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WARREN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2010

WARREN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
JUNE 30, 2010

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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, 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, 2010 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Warren County's management. Our responsibility is to express onions 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, 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 unit is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial auditors contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Georgia, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof 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 10, 2010 on our consideration of Warren County Board of Commissioners internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an internal part on an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying required supplementary information, such as management's discussion and analysis and budgetary comparison information on pages 6 through 16 and 55 through 56 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Warren County Board of Commissioners basic financial statements. The accompanying supplementary information, such as the introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, such as the combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information, such as the introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Berry & Associates, P.C.
December 17, 2010

WARREN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2010

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, 2010. This discussion and analysis does not include comparative data for prior years, as this information is now available subsequent to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 34.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities by $62,663,675 (net assets) for the year ended June 30, 2010.

- Total net assets are comprised of the following:
  (1) Capital assets, net of related debt, of $57,022,826 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 $1,847,772 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net assets of $1,306,297 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 $3,036,687 this year. This compares to the prior year fund balance of $3,653,930 showing an decrease of $617,243 during the current year.

- At the end of the current fiscal year, unreserved fund balance for the General Fund was $1,291,407 or 32% 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.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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 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 even giving rise to the change occurs, regardless of the timing of related cash flows. Accordingly, revenues and expenses are reported for some items that will only result in cash flows in future fiscal years (i.e., uncollected property taxes).

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

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

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

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

Reporting the County's Most Significant Funds

Fund Financial Statements. Experienced readers of governmental financial statements will find these financial statements most familiar. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

The basic governmental fund financial statements are presented on pages 19 – 22 of this report.

Individual fund information for non-major governmental funds is found in combining statements on pages 58 and 59 of this report.

Proprietary (enterprise) funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water system activities. The water fund began operating in January 2007. Proprietary funds financial statements can be found on pages 23 – 25.

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

The fiduciary funds financial statements can be found on pages 26 – 27 of this report.

Notes To The Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 31 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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 57.

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, 2010.

The largest portion of the County's net assets (94 %) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The County uses its capital assets to provide services to citizens. Consequently, these 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current assets	$ 3,242,723	$ 3,960,805	$ 123,775	$ 370,723	$ 3,366,498	$ 4,331,528
Capital assets	57,379,076	57,712,962	2,894,436	2,892,511	60,273,512	60,605,473
Total assets	60,621,799	61,673,767	3,018,211	3,263,234	63,640,010	64,937,001
Liabilities						
Current liabilities	240,170	339,712	10,312	10,042	250,482	349,754
Long-term liabilities	273,576	350,606	452,277	461,683	725,951	812,289
Total liabilities	513,746	690,318	462,589	471,725	976,433	1,162,043
Net assets						
Invested in capital assets, net of related debt	87,022,826	57,272,800	2,432,780	2,421,715	59,455,606	59,694,515
Restricted	1,793,820	1,854,453	53,952	276,582	1,847,772	2,131,035
Unrestricted	1,291,407	1,856,196	68,890	93,212	1,360,297	1,949,408
Total net assets	$ 60,108,053	$ 60,983,449	$ 2,555,622	$ 2,791,509	$ 62,663,675	$ 63,774,958

The County maintains a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities as of June 30, 2010 is 13 to 1 which compares to 12 to 1 at June 30, 2009.

The County reported positive balances in net assets for governmental activities and business-type activities. Net assets in 2010 decreased by $875,395 for governmental activities and decreased by $14,775 for business-type activities and decreased $221,112 for SPLOST funds reclassified to the Capital Project Fund. The County's overall financial position decreased, approximately two percent during the fiscal year 2010.

Note that approximately 95 % 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 87 % in business -type capital assets. Capital assets in the business-type activities will provide water service and will generate revenue for these funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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 $3,116,016, which consists of $3,002,553 from governmental activities and $113,463 from business-type activities. This represents a 8.3 % increase in working capital over the last year. This increase resulted entirely from 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 13.4 on a County-wide basis, 13.5 for governmental activities and 36.9 for business-type activities. More simply stated the County has $13.40 of current assets for each $1.00 of current liabilities on a County-wide basis.

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 229 days on a County-wide basis. This is an decrease over last year, when the County could operate for 273 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 1.3% on a County-wide basis, 0.6% for governmental activities and 16.6% for business-type activities. Last year, the ratio of total liabilities to net assets was 1.8% County-wide, 1.1% for governmental activities and 16.9% for business-type activities.

Total Liabilities to Total Assets – The ratio compares the total obligations of the County to total assets. It is an indicator of the level of borrowing that has been used to finance operations of the County on a long-term basis. Total liabilities to total assets for the County is 1.7% on a County-wide basis, 1.0% for governmental activities, and 14.3% for business-type activities. Last year, total liabilities compared to total assets was 1.8% County-wide, 1.1% for governmental activities and 14.5% for business-type activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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:	2010	2009	2010	2009	2010	2009
Program revenues:						
Charges for services	$ 1,061,037	$ 1,989,073	$ 50,559	$ 37,763	$ 1,111,596	$ 2,026,836
Operating grants and contributions	106,912	116,336	-	-	106,912	116,336
Capital grant	43,744	29,991	-	-	43,744	29,991
General revenues:						
Property tax	2,120,236	2,233,322	-	-	2,120,236	2,233,322
Sales tax	788,020	702,694	55,567	59,697	843,587	762,391
Unrestricted investment earnings	25,456	42,794	361	706	25,817	43,500
Other/transfers	(9,128)	797,763	1,714	37,832	(7,414)	835,595
SPLOST transfers (1)	221,112	-	(221,112)	-	-	-
Total Revenues	$ 4,357,389	$ 5,911,973	$ (112,911)	$ 135,998	$ 4,244,478	$ 6,047,971
Program Expenses:						
General government	1,164,039	1,212,519	-	-	1,164,039	1,212,519
Public safety	1,755,882	1,602,966	-	-	1,755,882	1,602,966
Judicial	395,460	382,126	-	-	395,460	382,126
Public works	1,189,462	929,118	-	-	1,189,462	929,118
Health & welfare	468,061	177,094	-	-	468,061	177,094
Library & recreation	94,699	96,036	-	-	94,699	96,036
Housing & development	134,861	281,589	-	-	134,861	281,589
Interest on debt	30,320	17,039	-	-	30,320	17,039
Water	-	-	122,976	118,786	122,976	118,786
Total expenses	5,232,784	4,698,487	122,976	118,786	5,355,760	4,817,273
Changes in net assets	(815,395)	1,213,486	(235,887)	17,212	(1,111,282)	1,230,698
Net assets, July 1	60,983,448	59,769,962	2,791,509	2,774,297	63,774,957	62,544,259
Net assets, June 30	$ 60,108,053	$ 60,983,448	$ 2,565,622	$ 2,791,509	$ 62,663,675	$ 63,774,957

(1) SPLOST Funds for Water project was transfered from the Water fund to the Capital Project Fund of $ 221,112

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes to support governmental operations. Property taxes for the year ended June 30, 2010 provided $2.1 million or 51% of the County's total governmental revenues as compared to 38% in 2009. Sales tax revenue was approximately $.79 million of revenues or 19% as compared to 12% in 2008.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up approximately 53% or $2.9 million of the total governmental activities expenses. General government totals over $1.2 million.

This table presents the cost 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

	2010		2009	
	Total cost of service	Net cost of service	Total cost of service	Net cost of service
General government	$ 1,164,039	$ 1,004,446	$ 1,212,519	$ 1,052,253
Public safety	1,755,882	1,078,200	1,602,966	1,040,573
Judicial	395,460	46,387	382,126	(205,066)
Public works	1,189,462	1,165,447	929,118	913,415
Health & welfare	468,061	468,061	177,094	82,118
Library & recreation	94,699	94,699	96,036	(618,128)
Housing & development	134,861	133,531	281,589	280,883
Interest on debt	30,320	30,320	17,039	17,039
Total assets	$ 5,232,784	$ 4,021,091	$ 4,698,487	$ 2,563,087

After reducing gross expenses by program revenues, public safety totals 26.8% of the net cost of services and public works totals 29.0% of these costs. The primary revenue stream that reduced total cost of service was chargers for services.

Business-Type Activities

As stated previously, the water system is in its third year of operation. Revenue generated from water services totaled $50,559 for the year ended June 30, 2010 as compared to $37,763 for the year ended June 30, 2009.

GOVERNMENTAL FUNCTIONAL EXPENSES (CONTINUED)

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 $3,036,687. Of this year-end total, $1,242,867 is unreserved, indicating availability for continuing county service requirements. Legally restricted fund balances (i.e., the reserved fund balances) include $1,793,820 set aside for specific program purposes and capital projects.

The total ending fund balances of governmental funds show a decrease of $872,489.

Major Governmental Funds

The General Fund

The General fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased $556,610.

Some of the more notable changes in expenditures at June 30, 2010 follow. The general government function decreased $148,519 in 2010. As noted, public safety had a decrease of approximately $14,666. Public works expenditures increased $25,257 in 2010. Also investments in net capital assets decreased $936,816.

All other functional costs had modest decreases with those of the prior year totaling approximately $102,010.

The unreserved fund balance (i.e., the amount available for future spending), and is considered adequate, representing the equivalent of 32% of annual expenditures.

Budgetary Highlights

The General Fund

The revenue budget for 2010 was decreased approximately ($565,101) for the year and the County's actual expenditures decreased $75,012. General government, judicial, public safety, public works, and housing and development functions expenditures did not exceed those authorized budgets.

GOVERNMENTAL FUNCTIONAL EXPENSES (CONTINUED)

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, 2010 was $65,641,769. The following table provides a summary of capital asset activity.

