Warren County, Georgia

Annual Financial Report

For the Year Ended

June 30, 2012

WARREN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
JUNE 30, 2012

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PENNINGTON & BERRY, LLC
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Chairman,
Members of the Board of Commissioners, and
Citizens of 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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Warren County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. 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 previously 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, 2012, and the respective changes in financial position and, where applicable, cash flows 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 27, 2012 on our consideration of the Warren County, Georgia's 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information on pages 7-15 and 60-61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Warren County, Georgia's financial statements. The accompanying supplementary information, such as the combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedule of expenditure of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Example's basic financial statements. The other information are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Pennington + Berry LLC

Pennington & Berry, LLC
December 27, 2012

WARREN COUNTY, GEORGIA
PRINCIPAL OFFICIALS
JUNE 30, 2012

ELECTED OFFICIALS

BOARD OF COMMISSIONERS

John R. Graham, Chairman

District One	Richard Burley, Jr.
District Two	Rita Johnson

CONSTITUTIONAL OFFICERS

Tax Commissioner	Lynette Johnson
Clerk of Court	Shirley Cheeley
Magistrate Court	Janice Thigpen
Probate Court	Janice Thigpen
Sheriff	Joe Peebles

APPOINTED OFFICIALS

Finance Clerk	Cathy Toulson
County Clerk	Pam Lester
Fire Chief	Tommy Wolfe
Planning & Code Enforcement	Michael Thigpen

WARREN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

As management of Warren County, Georgia (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, 2012. This discussion and analysis does include comparative data for prior years, as this information is now available subsequent to the implementation of Governmental Accounting Standards Board (GASB) Statement Number 34.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year ending June 30, 2012 by approximately $59 million, of that amount $1.4 million (unassigned net assets) may be used to meet the County's ongoing obligations to the citizens and creditors.

- The County's total net assets decreased by $749,001 for the year ended June 30, 2012.

- As of June 30, 2012, the County's governmental fund reported combined ending net assets of $59,071,882, a decrease of $980,080 in comparison with the prior year.

- The County's total long term liabilities increased $178,510 during the year. Long-term liabilities consisted of a USDA and a John Deere loan for the General Fund and USDA and GEFA loan for the Water Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serves as an introduction to the Warren County, Georgia's basic financial statements. The County's basic financial statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Warren County, Georgia's finances, in a manner similar to a private-sector business. The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The Statement of Net Assets combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other nonfinancial factors should also be taken into consideration, such as changes in the County's property tax base and the condition of the County's infrastructure (i.e. roads, drainage improvements, and storm drains, etc.), to assess the overall health or financial condition of the County. The Statement of Activities presents information showing how the County's net assets change

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollectible taxes). Both the Statement of Net Assets and the Statement of Activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Assets and the Statement of Activities, the County is divided into two categories of activities:

Governmental activities – Most of the County's basic services are reported in this category, including the police, fire, transportation, culture and recreation, and general administration. Property taxes, sales taxes, insurance premium taxes, and franchise fees finance most of these activities.

Business-type activities – The County charges a fee to customers to help it cover all or most of the cost of services it provides. The County's water and sewer system is reported in this category.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the County as a whole. Some funds are required to be established by state law. However, the County establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The County's two types of funds – governmental and proprietary – utilize different accounting approaches.

Governmental funds – The majority of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds. The balances left in the funds at year-end are those available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash, and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short term view of the County's general government operations and the basic services less it provides. Governmental fund information helps determine whether there are more or less financial recourses that can be spent in the near future to finance the County's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide statements, readers may better understand the long term effect of the government's near term financing decisions. The relationships or difference between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

Reporting the County's Most Significant Funds (Continued)

Fund Financial Statements (Continued)

Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Capital Projects Fund, the Sales Tax Fund, the Revolving Loan Fund, Planning Commission Fund, and E-911 Fund, all of which are considered to be major funds.

Proprietary funds – The County charges customers for water and sewer services it provides, whether to outside customers or to other units within the County. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and Statement of Activities. In fact, the County's enterprise fund (a component of proprietary fund) is identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information such as cash flows, for proprietary funds.

