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# ANNUAL FINANCIAL REPORT

## PUTNAM COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2007



**ANNUAL FINANCIAL REPORT**  
**PUTNAM COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2007**

***DEPARTMENT OF AUDIT***  
***JOHN G. MORGAN***  
***Comptroller of the Treasury***

***DIVISION OF COUNTY AUDIT***  
***RICHARD V. NORMENT***  
***Assistant to the Comptroller***

***JAMES R. ARNETTE***  
***Director***

***CARL LOWE, CGFM***  
***Audit Manager***

***ANITA SCARLETT, CPA***  
***Auditor 4***

***TIM BRASHEARS***  
***RODNEY MALIN, CGFM***  
***MELODIE HODGES, CFE***  
***STEPHEN ALRED***  
***KELLEY McNEAL, CPA, CGFM***  
***State Auditors***

This financial report is available at [www.comptroller.state.tn.us](http://www.comptroller.state.tn.us)

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# PUTNAM COUNTY, TENNESSEE

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# ***Audit Highlights***

Annual Financial Report  
Putnam County, Tennessee  
For the Year Ended June 30, 2007

## ***Scope***

We have audited the basic financial statements of Putnam County as of and for the year ended June 30, 2007.

## ***Results***

The report on the aggregate discretely presented component units expresses an adverse opinion because the Putnam County School Department's capital assets records did not reflect the impairment loss due to the fire at Jere Whitson Elementary School and because the historical costs or estimated historical costs of other capital assets were not adequately documented. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

Our audit resulted in 12 findings and recommendations, which we have reviewed with Putnam County management. Detailed findings, recommendations, and managements' responses are included in the Single Audit section of this report.

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF COUNTY EXECUTIVE**

- ◆ Documentation was not on file in the County Executive's Office to support many of the disbursements from the Self-Insurance Fund, and some expenditures were coded to accounts that did not reflect the true nature of the transactions.
- ◆ Estimates of historical costs for several parcels of land and vehicles were not supported with adequate documentation.

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### **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ Deficiencies were noted in the maintenance of capital assets records.
- ◆ Interfund loans were not authorized and recorded.
- ◆ Title II-A funds were used to pay the salary of a teacher who did not work in the program.

## **OFFICE OF DIRECTOR OF SCHOOLS (Cont.)**

- ◆ Grant funds were not reimbursed to the state in a timely manner.
  - ◆ Deficiencies were noted in the maintenance of accounting records.
  - ◆ Electronic timesheet records were destroyed and could not be recovered.
- 

## **OFFICE OF COUNTY CLERK**

- ◆ The office did not report and remit juvenile collections of \$63,294 to the county and various cities within the county.
  - ◆ The office had internal control deficiencies related to collections.
- 

## **OTHER FINDINGS**

- ◆ Duties were not segregated adequately in the Offices of County Executive, Road Supervisor, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.

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## INTRODUCTORY SECTION

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# Putnam County Officials

## June 30, 2007

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### **Officials**

Kim Blaylock, County Executive  
Billy Lamb, Road Supervisor  
Dr. Kathleen Airhart, Director of Schools  
Gail Glover, Trustee  
Rhonda Chaffin, Assessor of Property  
Wayne Nabors, County Clerk  
Marcia Borys, Circuit and General Sessions Courts Clerk  
Linda Reeder, Clerk and Master  
Harold Burris, Register  
David Andrews, Sheriff

### **Board of County Commissioners**

|                       |                  |
|-----------------------|------------------|
| Bill Walker, Chairman | Kevin Maynard    |
| Mike Atwood           | Scott McCanless  |
| Eris Bryant           | Marson McCormick |
| Anna Ruth Burroughs   | Michael Medley   |
| Ron Chaffin           | Dale Moss        |
| Joel Cowan            | Gene Mullins     |
| Robert Duncan, Jr.    | Sue Neal         |
| Larry Epps            | David Randolph   |
| Jerry Ford            | Greg Rector      |
| Andy Honeycutt        | Reginald Shanks  |
| Jim Martin            | Joe Trobaugh     |
| Jere Mason            | Johnnie Wheeler  |

### **Board of Education**

|                         |                 |
|-------------------------|-----------------|
| Jerry Maynard, Chairman | David McCormick |
| Vernon Crabtree         | Daren Shanks    |
| Dr. Walter Derryberry   | Roger Williams  |

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## FINANCIAL SECTION

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**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841**

**INDEPENDENT AUDITOR'S REPORT**

February 29, 2008

Putnam County Executive and  
Board of County Commissioners  
Putnam County, Tennessee

To the County Executive and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Putnam County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Putnam County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Putnam County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Public Library Fund, a special revenue fund, which represent 2.9 percent and 7.15 percent, respectively, of the assets and revenues of the aggregate remaining fund information or the Sports and Recreation Fund, a special revenue fund, which represent 1.6 percent and 2.69 percent, respectively, of the assets and revenues of the aggregate remaining fund information. Also, we did not audit the financial statements of the discretely presented Putnam County Emergency Communications District, which represent 1.45 percent and 1.07 percent, respectively, of the assets and revenues of the aggregate discretely presented component units or the discretely presented Putnam County Agricultural and Industrial Fair, Inc., which represent .09 percent and .34 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. These 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 Public Library Fund, the Putnam County Sports and Recreation Fund, the Putnam County Emergency Communications District, and the Putnam County Agricultural and Industrial Fair, Inc., is based on the reports of the other auditors.

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

As described in Note IV.C., the management of the Putnam County School Department, a discretely presented component unit, did not record an impairment loss for a fire that damaged Jere Whitson Elementary School as required by the Governmental Accounting Standards Board (GASB) Statement No. 42 and did not have adequate documentation of the historical costs or estimated historical costs for certain capital assets. The effects on the governmental activities are not reasonably determinable.

In our opinion, based on our audit and the reports of other auditors, because of the effects of the matters discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of Putnam County, Tennessee, as of June 30, 2007, and the changes in financial position thereof for the year then ended.

Additionally, in our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Putnam County, Tennessee, as of June 30, 2007, 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 February 29, 2008, on our consideration of Putnam County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

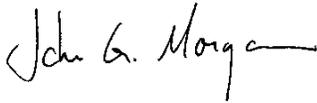
As described in Note V.B., the discretely presented Putnam County School Department has implemented the provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. For the first time, the financial statements include the government-wide financial statements.

The management of Putnam County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

The budgetary comparison and pension information on pages 81 through 87 are not required parts of the basic financial statements but they do provide 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 Putnam County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Putnam County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Putnam County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan  
Comptroller of the Treasury

JGM/sb

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## **BASIC FINANCIAL STATEMENTS**

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Exhibit A

Putnam County, Tennessee  
Statement of Net Assets  
June 30, 2007

|   | Primary<br>Government<br>Governmental<br>Activities | Component Units                          |   |   |
|---|---|--|---|---|
|   |   | Putnam<br>County<br>School<br>Department | Putnam<br>County<br>Emergency<br>Communications<br>District | Putnam<br>County<br>Agricultural<br>and<br>Industrial<br>Fair, Inc. |
| <u>ASSETS</u>   |   |  |   |   |
| Cash  | \$ 282,236  | \$ 4,279                                 | \$ 1,240,997  | \$ 71,207   |
| Equity in Pooled Cash and Investments                             | 4,199,564   | 2,346,500                                | 0   | 0   |
| Accounts Receivable   | 1,370,867   | 0  | 28,886  | 20,650  |
| Allowance for Uncollectibles                                      | (304,635)   | 0  | 0   | 0   |
| Due from Other Governments  | 1,948,584   | 4,430,236                                | 22,669  | 0   |
| Property Taxes Receivable   | 21,561,380  | 11,109,481                               | 0   | 0   |
| Allowance for Uncollectible Property Taxes                        | (808,806)   | (428,909)                                | 0   | 0   |
| Prepaid Items   | 11,341  | 0  | 19,837  | 718   |
| Notes Receivable - Current  | 200,000   | 0  | 0   | 0   |
| Notes Receivable - Long-term                                      | 1,600,828   | 0  | 0   | 0   |
| Deferred Charges - Debt Issuance Cost                             | 347,656   | 0  | 0   | 0   |
| Assets Not Depreciated:   |   |  |   |   |
| Land  | 7,276,573   | 4,001,382                                | 0   | 0   |
| Assets Net of Accumulated Depreciation:                           |   |  |   |   |
| Buildings and Improvements  | 12,480,084  | 76,778,123                               | 20,424  | 0   |
| Infrastructure  | 25,491,431  | 0  | 0   | 0   |
| Other Capital Assets  | 4,995,069   | 1,602,767                                | 133,710   | 0   |
| Total Assets  | <u>\$ 80,652,172</u>                                | <u>\$ 99,843,859</u>                     | <u>\$ 1,466,523</u>   | <u>\$ 92,575</u>  |
| <u>LIABILITIES</u>  |   |  |   |   |
| Accounts Payable  | \$ 306,664  | \$ 24,532                                | \$ 7,957  | \$ 3,711  |
| Accrued Payroll   | 12,605  | 733,065                                  | 0   | 0   |
| Payroll Deductions Payable  | 4,902   | 552,153                                  | 0   | 0   |
| Claims and Judgments Payable                                      | 1,188,248   | 0  | 0   | 0   |
| Accrued Interest Payable  | 1,041,927   | 0  | 0   | 0   |
| Due to State of Tennessee   | 169   | 93,866                                   | 0   | 0   |
| Matured Bonds Payable   | 15,000  | 0  | 0   | 0   |
| Other Current Liabilities   | 0   | 0  | 0   | 19,950  |
| Deferred Revenue - Current Property Taxes                         | 20,276,819  | 10,376,960                               | 0   | 0   |
| Noncurrent Liabilities:   |   |  |   |   |
| Due Within One Year   | 4,903,667   | 86,659                                   | 0   | 0   |
| Due in More Than One Year (net of<br>unamortized premium on debt) | 90,129,511  | 48,668                                   | 0   | 0   |
| Total Liabilities   | <u>\$ 117,879,512</u>                               | <u>\$ 11,915,903</u>                     | <u>\$ 7,957</u>   | <u>\$ 23,661</u>  |