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 426,839	$ 426,839	$ -	$ -	$ 426,839	$ 426,839
Building & improvements	6,366,937	6,366,937	-	-	6,366,937	6,366,937
Vehicles & equipment	5,617,302	5,435,076	-	-	5,617,302	5,435,076
Infrastructure	50,060,900	50,060,900	-	-	50,060,900	50,060,900
Contracts in progress	-	-	-	-	-	-
Utility systems	-	-	3,169,791	3,104,866	3,169,791	3,104,866
	$ 62,471,978	$ 62,289,752	$ 3,169,791	$ 3,104,866	$ 65,641,769	$ 65,394,618

The County investment in capital assets increased for the year ended June 30, 2010 by $247,151. The capital assets additions were for vehicles, equipment and road infrastructure for the governmental activities and water system development for the business-type activities. The allocation of the assets by function is as follows:

Governmental activities	
General Government	$ 19,000
Public safety	163,226
	182,886
Business-type activities	
Water system infrastructure	64,925
	$ 247,151

The funds provided to acquire capital assets for the governmental activities functions were from reserve funds and a portion of the Warren County Development Authority Bond Insurance.

Additional information on the County capital assets can be found on pages 41 through 43 and long-term debt on pages 43 through 47, respectively.

GOVERNMENTAL FUNCTIONAL EXPENSES (CONTINUED)

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 any 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, 2010

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Current assets				
Cash & cash equivalents	$ 2,901,474	$ 59,817	$ 2,961,291	$ 642,544
Receivables, net				
Taxes	48,540		48,540	
Accounts/notes	154,890	10,006	164,896	26,660
Sales taxes	24,872	-	24,872	
Due from other governments	112,947		112,947	
Restricted assets				
Cash and cash equivalent	-	53,952	53,952	
Receivables	-	-	-	7,500
Total current assets	3,242,723	123,775	3,366,498	676,704
NONCURRENT ASSETS				
Capital assets non depreciable				
Land	426,839	-	426,839	294,449
Infrastructure	50,060,900	-	50,060,900	-
Contracts in progress	-	-	-	375,482
Capital assets depreciable				
Building, vehicle, equipment, and water system, net of accumulated depreciation	11,984,239	3,169,791	15,154,030	499,265
Less accumulated depreciation	(5,092,902)	(275,355)	(5,368,257)	(415,024)
	6,891,337	2,894,436	9,785,773	84,241
Total noncurrent assets	57,379,076	2,894,436	60,273,512	754,172
Total assets	$ 60,621,799	$ 3,018,211	$ 63,640,010	$ 760,945

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
LIABILITIES				
Current liabilities				
Accounts payable	$ 104,165	$ -	$ 104,165	$ 3,841
Accrued expenses	16,895	933	17,828	
Due to other	36,436		36,436	
Current portion of long-term debt	82,674	9,379	92,053	24,504
Total current liabilities	240,170	10,312	250,482	28,345
LONG TERM LIABILITIES				
Obligations for accrued compensated absences	-	-	-	5,232
Long term debt, net of current portion	273,576	452,277	725,853	953,799
Total long term liabilities	273,576	452,277	725,853	959,031
Invested in capital assets, net of related debt	57,022,826	2,432,780	59,455,606	(227,972)
Restricted for:				
Capital projects	973,944	31,896	1,005,840	
Special Revenue	819,876	22,056	841,932	31,314
Unrestricted	1,291,407	68,890	1,360,297	640,158
Total net assets	$ 60,108,053	$ 2,555,622	$ 62,663,675	$ 443,500

WARREN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expenses) Revenue and Changes in Net Assets: Primary Government: Business-type Activities	Net (Expenses) Revenue and Changes in Net Assets: Primary Government: Total	Component Units
Primary Government								
Governmental Activities								
General government	$ 1,164,039	$ 8,937	$ 106,912	$ 43,744	$ (1,004,446)	$ -	$ (1,004,446)	$ -
Judicial	395,460	349,073	-	-	(46,387)	-	(46,387)	-
Public safety	1,755,882	677,682	-	-	(1,078,200)	-	(1,078,200)	-
Public works (highways & streets)	1,189,462	24,015	-	-	(1,165,447)	-	(1,165,447)	-
Health & welfare	468,061		-	-	(468,061)	-	(468,061)	-
Library & recreation	94,699		-	-	(94,699)	-	(94,699)	-
Housing & development	134,861	1,330	-	-	(133,531)	-	(133,531)	-
Interest on long term debt	30,320		-	-	(30,320)	-	(30,320)	-
Total Governmental Activities	$ 5,232,784	$ 1,061,037	$ 106,912	$ 43,744	$ (4,021,091)	$ -	$ (4,021,091)	$ -
Business-Type Activities								
Water	122,976	50,559	-	-		(72,417)	(72,417)	
Total Business-Type Activities	122,976	50,559	-	-	-	(72,417)	(72,417)	-
Total Primary Government	$ 5,355,760	$ 1,111,596	$ 106,912	$ 43,744	$ (4,021,091)	$ (72,417)	$ (4,093,508)	$ -
Component Units								
Warren County Development Authority	$ 115,353	$ 32,004	$ 35,850	$ 216,000				168,501
Warren County Health Department	142,042	34,883	97,828	25,000				15,669
Total Component Units	$ 257,395	$ 66,887	$ 133,678	$ 241,000				184,170
		General revenues						
		Property taxes			1,912,052	-	1,912,052	-
		Sales taxes			334,729	55,567	390,296	-
		Special purpose local option sales tax			453,291		453,291	-
		Insurance premium taxes			183,981		183,981	-
		Franchise, beer & wine tax			21,203		21,203	-
		Unrestricted investment earnings			25,456	361	25,817	1,608
		• Other revenue (expenses)			(9,128)	1,714	(7,414)	7,414
		• Reclassify to Capital Project Fund			221,112	(221,112)	-	
		Total general revenues and transfers			3,142,696	(163,470)	2,979,226	9,022
		Change in Net Assets			(875,395)	(235,887)	(1,111,282)	193,192
		Net Assets - beginning of year			60,983,448	2,791,509	63,774,957	250,308
		Net Assets - ending of year			$ 60,108,053	$ 2,555,622	$ 62,663,675	$ 443,500

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

WARREN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010
(WITH COMPARATIVE TOTALS AT JUNE 30, 2009)

	2010				2009
	General Fund	Capital Project Fund (SPLOST)	Other Governmental Funds	Total Governmental Fund	Total Governmental Funds
Assets					
Cash & Cash Equivalent	$ 1,023,725	$ 999,434	$ 878,315	$ 2,901,474	$ 3,524,020
Receivables:					
Accounts	144,704	-	10,186	154,890	136,479
Property tax, net	48,540	-	-	48,540	63,717
Sales tax	24,872	-	-	24,872	67,327
Due from other funds	-	-	-	-	77,670
Due from other governments	112,947	-	-	112,947	104,598
Due from others	-	-	-	-	-
Total Assets	$ 1,354,788	$ 999,434	$ 888,501	$ 3,242,723	$ 3,973,811
Liabilities and fund balance					
Liabilities					
Accounts payable	52,435	-	68,625	121,060	92,620
Accrued expenditures	-	-	-	-	40,453
Deferred revenue	48,540	-	-	48,540	62,716
Due to other governments	10,946	25,490	-	36,436	33,417
Total liabilities	111,921	25,490	68,625	206,036	229,206
Fund Balance					
Reserved for:					
Program purposes	-	-	50,417	50,417	1,303,570
Unreserved, and					
Undesignated reported in:					
General fund	1,242,867	-	-	1,242,867	1,799,477
Capital projects	-	973,944	-	973,944	285,723
Special revenue	-	-	769,459	769,459	265,160
Total fund balance	1,242,867	973,944	819,876	3,036,687	3,653,930
Total liabilities and fund balance	$ 1,354,788	$ 999,434	$ 888,501	$ 3,242,723	$ 3,883,136

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

WARREN COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
TO THE STATEMENT OF NET ASSETS
June 30, 2010

Total fund balances - Governmental funds	$ 3,036,687
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	
Cost of capital assets	62,471,977
Accumulated depreciation	(5,092,902)
Liabilities, including notes payable, are not due and payable in current period are not reported in the funds	
Capitalized lease payable	(34,286)
Note payable	(321,963)
Certain tax revenue that was earned and accrued in the current period but not received after 60 days is deferred in the fund statement but recognized full accrual	48,540
Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets	
Interfund receivables	101,428
Interfund payables	(101,428)
Net assets of Governmental activities	$ 60,108,053

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

WARREN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE TOTALS AT JUNE 30, 2009)

	2010				2009
Revenues	General Fund	Capital Project Fund (SPLOST)	Other Governmental Funds	Total Governmental Fund	Total Governmental Funds
Taxes	$ 2,469,041	$ -	$ -	$ 2,469,041	$ 2,567,278
Sale Taxes (SPLOST)		405,066	-	405,066	546,588
Permits & Licenses	8,937	-	-	8,937	8,273
Intergovernmental	106,912	-	-	106,912	1,169,975
Charges for Service	537,479	-	141,533	679,012	715,321
Fines & Forfeitures	285,348	-	63,725	349,073	465,750
• Use of money and property	21,517	1,424 •	2,515	25,456	42,794
Other	40,822	90,354	5,132	136,308	223,575
Total revenues	3,470,056	496,844	212,905	4,179,279	5,739,554
Expenditures					
Current Operating					
General government	1,139,691	-	-	1,139,691	1,288,210
Public safety	1,131,018	-	301,431	1,432,449	1,447,115
Judicial	338,090	-	8,060	346,150	328,235
Public works	784,085	-	-	784,085	758,828
Health & Welfare	156,763	-	-	156,763	163,216
Library and Recreation	68,203	-	25	68,228	69,565
Housing & Development	131,818	-	-	131,818	278,546
Capital Outlays	• 182,226	695,034	-	877,260	1,814,076
Debt service					
Principal	-	43,085	46,471	89,556	85,104
Interest	-	9,382	15,198	24,580	17,039
Total Expenditures	3,931,894	747,501	371,185	5,050,580	6,249,934
Excess (deficiency) of revenues over expenditures	(461,838)	(250,657)	(158,280)	(870,775)	(510,380)
Other financial sources (uses)					
Transfers In		-	166,127	166,127	1,750,299
Transfers Out	(94,772) ✓	(67,836) •	(5,233)	(167,841)	(952,536)
Total other financing sources and (uses)	(94,772)	(67,836)	160,894	(1,714)	797,763
Net changes in fund balances	(556,610)	(318,493)	2,614	(872,489)	287,383
Fund balance					
Beginning of year	1,799,477 ✓	1,292,437 ✗	313,390 ✗	3,909,176 +	3,366,547
End of year	$ 1,242,867 ✓	$ 973,944 ✓	$ 819,876 ✓	$ 3,036,687 ✓	$ 3,653,930 ✓

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

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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, 2010

Net change in Fund Balance - Total Governmental Funds		$ (872,489)
SPLOST Funds for water & sewer projects reclassified to Capital Projects Fund		221,112

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	182,226	
Depreciation expense	(516,112)	
		(333,886)

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 government-wide statement of net 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.