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.

Notes to the basic financial statements – The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 31 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to the employees, budgetary comparative information for the general fund and proprietary fund and infrastructure modified approach. Supplementary information can be found on pages 60-61.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by approximately $59 million at the close of the current fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Other Information (continued)

The largest portion of the County's net assets (95 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses its capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities

Summary of Net Assets

	2008	2009	2010	2011	2012
Current and other assets	$ 3,292,933	$ 2,679,934	$ 1,637,078	$ 3,829,736	$ 3,325,298
Capital assets	56,870,454	57,712,962	57,379,076	57,206,328	56,491,728
Total assets	60,163,387	60,392,896	59,016,154	61,036,064	59,817,026
Long term liabilities outstanding	486,633	350,606	273,574	321,840	186,231
Other liabilities	158,200	339,712	341,599	662,263	558,913
Total liabilities	644,833	690,318	615,173	984,103	745,144
Net assets:					
Invested in capital assets, Net of related debt	56,339,221	57,272,800	57,022,827	56,875,192	56,230,002
Restricted	1,404,074	1,254,453	1,378,154	1,744,269	1,433,589
Assigned	-	-	-	-	-
Unrestricted/Unassigned	1,775,259	1,175,325	-	1,432,501	1,408,291
Total net assets	$ 59,518,554	$ 59,702,578	$ 58,400,981	$ 60,051,962	$ 59,071,882

The largest portion of the County's net assets (95%) reflects its investement in capital assets (e.g., land, buildings, vehicles, machinery & equipment, and furniture & fixtures) less any related debt used to acquire those assets that are still outstanding. The County uses its capital assets to provide services to the citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Government's net assets, $1.433 million or 2%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unassigned net assets, $1.408 million or 3%, may be used to meet the Government's ongoing obligations to citizens and creditors.

Governmental Activities

Change in Net Assets

Revenues:	2008	2009	2010	2011	2012
Program Revenues:					
Charges for services	$ 1,375,401	$ 1,989,073	$ 1,061,037	$ 918,867	$ 827,876
Operating grants	111,857	116,336	106,912	107,939	631
Capital Grants/Contributions	-	29,991	43,744	236,602	417,849
General revenues:					
Taxes	2,235,280	2,233,322	2,120,136	1,639,733	1,687,105
Sales tax	810,261	702,694	788,020	953,935	882,686
Other taxes	-	-	-	888,994	545,579
Other	93,854	42,795	25,455	227,933	139,734
Total Revenues	4,626,653	5,114,211	4,145,304	4,974,003	4,501,460
Expenses:					
General government	772,301	1,212,519	1,164,039	1,072,613	835,991
Public safety	1,508,332	1,602,966	1,755,882	1,241,195	1,600,579
Judicial	373,767	382,126	395,460	323,364	363,963
Community Services	607,809	281,589	134,861	215,725	171,871
Health and Welfare	172,345	177,094	468,061	202,878	216,854
Public works	1,381,095	929,118	1,189,462	701,395	1,092,468
Culture & recreation	75,085	96,036	94,699	85,777	231,064
Intergovernmental	-	-	-	-	112,755
Interest on long-term debt	24,228	17,039	30,223	1,407	-
Total expenses	4,914,962	4,698,487	5,232,687	3,844,354	4,625,544
Excess	(288,309)	415,724	(1,087,383)	1,129,649	(124,084)
Transfers	180,650	(231,700)	(214,214)	521,331	(336,560)
Increase (decrease) in net asets	(107,659)	184,024	(1,301,597)	1,650,980	(460,644)
Net assets, beginning of the year	59,626,213	59,518,554	59,702,578	58,400,981	60,051,961
Prior-period adjustment	-	-	-	-	(519,435)
Net assets, end of the year	$ 59,518,554	$ 59,702,578	$ 58,400,981	$ 60,051,961	$ 59,071,882

