 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.

NOTE VIII – PENSION PLAN (CONTINUED)

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	$ 126,279
Interest on net pension obligation	6,945
Adjustment to annual required contribution	-
Annual pension cost	133,224
Less contributions made	-
Increase (decrease) in net pension obligations	
Net pension obligation (credit), beginning of year	(199,116)
Net pension obligation (credit), end of year	$ (65,892)

For the year ended June 30, 2009, 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, 2009 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, (c) 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, 2009.

There were no changes in actuarial assumptions of benefit provisions for the year ended June 30, 2009.

Schedule of Employer Contributions:

Year Ending	Annual Pension Cost (APC)	% APC Funded	Net Pension Obligation
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

NOTE VIII – PENSION PLAN (CONTINUED)

Annual Pension Cost (Continued)

Year Ending	Annual Pension Cost (APC)	% APC Funded	Net Pension Obligation
June 30, 2004	$ 0	100%	None
June 30, 2005	$ 0	100%	None
June 30, 2006	$ 0	100%	None
June 30, 2007	$ 0	100%	None
June 30, 2008	$ 0	100%	None
June 30, 2009	$		

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, 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%
Jan 1, 2007	456,309	589,264	132,955	78.00%	469,168	28.34%
Jan 1, 2008						

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.

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, 2009 totaled $24,963 and $365,098 respectively.

NOTE X – JOINT VENTURE

Under Georgia law, the County, in conjuncture 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, 2009, 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 XI – 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:

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

NOTE XI – COMMITMENTS (CONTINUED)

New Special 1% Sales Tax for Roads and Bridges, Water and Other Projects - Continued

City of Warrenton projects	431,360
City of Norwood projects	111,360
City of Camak projects	111,360
	$ 3,200,000

NOTE XII – CONTINGENCIES

Judgments 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 judgments 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 sire for a period of five years. Costs incurred for the year ended June 30, 2009, associated with the maintenance and monitoring of the landfill, totaled $95,077.

Future costs to monitor the wells, and adhere to the provisions and conditions of the past 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
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE BUDGETED AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive
REVENUES	Original	Final	Actual	(Negative)
Taxes	$	$	$	$ -
Permits and licenses				-
Intergovernmental				-
Charges for service				-
Fines & Forfeitures				-
Uses of money and property				-
Other				-
Total revenues	-	-	-	-
EXPENDITURES				
Current operating:				
General government				-
Public safety				-
Judicial				-
Public Works				-
Health and welfare				-
Library and recreation				-
Housing & development				-
Total expenditure	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ -
Other financing sources (uses)				
Transfers out				
Total other finance sources (uses)				
Excess expenditures over resources				
Reconciliation to GAAP Basis to record effect of changes in receivable and other assets and payables and other liabilities				
Receivables and other assets				
Payables and other liabilities			-	
			-	
Net changes in fund balances			-	
Fund balance - Unreserved				
Beginning of year				
End of year			$ -	

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

WARREN COUNTY, GEORGIA
OTHER REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2009

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, 2009, the expenditures through Public Works of the General Fund and Special Revenue Sales Tax Fund was in excess of $1,177,000 for road maintenance.

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 supplement information.

WARREN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE TOTALS AT JUNE 30, 2008)