	95,692
	6,136

Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Property taxes:		
Deferral @ 6/30/09	62,716	
Deferral @ 6/30/10	(48,540)	
		14,176

Changes in net assets of governmental activities	$ 875,395

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, 2010 AND 2009

	2010	2009
Assets		
Current assets		
Cash in bank - operating account	$ 59,817	$ 78,198
Accounts receivable	10,006	3,938
Due from other funds	-	12,005
Total cash & other assets	69,823	94,141
Restricted assets		
Cash in bank - reserve fund USDA	8,845	6,722
Cash in bank - reserve fund GEFA	13,211	13,134
Cash in bank - sales tax fund for water project	-	218,246
Cash in bank - GEFA Funds	31,896	38,480
Total restricted assets	53,952	276,582
Total current assets	123,775	370,723
Utility System		
Water Distribution Facility	3,169,791	3,104,866
Accumulated depreciation	(275,355)	(212,355)
	2,894,436	2,892,511
Total assets	3,018,211	3,263,234
Liabilities and net assets		
Current liabilities		
Accrued Interest	933	929
Current maturities of long term debt	9,379	9,113
Total current liabilities	10,312	10,042
Long term debt		
Note payable, net of current maturities	452,277	461,683
Total long term debt	452,277	461,683
Total liabilities	462,589	471,725
Net assets		
Invested in capital assets, net of related debt	2,432,780	2,421,715
Restricted for debt service	22,056	19,856
Restricted for water project	31,896	256,726
Unrestricted	68,890	93,212
	$ 2,555,622	$ 2,791,509

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, 2010 AND 2009

	2010	2009
Operating revenue		
Water revenue	$ 50,559	$ 37,763
Water tap	-	-
Total operating revenue	50,559	37,763
Operating expenses		
Materials & supplies	1,865	2,184
Water testing	4,248	823
Billing services	13,106	13,605
Water purchases	21,873	19,045
Office expense, dues and fees	207	1,175
Depreciation	63,000	63,000
Total operating expenses	104,299	99,832
Operating income (loss)	(53,740)	(62,069)
Non operating revenue (expense)		
Sales tax revenue (SPLOST Funds)	55,567	59,697
Investment earnings	361	706
Interest expense	(18,677)	(18,954)
Total Non operating revenue (expenses)	37,251	41,449
Other financing sources (uses)		
Transfers in	1,714	37,832
Transfers out to capital project fund (SPLOST)	(221,112)	-
Total other finance sources (uses)	(219,398)	37,832
Change in net assets	(235,887)	17,212
Net assets, beginning of year	2,791,509	2,774,297
Net assets, end of year	$ 2,555,622	$ 2,791,509

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, 2010 AND 2009

	2010	2009
Cash flows for operating activities:		
Cash received from customer	$ 58,109	$ 39,007
Cash payments for goods and services	(41,299)	(37,832)
Net cash provided by operating activities	16,810	1,175
Cash flows non capital financing activities:		
Transfer from other funds	1,714	37,832
Transfer to capital project fund (SPLOST	(221,112)	-
	(219,398)	37,832
Cash flow from capital and related financing activities:		
Capital grant	-	-
Sales tax revenue (SPLOST fund)	53,954	67,793
Decrease in loans	(9,140)	(8,827)
Interest on loan	(18,673)	(18,985)
Construction of water distribution facility	(64,925)	-
Net cash provided in capital and related financing activities	(38,784)	39,981
Cash flow from investing activities:		
Investment earnings	361	706
Net cash provided by investing activities	361	706
Net (decrease) increase in cash and cash equivalents	(241,011)	79,694
Cash and cash equivalent, beginning of year	354,780	275,086
Cash and cash equivalent, end of year	$ 113,769	$ 354,780
Reconciliation of operating income to net cash (used by) operating activities:		
Operating income	(53,740)	(62,069)
Depreciation	63,000	63,000
Due from other funds		-
Accounts receivable	7,550	244
Net cash (used) by operating activities	$ 16,810	$ 1,175

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, 2010

	Pension Funds	Agency Funds
Assets		
Cash and cash equivalents	$ -	$ 255,449
Investments at fair value		
Mutual Funds	633,232	-
Total assets	$ 633,232 ✓	$ 255,449 ✓
Liabilities		
Due to other governments	$ -	$ 177,689
Due to others	-	77,760
Total liabilities	-	$ 255,449 ✓
Net assets		
Held in trust for retirement benefits	$ 633,232 ✓	
(Actuarial Accrued Liability is $726,792. See schedule of funding progress on pages 50 - 52 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, 2010

	Pension Funds
Addition	
Contribution - Employer	$ 50,920
Net adjustment to fair value of investments	98,842
Total additions	149,762
Deductions	
Distributions	25,896
Total deductions	25,896
Changes in net assets	123,866
Net assets, beginning of year	509,366
Net assets, end of year	$ 633,232

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, 2010
(WITH COMPARATIVE TOTALS AT JUNE 30, 2009)

ASSETS	Warren County Development Authority Enterprise Fund	Warren County Board of Health Fund	Totals 2010	Totals 2009
Current assets				
Cash	$ 574,279	$ 68,265	$ 642,544	$ 526,652
Accounts receivable	24,995	1,665	26,660	37,465
Total current assets	599,274	69,930	669,204	564,117
Restricted assets				
Receivables	7,500	-	7,500	7,500
Total restricted assets	7,500	-	7,500	7,500
Capital assets				
Property & equipment	1,169,196	-	1,169,196	1,135,816
Less accumulated depreciation	(415,024)	-	(415,024)	(390,061)
Total capital assets, net	754,172	-	754,172	745,755
Total assets	1,360,946	69,930	1,430,876	1,317,372
LIABILITIES				
Current liabilities				
Accounts payable/Accrued Interest	3,841		3,841	9,204
Current liabilities payable from restricted assets - note payable	24,504	-	24,504	24,504
Total current liabilities	28,345	-	28,345	33,708
Long term liabilities				
Obligations for accrued compensated absences	-	5,232	5,232	7,585
Notes payable	953,799		953,799	1,025,771
Total long term liabilities	953,799	5,232	959,031	1,033,356
Total liabilities	982,144	5,232	987,376	1,067,064
Net assets				
Invested in capital assets, net of related debt	(227,972)		(227,972)	(304,520)
• Reserve	-	31,314	31,314	30,919
• Unreserve	606,774	33,384	640,158	523,909
Total net assets	$ 378,802	$ 64,698	$ 443,500	$ 250,308

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, 2010

FUNCTION/PROGRAM:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets: Warren Cty Development Authority	Net (Expenses) Revenue and Changes in Net Assets: Warren Cty Public Health Program	Total
Warren County Development Authority							
Governmental type activities	$ 115,353	$ 32,004	$ 135,828	$ 216,000	$ 168,501	$ -	$ 168,501
Warren County Public Health Program							
Governmental type activities							
Health and welfare	142,042	34,883	97,828	-	-	(9,331)	(9,331)
Total component units	$ 257,395	$ 66,887	$ 233,656	$ 216,000	168,501	(9,331)	159,170
General revenue					-	-	-
Unrestricted investment earnings					1,608	-	1,608
Other					-	25,000	25,000
Revenue					7,414	-	7,414
Total general revenue					9,022	25,000	34,022
Changes in net assets					177,523	15,669	193,192
Net assets, beginning of year					201,279	49,029	250,308
Net assets, end of year, restated					$ 378,802	$ 64,698	$ 443,500

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, 2010 AND 2009

	2010	2009
Cash flows from operating activities:		
Cash received from customers	$ 32,004	$ 32,004
Cash payments to vendors	(31,300)	(24,945)
Net Cash Used by Operating Activities	704	7,059
Cash flows from noncapital financial activities:		
Operating contribution	35,850	159,835
Transfers net •	7,414	
Net Cash Used for Noncapital Financing Activities	43,264	159,835
Cash flows from capital & related financing activities:		
Acquisition of capital assets	(33,380)	(693,646)
Capital grant	216,000	-
Loan Proceeds	-	1,000,000
Repayment on long term debt	(71,972)	(72,717)
Interest paid on long term debt	(55,250)	(56,884)
Net Cash Used for Capital and Related Financing Activities	55,398	176,753
Cash flows from investing activities:		
Proceeds from interest earnings	1,608	6,390
Net Cash Provided by Investing Activities	1,608	6,390
Net increase in cash and cash equivalents:	100,974	350,037
Cash and Cash Equivalents, beginning of year	473,305	123,268
Cash and Cash Equivalents, end of year	$ 574,279	$ 473,305
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating (loss) income	$ (24,259)	$ (17,904)
Depreciation	24,963	24,963
Net cash (used) provided by operating activities	$ 704	$ 7,059

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 statues 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 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 the 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 relationships 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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Warren County Development Authority (Continued)

individual fund financial statements. The Warren County Development Authority does not issue separate financial statements.