Business-type Activities

Summary of Net Assets

	2008	2009	2010	2011	2012
Current and other assets	299,369	370,723	344,887	110,188	91,241
Capital assets	2,955,511	2,892,511	2,894,436	3,049,118	3,468,079
Total assets	3,254,880	3,263,234	3,239,323	3,159,306	3,559,320
Long term liabilities	470,824	461,683	452,277	445,632	598,365
Other liabilities	9,759	10,042	10,312	10,563	26,764
Total liabilities	480,583	471,725	462,589	456,195	625,129
Net assets:					
Invested in capital assets, Net of related debt	2,475,888	2,421,715	2,432,779	2,593,610	2,843,937
Restricted	212,709	276,582	261,446	-	-
Assigned	-	-	-	109,502	90,254
Unrestricted/Unassigned	85,700	93,212	82,509	-	-
Total net assets	$ 2,774,297	$ 2,791,509	$ 2,776,734	$ 2,703,112	$ 2,934,191

Change in Net Assets

Revenues:					
Program Revenues:					
Charges for services	$ 44,634	$ 37,763	$ 50,559	$ 58,964	$ 25,630
Other	63,016	60,403	55,928	88	13
Total Revenues	107,650	98,166	106,487	59,052	25,643
Expenses:					
Water & Sewer	114,356	118,786	122,976	165,685	131,124
Total Expenses	114,356	118,786	122,976	165,685	131,124
Excess	(6,706)	(20,620)	(16,489)	(106,633)	(105,481)
Transfers	31,663	37,832	1,714	(79,040)	336,560
Increase (decrease) in net assets	24,957	17,212	(14,775)	(185,673)	231,079
Net assets, beginning of the year	2,749,340	2,774,297	2,791,509	2,776,734	2,703,112
Prior-period adjustment	-	-	-	112,051	
Net assets, end of the year	$ 2,774,297	$ 2,791,509	$ 2,776,734	$ 2,703,112	$ 2,934,191

The County's net assets for the Water Fund (97%) reflects its investement in capital assets (e.g., land, buildings, vehicles, machinery & equipment, and furniture & fixtures) less any related debt used to acquire those assets that are still outstanding. The County uses its capital assets to provide services to the citizens. The remainder of net assets for the Water Fund ($90,254) are assigned to water system improvements for the County.

General Fund Budgetary Highlights

Both the original and amended budget included reserve funds in order to balance the revenues with expenditures. Every year, the County's overall goal is to provide essential services to our citizens as cost effectively and professionally as possible. The Board of Commissioners (BOC) works diligently to plan for the future while ensuring that current processes work as efficiently as possible and we continue to seek improvement. The County is proactive in cutting its costs of operations in order to stay financially sound during these economic times. For the year, revenues were $340,369 less than expected and the expenditures were $312,035 less than the budgeted amount.

Economic Factors and Next Year's Budgets and Rates

The Warren County Board of Commissioners (BOC) and their appointed officials have continued to aggressively address the current and future needs of the County. The County's elected and appointed officials consider many factors when setting the fiscal year 2012 budget, property tax rates, expected sales tax and insurance premium tax and various fees that will be collected. One of the factors is the economy. Warren County, Georgia is a small rural county with a population of approximately 5,800 in 2011. The United States and Georgia per capita income is $27,334 and $25,134, respectively, compared to Warren County's of $15,987. The 2012 unemployment rate was 14.5% for the County; however, the local economy remains strong. The 2011 tax digest will provide additional tax revenue.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the, Warren County Board of Commissioners, P.O. Box 46, Warrenton, Georgia 30828.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2012, the County had approximately $60 million (net of accumulated depreciation) invested in capital assets. This investment in capital assets includes sheriff and fire equipment, building improvements, park facility improvements, and improvements to roads and bridges. Major capital asset additions were vehicle and equipment purchases totaling $39,940 and improvements made to the water and sewer system totaling $502,637.