	2009							2008
	General Fund	Economic Development	Landfill Fund	Roads & Bridges Fund	Revolving Loan Fund	Warren County Planning Commission	Other Governmental Funds	Total Governmental Fund	Total Governmental Funds
Revenues									
Taxes	$	$	$	$	$	$	$	$ -	$ 2,933,461
Permits & Licenses								-	11,260
Intergovernmental		65603		101,878				-	642,037
Charges for Service								-	605,921
Fines & Forfeitures								-	330,758
Use of money and property		1203	3484	2731	1884			-	93,854
Other		533092						-	7,509
Total revenues	-	599892 -	3484 -	104609 -	1884 -	-	-	-	4,624,800
Expenditures									
Current Operating									
General government								-	761,496
Public safety								-	1,399,601
Judicial								-	319,437
Public works				135835				-	712,029
Health & Welfare								-	162,143
Library and Recreation								-	78,333
Housing & Development								-	241,812
Capital Outlays		603791						-	1,108,603
Debt service									
Principal								-	96,893
Interest								-	24,228
Total Expenditures	-	603791 -	0 -	135835 -	-	-	-	-	4,904,575
Excess (deficiency) of revenues over expenditures	-	(3899) -	3484 -	(31226) -	1884 -	-	-	-	(279,558)
Other financial sources (uses)									
Transfers in (out)		-	(370346)	-				-	(31,663)
Total other financing sources and (uses)		-	(370346)	-	-			-	(31,663)
Net changes in fund balances		(3899)	366462	(31226)	1884			-	(311,221)
Fund balance									
Beginning of year		266965	366462	523283	501475			-	3,677,985
End of year	$ -	$ 263066 -	$ -	$ 492057 -	$ 503359 -	$ -	$ -	$ -	$ 3,366,764

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

WARREN COUNTY, GEORGIA
BALANCE SHEET
NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUND
JUNE 30, 2009
(WITH COMPARATIVE TOTALS AT JUNE 30, 2008)

	P.57 Law Library	P.59 Drug Abuse Fund	P.61 Jail Fund	P.63 Sheriff Drug Fund	P.65 Volunteer Fire Department	2009 Emergency 911 Fund	P.67 Knox Theater Fund	P.69 Emergency Service Fund	P.71 Recreation Fund	P.73 Community Facilities Project	Total Governmental Revenue Fund	2008 Total Governmental Revenue Fund
Assets												
Cash & Cash Equivalent	$	$ 23071	$ 175932	$ 10160	$ 718	$ 21474	$ 3042	$ 22096	$ 264575	$ 24879	$ -	$ 313,419
Receivables:												
Accounts						8946					-	9,732
Sales tax											-	-
Due from other funds								7300	13192		-	34,310
Due from other governments											-	3,361
Total Assets	$ -	$ 23071 -	$ 175932 -	$ 10160 -	$ 718 -	$ 30420 -	$ 3042 -	$ 29396 -	$ 277767 -	$ 24879 -	$ -	$ 360,822
Liabilities and fund balance												
Liabilities												
Accounts payable	$	$	$	$	$	$	$	$	$	$	$ -	$ -
Due to other funds											-	-
Due to other governments											-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance												
Reserved for:												
Program purposes		23071	175932	10160	718					24879	-	35,731
Special revenue funds						30420					-	211,337
Capital project funds							3042	29396	277767		-	113,754
Total fund balance	-	23071 -	175932 -	10160 -	718 -	30420 -	3042 -	29396 -	277767 -	24879 -	-	360,822
Total liabilities and fund balance	$ -	$ -	$ 175932 -	$ 10160 -	$ 718 -	$ 30420 -	$ 3042 -	$ 29396 -	$ 277767 -	$ 24879 -	$ -	$ 360,822

WARREN COUNTY, GEORGIA
LAW LIBRARY FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$	$ 35,731
Total assets	$ -	$ 35,731
Liabilities & fund balance		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for program purposes		35,731
Total fund balance	-	35,731
Total liabilities and fund balance	$ -	$ 35,731

WARREN COUNTY, GEORGIA
LAW LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2008)

	2009				2008
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	$	$	$	$	$ 13,663
Investment earnings					242
Total revenue	-	-	-	-	13,905
Expenditures					
Judicial materials & supplies					7,637
Total expenditures					7,637
Net changes in fund balance	$ -	$ -	-	$ -	6,268
Fund balance, beginning of year					29,463
Fund balance, end of year			$ -		$ 35,731

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUNDS - DRUG ABUSE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ 23071	$ 21,859
Due from other governments	-	199
Total assets	$ 23071 -	$ 22,058
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	23071	22,058
Total fund balance	23071 -	22,058
Total liabilities and fund balance	$ 23071 -	$ 22,058