Warren County Board of Health

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

B. Government-wide and Fund Financial Statements

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

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

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

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of timing and related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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 Governmental 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.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Sales Tax Distribution Fund receives and distributes special local option sales tax (SPLOST) to the funds that have been approved for receipt of those funds.

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.

Warren County Planning Commission receives funds to be used in planning of future projects to advance the growth of the County.

Recreation Fund accounts for the special local options sales tax revenue allocated for the promotion and development of recreation facilities in the County.

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.

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. The Proprietary fund distinguishes 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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments(Continued)

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, 2009 and became due October 20, 2010 and past due after December 20, 2010. Accordingly, receivables and revenues for property taxes 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.

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets – Primary Government (Continued)

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 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.

GASB Statement No. 51 requires the County to report right-of-way easements as a single "land use rights" major capital asset classification with the year ended June 30, 2010. Prior to this statement, the County reported right-of-way easements with the value of the "land" major capital asset classification. The County has opted not to separate right-of-way easements retroactively.

6. Compensated Absences

Employees with one to five years of service are allowed nine sick leave days and nine days of vacation. After five years of service, vacation leave increases to three weeks. Employees can accumulate no more than nine days sick leave and nine days vacation in any year. The County will pay employees up to five days accumulated vacation pay annually. Any remaining accumulations up to the maximum allowable nine days must be taken as time off. Unused vacation leave is payable in full upon termination of employment. No compensation is available for unused sick leave. County policy requires accumulated amounts of sick leave to be carried over, not to exceed nine days. At June 30, 2010, unrecorded General Fund accumulated unpaid vacation and sick pay was not material in amount and does not exceed normal years accumulation.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 business-type activities 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 conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

E. Stewardship, Compliance and Accountability Budgetary Information

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Stewardship, Compliance and Accountability Budgetary Information (Continued)

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 a 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 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, 2010 expenditures did not exceed appropriations in the General Fund by $75,012 and revenue received was $73,435 less than expected. Expenditures did exceed appropriations in the following funds.

Sheriff Drug Fund	$ 3,701
Emergency 911 Fund	26,294
Recreation Fund	125,735
	$ 155,730

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.

NOTE II – DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES (CONTINUED)

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	$ 2,753,794	$ 642,544	$ 3,396,338
2	-	-	-
3	-	-	-
Total	$ 2,753,794	$ 642,544	$ 3,396,338

At June 30, 2010, the County's total book cash balance and bank deposit balance, including certificates of deposit, totaled $2,753,794. The Development Authority's and Board of Health's total book cash balances and bank deposit balances, including certificates of deposit, totaled $642,544.

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.

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, 2010 and were due December 20, 2010. 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.

NOTE II – DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES (CONTINUED)

Primary Government (Continued)

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, 2010 totaled $332,448.

A summary of the 2010 tax levy follows:

General Fund	
2010 millage rate – County wide	12.25
Net Property Tax Levy – All Taxes	$ 1,611,068
Property Taxes Receivable – Real and Personal Property Taxes, Net	$ 48,540

At June 30, 2010, the component of deferred revenue reported in the governmental funds for property taxes was $84,521.

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:

	General Fund	Major Governmental Fund	Other Governmental Fund	Total Governmental Fund
Receivables				
Accounts	$ 144,704	$ -	$ 10,186	$ 154,890
Property taxes	133,061	-	-	133,061
Sales tax	24,872	-	-	24,872
Other	112,947	79,529	8,281	200,757
Gross receivables	451,584	79,529	18,467	513,580
Less, allowance for uncollectible	(84,521)	-	-	(84,521)
Net total receivable	$ 331,063	$ 79,529	$ 18,467	$ 429,059

NOTE II – DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES (CONTINUED)

Discretely Presented Component Unit

	Development Authority	Health Fund	Total
Rent	$ 7,500	$ -	$ 7,500
Intergovernmental	24,995	1,665	26,660
	$ 32,495	$ 1,665	$ 34,160

NOTE IV – CAPITAL ASSETS

Primary Government

Changes in capital assets for the year ended June 30, 2010 are summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	$ 426,839	$ -	$ -	$ 426,839
Infrastructure	50,060,900	-	-	50,060,900
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	50,487,739 ✓	-	-	50,487,739 ✓
Capital assets, being depreciated				
Buildings & improvement	6,366,937	-	-	6,366,937
Vehicles & equipment	5,435,076	182,226	-	5,167,302
Total capital assets, being depreciated	11,802,013 ✓	182,226	-	11,984,239
Total capital assets	62,289,752 ✓	182,226	-	62,471,978 ✓
Accumulated depreciation				
Buildings & improvement	$ (1,037,336)	$ 112,754	$ -	$ (1,150,090)
Vehicles & equipment	(3,359,454)	403,358	-	(3,942,812)
Total accumulated depreciation	(4,576,790)	516,112	-	(5,092,902) ✓
Governmental activities capital assets, net	$ 57,712,962 ✓	$ (333,886)	$ -	$ 57,379,076 ✓

NOTE IV – CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

Governmental activities depreciation expense	
General government	$ 24,348
Public safety	225,416
Judicial	49,310
Public works	171,433
Health & welfare	16,091
Library & recreation	26,471
Housing & development	3,043
Total governmental activities depreciation expense	$ 516,112

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

Business-type Activities

The County has established a water system infrastructure in a portion of the County. Funds provided for the water system were from sales tax (SPLOST Funds), grants and revenue bonds.

Water system	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, water system	$ 3,104,866	$ 64,925	$ -	$ 3,169,791
Accumulated depreciation	(212,355)	(63,000)	-	(275,355)
Business-type activities, net	$ 2,892,511	$ 1,925	$ -	$ 2,894,436

NOTE IV – CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Unit

Changes in capital assets for the year ended June 30, 2010 are summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 294,449	$ -	$ -	$ 294,449
Construction in progress,				
Industrial part	264,882	33,380	-	298,262
Railroad spur	77,220	-	-	77,220
Total capital assets, not being depreciated	636,551	33,380	-	669,931
Capital assets, being depreciated				
Buildings	499,265	-	-	499,265
Total capital assets, being depreciated	499,265	-	-	499,265
Less accumulated depreciation	390,061	(24,963)	-	(415,024)
Total accumulated depreciation	(390,061)	(24,963)	-	(415,024)
Capital assets, net	$ 745,755	$ 8,417	$ -	$ 754,172

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 Emergency Medical Services (EMS) Department.

Lease obligations for the fiscal year ended June 30, 2010 comprise the following:

Capital lease	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010
Vehicles	$ 77,371	$ -	$ 43,085	$ 34,286

The following is an analysis of fixed assets based under capital lease as of June 30, 2010:

	Governmental Activities
Vehicles	$ 147,255
Less accumulated depreciation	93,402
	$ 53,853

NOTE V – LONG-TERM DEBT (CONTINUED)

Primary Government – Capital Lease (Continued)

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 future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2010:

Fiscal year ending June 30	Long-term debt
2011	$ 23,988
2012	11,994
Total minimum lease payments	35,982
Less amount representing interest	1,696
Present value of future minimum lease payments	$ 34,286

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 installments of $61,669 including interest at 4.125% per annum beginning September 26, 2006.

	Outstanding June 30, 2009	Additions	Reductions	Outstanding June 30, 2010	Amount due within 1 year
Note payable	$ 368,434	$ -	$ 46,471	$ 321,963	$ 48,388

Business-type activities

	Outstanding June 30, 2009	Additions	Reductions	Outstanding June 30, 2010	Amount due within 1 year
USDA Water Revenue [1] Bonds 4.5 % interest rate	$ 376,673	$ -	$ 4,423	$ 372,250	$ 4,539
GEFA/Highway 278 Water expansion loan 2.0 % interest rate	94,151	-	4,745	89,406	4,840
	$ 470,824	$ -	$ 9,168	$ 461,656	$ 9,379

NOTE V – LONG-TERM DEBT (CONTINUED)

Long-term Debt (Continued)

(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, 2010.

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
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	-	-
	$ 321,963	$ 49,284	$ 372,250	$ 265,339	$ 89,406	$ 16,836

Changes in long-term debt for the year ended June 30, 2010 are as follows:

Discretely Presented Component Unit

Development Authority	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
Note payable – City of Warrenton	$ 98,488	$ -	$ 24,504	$ 73,984

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, 2010 was $73,984. 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.

NOTE V – LONG-TERM DEBT (CONTINUED)

Discretely Presented Component Unit (Continued)

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

June 30,	Development Authority
2011	$ 24,504
2012	24,504
2013-2015	24,976
Totals	$ 73,984

NOTE VI – JOINT VENTURE WITH THE CITY OF WARRENTON & WARREN COUNTY BOARD OT EDUCATION AND WARREN COUNTY DEVELOPMENT AUTHORITY REVENUE BOND

As of May 13, 2008, the Warren County Development Authority (Authority), Warren County (County), the City of Warrenton (City), and the Warren County Board of Education (Board) entered an agreement to acquire athletic fields, grandstands, stadiums and buildings to be used for various sports, including baseball and football, as described (the Project). The Authority, County, City and Board are authorized by law to acquire recreation facilities to promote trade, commerce and industry, to acquire and lease property to relieve abnormal unemployment conditions and promote education. The Board agreed to convey 18.56 acres of improved real property to the Authority and 6.48 acres of improved real estate for the purposes described above.