Capital Assets at Year-End

	Governmental	Business-type	Total
Land	$ 426,839	$ -	$ 426,839
Buiding improvements	6,471,566	-	6,471,566
Vehicle & equipment	5,289,042	-	5,289,042
Infrastructure	50,422,782	-	50,422,782
Construction in Progress	-	14,134	14,134
Utility System	-	3,912,353	3,912,353
Total	62,610,229	3,926,486	66,536,715
Less accumulated depreciation	(6,118,501)	(458,407)	(6,576,908)
Total	$ 56,491,728	$ 3,468,079	$ 59,959,807
Current year major additions were:			
Land	$ -	$ -	$ -
Buiding improvements	-	-	-
Vehicle & equipment	39,940	-	39,940
Infrastructure	-	-	-
Construction in Progress	-	14,134	14,134
Utility System	-	502,637	502,637
	$ 39,940	$ 516,770	$ 556,710

See notes to the financial statements for more detailed information on the capital asset activity.

Debt Administration

At year end, the County had the following debt outstanding:

	2011	2012
Govermental:	$	$
Note payable-USDA	273,575	223,191
Note payable-JD	57,561	38,535
Business-type:		
Note payable-USDA	361,489	356,551
Note payable-GEFA	84,143	267,591
	$ 445,632	$ 624,142

See the notes to the financial statements for more detailed information on the County's debt.

WARREN COUNTY, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governemental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash & cash equivalents	$ 2,615,597	$ 91,241	$ 2,706,838	$ 457,398
Receivables, net				
Taxes	73,822	-	73,822	-
Accounts/notes	69,807	-	69,807	-
Other	-	-	-	44,201
Internal balances	488,507	-	488,507	-
Prepaid expenses	77,566	-	77,566	-
Total current assets	3,325,298	91,241	3,416,539	501,599
NONCURRENT ASSETS				
Capital assets				
Land	426,839	-	426,839	-
Buildings & improvements	6,471,566	-	6,471,566	-
Vehicle & equipment	5,289,042	-	5,289,042	-
Infrastructure	50,422,782	3,912,353	54,335,135	1,174,996
Construction in progress	-	14,134	14,134	-
	62,610,229	3,926,486	66,536,715	1,174,996
Less accumulated depreciation	(6,118,501)	(458,407)	(6,576,908)	(464,950)
Total noncurrent assets	56,491,728	3,468,079	59,959,807	710,046
Total assets	$ 59,817,026	$ 3,559,320	$ 63,376,346	$ 1,211,645

	Governemental Activities	Business-type Activities	Total	Component Units
Current liabilities				
Accounts payable	$ 44,712	$ -	$ 44,712	$ 6,937
Accrued expenses	12,802	-	12,802	-
Due to other governmental funds	351,097	-	351,097	-
Current portion of long-term debt	75,495	25,777	101,272	-
Deferred revenue	69,807	-		-
Other liabilities	5,000	987	5,987	35,077
Total current liabilities	558,913	26,764	515,870	42,014
LONG TERM LIABILITIES				
Long term debt, net of current portion	186,231	598,365	784,596	801,912
Net Pension Obligation	-	-	-	-
Total long term liabilities	186,231	598,365	784,596	801,912
Total liabilities	745,144	625,129	1,300,466	843,926
Net assets				
Invested in capital assets net of related debt	56,230,002	2,843,937	59,073,939	(116,370)
Reserved for:				
Capital Projects	1,483,167	-	1,483,167	-
Programs	-	-	-	-
Special Revenues	(49,578)	-	(49,578)	-
Assigned	-	90,254	90,254	27,072
Unassigned	1,408,291	-	1,408,291	457,017
Total net assets	$ 59,071,882	$ 2,934,191	$ 62,006,073	$ 367,719