(Continued)

Exhibit A

Putnam County, Tennessee  
Statement of Net Assets (Cont.)

|   | Primary<br>Governmental<br>Activities | Component Units                          |   |   |
|---|---------------------------------------|--|---|---|
|   |                                       | Putnam<br>County<br>School<br>Department | Putnam<br>County<br>Emergency<br>Communications<br>District | Putnam<br>County<br>Agricultural<br>and<br>Industrial<br>Fair, Inc. |
| <u>NET ASSETS</u>                               |                                       |  |   |   |
| Invested in Capital Assets, Net of Related Debt | \$ 50,183,433                         | \$ 0                                     | \$ 0  | \$ 0  |
| Invested in Capital Assets                      | 0                                     | 82,382,272                               | 154,134   | 0   |
| Restricted for:                                 |                                       |  |   |   |
| Public Library                                  | 165,252                               | 0  | 0   | 0   |
| Solid Waste/Sanitation                          | 1,372,655                             | 0  | 0   | 0   |
| Industrial/Economic Development                 | 7,741                                 | 0  | 0   | 0   |
| Drug Control                                    | 63,960                                | 0  | 0   | 0   |
| Sports and Recreation                           | 25,238                                | 0  | 0   | 0   |
| District Attorney General                       | 2,394                                 | 0  | 0   | 0   |
| Highway/Public Works                            | 1,391,663                             | 0  | 0   | 0   |
| School Federal Projects                         | 0                                     | 430,474                                  | 0   | 0   |
| Central Cafeteria                               | 0                                     | 917,299                                  | 0   | 0   |
| Extended School Program                         | 0                                     | 91,398                                   | 0   | 0   |
| Debt Service                                    | 17,218,845                            | 0  | 0   | 0   |
| Capital Projects                                | 4,102                                 | 111,431                                  | 0   | 0   |
| Self-Insurance                                  | 2,113,255                             | 0  | 0   | 0   |
| Other Purposes                                  | 162,039                               | 165,894                                  | 0   | 0   |
| Unrestricted                                    | (72,937,917)                          | 3,829,188                                | 1,304,432   | 68,914  |
| Total Net Assets                                | \$ (227,340)                          | \$ 87,927,956                            | \$ 1,458,566  | \$ 68,914   |

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

Exhibit B

Putnam County, Tennessee  
 Statement of Activities  
 For the Year Ended June 30, 2007

| Functions/Programs                                   | Net (Expense) Revenue and Changes in Net Assets |                      |                                    |                                  |                               |                                 | Component Units                                 |   |  |
|--|---|----------------------|------------------------------------|----------------------------------|-------------------------------|---------------------------------|---|---|--|
|  | Expenses  | Program Revenues     |                                    |                                  | Total Governmental Activities | Putnam County School Department | Putnam County Emergency Communications District | Putnam County Agriculture and Industrial Fair, Inc. |  |
|  |   | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |                               |                                 |   |   |  |
| Primary Government:                                  |   |                      |                                    |                                  |                               |                                 |   |   |  |
| Governmental Activities:                             |   |                      |                                    |                                  |                               |                                 |   |   |  |
| General Government                                   | \$ 4,252,129                                    | \$ 868,482           | \$ 23,230                          | \$ 0                             | \$ (3,360,417)                | \$ 0                            | \$ 0  | \$ 0  |  |
| Finance  | 1,747,426                                       | 1,941,311            | 21,104                             | 0                                | 214,989                       | 0                               | 0   | 0   |  |
| Administration of Justice                            | 2,094,639                                       | 2,247,714            | 12,109                             | 0                                | 165,184                       | 0                               | 0   | 0   |  |
| Public Safety  | 8,235,254                                       | 1,311,747            | 364,721                            | 300,000                          | (6,258,786)                   | 0                               | 0   | 0   |  |
| Public Health and Welfare                            | 7,410,164                                       | 3,473,898            | 912,269                            | 691,127                          | (2,332,870)                   | 0                               | 0   | 0   |  |
| Social, Cultural, and Recreational Services          | 1,941,057                                       | 218,661              | 550,101                            | 19,491                           | (1,152,804)                   | 0                               | 0   | 0   |  |
| Agriculture and Natural Resources                    | 192,216   | 0                    | 0                                  | 0                                | (192,216)                     | 0                               | 0   | 0   |  |
| Other Operations                                     | 944,567   | 0                    | 0                                  | 0                                | (944,567)                     | 0                               | 0   | 0   |  |
| Highways/Public Works                                | 297,484   | 4,117                | 2,011,836                          | 183,955                          | 1,902,424                     | 0                               | 0   | 0   |  |
| Education (Self-Insurance)                           | 371,958   | 815,258              | 0                                  | 0                                | 443,300                       | 0                               | 0   | 0   |  |
| Education (Payments to Component Unit)               | 209,367   | 0                    | 0                                  | 0                                | (209,367)                     | 0                               | 0   | 0   |  |
| Interest on Long-term Debt                           | 3,992,744                                       | 0                    | 0                                  | 0                                | (3,992,744)                   | 0                               | 0   | 0   |  |
| Other Debt Service                                   | 155,830   | 0                    | 0                                  | 0                                | (155,830)                     | 0                               | 0   | 0   |  |
| <b>Total Primary Government</b>                      | <b>\$ 31,844,835</b>                            | <b>\$ 10,881,188</b> | <b>\$ 3,895,370</b>                | <b>\$ 1,194,573</b>              | <b>\$ (15,873,704)</b>        | <b>\$ 0</b>                     | <b>\$ 0</b>                                     | <b>\$ 0</b>   |  |
| Component Units:                                     |   |                      |                                    |                                  |                               |                                 |   |   |  |
| Putnam County School Department                      | \$ 74,148,593                                   | \$ 2,859,895         | \$ 9,659,952                       | \$ 786,819                       | \$ 0                          | \$ (60,841,927)                 | \$ 0  | \$ 0  |  |
| Putnam County Emergency Communications District      | 523,700   | 648,745              | 0                                  | 0                                | 0                             | 0                               | 125,045   | 0   |  |
| Putnam County Agricultural and Industrial Fair, Inc. | 264,871   | 248,485              | 0                                  | 0                                | 0                             | 0                               | 0   | (16,386)  |  |
| <b>Total Component Units</b>                         | <b>\$ 74,937,164</b>                            | <b>\$ 3,757,125</b>  | <b>\$ 9,659,952</b>                | <b>\$ 786,819</b>                | <b>\$ 0</b>                   | <b>\$ (60,841,927)</b>          | <b>\$ 125,045</b>                               | <b>\$ (16,386)</b>                                  |  |

(Continued)

Exhibit B

Putnam County, Tennessee  
Statement of Activities (Cont.)

| Functions/Programs   | Expenses | Program Revenues           |   |   | Total<br>Governmental<br>Activities | Net (Expense) Revenue and Changes in Net Assets<br>Component Units |   |   |
|--|----------|----------------------------|---|---|-------------------------------------|--|---|---|
|  |          | Charges<br>for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions |                                     | Putnam<br>County<br>School<br>Department                           | Putnam<br>County<br>Emergency<br>Communications<br>District | Putnam<br>County<br>Agricultural<br>and<br>Industrial<br>Fair, Inc. |
|  |          |                            |   |   |                                     |  |   |   |
| General Revenues:  |          |                            |   |   |                                     |  |   |   |
| Taxes:   |          |                            |   |   |                                     |  |   |   |
| Property Taxes Levied for General Purposes                   |          |                            |   |   | \$ 12,824,157                       | \$ 11,009,334  | \$ 0  | \$ 0  |
| Property Taxes Levied for Debt Service                       |          |                            |   |   | 5,508,109                           | 0  | 0   | 0   |
| Local Option Sales Taxes                                     |          |                            |   |   | 2,889,708                           | 15,225,749   | 0   | 0   |
| Other Local Taxes  |          |                            |   |   | 2,626,723                           | 4,904  | 0   | 0   |
| Grants and Contributions Not Restricted to Specific Programs |          |                            |   |   | 914,157                             | 33,182,690   | 89,618  | 0   |
| Unrestricted Investment Earnings                             |          |                            |   |   | 1,464,565                           | 7,187  | 43,235  | 2,497   |
| Miscellaneous  |          |                            |   |   | 83,648                              | 91,418   | 10,084  | 0   |
| Total General Revenues                                       |          |                            |   |   | <u>\$ 26,311,067</u>                | <u>\$ 59,521,282</u>   | <u>\$ 142,937</u>   | <u>\$ 2,497</u>   |
| Extraordinary Item (1)                                       |          |                            |   |   | \$ 0                                | \$ 250,000   | \$ 0  | \$ 0  |
| Change in Net Assets   |          |                            |   |   | \$ 10,437,363                       | \$ (1,070,645)   | \$ 267,982  | \$ (13,889)   |
| Net Assets, July 1, 2006                                     |          |                            |   |   | 84,933,782                          | 88,998,601   | 1,190,584   | 57,381  |
| Prior-Period Adjustments                                     |          |                            |   |   | (95,598,485)                        | 0  | 0   | 25,422  |
| Net Assets, June 30, 2007                                    |          |                            |   |   | <u>\$ (227,340)</u>                 | <u>\$ 87,927,956</u>   | <u>\$ 1,458,566</u>   | <u>\$ 68,914</u>  |

(1) Proceeds from the insurance carrier for the relocation of students and resumption of operations of Jere Whitson Elementary School following a fire on March 17, 2007.