The Authority agreed to finance the Project through the issuance of revenue bonds in the principal amount of $1,000,000 and to lease the property with respect to the project to Warren County Recreation Corporation (the Corporation); and the County agreed to sublease the property from the Corporation. Under a Separate Agreement, the County has the option to purchase from the Authority such portion of the Project as it may designate, the purchase price shall be paid to the custodian of the revenue bonds sinking fund and shall be applied to the redemption of the revenue bond.

As security for the payments required to be made and the obligations required to be performed by the County under the Separate Agreement, the County pledged to the Authority its full faith and credit and taxing power for such payment and performance. The County covenanted in said Separate Agreement that, in order to make any payments of Contract Payments when due from its general funds to the extent required hereunder, it will exercise its power of taxation to the extent necessary to pay the amounts required to be paid hereunder and will make available and use for such payments all taxes levied and collected for that purpose together with funds received from any other sources. Provided, however that between County, State and Board it is understood and agreed that the County has designated SPLOST funds and any grants received towards the payment of contract payments. In the event that the SPLOST funds or grants are insufficient to pay contract payments of to fund the project,

NOTE VI – JOINT VENTURE WITH THE CITY OF WARRENTON & WARREN COUNTY BOARD OT EDUCATION AND WARREN COUNTY DEVELOPMENT AUTHORITY REVENUE BOND (CONTINUED)

then the County and City agree between themselves to be equally responsible for any shortfall. The authority will maintain the financial records and make available the financial statements of the joint venture.

Annual debt service to maturity of the revenue bond is as follows:

		Principal	Interest
2011	$ 95,217	$ 50,751	$ 44,466
2012	95,217	53,352	41,865
2013	95,217	56,087	39,130
2014	95,217	58,962	36,255
2015-2023	853,390	684,359	168,223
	$1,234,258	$ 904,319	$ 329,939

NOTE VI I– INTERFUND AND TRANSFER BALANCES

Interfund balances at June 30, 2010 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.

Interfund Balances

	Payable From		
Payable to:	General Fund	Sales Tax Distribution Fund	Total
Economic Development Fund	$ -	$ 14,965	$ 14,965
Emergency Service Fund	-	8,280	8,280
Recreation Fund	-	14,965	14,965
Roads & Bridges	2,210	47,389	49,599
Water Fund	-	13,618	13,618
Total	$ 2,210	$ 99,217	$ 101,427

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, 2010 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.

NOTE VII – INTERFUND AND TRANSFER BALANCES (CONTINUED)

Transfer Balances

The transfers are primarily from the general funds for expenditures made for various funds of the County. The transfer to Warren County Development Authority was for debt service. The transfer to the Water Revenue Fund was to assist in their operation because they have been operating less than three years. A summary of the transfers for the year is as follows:

	Transfer In (Out)			
	Governmental Fund		Water Fund	Development Authority
General Fund	$ (94,772)	$	$ 1,714	$ -
Emergency 911 Fund	-	93,058	-	-
Community Facilities	-	67,836	-	-
Roads & Bridges	-	(67,836)	-	-
Recreation Fund	-	(99,978)	-	99,978
Economic Development Fund	-	92,564	-	(92,564)
Total	$ (94,772)	$ 85,644	$ 1,714	$ 7,414

NOTE VIII – RISK MANAGEMENT

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

Risk Pool

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

In order to minimize the total cost of workman's compensation and property and liability insurance, the County is a member of the Georgia Interlocal Risk Management Agency Fund (GIRMA), and the Group Self-Insured Workman's Compensation Fund, which are administered by the A.C.C.G. The County pays an annual premium to these funds through the A.C.C.G. The County retains the first $1.000 of each risk of loss in the form of a deductible. All claims were filed with GIRMA and GIRMA bills the County for any risk of loss up to the deductible amount.

NOTE VIII – RISK MANAGEMENT (CONTINUED)

Risk Pool (Continued)

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 members of the fund 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 IX – 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 $16,250 per month and the maximum percent of salary is one hundred percent. The benefit is based on average salary during the highest three consecutive years of employment. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

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

A second amendment to the Plan was adopted on November 10, 2000 and amends the Plan to allow participants to elect a lump-sum distribution in lieu of annuitized payments. The lump-sum amount

NOTE IX – PENSION PLAN (CONTINUED)

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, 2010, the Plan included thirteen active participants, two retirees, beneficiaries, and two members who terminated service but are not yet receiving benefits. The County's payroll for employees covered by the Plan as of January 1, 2009 (the most recent actuarial valuation date) was $457,984.

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 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, 2010, net assets reserved for employee's retirement benefits totaled $633,232.

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 IX – 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	$	48,071
Interest on net pension obligation		6,260
Adjustment to annual required contribution		-
Annual pension cost		54,277
Less contributions made		-
Increase in net pension obligations		54,277
Net pension obligation (credit), beginning of year		-
Net pension obligation, end of year	$	54,277

For the year ended June 30, 2010, the County's actuarially determined minimum and recommended contribution to the Plan and the maximum recommended contribution was $124,093. 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, 2010 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, 2010.

There were no changes in actuarial assumptions of benefit provisions for the year ended June 30, 2010.

NOTE IX – PENSION PLAN (CONTINUED)

Annual Pension Cost (Continued)

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
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, 2010	150,000	100%	None

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, 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	582,688	759,777	177,089	77.00%	488,870	36.23%
Jan 1, 2009	528,268	725,792	198,524	73.00%	457,984	43.35%

NOTE X – PENSION PLAN (CONTINUED)

Annual Pension Cost (Continued)

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. The State Plans are funded, in part, through County fines and forfeiture collections.

NOTE XI – 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 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 deprecation on this land and building for the year ended June 30, 2010 totaled $24,963 and $415,024 respectively.

NOTE XII – JOINT VENTURE

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

NOTE XIII – 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 maintains its landfill after closure. The County submitted a post closure plan to the State of Georgia and received plan approval on October 16, 1995. The closure plan requires monitoring of ground water and methane gas wells on a periodic basis and maintenance of the landfill site for a period of five years. Costs incurred for the year ended June 30, 2010, associated with the maintenance and monitoring of the landfill, exceeded $103,000.

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive
REVENUES	Original	Final	Actual	(Negative)
Taxes	$ 2,533,000	$ 2,533,000	$ 2,472,585	$ (60,415)
Permits and licenses	4,000	4,000	4,377	377
Intergovernmental			106,912	106,912
Charges for service	507,600	507,600	512,057	4,457
Fines & Forfeitures	436,000	436,000	277,507	(158,493)
Uses of money and property	30,000	30,000	21,617	(8,383)
Reserve Fund	71,000	71,000	13,110	(57,890)
Other	126,853	391,666	-	(391,666)
Total revenues	3,708,453	3,973,266	3,408,165	(565,101)
EXPENDITURES				
Current operating:				
General government	1,000,178	1,094,027	1,087,839	(6,188)
Public safety	1,159,146	1,210,044	1,161,293	(48,751)
Judicial	336,427	338,459	338,090	(369)
Public Works	616,687	783,285	772,189	(11,096)
Health and welfare	183,366	159,048	156,646	(2,402)
Library and recreation	70,561	69,268	68,203	(1,065)
Housing & development	159,862	136,909	131,768	(5,141)
Capital Outlay	182,226	182,226	182,226	-
Total expenditure	3,708,453	3,973,266	3,898,254	(75,012)
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ (490,089)	$ (490,089)
Other financing sources (uses)				
Transfers			(111,142)	
Total other finance sources (uses)			(111,142)	
Excess expenditures over resources			(601,231)	
Reconciliation to GAAP Basis to record effect of changes in receivables and other assets & payables and other liabilities				
Receivables and other assets			59,682	
Payables and other liabilities			(17,271)	
			42,411	
Net changes in fund balances			(558,820)	
Fund balance - Unreserved				
Beginning of year			1,799,477	
End of year			$ 1,240,657	

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

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 2007, 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, 2010, the expenditures through Public Works of the General Fund and Special Revenue Sales Tax Fund were in excess of $712,000 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
BALANCE SHEET
NON-MAJOR SPECIAL REVENUE
JUNE 30, 2010
(WITH COMPARATIVE TOTALS AT JUNE 30, 2009)

	2010												2009
Assets	Law Library	Drug Abuse Fund	Jail Fund	Sheriff Drug Fund	Sheriff Drug Fund II	Volunteer Fire Department	Emergency 911 Fund	Knox Theater Fund	Community Facilities Project	Warren County Planning Commission	Revolving Loan Fund	Total Governmental Revenue Fund	Total Governmental Revenue Fund
Cash & Cash Equivalent	$ 50,417	$ 17,721	$ 182,518	$ 13,007	$ 6,695	$ 2,279	$ 7,112	$ 3,045	$ 31,123	$ 60,567	$ 503,831	$ 878,315	$ 829,899
Receivables:													
Accounts							10,186					10,186	8,946
Sales tax												-	-
Due from other funds												-	7,300
Due from other governments												-	-
Total Assets	$ 50,417	$ 17,721	$ 182,518	$ 13,007	$ 6,695	$ 2,279	$ 17,298	$ 3,045	$ 31,123	$ 60,567	$ 503,831	$ 888,501	$ 846,145
Liabilities and fund balance													
Liabilities													
Accounts payable	$	$ 293	$	$ 490	$	$ 961	$ 6,881	$	$	$ 60,000	$ -	$ 68,625	$ -
Due to other funds												-	-
Due to other governments												-	-
Total liabilities	-	293	-	490		961	6,881	-	-	60,000		68,625	-
Fund Balance													
Reserved for:													
Program purposes	50,417											50,417	45,188
Special revenue funds		17,428	182,518	12,517	6,695	1,318	10,417		31,123	567	503,831	766,414	768,519
Capital project funds								3,045				3,045	32,438
Total fund balance	50,417	17,428	182,518	12,517	6,695	1,318	10,417	3,045	31,123	567	503,831	819,876	846,145
Total liabilities and fund balance	$ 50,417	$ 17,721	$ 182,518	$ 13,007	$ 6,695	$ 2,279	$ 17,298	$ 3,045	$ 31,123	$ 60,567	$ 503,831	$ 888,501	$ 846,145