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

WARREN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
JUNE 30, 2012

Primary Government Functions/Programs	Expenses	Program Revenues Charges for Services	Program Revenues Operating Grants & Contributions	Program Revenues Capital Grants & Contributions	Net (Expenses) Revenue and Changes in Net Assets Governmental Activities	Net (Expenses) Revenue and Changes in Net Assets Business-type Activities	Net (Expenses) Revenue and Changes in Net Assets Total	Component Units
Governmental Activities								
General government	$ 835,991	$ 128,331	$ -	$ 95,095	$ (612,565)	$ -	$ (612,565)	$ -
Public safety	1,600,579	426,055	-	6,300	(1,168,223)	-	(1,168,223)	-
Judicial	363,963	201,611	-	-	(162,351)	-	(162,351)	-
Public works (highways & streets)	1,092,468	19,603	-	242,106	(830,759)	-	(830,759)	-
Health & Welfare	216,854	-	-	-	(216,854)	-	(216,854)	-
Culture & recreation	231,064	-	-	74,348	(156,716)	-	(156,716)	-
Community Services	171,871	52,275	-	-	(119,596)	-	(119,596)	-
Intergovernmental	112,755	-	-	-	(112,755)	-	(112,755)	-
Interest	-	-	631	-	631	-	631	-
Total Governmental Activities	4,625,544	827,876	631	417,849	(3,379,188)	-	(3,379,188)	-
Business Activities								
Water & sewer	131,125	25,630	13	-	-	(105,482)	(105,482)	-
Total Business Type Activities	131,125	25,630	13	-	-	(105,482)	(105,482)	-
Total Primary Government	$ 4,756,669	$ 853,505	$ 645	$ 417,849	$ (3,379,188)	$ (105,482)	$ (3,484,670)	$ -
Warren County Development Authority	$ 115,893	$ -	$ 143,763	$ -	$ -	$ -	$ -	$ 27,870
Warren County Health Department	151,925	27,072	129,143	-	-	-	-	4,290
Total Component Units	$ 267,818	$ 27,072	$ 272,906	$ -	$ -	$ -	$ -	$ 32,160
General revenues								
Property taxes					1,687,105	-	1,687,105	-
Sales taxes					882,686	-	882,686	-
Other taxes					545,579	-	545,579	-
Other					139,734	-	139,734	-
Total General Revenues					3,255,104	-	3,255,104	-
Transfers					(336,560)	336,560	-	-
Total General Revenues & Transfers					2,918,544	336,560	3,255,104	-
Change in Net Assets					(460,644)	231,079	(229,565)	32,160
Net Assets - Beginning of Year					60,051,961	2,703,112	62,755,073	335,559
Prior-period adjustment					(519,435)	-	(519,435)	-
Net Assets - End of Year					$ 59,071,882	$ 2,934,191	$ 62,525,508	$ 367,719

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

WARREN COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Capital Projects Fund	SPLOST Fund	Revolving Loan Fund	Planning Commission Fund	Emergency 911 Fund	Other Governmental Funds	Combined Totals
ASSETS								
Cash & cash equivalents	$ 926,131	$ 43,544	$ 827,914	$ 504,350	$ 60,613	$ 18,651	$ 234,394	$ 2,615,597
Accounts receivable	97,748	-	45,880	-	-	-	-	143,629
Other receivables	-	-	-	-	-	-	-	-
Prepaid expenses	77,566	-	-	-	-	-	-	77,566
Due from enterprise fund	-	-	-	-	-	-	-	-
Due from others	463,837	-	24,670	-	-	-	-	488,507
Total assets	$ 1,565,282	$ 43,544	$ 898,464	$ 504,350	$ 60,613	$ 18,651	$ 234,394	$ 3,325,298
LIABILITIES								
Accounts Payable	44,712	-	-	-	-	-	-	44,712
Due to enterprise fund	-	-	-	-	-	-	-	-
Due to others	24,670	-	23,804	-	-	302,623	-	351,097
Other liabilities	87,509	-	-	-	-	-	-	87,509
Total liabilities	156,891	-	23,804	-	-	302,623	-	483,318
FUND BALANCE								
Reserved for:								
Capital projects	-	43,544	874,660	504,350	60,613	-	-	1,483,167
Program services	-	-	-	-	-	-	-	-
Special revenues	-	-	-	-	-	(283,972)	234,394	(49,578)
Unassigned	1,408,291	-	-	-	-	-	-	1,408,291
	1,408,291	43,544	874,660	504,350	60,613	(283,972)	234,394	2,841,880
Total liabilities and fund balance	$ 1,565,182	$ 43,544	$ 898,464	$ 504,350	$ 60,613	$ 18,651	$ 234,394	$ 3,325,198