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUNDS - DRUG ABUSE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2008)

	2009				2008
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fines and forfeitures	$ 2000	$ 2000	$ 4944	$ 2944	$ 2,344
Reserve funds	21000	21000	—	(21000)	-
Investment earnings	—	—	52	52	74
Total revenue	23000 -	23000 -	4996 -	(18056) -	2,418
Expenditures					
Public Safety	23000	23000	3983	19017	-
Total expenditures	23000 -	23000 -	3983 -	19017 -	-
Net changes in fund balance	$ -	$ -	1013 -	$ 1013 -	2,418
Fund balance, beginning of year			22058		19,640
Fund balance, end of year			$23071 -		$ 22,058

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WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - JAIL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ 175,932	$ 139,297
Due from other governments	—	3,162
Total assets	$ 175,932	$ 142,459
Liabilities & fund balance		
Accounts payable	$ —	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	175,932	142,459
Total fund balance	175,932	142,459
Total liabilities and fund balance	$ 175,932	$ 142,459

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WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2008
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2007)

	2008				2007
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fines and forfeitures	$ 109,000	$ 100,000	$ 33,347	$ (66,653)	$ 30,861
Reserve funds	25,000	25,000	—	(25,000)	-
Investment earnings			125	125	6,461
Total revenue	125,000	125,000	33,472	(91,528)	37,322
Expenditures					
Public Safety	125,000	125,000	—	(125,000)	25,000
Total expenditures	125,000	125,000	33,472	(125,000)	25,000
Net changes in fund balance	$ —	$ —	33,472	$ 33,472	12,322
Fund balance, beginning of year			142,459		130,137
Fund balance, end of year			$ 175,931		$ 142,459

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WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - SHERIFF DRUG FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ 10140	$ 2,754
Total assets	$ 10140	$ 2,754
Liabilities & fund balance		
Liabilities	$ —	$ -
Total liabilities	—	-
Fund balance		
Unreserved/unrestricted	10140	2,754
Total fund balance	10140 -	2,754
Total liabilities and fund balance	$ 10140 -	$ 2,754

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - SHERIFF DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2008)

	2008				2008
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Investment earnings	$	$	$ 66 / 11220	$ 11220	$ 60
Reserve funds	2000	2000	-	(2000)	-
Total revenue	2000 -	2000 -	11286 -	9286 -	60
Expenditures					
Public Safety	2000	2000	3900	1900	-
Total expenditures	2000 -	2000 -	3900 -	1900 -	-
Net changes in fund balance	$ - -	$ - -	7386 -	$ 7386 60	60
Fund balance, beginning of year			2754		2,694
Fund balance, end of year			$ 10140 -		$ 2,754

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WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - VOLUNTARY FIRE DEPARTMENT FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ 718	$ 12,425
Total assets	$ 718 -	$ 12,425
Liabilities & fund balance		
Liabilities	$ —	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	718	12,425
Total fund balance	718 -	12,425
Total liabilities and fund balance	$ 718 -	$ 12,425

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUNDS - VOLUNTARY FIRE DEPARTMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2008)

	2009				2008
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fund raising & other	$ 1000	$ 1000	$ 4350	$ 3350	$ 7,508
Grant			3000	3000	
Investment earnings	—	—	29	29	30
Reserve funds	13000	13000		(13000)	-
Total revenue	14000 -	14000 -	20379 -	6379 -	7,538
Expenditures					
Public Safety	14000	14000	5208	8792	3,983
Total expenditures	14000 -	14000 -	5208 -	-	3,983
Net changes in fund balance	$ — -	$ — -	(11707)	$ 11707 -	3,555
Fund balance, beginning of year			12425		8,870
Fund balance, end of year			$ 718 -		$ 12,425

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WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - EMERGENCY 911 FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ 21574	$ 3,300
Accounts receivable	8946	9,732
Total assets	$ 30520 -	$ 13,032
Liabilities & fund balance		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balance	30520	13,032
Total fund balance	30520 -	13,032
Total liabilities and fund balance	$ 30520 -	$ 13,032