WARREN COUNTY, GEORGIA
NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUND EXPENDITURES
COMBINING STATEMENTS OF REVENUES, AND CHANGES IN FUND BALANCES
JUNE 30, 2010
(WITH COMPARATIVE TOTALS AT JUNE 30, 2009)

	2010												2009
Revenues	Law Library	Drug Abuse Fund	Jail Fund	Sheriff Drug Fund	Sheriff Drug Fund II	Volunteer Fire Department	Emergency 911 Fund	Knox Theater Fund	Community Facility Project	Warren County Planning Commission	Revolving Loan Fund	Total Governmental Revenue Fund	Total Governmental Revenue Fund
Taxes	$	$	$	$	$	$	$	$	$	$	$	$ -	$ -
Permits & Licenses												-	-
Intergovernmental												-	72,305
Charges for Service							141,533					141,533	167,118
Fines & Forfeitures	13,188	1,204	32,450	13,228	3,655							63,725	54,624
Use of money and property	101	19	1,679	83		2		3	102	54	472	2,515	2,526
Other						5,132						5,132	-
Total revenues	13,289	1,223	34,129	13,311	3,655	5,134	141,533	3	102	54	472	212,905	296,573
Expenditures													
Current Operating													
General government												-	-
Public safety		6,866	27,543	5,701	2,193	4,534	254,594					301,431	303,558
Judicial	8,060											8,060	7,093
Public works												-	-
Health and welfare												-	-
Library and recreation												25	-
Housing & development									25			-	-
Capital outlay												-	-
Debt services												-	-
Principal									46,471			46,471	80,310
Interest									15,198			15,198	21,833
Total Expenditures	8,060	6,866	27,543	5,701	2,193	4,534	254,594	-	61,694			371,185	412,794
Transfers													
In	-	-	-	-	5,233	-	93,058	-	67,836			166,127	177,264
Out	-	-	-	(5,233)	-	-	-	-	-			(5,233)	-
Net changes in fund balances	5,229	(5,643)	6,586	2,377	6,695	600	(20,003)	3	6,244	54	472	2,614	61,043
Fund balance													
Beginning of year	45,188	23,071	175,932	10,140		718	30,420	3,042	24,879	513	503,359	817,262	784,102
End of year	$ 50,417	$ 17,428	$ 182,518	$ 12,517	$ 6,695	$ 1,318	$ 10,417	$ 3,045	$ 31,123	$ 567	$ 503,831	$ 819,876	$ 845,145

WARREN COUNTY, GEORGIA
LAW LIBRARY FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 50,417	$ 45,189
Total assets	$ 50,417	$ 45,189
Liabilities & fund balance		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for program purposes	50,417	45,189
Total fund balance	50,417	45,189
Total liabilities and fund balance	$ 50,417	$ 45,189

WARREN COUNTY, GEORGIA
LAW LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2009)

	2010				2009
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fines and forfeitures	$ 11,000	11,000	13,188	2,188	$ 16,333
Investment earnings	-		101	101	218
Total revenue	11,000	11,000	13,289 ✓	2,289	16,551
Expenditures					
Judicial materials & supplies	11,000	11,000	8,060 ✓	(2,940)	7,093
Total expenditures	11,000	11,000			7,093
Net changes in fund balance	$ -	$ -	5,229 ✓	$ 5,229	9,458
Fund balance, beginning of year			45,188 ✓		35,731
Fund balance, end of year			$ 50,417 ✓		$ 45,189

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUNDS - DRUG ABUSE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 17,721	$ 23,071
Due from other governments	-	-
Total assets	$ 17,721	$ 23,071
Liabilities & fund balance		
Liabilities	$ 293	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	17,428	23,071
Total fund balance	17,428	23,071
Total liabilities and fund balance	$ 17,721	$ 23,071

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2009)

	2010				2009
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fines and forfeitures	$ 2,000	2,000	1,204	$ (796)	$ 4,944
Reserve funds	21,000	21,000	-	(21,000)	-
Investment earnings	-	-	19	19	52
Total revenue	23,000	23,000	1,223	(21,777)	4,996
Expenditures					
Public Safety	23,000	23,000	6,866	(16,134)	3,983
Total expenditures	23,000	23,000	6,866	(16,134)	3,983
Net changes in fund balance	$ -	$ -	(5,643)	$ 5,643	1,013
Fund balance, beginning of year			23,071		22,058
Fund balance, end of year			$ 17,428		$ 23,071

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - JAIL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 182,518	$ 175,932
Due from other governments	-	-
Total assets	$ 182,518	$ 175,932
Liabilities & fund balance		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	189,518	175,932
Total fund balance	189,518	175,932
Total liabilities and fund balance	$ 189,518	$ 175,932

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2009)

	2010				2009
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Fines and forfeitures	$ 100,000	$ 100,000	$ 32,451	$ (60,848)	$ 33,347
Reserve funds	25,000	25,000	-	(25,000)	-
Investment earnings	-	-	1,679	1,679	126
Total revenue	125,000	125,000	34,130	(84,169)	33,473
Expenditures					
Public Safety	125,000	125,000	27,544	(97,456)	-
Total expenditures	125,000	125,000	27,544	97,456	-
Net changes in fund balance	$ -	$ -	6,586	$ 13,287	33,473
Fund balance, beginning of year			175,932		142,459
Fund balance, end of year			$ 182,518		$ 175,932

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - SHERIFF DRUG FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 13,007	$ 10,140
Total assets	$ 13,007	$ 10,140
Liabilities & fund balance		
Liabilities	$ 490	$ -
Total liabilities	490	-
Fund balance		
Unreserved/unrestricted	12,517	10,140
Total fund balance	12,517	10,140
Total liabilities and fund balance	$ 13,007	$ 10,140

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2009)

	2010				2009
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Investment earnings	$ -	$ -	$ 83	$ 83	$ 66
Fines and forfeitures	-	-	13,228	13,228	11,220
Reserve funds	2,000	2,000	-	(2,000)	-
Total revenue	2,000	2,000	13,311	11,311	11,286
Expenditures					
Public Safety	2,000	2,000	5,701	3,701	3,900
Total expenditures	2,000	2,000	5,701	3,701	3,900
Other finance sources					
Transfers out	-	-	5,233	5,233	
	-	-	10,934	8,934	
Net changes in fund balance	$ -	$ -	2,377	$ 2,377	7,386
Fund balance, beginning of year			10,140		2,754
Fund balance, end of year			$ 12,517		$ 10,140

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
SHERIFF DRUG ACCOUNT NUMBER II
JUNE 30, 2010

Assets	2010
Cash and cash equivalents	$ 6,695
Total assets	$ 6,695
Liabilities & fund balance	
Due to other funds	$ -
Total liabilities	-
Fund balance	
Unreserved/unrestricted	6,695
Total fund balance	6,695
Total liabilities and fund balance	$ 6,695

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
SHERIFF DRUG ACCOUNT NUMBER II
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (BUDGET - ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2010

	2010			
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget
Fees & transfers	$ 4,000	$ 4,000	$ 3,655	$ (345)
Total revenue	4,000	4,000	3,655	(345)
Expendituers				
Public Saftey	4,000	4,000	2,193	(1,807)
Total expendituers	4,000	4,000	2,193	(1,807)
Other finance sources	-	-		
Transfer in	-	-	5,233	5,233
	4,000	4,000	5,233	5,233
Net changes in fund balanc	$ -	$ -	6,695	$ 6,695
Fund balance, beginning of year			-	
Fund balance, end of year			$ 6,695	

This fund began in November 2009.

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - VOLUNTARY FIRE DEPARTMENT FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 2,279	$ 718
Total assets	$ 2,279	$ 718
Liabilities & fund balance		
Liabilities	$ 961	$ -
Total liabilities	961	-
Fund balance		
Unreserved/unrestricted	1,318	718
Total fund balance	1,318	718
Total liabilities and fund balance	$ 2,279	$ 718

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fund raising & other	$ 1,000	$ 1,000	$ 5,132	$ 4,132	$ 4,350
Grant	-	-	-	-	36,005
Investment earnings	-	-	2	2	24
Reserve funds	13,000	13,000	-	(13,000)	-
Total revenue	14,000	14,000	5,134 ✓	(8,866)	40,379
Expenditures					
Public Safety	14,000	14,000	4,534	(9,466)	52,086
Total expenditures	14,000	14,000	4,534 ✓	(9,466)	52,086
Net changes in fund balance	$ -	$ -	600 ✓	$ (600)	(11,707)
Fund balance, beginning of year			718 ✓		12,425
Fund balance, end of year			$ 1,318 ✓		$ 718

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - EMERGENCY 911 FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 7,112	$ 21,474
Accounts receivable	10,186	8,946
Total assets	$ 17,298	$ 30,420
Liabilities & fund balance		
Due to other funds	$ 6,881	$ -
Total liabilities	6,881	-
Fund balance		
	10,417	30,420
Total fund balance	10,417	30,420
Total liabilities and fund balance	$ 17,298	$ 30,420

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2009)