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

WARREN COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total fund balances - Governmental funds	$ 2,841,880
Amounts reported for governmental activities in the statement of net assets are different because:	
Long-term liabilities which are not due and payable in the current period and therefore are not reported int the funds	(261,726)
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the funds	56,491,728
Net assets of governmental activities	$ 59,071,882

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

WARREN COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Capital Projects Fund	SPLOST Fund	Revolving Loan Fund	Planning Commission Fund	Emergency 911 Fund	Other Governmental Funds	Combined Totals
REVENUE								
Taxes	$ 2,123,334	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,123,334
Permits & licenses	312	-	-	-	-	-	-	312
Fines & forfeitures	9,244	-	-	-	-	-	44,997	54,240
Intergovernmental revenue	334,096	-	548,591	-	-	-	-	882,686
Charges for services	675,836	-	-	-	-	152,040	-	827,876
Uses of money/property	218	15	241	143	6	-	9	631
Grants	169,444	-	-	-	-	-	248,406	417,850
Other	15,887	-	-	30	60,015	-	9,249	85,182
Total revenue	3,328,369	15	548,831	173	60,021	152,040	302,661	4,392,111
EXPENSES								
Current Operating								
General government	813,295	-	-	30	15	70	-	813,410
Public safety	1,170,689	-	11,994	-	-	311,250	21,198	1,515,131
Judicial	320,861	-	-	-	-	-	-	320,861
Public works (highways & streets)	665,134	61,669	339,480	-	-	-	-	1,066,283
Health & welfare	193,302	-	-	-	-	-	-	193,302
Culture & recreation	69,176	-	142,826	-	-	-	-	212,002
Community services	124,246	-	32,450	-	-	-	-	156,696
Intergovernmental	-	-	112,755	-	-	-	-	112,755
Total expenditures	3,356,703	61,669	639,505	30	15	311,320	21,198	4,390,439
Excess (deficiency) of revenues over expenditures	(28,334)	(61,654)	(90,674)	143	60,006	(159,280)	281,463	1,671
OTHER FINANCING SOURCES (USES)								
Sale of assets	-	-	-	-	-	-	-	-
Transfers in	237,096	67,836	46,182	-	-	-	-	351,114
Transfers (out)	(232,971)	-	(152,597)	-	-	-	(302,106)	(687,674)
Total other financing sources & (uses)	4,124	67,836	(106,414)	-	-	-	(302,106)	(336,560)
Net change in fund balances	(24,210)	6,182	(197,088)	143	60,006	(159,280)	(20,643)	(334,889)
Fund balance:								
Beginning of the year	1,432,501	37,362	1,071,748	504,207	607	(124,692)	255,037	3,301,462
End of the year	$ 1,408,291	$ 43,544	$ 874,660	$ 504,350	$ 60,613	$ (283,972)	$ 234,394	$ 2,966,573

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

WARREN COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds		$ (334,889)
Amounts reported for governmental activities in the statement of activities are different because:		
Long-term debt proceeds provide current financial resources to Governmental Funds but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. The debt repayments were $69,410. There were no debt proceeds.		69,410
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense in the current period.		
Capital Outlay	39,940	
Contributed Assets	-	
Less: Depreciation	(235,105)	(195,165)
Changes in net assets of governmental activities		$ (460,644)