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

Exhibit C-1

Putnam County, Tennessee  
 Balance Sheet  
 Governmental Funds  
 June 30, 2007

|  | Major Funds          |   |                            |                                | Nonmajor<br>Funds                   | Total<br>Govern-<br>mental<br>Funds |
|--|----------------------|---|----------------------------|--------------------------------|-------------------------------------|-------------------------------------|
|  | General              | Industrial /<br>Economic<br>Development | General<br>Debt<br>Service | General<br>Capital<br>Projects | Other<br>Govern-<br>mental<br>Funds |                                     |
| <u>ASSETS</u>                                |                      |   |                            |                                |                                     |                                     |
| Cash   | \$ 100               | \$ 0                                    | \$ 0                       | \$ 0                           | \$ 254,520                          | \$ 254,620                          |
| Equity in Pooled Cash and Investments        | 5,236,586            | 1,317,447                               | 13,113,081                 | 15,934,847                     | 2,323,716                           | 37,925,677                          |
| Accounts Receivable                          | 1,141,172            | 0                                       | 76,825                     | 0                              | 152,870                             | 1,370,867                           |
| Allowance for Uncollectibles                 | (304,635)            | 0                                       | 0                          | 0                              | 0                                   | (304,635)                           |
| Due from Other Governments                   | 975,682              | 36,110                                  | 506,180                    | 0                              | 430,612                             | 1,948,584                           |
| Due from Other Funds                         | 7,509                | 0                                       | 0                          | 0                              | 0                                   | 7,509                               |
| Property Taxes Receivable                    | 10,390,323           | 382,141                                 | 6,712,754                  | 254,760                        | 3,821,402                           | 21,561,380                          |
| Allowance for Uncollectible Property Taxes   | (372,130)            | (15,493)                                | (255,916)                  | (10,330)                       | (154,937)                           | (808,806)                           |
| Prepaid Items                                | 0                    | 0                                       | 0                          | 0                              | 11,341                              | 11,341                              |
| Notes Receivable - Long-term                 | 0                    | 1,800,828                               | 4,444,444                  | 0                              | 0                                   | 6,245,272                           |
| <b>Total Assets</b>                          | <b>\$ 17,074,607</b> | <b>\$ 3,521,033</b>                     | <b>\$ 24,597,368</b>       | <b>\$ 16,179,277</b>           | <b>\$ 6,839,524</b>                 | <b>\$ 68,211,809</b>                |
| <u>LIABILITIES AND FUND BALANCES</u>         |                      |   |                            |                                |                                     |                                     |
| <u>Liabilities</u>                           |                      |   |                            |                                |                                     |                                     |
| Accounts Payable                             | \$ 114,250           | \$ 0                                    | \$ 0                       | \$ 5,815                       | \$ 186,599                          | \$ 306,664                          |
| Accrued Payroll                              | 0                    | 0                                       | 0                          | 0                              | 12,605                              | 12,605                              |
| Payroll Deductions Payable                   | 0                    | 0                                       | 0                          | 0                              | 4,902                               | 4,902                               |
| Due to Other Funds                           | 0                    | 0                                       | 0                          | 0                              | 7,509                               | 7,509                               |
| Due to State of Tennessee                    | 0                    | 0                                       | 0                          | 0                              | 169                                 | 169                                 |
| Matured Bonds Payable                        | 0                    | 0                                       | 15,000                     | 0                              | 0                                   | 15,000                              |
| Deferred Revenue - Current Property Taxes    | 9,780,583            | 357,827                                 | 6,321,596                  | 238,550                        | 3,578,263                           | 20,276,819                          |
| Deferred Revenue - Delinquent Property Taxes | 211,683              | 7,741                                   | 118,678                    | 4,102                          | 77,552                              | 419,756                             |
| Other Deferred Revenues                      | 710,816              | 1,800,828                               | 264,425                    | 0                              | 209,570                             | 2,985,639                           |
| Capital Outlay Notes Payable - Long-term     | 0                    | 4,444,444                               | 0                          | 0                              | 0                                   | 4,444,444                           |
| <b>Total Liabilities</b>                     | <b>\$ 10,817,332</b> | <b>\$ 6,610,840</b>                     | <b>\$ 6,719,699</b>        | <b>\$ 248,467</b>              | <b>\$ 4,077,169</b>                 | <b>\$ 28,473,507</b>                |
| <u>Fund Balances</u>                         |                      |   |                            |                                |                                     |                                     |
| Reserved for Encumbrances                    | \$ 842,164           | \$ 0                                    | \$ 0                       | \$ 0                           | \$ 854                              | \$ 843,018                          |
| Reserved for Drug Court                      | 12,942               | 0                                       | 0                          | 0                              | 0                                   | 12,942                              |
| Reserved for Sexual Offender Registration    | 4,625                | 0                                       | 0                          | 0                              | 0                                   | 4,625                               |
| Reserved for Computer System - Register      | 89,125               | 0                                       | 0                          | 0                              | 0                                   | 89,125                              |

(Continued)

Exhibit C-1

Putnam County, Tennessee  
 Balance Sheet  
 Governmental Funds (Cont.)

|   | Major Funds          |   |                            |                                | Nonmajor                            | Total                |
|---|----------------------|---|----------------------------|--------------------------------|-------------------------------------|----------------------|
|   | General              | Industrial /<br>Economic<br>Development | General<br>Debt<br>Service | General<br>Capital<br>Projects | Other<br>Govern-<br>mental<br>Funds |                      |
| <u>LIABILITIES AND FUND BALANCES (Cont.)</u>              |                      |   |                            |                                |                                     |                      |
| <u>Fund Balances (Cont.)</u>                              |                      |   |                            |                                |                                     |                      |
| Reserved for Automation Purposes - Circuit Court          | \$ 14,400            | \$ 0                                    | \$ 0                       | \$ 0                           | \$ 0                                | \$ 14,400            |
| Reserved for Automation Purposes - General Sessions Court | 39,630               | 0                                       | 0                          | 0                              | 0                                   | 39,630               |
| Reserved for Automation Purposes - Juvenile Court         | 1,317                | 0                                       | 0                          | 0                              | 0                                   | 1,317                |
| Reserved for Long-term Notes Receivable                   | 0                    | 0                                       | 4,444,444                  | 0                              | 0                                   | 4,444,444            |
| Reserved for Other General Purposes                       | 0                    | 0                                       | 0                          | 0                              | 97,155                              | 97,155               |
| Unreserved, Reported In:                                  |                      |   |                            |                                |                                     |                      |
| General Fund  | 5,253,072            | 0                                       | 0                          | 0                              | 0                                   | 5,253,072            |
| Special Revenue Funds (Deficit)                           | 0                    | (3,089,807)                             | 0                          | 0                              | 2,664,346                           | (425,461)            |
| Debt Service Funds  | 0                    | 0                                       | 13,433,225                 | 0                              | 0                                   | 13,433,225           |
| Capital Projects Funds                                    | 0                    | 0                                       | 0                          | 15,930,810                     | 0                                   | 15,930,810           |
| Total Fund Balances                                       | <u>\$ 6,257,275</u>  | <u>\$ (3,089,807)</u>                   | <u>\$ 17,877,669</u>       | <u>\$ 15,930,810</u>           | <u>\$ 2,762,355</u>                 | <u>\$ 39,738,302</u> |
| Total Liabilities and Fund Balances                       | <u>\$ 17,074,607</u> | <u>\$ 3,521,033</u>                     | <u>\$ 24,597,368</u>       | <u>\$ 16,179,277</u>           | <u>\$ 6,839,524</u>                 | <u>\$ 68,211,809</u> |

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

Exhibit C-2

Putnam County, Tennessee  
Reconciliation of the Balance Sheet of Governmental  
Funds to the Statement of Net Assets  
June 30, 2007