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - EMERGENCY 911 FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2008)

	2009				2008
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Charges for service	$ 48000	$ 48000	$ 86790	$ 38790	$ 132,648
	48000	48000			
Total revenue	-	-	86790 -	-	132,648
Expenditures					
Public safety	48000	48000	89402	41402	268,063
Total expenditures	48000 -	48000 -	89402 -	41402 -	268,063
Expenditures in excess of revenue	0	0	(2612)	(2612)	(115,415)
Other financing sources					
Transfer in	0	0	20,000	20,000	106,504
Total other financing sources	0	0	20000	20,000	-
Net changes in fund balance	$ 0 -	$ 0 -	17388 -	$ 17388 -	(8,911)
Fund balance, beginning of year			13032		21,943
Fund balance, end of year			$ 30420 -		$ 13,032

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - KNOX THEATER FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ 3042	$ 3,034
Total assets	$ 3042 -	$ 3,034
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital project	3042	3,034
Total fund balance	3042 -	3,034
Total liabilities and fund balance	$ 3042 -	$ 3,034

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - KNOX THEATER FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2008)

	2009				2008
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Reserve funds	$ 3000	$ 3000	$ -	$ (3000)	$ -
Investment earnings	-	-	8	8	11
Total revenue	3000 -	3000 -	8 -	(2992) -	11
Expenditures					
Economic Development	3000	3000	-	(3000)	-
Total expenditures	3000 -	3000 -	- -	(3000) -	-
Net changes in fund balance	$ -	$ -	8 -	$ 8 -	11
Fund balance, beginning of year			3034 -		3,023
Fund balance, end of year			$ 3042 -		$ 3,034

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - EMERGENCY SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ 22096	$ 21,303
Due from other governments	7300	12,222
Total assets	$ 29396	$ 33,525
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital project	29396	33,325
Total fund balance	29396	33,325
Total liabilities and fund balance	$ 29396	$ 33,325

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - EMERGENCY SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEARS ENDED JUNE 30, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2008)

	2009				2008
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 60000	$ 60,000	$ 36300	$ (23700)	$ 38,205
Investment earnings	5000	5000	—	(5000)	104
Total revenue	65000 -	65,000 -	36345 -	(28655) -	38,309
Expenditures					
Debt services programs					-
Public safety, capital outlay	65000	65000	40474	(24526)	59,452
Total expenditures	65000 -	65000 -	40474 -	24,526 -	59,452
Net changes in fund balance	$ - -	$ - -	(4129) -	$ 4,129 -	(21,143)
Fund balance, beginning of year			33525		54,668
Fund balance, end of year			$ 29396 -		$ 33,525

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WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - RECREATION FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ 264575	$ 55,107
Due from other governments	13192	22,088
Total assets	$ 277767	$ 77,195
Liabilities & fund balance		
Liabilities	$ —	$ -
Total liabilities	—	-
Fund balance		
Reserve for capital project	277767	77,195
Total fund balance	277767	77,195
Total liabilities and fund balance	$ 277767	$ 77,195

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2008)

	2009				2008
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 60,000	$ 60,000	$ 65602	$ 5602	$ 66,514
Reserve fund	—	—	212377	212377	-
Investment earnings	16000	16000	481	(15519)	176
Total revenue	76000 -	76,000 -	278,460 -	202,460 -	66,690
Expenditures					
Culture and recreation	76000	76,000	77888	1888	169,672
Total expenditures	76000 -	76000 -	77888 -	1888 -	169,672
Net changes in fund balance	$ — -	$ — -	200572 -	$200572 -	(102,982)
Fund balance, beginning of year			77195		180,177
Fund balance, end of year			$ 277767 -		$ 77,195

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WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - COMMUNITY FACILITIES PROJECT
BALANCE SHEETS
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ 24879	$ 18,608
Total assets	$ 24879 -	$ 18,608
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	24879	18,608
Total fund balance	24879 -	18,608
Total liabilities and fund balance	$ 24879 -	$ 18,608