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

WARREN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 2,148,319	$ 2,180,000	$ 2,123,334	$ (56,666)
Permits & licenses	7,500	14,700	312	(14,388)
Fines & forfeitures	15,000	9,000	9,244	244
Intergovernmental revenue	352,000	361,000	334,096	(26,904)
Charges for services	873,002	896,301	675,836	(220,465)
Uses of money/property	7,000	7,000	218	(6,782)
Grants	10,000	71,000	169,444	98,444
Other	165,412	129,737	15,887	(113,850)
Total revenues	3,578,233	3,668,738	3,328,369	(340,369)
EXPENDITURES				
General government	1,023,645	979,866	813,295	(166,571)
Public safety	1,409,343	1,382,805	1,170,689	(212,116)
Judicial	297,849	320,539	320,861	322
Public works (highways & streets)	420,149	562,720	665,134	102,414
Health & welfare	216,064	212,060	193,302	(18,758)
Culture & recreation	67,216	67,216	69,176	1,960
Community services	143,967	143,532	124,246	(19,286)
Intergovernmental	-	-	-	-
Total expenditures	3,578,233	3,668,738	3,356,703	(312,035)
Revenue over expenditures	-	-	(28,334)	(28,334)
OTHER FINANCING SOURCES				
Transfers in	-	-	237,096	237,096
Transfers (out)	-	-	(232,971)	(232,971)
Total other financing sources	-	-	4,124	4,124
Net change in fund balance	-	-	(24,210)	(24,210)
Fund balance, beginning of the year	1,432,501	1,432,501	1,432,501	1,432,501
Fund balance, end of the year	$ 1,432,501	$ 1,432,501	$ 1,408,291	$ 1,408,291

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

WARREN COUNTY, GEORGIA
PROPRIETARY FUND
STATEMENT OF NET ASSETS
JUNE 30, 2012

ASSETS	
Current assets	
Cash and cash equivalents	$ 91,241
Receivables	-
Total current assets	91,241
Property, plant and equipment, at cost	
Land	-
Water & sewer plant system	3,912,353
Construction in progress	14,134
Vehicles & equipment	-
Total property, plant and equipment	3,926,486
Less accumulated depreciation	(458,407)
Total assets	$ 3,559,320
LIABILITIES	
Current liabilities	
Accounts payable	$ -
Customer deposits	987
Current maturities of long-term debt	25,777
Total current liabilities	26,764
Long-term liabilities	
USDA Loan	351,553
GEFA Loans	246,812
Total long-term liabilities	598,365
NET ASSETS	
Invested in capital assets, net of related debt	2,843,937
Assigned	90,254
Total net assets	2,934,191
Total liabilities and net assets	$ 3,559,320

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

WARREN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012

OPERATING REVENUES		
Water & sewer sales	$	25,630
Sewer taps		-
Service charge/penalties		-
Other		-
Total operating revenues		25,630
OPERATING EXPENSES		
Dues & subscriptions		990
Miscellaneous		140
Water charges		16,989
Depreciation		97,809
Total operating expenses		115,928
Operating income (loss)		(90,298)
NON-OPERATING REVENUE (EXPENSE)		
Interest income		13
Interest expense		(15,197)
Total non-operating revenues (expenses)		(15,184)
Income (loss) before transfers and contributions		(105,482)
Transfers in		513,656
Transfers (out)		(177,096)
Total transfers		336,560
Change in net assets		231,079
Net assets, beginning of the year		2,703,112
Net assets, end of the year	$	2,934,191

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

WARREN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012

Cash flows from operating activities:		
Cash received from customers and others	$	25,630
Cash payments to suppliers		(18,419)
Cash payments to employees		-
Total cash flows from operating activities		7,211
Cash flows from non-capital financing activities:		
Transfers in		513,656
Transfers out		(177,096)
Total cash flows from non-capital financing activities		336,560
Cash flows from capital and related activities:		
Acqusition of capital assets		(516,770)
Principal paid on long-term debt		(21,897)
Interest paid on long-term debt		(15,197)
Loan proceeds		191,133
Total cash flows from capital and related activities		(362,731)
Cash flows from investing activities		
Interest on cash and investments		13
Total cash flows from investing activities		13
Net increase in cash and cash equivalents		(18,947)
Cash and cash equivalents, beginning of the year		110,188
Cash and cash equivalents, end of the year	$	91,241
Reconciling operating income to net cash provided by operating activities:		
Operating income (loss)	$	(90,298)
Adjustment		
Depreciation		97,809
Accounts payable and other payables		(300)
Net cash provided by operating activities	$	7,211

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

WARREN COUNTY, GEORGIA
COMBINING STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2012