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

|  |                 |                     |
|--|-----------------|---------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit C-1)   |                 | \$ 39,738,302       |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.   |                 |                     |
| Add: land  | \$ 7,276,573    |                     |
| Add: buildings and improvements net of accumulated depreciation  | 12,150,429      |                     |
| Add: infrastructure net of accumulated depreciation  | 25,491,431      |                     |
| Add: other capital assets net of accumulated depreciation  | 4,484,833       |                     |
| Putnam County Public Library:  |                 |                     |
| Add: building improvements net of accumulated depreciation   | 329,655         |                     |
| Add: other capital assets net of accumulated depreciation  | 221,197         |                     |
| Parks, Recreation, and Conservation Board:   |                 |                     |
| Add: other capital assets net of accumulated depreciation  | <u>289,039</u>  | 50,243,157          |
| (2) The internal service fund is used by management to charge the cost of liability and workers' compensation insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. |                 | 2,113,255           |
| (3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.  |                 |                     |
| Less: bonds payable  | \$ (92,195,000) |                     |
| Less: landfill postclosure care costs  | (2,314,400)     |                     |
| Add: deferred charges - debt issuance costs  | 347,656         |                     |
| Less: compensated absences payable   | (157,273)       |                     |
| Less: accrued interest on bonds  | (1,041,927)     |                     |
| Less: other deferred revenue - premium on debt   | (338,190)       |                     |
| Parks, Recreation, and Conservation Board:   |                 |                     |
| Less: compensated absences payable   | <u>(28,315)</u> | (95,727,449)        |
| (4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.  |                 | <u>3,405,395</u>    |
| Net assets of governmental activities (Exhibit A)  |                 | <u>\$ (227,340)</u> |

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

Exhibit C-3

Putnam County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2007

|  | Major Funds   |   |                            |                                | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|--|---------------|---|----------------------------|--------------------------------|-------------------------------------|--------------------------------|
|  | General       | Industrial /<br>Economic<br>Development | General<br>Debt<br>Service | General<br>Capital<br>Projects | Other<br>Govern-<br>mental<br>Funds |                                |
| <u>Revenues</u>                                      |               |   |                            |                                |                                     |                                |
| Local Taxes  | \$ 10,442,581 | \$ 358,245                              | \$ 8,944,384               | \$ 230,002                     | \$ 3,871,032                        | \$ 23,846,244                  |
| Licenses and Permits                                 | 368,428       | 0                                       | 0                          | 0                              | 0                                   | 368,428                        |
| Fines, Forfeitures, and Penalties                    | 609,774       | 0                                       | 0                          | 0                              | 52,865                              | 662,639                        |
| Charges for Current Services                         | 2,412,024     | 0                                       | 0                          | 0                              | 903,949                             | 3,315,973                      |
| Other Local Revenues                                 | 723,147       | 725,083                                 | 1,005,083                  | 72,231                         | 413,811                             | 2,939,355                      |
| Fees Received from County Officials                  | 3,890,718     | 0                                       | 0                          | 0                              | 0                                   | 3,890,718                      |
| State of Tennessee                                   | 2,601,514     | 0                                       | 0                          | 0                              | 2,230,573                           | 4,832,087                      |
| Federal Government                                   | 1,419,464     | 0                                       | 0                          | 0                              | 0                                   | 1,419,464                      |
| Other Governments and Citizens Groups                | 357,597       | 0                                       | 0                          | 0                              | 550,101                             | 907,698                        |
| Total Revenues                                       | \$ 22,825,247 | \$ 1,083,328                            | \$ 9,949,467               | \$ 302,233                     | \$ 8,022,331                        | \$ 42,182,606                  |
| <u>Expenditures</u>                                  |               |   |                            |                                |                                     |                                |
| Current:   |               |   |                            |                                |                                     |                                |
| General Government                                   | \$ 3,727,097  | \$ 0                                    | \$ 0                       | \$ 0                           | \$ 14                               | \$ 3,727,111                   |
| Finance  | 1,746,825     | 0                                       | 0                          | 0                              | 152                                 | 1,746,977                      |
| Administration of Justice                            | 1,914,420     | 0                                       | 0                          | 0                              | 18,712                              | 1,933,132                      |
| Public Safety  | 8,199,296     | 0                                       | 0                          | 0                              | 88,002                              | 8,287,298                      |
| Public Health and Welfare                            | 4,322,332     | 0                                       | 0                          | 12,255                         | 3,412,346                           | 7,746,933                      |
| Social, Cultural, and Recreational Services          | 181,413       | 0                                       | 0                          | 0                              | 1,938,436                           | 2,119,849                      |
| Agriculture and Natural Resources                    | 186,827       | 0                                       | 0                          | 0                              | 0                                   | 186,827                        |
| Other Operations                                     | 1,107,773     | 38,904                                  | 0                          | 4,546                          | 56,649                              | 1,207,872                      |
| Highways   | 0             | 0                                       | 0                          | 0                              | 3,428,785                           | 3,428,785                      |
| Debt Service:  |               |   |                            |                                |                                     |                                |
| Principal on Debt                                    | 0             | 0                                       | 4,140,000                  | 0                              | 0                                   | 4,140,000                      |
| Interest on Debt                                     | 0             | 0                                       | 3,834,240                  | 0                              | 0                                   | 3,834,240                      |
| Other Debt Service                                   | 0             | 0                                       | 168,905                    | 237,658                        | 0                                   | 406,563                        |
| Capital Projects                                     | 0             | 4,905,370                               | 0                          | 0                              | 0                                   | 4,905,370                      |
| Capital Projects - Donated                           | 0             | 0                                       | 0                          | 182,180                        | 27,187                              | 209,367                        |
| Total Expenditures                                   | \$ 21,385,983 | \$ 4,944,274                            | \$ 8,143,145               | \$ 436,639                     | \$ 8,970,283                        | \$ 43,880,324                  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 1,439,264  | \$ (3,860,946)                          | \$ 1,806,322               | \$ (134,406)                   | \$ (947,952)                        | \$ (1,697,718)                 |

(Continued)

Exhibit C-3

Putnam County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds (Cont.)

|  | Major Funds    |   |                            |                                | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|--|----------------|---|----------------------------|--------------------------------|-------------------------------------|--------------------------------|
|  | General        | Industrial /<br>Economic<br>Development | General<br>Debt<br>Service | General<br>Capital<br>Projects | Other<br>Govern-<br>mental<br>Funds |                                |
| <u>Other Financing Sources (Uses)</u>  |                |   |                            |                                |                                     |                                |
| Bonds Issued                           | \$ 0           | \$ 0                                    | \$ 0                       | \$ 16,000,000                  | \$ 0                                | \$ 16,000,000                  |
| Refunding Debt Issued                  | 0              | 0                                       | 9,545,000                  | 0                              | 0                                   | 9,545,000                      |
| Premiums on Debt Issued                | 0              | 0                                       | 290,217                    | 65,216                         | 0                                   | 355,433                        |
| Other Loans Issued                     | 0              | 0                                       | 0                          | 0                              | 27,187                              | 27,187                         |
| Insurance Recovery                     | 0              | 0                                       | 0                          | 0                              | 3,775                               | 3,775                          |
| Transfers In                           | 0              | 0                                       | 0                          | 0                              | 1,052,450                           | 1,052,450                      |
| Transfers Out                          | (1,052,450)    | 0                                       | 0                          | 0                              | 0                                   | (1,052,450)                    |
| Payments to Refunded Debt Escrow Agent | 0              | 0                                       | (10,011,279)               | 0                              | 0                                   | (10,011,279)                   |
| Total Other Financing Sources (Uses)   | \$ (1,052,450) | \$ 0                                    | \$ (176,062)               | \$ 16,065,216                  | \$ 1,083,412                        | \$ 15,920,116                  |
| Net Change in Fund Balances            | \$ 386,814     | \$ (3,860,946)                          | \$ 1,630,260               | \$ 15,930,810                  | \$ 135,460                          | \$ 14,222,398                  |
| Fund Balance, July 1, 2006             | 5,870,461      | 771,139                                 | 16,247,409                 | 0                              | 2,626,895                           | 25,515,904                     |
| Fund Balance, June 30, 2007            | \$ 6,257,275   | \$ (3,089,807)                          | \$ 17,877,669              | \$ 15,930,810                  | \$ 2,762,355                        | \$ 39,738,302                  |