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WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - COMMUNITY FACILITIES PROJECT
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2008)

	2009				2008
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Reserve Fund	$	$	$	$	$ -
Investment earnings			104		69
Total revenue	-	-	104 -	-	69
Expenditures					
Culture and recreation					
Debt services			61669		61,669
Total expenditures	-	-	61669 -	-	61,669
Other financing sources					
Transfers in			67836		67,836
Net changes in fund balance	$ -	$ -	6271 -	$ -	6,236
Fund balance, beginning of year			18608		12,372
Fund balance, end of year			$ 24879 -		$ 18,608

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - ECONOMIC DEVELOPMENT FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ 249774	$ 244,777
Due from other governments	13192	22,088
Total assets	$ 262966	$ 266,865
Liabilities & fund balance		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital projects	262966	266,865
Total fund balance	262966	266,865
Total liabilities and fund balance	$ 262966	$ 266,865

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2008)

	2009				2008
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 60,000	$ 60,000	$ 65603	$ 5603	$ 70,382
Investment earnings	0	0	1203	1203	5,943
Reserve fund	220,000	220,000	533,026	533,026	
				(220,000)	-
Total revenue	280,000 -	280,000 -	599,892 -	319,892 -	76,325
Expenditures					
Industrial park	280,000	280,000	603,791	323,791	198,791
Total expenditures	280,000 -	280,000 -	603,791 -	323,791 -	198,791
Net changes in fund balance	$ -	$ -	(3899)	$ 3899 -	122,466
Fund balance, beginning of year			266865		389,331
Fund balance, end of year			$ 262966		$ 266,865

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
SPECIAL LOCAL OPTION SALES TAX - LANDFILL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ -	$ 366,862
Total assets	$ -	$ 366,862
Liabilities & fund balance		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted		366,862
Total fund balance	-	366,862
Total liabilities and fund balance	$ -	$ 366,862

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
SPECIAL LOCAL OPTION SALES TAX - LANDFILL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2008)

	2009				2008
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Investment earnings	$	$	$ 3484	$ 3484	$ -
					16,827
Reserve fund	350000	350,000	-	(350 000)	-
Total revenue	350,000 -	350,000 -	3484 -	(346516) -	16,827
Expenditures					
Sanitation Transfer to Parks	350,000	350,000	370484 -	20484	-
Total expenditures	350000 -	350000 -	370484 -	20484 -	-
Net changes in fund balance	$ -	$ -	(346516) -	$ 346516 -	16,827
Fund balance, beginning of year			346862		350,035
Fund balance, end of year			$ -		$ 366,862

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - ROADS AND BRIDGES FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ 44807	$ 337,003
Due from other governments	43982	186,280
Total assets	$ 492057	$ 523,283
Liabilities & fund balance		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital projects	492057	523,283
Total fund balance	492057	523,283
Total liabilities and fund balance	$ 492057	$ 523,283

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - ROADS AND BRIDGES FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2008)

	2009				2008
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 210,000	$ 210,000	$101,978	$(108,122)	$ 334,747
Georgia DOT	—	—	—	—	425,461
Investment earnings	3000	3000	2731	(269)	6,144
Reserve funds	200,000	200,000	—	(200,000)	-
Total revenue	413,000 -	413,000 -	104,709 -	(308,391) -	766,352
Expenditures					
~~Computer equipement~~					-
Highway & streets	413000	413000	135,835	(277,165)	807,976
Total expenditures	-	-	135,835 -	(277,165) -	807,976
Other Financing Sources (uses)					
Transfer out					-
Total other financing sources (uses)	-	-	-	-	-
Net changes in fund balance	$ -	$ -	(31,226) -	$(31,226) -	(41,624)
Fund balance, beginning of year			523283		564,907
Fund balance, end of year			$492057 -		$ 523,283