	Development Authority Enterprise Fund	Board of Health Fund	Combined Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 381,319	$ 76,079	$ 457,398
Accounts receivable	23,804	12,897	36,701
Total current assets	405,123	88,976	494,099
Restricted assets			
Receivables	7,500	-	7,500
Total restricted assets	7,500	-	7,500
Capital assets			
Property & equipment	1,174,996	-	1,174,996
Less accumulated depreciation	464,950	-	464,950
Total capital assets	710,046	-	710,046
Total assets	$ 1,122,669	$ 88,976	$ 1,211,645
LIABILITIES			
Current liabilities			
Accounts payable	$ -	$ 6,937	$ 6,937
Accrued interest	3,600	-	3,600
Current liabilities payable from restricted assets	24,504	-	24,504
Total current liabilities	28,104	6,937	35,041
Long-term liabilities			
Obligations for accrued compensated absences	-	6,973	6,973
Notes payable	801,912	-	801,912
Total long-term liabilities	801,912	6,973	808,885
Total liabilities	830,016	13,910	843,926
NET ASSETS			
Invested in capital assets, net of related debt	(116,370)	-	(116,370)
Restricted	-	27,072	27,072
Unassigned	409,023	47,994	457,017
Total net assets	$ 292,653	$ 75,066	$ 367,719

The Notes to the 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, 2012

FUNCTION/PROGRAM:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expenses) Revenue and Changes in Net Assets: Development Authority	Net (Expenses) Revenue and Changes in Net Assets: Board of Health	Net (Expenses) Revenue and Changes in Net Assets: Total
Development Authority Enterprise Fund							
Governmental-type activities	$ 115,893	$ -	$ 143,763	$ -	$ 27,870	$ -	$ 27,870
Board of Heath Fund							
Governmental-type activities							
Health & welfare	151,925	27,072	129,143	-	-	4,290	4,290
Total discretely presented component units	$ 267,818	$ 27,072	$ 272,906	$ -	$ 27,870	$ 4,290	$ 32,160
General revenue					-	-	-
Other revenue					-	-	-
Transfers					-	-	-
Total operating revenue					-	-	-
Change in net assets					27,870	4,290	32,160
Net assets, beginning of the year					264,783	70,776	335,559
Net assets, end of the year					$ 292,653	$ 75,066	$ 367,719

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

WARREN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
DEVELOPMENT AUTHORITY ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2012

Cash flows from operating activities:		
Cash received from customers and others	$	-
Cash payments to suppliers		-
Cash payments to employees		52,604
Total cash flows from operating activities		52,604
Cash flows from non-capital financing activities:		
Transfers in		-
Transfers out		-
Total cash flows from non-capital financing activities		-
Cash flows from capital and related activities:		
Acqusition of capital assets		-
Disposition of capital assets		-
Principal paid on long-term debt		(60,627)
Interest paid on long-term debt		(17,649)
Loan proceeds		-
Capital contributions		-
Total cash flows from capital and related activities		(78,276)
Cash flows from investing activities		
Interest on cash and investments		937
Total cash flows from investing activities		937
Net increase in cash and cash equivalents		(24,735)
Cash and cash equivalents, beginning of the year		406,054
Cash and cash equivalents, end of the year	$	381,319
Reconciling operating income to net cash provided by operating activities:		
Operating income (loss)	$	27,870
Adjustment		
Depreciation		24,963
Accounts receivable		-
Prepaid expenses		-
Other receivables		-
Accounts payable and other payables		(229)
Net cash provided by operating activities	$	52,604

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

WARREN COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - AGENCY FUNDS
JUNE 30, 2012

	Pension Funds	Agency Funds
Assets		
Cash and cash equivalents	$ -	$ 162,131
Investments at fair value		
Mutual Funds	656,424	-
Total assets	$ 656,424	$ 162,131
Liabilities		
Due to other governments	$ -	$ -
Due to others	-	162,131
Total liabilities	-	162,131
Net assets		
Held in trust for retirement benefits	$ 656,424	$ -

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