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

Exhibit C-4

Putnam County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2007

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

|  |                    |                      |
|--|--------------------|----------------------|
| Net change in fund balances - total governmental funds (Exhibit C-3)   |                    | \$ 14,222,398        |
|  |                    |                      |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:   |                    |                      |
| Add: capital assets purchased in the current period  | \$ 7,473,116       |                      |
| Less: current year depreciation expense  | (1,800,705)        |                      |
| Putnam County Public Library:  |                    |                      |
| Add: capital assets purchased in the current period  | 418,947            |                      |
| Less: current year depreciation expense  | (106,255)          |                      |
| Parks, Recreation, and Conservation Board:   |                    |                      |
| Add: capital assets purchased in the current period  | 71,502             |                      |
| Less: current year depreciation expense  | <u>(30,085)</u>    | 6,026,520            |
|  |                    |                      |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.   |                    |                      |
| Less: loss on disposal of capital assets   |                    | (352,486)            |
|  |                    |                      |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.   |                    |                      |
| Add: deferred delinquent property taxes/other deferred June 30, 2007   | \$ 3,405,395       |                      |
| Less: deferred delinquent property taxes/other deferred June 30, 2006  | <u>(1,697,669)</u> | 1,707,726            |
|  |                    |                      |
| (4) The issuance of long-term debt (e.g., bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: |                    |                      |
| Less: other loan proceeds  | \$ (27,187)        |                      |
| Less: bond proceeds  | (16,000,000)       |                      |
| Less: refunding bond proceeds  | (9,545,000)        |                      |
| Add: change in premium on debt issuances   | (338,190)          |                      |
| Add: change in deferred debt issuance costs  | 347,656            |                      |
| Add: principal payments on bonds   | 4,140,000          |                      |
| Add: other loan refunded   | <u>9,893,253</u>   | (11,529,468)         |
|  |                    |                      |
| (5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.  |                    |                      |
| Change in accrued interest payable   | \$ (188,823)       |                      |
| Change in landfill postclosure care costs  | 105,200            |                      |
| Change in compensated absences   | (27,311)           |                      |
| Parks, Recreation, and Conservation Board:   |                    |                      |
| Change in compensated absences   | <u>(3,546)</u>     | (114,480)            |
|  |                    |                      |
| (6) The internal service fund is used by management to charge the cost of liability and workers' compensation insurance to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.   |                    | <u>477,153</u>       |
| Change in net assets of governmental activities (Exhibit B)  |                    | <u>\$ 10,437,363</u> |

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

Exhibit D-1

Putnam County, Tennessee  
Statement of Net Assets  
Proprietary Fund  
June 30, 2007

Governmental  
 Activities -  
 Internal  
Service Fund  
Self-Insurance  
Fund

ASSETS

|                                       |                     |
|---------------------------------------|---------------------|
| Current Assets:                       |                     |
| Cash                                  | \$ 27,616           |
| Equity in Pooled Cash and Investments | <u>3,273,887</u>    |
| Total Assets                          | <u>\$ 3,301,503</u> |

LIABILITIES

|                              |                     |
|------------------------------|---------------------|
| Current Liabilities:         |                     |
| Claims and Judgments Payable | <u>\$ 1,188,248</u> |
| Total Liabilities            | <u>\$ 1,188,248</u> |

NET ASSETS

|                  |                     |
|------------------|---------------------|
| Unrestricted     | <u>\$ 2,113,255</u> |
| Total Net Assets | <u>\$ 2,113,255</u> |

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

Exhibit D-2

Putnam County, Tennessee  
Statement of Revenues, Expenses, and  
Changes in Net Assets  
Proprietary Fund  
For the Year Ended June 30, 2007

|                                       | Governmental<br>Activities -<br>Internal<br>Service Fund<br><hr/> Self-Insurance<br>Fund<br><hr/> |
|---------------------------------------|---|
| <u>Operating Revenues</u>             |   |
| Self-Insurance Premiums/Contributions | \$ 1,551,108  |
| Refunds                               | 1,865   |
| Total Operating Revenues              | <hr/> \$ 1,552,973 <hr/>  |
| <u>Operating Expenses</u>             |   |
| Other General Administration:         |   |
| Building and Contents Insurance       | \$ 43,448   |
| Excess Risk Insurance                 | 259,152   |
| Liability Insurance                   | 50,900  |
| Workers' Compensation Insurance       | 157,308   |
| Other Charges                         | 10,453  |
| Sheriff's Department:                 |   |
| Workers' Compensation Insurance       | 347   |
| Sanitation Management:                |   |
| Legal Services                        | 94  |
| Liability Claims                      | 742   |
| Libraries:                            |   |
| Workers' Compensation Insurance       | 174   |
| Parks and Fair Boards:                |   |
| Workers' Compensation Insurance       | 1,475   |
| Other Charges:                        |   |
| Legal Services                        | 69,739  |
| Boiler Insurance                      | 1,695   |
| Building and Contents Insurance       | 14,795  |
| Excess Risk Insurance                 | 19,957  |
| Workers' Compensation Insurance       | 29,238  |
| Liability Claims                      | 25,436  |
| Other Charges                         | 14,780  |
| Motor Vehicles                        | 41,430  |
| Highways:                             |   |
| Boiler Insurance                      | 920   |
| Building and Contents Insurance       | 8,690   |
| Workers' Compensation Insurance       | 15,877  |

(Continued)

Exhibit D-2

Putnam County, Tennessee  
Statement of Revenues, Expenses, and  
Changes in Net Assets  
Proprietary Fund (Cont.)

|   | Governmental<br>Activities -<br>Internal<br>Service Fund<br><hr/> Self-Insurance<br>Fund<br><hr/> |
|---|---|
| <u>Operating Expenses (Cont.)</u>       |   |
| Central and Other:                      |   |
| Legal Services                          | \$ 3,087  |
| Boiler Insurance                        | 2,414   |
| Building and Contents Insurance         | 21,890  |
| Workers' Compensation Insurance         | 39,649  |
| Liability Claims                        | 297,048   |
| Other Charges                           | <u>7,870</u>  |
| Total Operating Expenses                | \$ <u>1,138,608</u>   |
| Operating Income (Loss)                 | \$ <u>414,365</u>   |
| <u>Nonoperating Revenues (Expenses)</u> |   |
| Investment Income                       | \$ <u>62,788</u>  |
| Total Nonoperating Revenue              | \$ <u>62,788</u>  |
| Change in Net Assets                    | \$ 477,153  |
| Net Assets, July 1, 2006                | 1,675,685   |
| Prior-Period Adjustment                 | <u>(39,583)</u>   |
| Net Assets, June 30, 2007               | <u><u>\$ 2,113,255</u></u>  |

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

Exhibit D-3

Putnam County, Tennessee  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2007

|  | Governmental<br>Activities -<br>Internal<br>Service Fund<br><hr/> Self-Insurance<br>Fund<br><hr/> |
|--|---|
| <u>Cash Flows from Operating Activities</u>  |   |
| Receipts for Self-Insurance Premiums   | \$ 1,551,108  |
| Receipts for Refunds   | 1,865   |
| Payments for Administrative Costs and Premiums   | (839,296)   |
| Payments for Claims  | (247,113)   |
| Payments for Legal Costs   | (72,920)  |
| Payments for Other Charges   | (34,294)  |
| Net Cash Provided By (Used In) Operating Activities  | <hr/> \$ 359,350 <hr/>  |
| <u>Cash Flows from Investing Activities</u>  |   |
| Interest on Investments  | \$ 62,788   |
| Net Cash Provided By (Used In) Investing Activities  | <hr/> \$ 62,788 <hr/>   |
| Net Increase (Decrease) in Cash  | \$ 422,138  |
| Cash, July 1, 2006   | 2,918,948   |
| Prior-Period Adjustment  | <hr/> (39,583) <hr/>  |
| Cash, June 30, 2007  | <hr/> <hr/> \$ 3,301,503 <hr/> <hr/>  |
| <u>Reconciliation of Net Operating Income to Net Cash<br/>Provided By (Used In) Operating Activities</u> |   |
| Operating Income (Loss)  | \$ 414,365  |
| Adjustments to Reconcile Net Operating Income<br>to Net Cash Provided By (Used In) Operating Activities: |   |
| Change in Assets and Liabilities:  |   |
| Increase (Decrease) in Claims and Judgments Payable  | (53,824)  |
| Increase (Decrease) in Due to Other Funds  | <hr/> (1,191) <hr/>   |
| Net Cash Provided By (Used In) Operating Activities  | <hr/> <hr/> \$ 359,350 <hr/> <hr/>  |
| <u>Reconciliation of Cash with Statement of Net Assets</u>   |   |
| Cash per Net Assets  | \$ 27,616   |
| Equity in Pooled Cash and Investments per Net Assets   | <hr/> 3,273,887 <hr/>   |
| Cash, June 30, 2007  | <hr/> <hr/> \$ 3,301,503 <hr/> <hr/>  |

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

Exhibit E

Putnam County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2007

|                                       | <u>Agency<br/>Funds</u> |
|---------------------------------------|-------------------------|
| <u>ASSETS</u>                         |                         |
| Equity in Pooled Cash and Investments | \$ 74,468               |
| Cash                                  | 1,446,670               |
| Due from Other Governments            | <u>2,083,768</u>        |
| Total Assets                          | <u>\$ 3,604,906</u>     |
| <u>LIABILITIES</u>                    |                         |
| Due to Other Taxing Units             | \$ 2,051,457            |
| Due to Litigants, Heirs, and Others   | 1,446,670               |
| Due to Joint Venture                  | <u>106,779</u>          |
| Total Liabilities                     | <u>\$ 3,604,906</u>     |

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

**PUTNAM COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2007**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Putnam County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Putnam County:

**A. Reporting Entity**

Putnam County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Putnam County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

**Blended Component Units** – There are no legally separate component units of Putnam County that meet the criteria for being reported as part of the primary government by the blending method.

**Discretely Presented Component Units** – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Putnam County School Department operates the public school system in the county, and the voters of Putnam County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Putnam County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Putnam County, and the Putnam County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Putnam County Agricultural and Industrial Fair, Inc., was organized to conduct the annual Putnam County Fair and to supervise the fairground facilities, and the Putnam County Commission appoints its governing body. The organization is funded primarily from event fees and revenues from the annual fair. Before the issuance of any debt instruments, the fair must obtain the approval of the County Commission.