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WARREN COUNTY, GEORGIA
SPECIAL LOCAL OPTION SALES TAX DISTRIBUTION FUND
(SPLOST 2002-2007)
COMPARATIVE BALANCE SHEETS
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ 109936	$ 184,070
Accounts receivable		-
Total assets	$ 109936 -	$ 184,070
Liabilities & fund balance		
Due to other funds	$ 87,465	$ 146,446
Due to other governments	22471	37,624
Total liabilities	109936 -	184,070
Fund balance	—	-
Total fund balance	— -	-
Total liabilities and fund balance	$ 109936 -	$ 184,070

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WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
REVOLVING LOAN FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2009 AND 2008

Assets	2009	2008
Cash and cash equivalents	$ 503,359	$ 501,475
Note receivable		-
Total assets	$ 503,359	$ 501,475
Liabilities & fund balance		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	503,359	501,475
Total fund balance	503,359	501,475
Total liabilities and fund balance	$ 503,359	$ 501,475

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009				2008
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Investment earnings	$	$	$ 1884	$ 1884 -	$ 8,837
~~Other~~ Revenue fund	500 000	500 000	—	(500 000) -	-
Total revenue	500 000 -	500,000	1884 -	(498116)-	8,837
Expenditures					
Economic Development	500 000	500 000	—	(500 000)	-
Total expenditures	500 000 -	500,000-	— -	500,000 -	-
Net change in fund balance	0	0	1884 -	$ 1884 -	8,837
Fund balance, beginning of year	$ -	$ -	501 475		492,638
Fund balance, end of year			$ 503 359 -		$ 501,475

WARREN COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
JUNE 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
CLERK OF COURT				
Assets				
Cash	$	$	$	$ 23,092
Liabilities				
Due to other governments	$	$	$	$ 23,092
Due to others				-
	$ -	$ -	$ -	$ 23,092
MAGISTRATE COURT				
Assets				
Cash	$	$	$	$ 3,653
Liabilities				
Due to other government	$	$	$	$ 1,468
Due to others				2,185
	$ -	$ -	$ -	$ 3,653
PROBATE COURT				
Assets				
Cash	$	$	$	$ 39,319
Liabilities				
Due to other governments	$	$	$	$ -
Due to others				39,319
	$ -	$ -	$ -	$ 39,319
SHERIFF				
Assets				
Cash	$	$	$	$ 21
Liabilities				
Due to other governments	$	$	$	$ 21

WARREN COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES (CONT.)
JUNE 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
TAX ASSESSOR				
Assets				
Cash	$	$	$	$ 21
Liabilities				
Due to other funds	$	$	$	$ 21
TAX COMMISSIONER				
Assets				
Cash	$	$	$	$ 140,959
Liabilities				
Due to other governments	$	$	$	$ 82,974
Due to others				57,985
	$ -	$ -	$ -	$ 140,959
ALL AGENCY FUNDS				
Assets				
Cash	$	$	$	$ 207,065
Liabilities				
Due to other governments	$	$	$	$ 106,066
Due to others				100,999
	$ -	$ -	$ -	$ 207,065

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

Warren County Board of Commissioners
Warren County, Georgia

We have audited the financial statements of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Georgia, as of and for the year ended June 30, 2009, which collectively comprise Warren County, Georgia's basic financial statements and have issued our report thereon dated December ___, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. As stated previously, we did not audit the financial statements of the Warren County Health Department discretely presented component unit. Those financial statements were audited by other auditors whose reports therein have been furnished to us, and our opinion insofar as it relates to the amounts included for the aggregate discretely presented component units based on the report of other auditors.

Internal Control Over Financial Reporting

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Warren County, Georgia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Warren County, Georgia's financial statements that is more than inconsequential will not be prevented or detected by Warren County, Georgia's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Warren County, Georgia's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control

over financial reporting that might be significant deficiencies or material weaknesses. A material weakness is a reportable condition in which the design or operation of one of more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We did not identify any deficiencies in internal control over financial reporting and its operation that we consider to be a material weakness. However, the auditors of the Warren County Health Department identified certain deficiencies in internal control over finance reporting that they considered to be significant deficiencies. On pages 88 – 90 is the schedule of findings and questioned costs taken from other auditors' report.