	2010				2009
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Charges for service	$ 134,273	$ 138,300	$ 141,533	$ 3,233	$ 151,548
Total revenue	134,273	138,300	141,533 ✓	3,233	151,548
Expenditures					
Public safety	224,273	228,300	254,594	26,294	243,588
Total expenditures	224,273	228,300	254,594 ✓	26,294	243,588
Expenditures in excess of revenue	(90,000)	(90,000)	(113,061)	(23,061)	(92,040)
Other financing sources					
Transfer in	90,000	90,000	93,058	3,058	109,428
Total other financing sources	90,000				-
Net changes in fund balance	$ -	$ -	(20,003) ✓	$ (20,003)	17,388
Fund balance, beginning of year			30,420 ✓		13,032
Fund balance, end of year			$ 10,417 ✓		$ 30,420

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - KNOX THEATER FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 3,045	$ 3,042
Total assets	$ 3,045	$ 3,042
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital project	3,045	3,042
Total fund balance	3,045	3,042
Total liabilities and fund balance	$ 3,045	$ 3,042

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2009)

	2010				2009
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Reserve funds	$ 3,000	$ 3,000	$ -	$ (3,000)	$ -
Investment earnings	-	-	3	3	8
Total revenue	3,000	3,000	3 ✓	(2,997)	8
Expenditures					
Economic Development	3,000	3,000	- ✓	(3,000)	-
Total expenditures	3,000	3,000	-	(3,000)	-
Net changes in fund balance	$ -	$ -	3 ✓	$ 3	8
Fund balance, beginning of year			3,042 ✓		3,034
Fund balance, end of year			$ 3,045 ✓		$ 3,042

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND - COMMUNITY FACILITIES PROJECT
BALANCE SHEETS
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 31,123	$ 24,879
Total assets	$ 31,123	$ 24,879
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	31,123	24,879
Total fund balance	31,123	24,879
Total liabilities and fund balance	$ 31,123	$ 24,879

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Reserve Fund	$ 5,000	$ 5,000	$ -	$ (5,000)	$ -
Investment earnings	-	-	102	102	104
Total revenue	5,000	5,000	102 ✓	(4,898)	104
Expenditures					
Culture and recreation	-	-	25	25	-
← Debt services	65,000	65,000	61,669	(3,331)	61,669
Total expenditures	65,000	65,000	61,694 ✓	(3,306)	61,669
Other financing sources					
Transfers in	60,000	60,000	67,836	7,836	67,836
Net changes in fund balance	$ -	$ -	6,244 ✓	$ -	6,271
Fund balance, beginning of year			24,879 ✓		18,608
Fund balance, end of year			$ 31,123 ✓		$ 24,879

WARREN COUNTY, GEORGIA
SPECIAL REVENUE TAX - WARREN COUNTY PLANNING COMISSION
BALANCE SHEET
JUNE 30, 2010 & 2009

	2010	2009
Assets		
Cash & cash equivalent	$ 60,567	$ 60,513
Total Assets	60,567	60,513
Liabilities & fund balance		
Accounts payable	$ 60,000	$ 60,000
Total liabilities	60,000	60,000
Fund balance	$ 567	$ 513
Total liabilities & fund balance	60,567	60,513

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND - WARREN COUNTY PLANNING
SCHEDULE OF REVENUES, EXPENDITURES & CHANGE IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2010 & 2009

	2010	2009
Revenue		
Investment earnings	$ 54	$ 513
Total revenue	54	513
Expenditures	$ -	$ -
Total Expenditures	-	-
Fund balance	$ 54	$ 513
Fund balance beginning of year	513	-
Fund balance end of year	567	513

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
REVOLVING LOAN FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 503,831	$ 503,359
Note receivable	-	-
Total assets	$ 503,831	$ 503,359
Liabilities & fund balance		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balance		
Unreserved/unrestricted	503,831	503,359
Total fund balance	503,831	503,359
Total liabilities and fund balance	$ 503,831	$ 503,359

WARREN COUNTY, GEORGIA
SPECIAL REVENUE FUND
REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010				2009
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Investment earnings	$ -	$ -	$ 472	$ 472	$ 1,884
Reserve Fund	500,000	500,000	-	(500,000)	-
Total revenue	500,000	500,000	472 ✓	(499,528)	1,884
Expenditures					
Economic Development	500,000	500,000	- ✓	(500,000)	-
Total expenditures	500,000	500,000	-	(500,000)	-
Net change in fund balance	-	-	472 ✓	$ 472	1,884
Fund balance, beginning of year			503,359 ✓		501,475
Fund balance, end of year			$ 503,831 ✓		$ 503,359

WARREN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2010 AND 2009

	2010	2009
Assets		
Cash in Bank	$ 999,434	$ 1,312,698
	$ 999,434	$ 1,312,698
Accounts Payable		
Intergovernmental	$ (25,490)	$ (22,471)
Fund Balance		
Water fund balance	$ (973,944)	$ (1,290,237)
Accounts & fund balance	$ 999,434	$ (1,312,698)

WARREN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND
COMBINED SCHEDULE OF REVENUE AND EXPENDITUERS
AND CHANGE IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Revenue		
Sales Tax	$ 405,066	$ 445,414
Interest Income	1,424	4,461
Other Revenue	90,354	212,377
	496,844	662,252
Expenditures		
Roads & Bridges	209,929	252,169
Economic Development	118,468	70,705
Recreation	301,713	77,888
Emergency Services	52,467	40,474
Water & Sewer Project	64,924	-
	747,501	441,236
Revenue Over (Under) Expenditure	(250,657)	221,016
Other Financing Uses		
Transfer Out		
• General Fund	(67,836)	-
Total Other financing Uses	(67,836)	-
Net Change in Fund Balance	(318,493)	221,016
Fund Balance Beginning of Year	1,292,437	1,071,421
Fund Balance End of Year	$ 973,944	$ 1,292,437

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - ROADS AND BRIDGES FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 359,038	$ 448,071
Due from other governments	45,179	43,986
Total assets	$ 404,217	$ 492,057
Liabilities & fund balance		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital projects	404,217	492,057
Total fund balance	404,217	492,057
Total liabilities and fund balance	$ 404,217	$ 492,057

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2009)

	2010				2009
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 210,000	$ 210,000	$ 193,366	$ (16,634)	$ 218,212
Charge for service	-	-	19,595	21,805	-
Investment earnings	3,000	3,000	979	(2,021)	2,731
Reserve funds	200,000	200,000	-	(200,000)	-
Total revenue	413,000	413,000	213,940	(196,850)	220,943
Expenditures					
Highway & streets	413,000	413,000	233,944	(179,056)	184,333
Total expenditures	413,000	413,000	233,944	(179,056)	184,333
Other finance sources					
Transfer out			67,836	67,836	67,836
	-	-	67,836	67,836	67,836
Net changes in fund balance	$ -	$ -	(87,840)	$ (85,630)	(31,226)
Fund balance, beginning of year			492,057		523,283
Fund balance, end of year			$ 404,217		$ 492,057

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - ECONOMIC DEVELOPMENT FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 283,471	$ 249,774
Due from other governments	14,965	13,192
Total assets	$ 298,436	$ 262,966
Liabilities & fund balance		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital projects	298,436	262,966
Total fund balance	298,436	262,966
Total liabilities and fund balance	$ 298,436	$ 262,966

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2009)

	2010				2009
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 60,000	$ 60,000	$ 61,063	$ 1,063	$ 65,603
Investment earnings	-	-	311	311	1,203
Intergovernmental	-	-	-	-	533,086
Reserve fund	220,000	220,000	-	(220,000)	-
Total revenue	280,000	280,000	61,374	(218,626)	599,892
Expenditures					
Industrial park	280,000	280,000	118,468	161,532	334,295
Total expenditures	280,000	280,000	118,468	161,532	334,295
Other finance sources					
Transfer out	-	-	92,564	92,564	(269,496)
	-	-	-	-	(269,496)
Net changes in fund balance	$ -	$ -	35,470	$ 35,470	(3,899)
Fund balance, beginning of year			262,966		266,865
Fund balance, end of year			$ 298,436		$ 262,966

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - RECREATION FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 22,277	$ 264,575
Due from other governments	14,965	13,192
Total assets	$ 37,242	$ 277,767
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital project	37,242	277,767
Total fund balance	37,242	277,767
Total liabilities and fund balance	$ 37,242	$ 277,767

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2009)

	2010				2009
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 60,000	$ 60,000	$ 61,063	$ 1,063	$ 65,602
Reserve	16,000	16,000	-	(16,000)	212,377
Investment earnings	-	-	125	125	481
Total revenue	76,000	76,000	61,188	(14,812)	278,460
Expenditures					
Culture and recreation	76,000	76,000	201,735	125,735	5,285
Total expenditures	76,000	76,000	201,735	125,735	5,285
Other finance sources					
Transfer out	-	-	99,978	99,978	72,603
	-	-	99,978	99,978	72,603
Net changes in fund balance	$ -	$ -	(240,525)	$ (240,525)	200,572
Fund balance, beginning of year			277,767		77,195
Fund balance, end of year			$ 37,242		$ 277,767

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX - EMERGENCY SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 2,446	$ 22,096
Due from other governments	8,281	7,300
Total assets	$ 10,727	$ 29,396
Liabilities & fund balance		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balance		
Reserve for capital project	10,727	29,396
Total fund balance	10,727	29,396
Total liabilities and fund balance	$ 10,727	$ 29,396

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS AT JUNE 30, 2009)

	2010				2009
Revenues	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Sales tax	$ 60,000	$ 60,000	$ 33,788	$ (26,212)	$ 36,300
Investment earnings	-	-	10	10	45
Reserve funds	5,000	5,000	-	(5,000)	-
Total revenue	65,000	65,000	33,798	(31,202)	36,345
Expenditures					
Debt service programs	65,000	65,000	52,467	(12,533)	40,474
Public safety, capital outlay					
Total expenditures	65,000	65,000	52,467	(12,533)	40,474
Net changes in fund balance	$ -	$ -	(18,669)	$ (18,669)	(4,129)
Fund balance, beginning of year			29,396		33,525
Fund balance, end of year			$ 10,727		$ 29,396