The Putnam County School Department does not issue separate financial statements from those of the county. Therefore, the basic financial statements of the Putnam County School Department are included in this report as listed in the table of contents. Complete financial statements of the Putnam County Emergency Communications District and the Putnam County Agricultural and Industrial Fair, Inc., can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Putnam County Emergency Communications District  
270 Carlen Drive  
Cookeville, TN 38501

Putnam County Agricultural and Industrial Fair, Inc.  
P.O. Box 1001  
Cookeville, TN 38503

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the statement of activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Putnam County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Putnam County School Department component unit only reports governmental activities in the government-wide financial statements.

The statement of activities demonstrates 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Putnam County issues all debt for the discretely presented Putnam County School Department. Net debt issues (\$209,367) were contributed by the county to the School Department during the year ended June 30, 2007.

Separate financial statements are provided for governmental funds, proprietary funds (internal service), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of 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 imposed by the provider have been met.

Fund financial statements of Putnam County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Putnam County reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The internal service fund and the fiduciary funds in total are reported in single columns by fund type.

Governmental fund 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 become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Putnam County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus (except for agency funds which have no measurement focus) and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Putnam County reports the following major governmental funds:

**General Fund** – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Industrial/Economic Development Fund** – This fund accounts for transactions relating to industrial development projects.

**General Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**General Capital Projects Fund** – This fund accounts for bond proceeds issued by Putnam County for major construction and renovation projects.

Additionally, Putnam County reports the following fund types:

**Internal Service Fund** – The Self-Insurance Fund accounts for the self-insured general liability, automobile liability, property, casualty, and workers' compensation programs managed by the county for the primary government and the Putnam County School Department.

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received from the state to be forwarded to the various cities in Putnam County, and federal and state grants and other restricted revenues held for the benefit of the Sixth Congressional District and the Thirteenth Judicial District Drug Task Force. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Putnam County School Department reports the following major governmental fund:

**General Purpose School Fund** – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Putnam County School Department reports the following fund types:

**Special Revenue Funds** – These funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

**Capital Projects Funds** – These funds are used to account for the purchase of property and equipment, along with construction and renovation of buildings and facilities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated

resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an internal service fund, to account for the operations of the county's self-insurance program. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's internal service fund are self-insurance premiums/contributions. Operating expenses for the internal service fund include insurance, legal fees, and claims.

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

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

For purposes of the statement of cash flows, cash includes cash with boards, agencies, and commissions, and cash with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

The county trustee maintains a cash and internal investment pool that is used by all Putnam County (excluding the Public Library and the Sports and Recreation funds, special revenue funds) and Putnam County School Department funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Income from these pooled investments is assigned to the various funds in the primary government based on budget allocations. Putnam County and the Putnam County School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment

Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## 2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All ambulance service and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.15 percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable

that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

**3. Capital Assets**

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

**Primary Government**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 (infrastructure \$35,000) or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>              | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 50           |
| Other Capital Assets       | 5 - 20       |
| Infrastructure:            |              |
| Roads                      | 40           |
| Bridges                    | 40           |

## Discretely Presented Putnam County School Department

Capital assets, which include property, plant, and equipment are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the School Department as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the School Department are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>              | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 40           |
| Other Capital Assets       | 15           |

#### 4. Compensated Absences

Generally, the policies of the various departments of Putnam County do not allow for the accumulation of vacation days beyond the year-end (with the exception of the Ambulance Service). Sick leave is granted at a rate of one day per month. Employees of the county do not have a limit on the number of sick days that can be accumulated. Upon termination of employment for any purpose other than retirement, all unused sick leave will be forfeited. Upon retirement, an employee has the option of applying accumulated sick leave toward retirement in the Tennessee Consolidated Retirement System or receiving a lump sum payment of \$50 per day for all days accumulated up to the limits established by the County Commission, based upon years of service. Since the payment of sick leave is at the option of employees as they retire, the amount cannot be reasonably estimated. Accrued leave on the government-wide statements for the primary government includes accumulated compensatory time and accrued leave for the Ambulance Service.

The general policy of the School Department does not allow for the accumulation of vacation days beyond year-end with the exception of support staff who earn ten days vacation per year and can accumulate

up to 20 days accrued leave. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

**5. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and closure/postclosure care cost, are recognized to the extent that the liabilities have matured (come due for payment) each period.

**6. Net Assets and Fund Equity**

In the government-wide financial statements and the proprietary fund in the fund financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other

governments; or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2007, Putnam County had \$76,195,000 in outstanding debt for capital purposes for the Putnam County School Department. This debt is a liability of Putnam County, but the capital assets acquired are reported in the financial statements of the Putnam County School Department. Therefore, Putnam County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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 specified purpose.

**7. Prior-period Adjustment**

A prior-period adjustment was recognized in the government-wide statement of activities (\$95,598,485) to reduce the value of capital assets at June 30, 2006. The historical values of capital assets estimated by the primary government were overstated at June 30, 2006.

A prior-period adjustment was recognized in the Self-Insurance Fund (\$39,583) to reduce cash with boards, agencies, and commissions as of July 1, 2006. The cash balance administered by the insurance administrator at June 30, 2006, was overstated.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

**Primary Government**

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

### **Discretely Presented Putnam County School Department**

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

#### **B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

##### **Primary Government**

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide statement of activities.

### **Discretely Presented Putnam County School Department**

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets or governmental activities reported in the government-wide statement of activities.

## **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the District Attorney General Fund (special revenue fund) and the Constitutional Officers - Fees Fund (special revenue fund) which are not budgeted, and the capital projects funds (except for the General Capital Projects Fund), which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.).

Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

**B. Fund Deficits**

The Industrial/Economic Development Fund (special revenue fund) had a deficit in unreserved fund balance of \$3,089,807 as of June 30, 2007. This fund deficit resulted from the recognition of a long-term liability of \$4,444,444 due to the General Debt Service Fund for an interfund loan to purchase land. Funding for these future expenditures will be received from property taxes appropriated to the Industrial/Economic Development Fund and from note proceeds from the City of Cookeville.

The School Federal Projects Fund had a deficit in unreserved fund balance of \$35,954 at June 30, 2007. This fund deficit resulted from expenditures exceeding available funds. This deficit was liquidated subsequent to June 30, 2007, when federal grant revenues were received.

**C. Expenditures and Encumbrances Exceeded Appropriations**

Expenditures and encumbrances exceeded appropriations approved by the County Commission in the Central Cafeteria Fund by \$1,014 and the Public Library Fund by \$147,613. Expenditures and encumbrances exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) of the following funds:

| Fund                    | Major Appropriation Category                  | Amount<br>Overspent |
|-------------------------|---|---------------------|
| General                 | Juvenile Services                             | \$ 4,456            |
| "                       | Tourism                                       | 10,324              |
| Solid Waste/Sanitation  | Miscellaneous                                 | 649                 |
| School Federal Projects | Instruction - Vocational<br>Education Program | 282                 |

Such overexpenditures are a violation of state statute. These overexpenditures were funded from available fund balances.

**D. Interfund Loans Were Not Authorized and Recorded**

During the year, the trustee transferred funds totaling \$234,632 from the General Purpose School Fund to the School Federal Projects Fund to provide cash for operations. These transfers were authorized by letters to the county trustee from either the School Department's chief financial officer or the financial fund accountant. These transfers were not reflected on the fund accounting records at the School Department but were used as reconciling items when the School Department reconciled their funds with the county trustee's reports. This transfer was, in effect, an interfund loan that was not approved by the Board of Education, the County Commission, and the state director of Local Finance as required by Section 9-21-408, Tennessee Code Annotated. As of June 30, 2007, \$110,759 had not been repaid to the General Purpose School Fund. We proposed and management accepted audit adjustments to correctly present cash on deposit with the trustee at June 30, 2007, and to present the \$110,759 outstanding balance of this loan as Notes Receivable in the General Purpose School Fund and Revenue Anticipation Notes Payable in the School Federal Projects Fund. Subsequent to June 30, 2007, an additional \$152,470 was transferred from the General Purpose School Fund to the School Federal Projects Fund to provide cash for operations in the same manner as described above. All interfund loans were repaid on August 31, 2007.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Putnam County (excluding the Public Library and the Sports and Recreation funds, special revenue funds) and the Putnam County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected in the fund financial statements represents nonpooled amounts held separately by individual funds.

**Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank

collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

**Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and the county’s own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer’s Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state director of Local Finance and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the market value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2007, Putnam County had the following investments carried at cost. All investments are in the State Treasurer’s Investment Pool. Separate disclosures concerning pooled investments cannot be made for Putnam County and the Putnam County School Department since both pool their deposits and investments through the county trustee.

| <u>Investments</u>                | <u>Maturities</u> | <u>Cost</u>              |
|-----------------------------------|-------------------|--------------------------|
| State Treasurer's Investment Pool | Daily             | <u>\$ 735,501</u>        |
| Total                             |                   | <u><u>\$ 735,501</u></u> |

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Putnam County

does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Putnam County has no investment policy that would further limit its investment choices. As of June 30, 2007, Putnam County's investment in the State Treasurer's Investment pool was unrated.