Compliance and Other Matters

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

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

December __, 2008

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009

Findings – Financial Statement Audit

2009-1 Absence of Optimum Level of Segregation of Duties (Repeat Finding)

Criteria: A properly designed and effective system of internal control requires that there are a sufficient number of properly trained, skilled personnel to be able to segregate duties and responsibilities among personnel so that individuals initiating, processing, verifying, reviewing, approving, recording or processing financial transactions are not performed by the same individual.

Condition: The Health Department does not have sufficient personnel to provide an optimum level of appropriate segregation of duties and responsibilities.

Effect: Errors, intentional or otherwise, and fraud could occur in the processing of financial transactions and the preparation of financial statements.

Recommendation: The Health Department should continue to monitor this situation and use alternative control measures where available to assist in safeguarding the Health Department's assets.

Management's Response: Management concurs with the finding. The Health Department will continue to evaluate the costs and related benefits of adding additional personnel to alleviate this problem. The Health Department will continue to use alternative measures where available to assist in safeguarding the Health Department's assets.

2009-2 Accounting Expertise (Preparation of Financial Statements)

Criteria: Statement on Auditing Standards No. 112 describes examples of circumstances that are to be considered to be a significant deficiency and a strong indicator of a material weakness in internal control. Deficiencies in the design of controls exist when employees or management lack the qualifications and training to prepare year-end financial statements in accordance with generally accepted accounting principles.

Condition: The Health Department did not have an employee with adequate time, qualifications, and training to prepare year-end financial statements.

Effect: The independent auditor has prepared financial statements from the records of the Health Department. The Health Department's management and staff are unable to evaluate the adequacy and completeness of the information presented.

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 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.

Warren County Department of Health

STATUS OF PRIOR AUDIT REPORT FINDINGS

June 30, 2009

In the audit report of the Warren County Department of Health for the year ended June 30, 2008, it was noted in the "Report on Internal Control Structure" that the Health Department's internal control structure suffers from a lack of appropriate segregation of duties and a lack of expertise in the preparation of financial statements. The Health Department continues to monitor these issues; however, due to the limited number of personnel available, the problems will not be remedied in the foreseeable future.

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, 2009. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option 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 of 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, 2009, in conformity with accounting principles generally accepted in the United States of America.

December ___, 2008

WARREN COUNTY, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH SALES TAX
PROCEEDS (SPLOST 2008 - 2011)
FOR THE YEAR ENDED JUNE 30, 2009

Projects	Original Estimated Cost	Prior Year	Current Year	Total To Date	Estimated Percentage of Completion
Warren County					
Roads & Bridges	$ 1,216,000	$ 434,679	$ 314,679	$ 749,358	61.62%
Water	349,440	-	-	-	0.00%
Economic Development	384,000	-	198,791	198,791	51.51%
Recreation	384,000	36,176	169,672	205,848	53.60%
Emergency Service	212,480	16,597	-	16,597	7.80%
	2,545,920	487,452	683,142	1,170,594	
City of Warrenton					
Roads & Bridges	38,400	3,372	7,401	10,773	
Water & Sewer Project	349,440	46,035	83,111	129,146	
Emergency Service	43,520	6,092	10,719	16,811	
	431,360	55,499	(1) 101,231	(1) 156,730	
City of Norwood					
Roads & Bridges	12,800	1,686	3,044	4,730	
Water & Sewer Project	98,560	12,984	23,442	36,426	
	111,360	14,670	(1) 26,486	(1) 41,156	
Town of Camak					
Roads & Bridges	12,800	1,686	3,044	4,730	
Water & Sewer Project	98,560	12,984	23,442	36,426	
	111,360	# 14,670	(1) 26,486	(1) 41,156	
	$ 3,200,000	$ 572,291	$ 837,345	$ 1,409,636	

(1) These amounts were disbursed by Warren County to the City of Warrenton, the City of Norwood and the Town of Camak.