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL LOCAL OPTION SALES TAX WATER - SEWER FUND
COMPARTIAVE BALANCE SHEET
JUNE 30, 2010 & 2009

	2010	2009
Assets		
Cash & cash equilivant	$ 207,494	$ -
Due from other funds	13,618	-
Total assets	221,712	-
Liabilities & fund balance		
Liabilities	-	-
Total liabilities	-	-
Fund balance		
Revenue from capital projects	221,112	-
Total liabilities & fund balance	221,112	-
	221,112	230,251

WARREN COUNTY, GEORGIA
CAPITAL PROJECT FUND
SPECIAL PURPOUSE LOCAL OPTION SALES TAX WATER & SEWER FUND
SCHEDULE OF REVENUE, EXPENDITUERS & CHANGE IN FUND BALANCE
(BUDGET & ACTUAL) FOR YEAR END JUNE 30, 2010
WITH COMPARATIVE AT JUNE 30, 2009

	Original Budget	Budget	Actual	Various Water Fund Budget	2009 Actual
Revenue					
Sales Tax	$ 65,000	$ 65,000	$ 55,786	$ (9,214)	$
Total revenue	65,000	65,000	55,786	(9,214)	
Expenditures					
Water & sewer	65,000	65,000	64,924	(76)	
Total expenditures	65,000	65,000	64,924	(76)	
Net changes in fund balance	-	-	(9,139)		
Fund balance beginning of year			230,251		
Fund balance end of year			221,112		230,251

WARREN COUNTY, GEORGIA
SPECIAL LOCAL OPTION SALES TAX DISTRIBUTION FUND
(SPLOST 2002-2007)
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	$ 124,708	$ 109,936
Accounts receivable	-	-
Total assets	$ 124,708	$ 109,936
Liabilities & fund balance		
Due to other funds	$ 99,218	$ 87,465
Due to other governments	25,490	22,471
Total liabilities	124,708	109,936
Fund balance	-	-
Total fund balance	-	-
Total liabilities and fund balance	$ 124,708	$ 109,936

WARREN COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
JUNE 30, 2010

CLERK OF COURT	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Assets				
Cash	$ 30,895	$ 121,524	$ 113,004	$ 39,415
Liabilities				
Due to other governments	$ 30,895	$ 113,004	$ 121,524	$ 39,415
Due to others	-	-	-	-
	$ 30,895	$ 113,004	$ 121,524	$ 39,415
MAGISTRATE COURT				
Assets				
Cash	$ 3,116	$ 63,617	$ 61,463	$ 5,270
Liabilities				
Due to other government	$ 960	$ 10,191	$ 10,591	$ 560
Due to others	2,156	51,272	53,026	4,710
	$ 3,116	$ 61,463	$ 63,617	$ 5,270
PROBATE COURT				
Assets				
Cash	$ 63,108	$ 549,970	$ 473,638	$ 139,440
Liabilities				
Due to other governments	$ 19,169	$ 189,770	$ 249,425	$ 78,824
Due to others	43,939	283,868	300,545	60,616
	$ 63,108	$ 473,638	$ 549,970	$ 139,440
SHERIFF				
Assets				
Cash	$ 21	$ -	$ -	$ 21
Liabilities				
Due to other governments	$ 21	$ -	$ -	$ 21

WARREN COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES (CONT.)
JUNE 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
TAX ASSESSOR				
Assets				
Cash	$ 21	$ -	$ -	$ 21
Liabilities				
Due to other funds	$ 21	$ -	$ -	$ 21
TAX COMMISSIONER				
Assets				
Cash	$ 79,957	$ 5,390,093	$ 5,398,768	$ 71,282
Liabilities				
Due to other governments	$ 60,775	$ 5,335,217	$ 5,319,794	$ 58,848
Due to others	19,182	63,551	70,299	12,434
	$ 79,957	$ 5,398,768	$ 5,390,093	$ 71,282
ALL AGENCY FUNDS				
Assets				
Cash	$ 177,118	$ 6,125,204	$ 6,046,873	$ 255,449
Liabilities				
Due to other governments	$ 111,841	$ 5,648,182	$ 5,701,334	$ 177,689
Due to others	65,277	398,691	423,870	77,760
	$ 177,118	$ 6,046,873	$ 6,125,204	$ 255,449

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

Warren County Board of Commissioners
Warren County, Georgia

We have audited the financial statements of Warren County, Georgia as of and for the year ended June 30, 2010, and have issued our report thereon dated December 17, 2010. 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.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the proceeding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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.

We consider the deficiencies described in the accompanying schedule of findings and questioned costs on pages 93 - 94 to be significant deficiencies in internal control over financial reporting. Of the deficiencies described in the accompanying number of findings we consider item 2010 – 3 to be a material weakness.

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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

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 objective of our 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 noncompliance that are required under *Government Auditing Standards*.

Warren County, Georgia's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Warren County, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of Warren County Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

Berry & Associates P.C.

December 17, 2010

Warren County, Georgia

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2010

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

• Material weakness(es) identified	X	yes		no
• Significant deficiencies identified that are not considered to be material weaknesses?	X	yes		no
• Noncompliance material financial statements noted?		yes	X	no

Section II – Financial Statement Findings

2010-1 Segregation of Duties (Repeat)

Condition and Criteria:
Due to the small size of the office staff, the County does not maintain adequate segregation of duties regarding the internal control functions.

Actions taken or planned to correct deficiencies – The Chairman and members of the Warren County Board of Commissioners agree with this audit finding and agree to monitor financial operations. Periodically, the members of the Warren County Board of Commissioners will perform certain review and monitoring functions over the financial operation of the County to ensure accounting errors are corrected promptly.

2010-2 Cash Management (Repeat)

Condition and Criteria:
The bank account for the general fund was not reconciled to the computer records throughout the year ended June 30, 2010.

Effect – The financial statements did not have accurately reported the cash balances for the reporting period.

Section II – Financial Statement Findings (Continued)

2010-2 Cash Management (Repeat) (continued)

Actions taken or planned to correct deficiencies – Management should establish policies and procedures that all bank accounts be reconciled timely with financial statements (trial balances).

Managements response – Policies and procedures are in place that all bank accounts are reconciled monthly and compared to the computer financial statements (trial balances). The Chairman and Board of Commissioners will review the bank reconciliations monthly.

2010-3 Financial Statements and (Trial Balances) Did Not Balance

Condition and Criteria:
During our audit of the general fund we found that the trial balance prepared on the computer was out of balance as of June 30, 2010 and other periods during the year.

Effect – The financial statements did not have accurately reported the balances and results of operation for the year.

Managements response – The County recently acquired now computer accounting software and the account personnel have not used all procedures available to prepare accurate financial statements. Management will establish policies and procedures that will record all transactions timely and accurately. Also all transactions should be reviewed daily to determine if the financial records are in balance. Policies and procedures are in place that would require that all entries be posted to the proper accounts and that all transactions are posted as they occur. The Chairman will review these entries (accruals) and other transactions to insure they are recorded and posted properly.

2009-3 Law Library Fund

The Law Library Fund is restricted legally for the expenditures of the County's law library. During the audit period, we noted that jury payments were processed through the bank account of the Law Library Fund.

Actions taken or planned to correct deficiencies – The Chairman and members of the Warren County Board of Commissioners agree with this audit finding. The Board of Commissioners has advised the Clerk of Courts that the Clerk cannot process jury payments through the bank account of the Law Library Fund. Expenditures processed through the bank account of the Law Library Fund will be for acquiring and maintaining the County's Law Library.

Status - Resolved

Section II – Financial Statement Findings (Continued)

2010-4 Clerk of Courts Distributions

The County did not receive monthly revenue distribution payment from the Clerk of Courts in a timely manner.

Actions taken or planned to correct deficiencies – The Chairman and members of the Warren County Board of Commissioners agree with this audit finding. In January 2010, the Chairman and members of Warren County Board of Commissioners will request the Clerk of Courts submit monthly revenue distribution payments by the twentieth day of the following month.

Status - Resolved

Section III – Schedule of Prior Year Findings

In the prior year audit report of Warren County, Georgia, it was noted that expenditures exceeded appropriations. However for the current year end June 30, 2010 expenditures did not exceed appropriations. The County continues to monitor the budget and make any necessary amendments to ensure expenditures will not exceed appropriations.

Findings – Financial Statement Audit

2010-1 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.

2010-2 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 the 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.

2010-2 Accounting Expertise (Preparation of Financial Statements) (continued)

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

For the Year Ended June 30, 2010

In the audit report of the Warren County Department of Health for the year ended June 30, 2010, 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.

BERRY & ASSOCIATES, P.C.

Certified Public Accountants

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

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

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax (SPLOST) for Warren County, Georgia, for the year ended June 30, 2010. 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 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, 2010, in conformity with accounting principles generally accepted in the United States of America.

Berry & Associates P.C.

December 17, 2010

WARRN COUNTY, GEORGIA
SCHEDULE OF PROJECT EXPENDITUERS WITH SALES TAX PROCEEDS (SPLOST 2007 - 2012)

	Total Estimated Cost	Prior Year	Current Year	Total to Date
Road & Bridges Project	$ 1,216,000	$ 1,001,528	$ 209,929	$ 1,211,457
Water & Sewer Projects	349,440	41,315	64,924	106,239
Economic Development	384,000	334,295	118,468	452,763
Recreation Projects	384,000	308,731	301,713	610,444
Emergency Service Projects	212,480	51,075	52,467	103,542
	$ 2,545,920	$ 1,736,944	$ 747,501	$ 2,484,445