**B. Notes Receivable**

Notes receivable in the Industrial/Economic Development Fund (\$1,800,828) resulted from the joint purchase of property by the county and the City of Cookeville and are offset by other deferred revenues. The amount of the notes not expected to be collected within one year is \$1,600,828.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2007, was as follows:

**Primary Government**

**Governmental Activities:**

|   | Balance<br>7-1-06     | Increases           | Decreases               | Balance<br>6-30-07   |
|---|-----------------------|---------------------|-------------------------|----------------------|
| Capital Assets Not<br>Depreciated:      |                       |                     |                         |                      |
| Land                                    | \$ 9,965,081          | \$ 2,955,912        | \$ (5,644,420)          | \$ 7,276,573         |
| Total Capital Assets<br>Not Depreciated | <u>\$ 9,965,081</u>   | <u>\$ 2,955,912</u> | <u>\$ (5,644,420)</u>   | <u>\$ 7,276,573</u>  |
| Capital Assets Depreciated:             |                       |                     |                         |                      |
| Buildings and<br>Improvements           | \$ 16,120,284         | \$ 325,941          | \$ 0                    | \$ 16,446,225        |
| Roads and Bridges                       | 138,874,363           | 3,583,864           | (101,375,541)           | 41,082,686           |
| Other Capital Assets                    | 11,665,192            | 627,115             | (969,893)               | 11,322,414           |
| Total Capital Assets<br>Depreciated     | <u>\$ 166,659,839</u> | <u>\$ 4,536,920</u> | <u>\$ (102,345,434)</u> | <u>\$ 68,851,325</u> |

**Governmental Activities: (Cont.)**

|  | Balance<br>7-1-06     | Increases           | Decreases              | Balance<br>6-30-07   |
|--|-----------------------|---------------------|------------------------|----------------------|
| Less Accumulated<br>Depreciation For:                  |                       |                     |                        |                      |
| Buildings and<br>Improvements                          | \$ 4,012,733          | \$ 283,063          | \$ 0                   | \$ 4,295,796         |
| Roads and Bridges                                      | 26,867,595            | 783,250             | (12,059,590)           | 15,591,255           |
| Other Capital Assets                                   | 6,243,542             | 773,041             | (179,002)              | 6,837,581            |
| <b>Total Accumulated<br/>Depreciation</b>              | <b>\$ 37,123,870</b>  | <b>\$ 1,839,354</b> | <b>\$ (12,238,592)</b> | <b>\$ 26,724,632</b> |
| <b>Total Capital Assets<br/>Depreciated, Net</b>       | <b>\$ 129,535,969</b> | <b>\$ 2,697,566</b> | <b>\$ (90,106,842)</b> | <b>\$ 42,126,693</b> |
| <b>Governmental Activities<br/>Capital Assets, Net</b> | <b>\$ 139,501,050</b> | <b>\$ 5,653,478</b> | <b>\$ (95,751,262)</b> | <b>\$ 49,403,266</b> |

Decreases include prior-period adjustments of \$95,598,485 to correct management's estimates for historical costs that were not reasonable. These amounts are included as a prior-period adjustment on the government-wide Statement of Activities.

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

|   |                     |
|---|---------------------|
| General Government  | \$ 52,326           |
| Administration of Justice                                       | 167,292             |
| Public Safety   | 326,375             |
| Public Health and Welfare                                       | 217,810             |
| Social, Cultural, and Recreational Services                     | 120,157             |
| Agriculture and Natural Resources                               | 5,617               |
| Highways/Public Works   | 911,128             |
| <b>Total Depreciation Expense -<br/>Governmental Activities</b> | <b>\$ 1,800,705</b> |

**Discretely Presented Putnam County School Department**

**Governmental Activities:**

|  | Balance<br>7-1-06    | Increases            | Balance<br>6-30-07   |
|--|----------------------|----------------------|----------------------|
|  | <hr/>                |                      | <hr/>                |
| Capital Assets Not<br>Depreciated:             |                      |                      |                      |
| Land   | \$ 4,001,382         | \$ 0                 | \$ 4,001,382         |
| Total Capital Assets<br>Not Depreciated        | <hr/> \$ 4,001,382   | <hr/> \$ 0           | <hr/> \$ 4,001,382   |
| Capital Assets Depreciated:                    |                      |                      |                      |
| Buildings and<br>Improvements                  | \$ 98,086,624        | \$ 0                 | \$ 98,086,624        |
| Other Capital Assets                           | 4,144,917            | 0                    | 4,144,917            |
| Total Capital Assets<br>Depreciated            | <hr/> \$ 102,231,541 | <hr/> \$ 0           | <hr/> \$ 102,231,541 |
| Less Accumulated<br>Depreciation For:          |                      |                      |                      |
| Buildings and<br>Improvements                  | \$ 19,542,469        | \$ 1,766,032         | \$ 21,308,501        |
| Other Capital Assets                           | 2,337,438            | 204,712              | 2,542,150            |
| Total Accumulated<br>Depreciation              | <hr/> \$ 21,879,907  | <hr/> \$ 1,970,744   | <hr/> \$ 23,850,651  |
| Total Capital Assets<br>Depreciated, Net       | <hr/> \$ 80,351,634  | <hr/> \$ (1,970,744) | <hr/> \$ 78,380,890  |
| Governmental Activities<br>Capital Assets, Net | <hr/> \$ 84,353,016  | <hr/> \$ (1,970,744) | <hr/> \$ 82,382,272  |

Depreciation expense was charged to functions of the discretely presented Putnam County School Department as follows:

Governmental Activities:

|   |                          |
|---|--------------------------|
| Instruction   | \$ 1,743,986             |
| Support Services  | <hr/> 226,758            |
| Total Depreciation Expense -<br>Governmental Activities | <hr/> <hr/> \$ 1,970,744 |

The Jere Whitson Elementary School, with a carrying amount of \$1,254,468, was temporarily idle at year-end due to fire and water damage.

As described in the Schedule of Findings and Questioned Costs, an adverse opinion was issued on the aggregate discretely presented component units because the impairment loss due to the Jere Whitson Elementary School fire was not reflected on the School Department's government-wide financial statements, and because the historical costs of other capital assets were not adequately documented.

**D. Impairment Losses for Capital Assets and Insurance Recoveries**

Impairment Losses for Capital Assets

Program expenses for the discretely presented Putnam County School Department should include an impairment loss for fire damage to Jere Whitson Elementary School. However, the School Department did not calculate or record the loss at June 30, 2007, as required by Governmental Accounting Standards Board Statement No. 42.

Insurance Recovery

No insurance recovery proceeds were received during the year to restore Jere Whitson Elementary School. However, the insurance company did provide \$250,000 to relocate students and resume operation. This revenue is presented as an extraordinary item in the government-wide financial statements.

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2007, is as follows:

**Due to/from other funds:**

| Receivable Fund  | Payable Fund           | Amount           |
|--|------------------------|------------------|
| Primary Government:                                      |                        |                  |
| General  | Nonmajor governmental  | \$ 7,509         |
| Total  |                        | <u>\$ 7,509</u>  |
| Discretely Presented Putnam<br>County School Department: |                        |                  |
| General Purpose School                                   | Nonmajor governmental  | \$ 16,789        |
| Nonmajor governmental                                    | General Purpose School | <u>50,018</u>    |
| Total  |                        | <u>\$ 66,807</u> |

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2007, consisted of the following amounts:

**Primary Government**

| Transfers Out | Transfers In<br>Nonmajor<br>Governmental<br>Funds |
|---------------|---|
| General       | \$ 1,052,450                                      |
| Total         | \$ 1,052,450                                      |

**Discretely Presented Putnam County School Department**

| Transfers Out               | Transfers In                         |                                   |
|-----------------------------|--------------------------------------|-----------------------------------|
|                             | General<br>Purpose<br>School<br>Fund | Nonmajor<br>Governmental<br>Funds |
| General Purpose School Fund | \$ 0                                 | \$ 7,560                          |
| Nonmajor governmental funds | 704,974                              | 20,867                            |
| Total                       | \$ 704,974                           | \$ 28,427                         |

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The General Capital Projects Fund for the discretely presented Putnam County School Department was used to accumulate insurance proceeds for the relocation of students after the Jere Whitson Elementary School fire. Insurance proceeds of \$223,472 were transferred to the General Purpose School (\$202,605), Central Cafeteria (\$19,286), and Extended School Program (\$1,581) funds.

**F. Long-term Debt**

**Primary Government**

**General Obligation Bonds and Other Loans**

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding were issued for original terms of up to 21 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The general obligation bonds included in long-term debt as of June 30, 2007, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2007, are as follows:

| Type                                 | Interest Rate | Original Amount of Issue | Balance 6-30-07 |
|--------------------------------------|---------------|--------------------------|-----------------|
| General Obligation Bonds             | 4.38 to 5.5%  | \$ 51,100,000            | \$ 17,200,000   |
| General Obligation Bonds - Refunding | 2.125 to 5.5  | 89,685,000               | 74,995,000      |

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2007, including interest payments, are presented in the following table:

| Year Ending<br>June 30 | Bonds                |                      |
|------------------------|----------------------|----------------------|
|                        | Principal            | Interest             |
| 2008                   | \$ 4,690,000         | \$ 4,205,150         |
| 2009                   | 5,195,000            | 4,122,907            |
| 2010                   | 5,605,000            | 3,892,457            |
| 2011                   | 6,055,000            | 3,621,847            |
| 2012                   | 6,475,000            | 3,336,095            |
| 2013-2017              | 31,480,000           | 12,390,885           |
| 2018-2022              | 23,695,000           | 4,487,247            |
| 2023-2027              | 7,500,000            | 1,278,750            |
| 2028                   | 1,500,000            | 65,625               |
| <b>Total</b>           | <b>\$ 92,195,000</b> | <b>\$ 37,400,963</b> |

There is \$13,433,225 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,456, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2007, was as follows:

|                             | Bonds                       | Other<br>Loan               |
|-----------------------------|-----------------------------|-----------------------------|
|                             | <u>                    </u> | <u>                    </u> |
| Balance, July 1, 2006       | \$ 70,790,000               | \$ 9,866,066                |
| Additions                   | 25,545,000                  | 27,187                      |
| Deductions                  | (4,140,000)                 | (9,893,253)                 |
|                             | <u>                    </u> | <u>                    </u> |
| Balance, June 30, 2007      | \$ 92,195,000               | \$ 0                        |
|                             | <u>                    </u> | <u>                    </u> |
| Balance Due Within One Year | \$ 4,690,000                | \$ 0                        |
|                             | <u>                    </u> | <u>                    </u> |

|                             | Compensated<br>Absences     | Landfill<br>Postclosure<br>Care Costs |
|-----------------------------|-----------------------------|---------------------------------------|
|                             | <u>                    </u> | <u>                    </u>           |
| Balance, July 1, 2006       | \$ 129,961                  | \$ 2,419,600                          |
| Additions                   | 101,624                     | 0                                     |
| Deductions                  | (74,312)                    | (105,200)                             |
|                             | <u>                    </u> | <u>                    </u>           |
| Balance, June 30, 2007      | \$ 157,273                  | \$ 2,314,400                          |
|                             | <u>                    </u> | <u>                    </u>           |
| Balance Due Within One Year | \$ 65,677                   | \$ 105,200                            |
|                             | <u>                    </u> | <u>                    </u>           |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

|   |                      |
|---|----------------------|
| Total Noncurrent Liabilities, June 30, 2007                       | \$ 94,666,673        |
| Add: Compensated Absences - Library                               | 28,315               |
| Add: Unamortized Premium on Debt                                  | 338,190              |
| Less: Balance Due Within One Year                                 | <u>(4,903,667)</u>   |
| Noncurrent Liabilities - Due in<br>More Than One Year - Exhibit A | <u>\$ 90,129,511</u> |

Compensated absences will be paid from the employing funds, primarily the General Fund. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Current Refunding

On October 11, 2006, Putnam County refunded a public building authority loan (\$9,893,253) with a general obligation bond issue. The other loan had a variable interest rate and various fees associated with it. The county issued a \$9,545,000 general obligation refunding bond to provide resources to pay off the other loan. The general obligation bond issued has a fixed interest rate. As a result, the liability for the other loan has been removed from the county's long-term debt. Since the other loan had a variable interest rate and other fees associated with it, an accurate calculation of the reduction/addition of total debt service payments over the next 13 years could not be determined.

Defeasance of Prior Debt

In prior years, Putnam County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2007, the following outstanding bonds are considered defeased:

|  | <u>Amount</u> |
|--|---------------|
| 2000 General Obligation School Bonds                           | \$ 33,700,000 |
| 1993 General Obligation School and Public<br>Improvement Bonds | 21,000,000    |
| 1999 General Obligation School Bonds                           | 7,400,000     |

**Discretely Presented Putnam County School Department**

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2007, was as follows:

|                             | <u>Compensated<br/>Absences</u> |
|-----------------------------|---------------------------------|
| Balance, July 1, 2006       | \$ 146,320                      |
| Additions                   | 96,471                          |
| Deductions                  | <u>(107,464)</u>                |
| Balance, June 30, 2007      | <u>\$ 135,327</u>               |
| Balance Due Within One Year | <u>\$ 86,659</u>                |

Compensated absences will be paid from the employing funds, primarily the General Purpose School Fund.

**G. Internal Financing**

In-lieu-of issuing debt with financial institutions, Putnam County often chooses to internally finance various projects with idle county funds.

The following debt issues that will be repaid from the same fund in which the loan was obtained are reflected as operating transfers (not notes receivable) in the financial statements of this report. Internally reported notes receivable from idle funds loaned from the General Debt Service Fund that will subsequently be paid by the General Debt Service Fund are reflected below:

Internally Reported Interfund Notes Receivable/Payable  
Through the General Debt Service Fund

|  | Original<br>Amount<br>of Issue | Interest<br>Rate | Date<br>of<br>Issue              | Last<br>Maturity<br>Date |
|--|--------------------------------|------------------|----------------------------------|--------------------------|
| Fire Department Tanker<br>Trucks and Pumper Trucks | \$ 225,153                     | 0 %              | 6-25-05                          | 6-29-08                  |
| Land   | 195,000                        | 0                | 6-19-06                          | 6-19-09                  |
|  |                                |                  | Paid and/or<br>Issued<br>Matured |                          |
|  | Outstanding<br>7-1-06          | During<br>Period | During<br>Period                 | Outstanding<br>6-30-07   |
| Fire Department Tanker<br>Trucks and Pumper Trucks | \$ 225,153                     | \$ 0             | \$ (75,051)                      | \$ 150,102               |
| Land   | 195,000                        | 0                | (65,000)                         | 130,000                  |
| Total  | \$ 420,153                     | \$ 0             | \$ (140,051)                     | \$ 280,102               |

Internally reported notes receivable from idle funds loaned from the General Debt Service Fund will be paid by the Industrial/Economic Development Fund. Amounts financed are presented as a long-term liability in the governmental funds. Internally reported notes receivable at June 30, 2007, are reflected as follows:

| Receivable Fund/Description | Original<br>Amount<br>of Issue | Interest<br>Rate | Date<br>of<br>Issue              | Last<br>Maturity<br>Date |
|-----------------------------|--------------------------------|------------------|----------------------------------|--------------------------|
| General Debt Service Fund:  |                                |                  |                                  |                          |
| Land                        | \$ 5,000,000                   | 0 %              | 6-29-07                          | 6-29-15                  |
|                             |                                |                  | Paid and/or<br>Issued<br>Matured |                          |
|                             | Outstanding<br>7-1-06          | During<br>Period | During<br>Period                 | Outstanding<br>6-30-07   |
| General Debt Service Fund:  |                                |                  |                                  |                          |
| Land                        | \$ 0                           | \$ 5,000,000     | \$ (555,556)                     | \$ 4,444,444             |
| Total                       | \$ 0                           | \$ 5,000,000     | \$ (555,556)                     | \$ 4,444,444             |

#### H. Short-term Debt

During the year, Putnam County issued tax anticipation notes of \$250,000 in advance of property tax collections and deposited the proceeds in the General Purpose School Fund. These funds were necessary because funds were not available to meet the current expenditures of the fund. These notes were properly retired by June 30, 2007.

During the year, the trustee transferred funds totaling \$234,632 from the General Purpose School Fund to the School Federal Projects Fund to provide cash for operations. These transfers were authorized by letters to the county trustee from either the School Department's chief financial officer or the financial fund accountant. These transfers were not reflected on the fund accounting records at the School Department but were used as reconciling items when the School Department reconciled their funds with the county trustee's reports. This transfer was, in effect, an interfund loan that was not approved by the Board of Education, the County Commission, and the state director of Local Finance as required by Section 9-21-408, Tennessee Code Annotated. As of June 30, 2007, \$110,759 had not been repaid to the General Purpose School Fund. We proposed and management accepted audit adjustments to correctly present cash on deposit with the trustee at June 30, 2007, and to present the \$110,759 outstanding balance of this loan as Notes Receivable in the General Purpose School Fund and Revenue Anticipation Notes Payable in the School Federal Projects Fund. The interfund loan was repaid on August 31, 2007.

|                    | Balance<br>7-1-06 | Issued     | Redeemed     | Balance<br>6-30-07 |
|--------------------|-------------------|------------|--------------|--------------------|
| Tax/Revenue        |                   |            |              |                    |
| Anticipation Notes | \$ 0              | \$ 484,632 | \$ (373,873) | \$ 110,759         |

V. **OTHER INFORMATION**

A. **Risk Management**

Putnam County provides health insurance coverage to its employees through commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The discretely presented Putnam County School Department provides health insurance coverage to their employees through the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, Tennessee Code Annotated, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Putnam's risks of loss relating to general liability, automobile liability, property, casualty, and workers' compensation are covered through a self-insurance program and by the purchase of commercial insurance to cover losses exceeding certain limits. The county is self-insured for individual property losses up to \$85,000. The county carries excess commercial coverage on buildings and contents totaling \$263,640,046. The county is self-insured up to the state tort liability limits of \$250,000 per person, \$600,000 per occurrence for bodily injury, and \$85,000 for property damage. The county carries commercial liability insurance coverage for losses up to \$1,000,000 with a \$100,000 deductible. Putnam County maintains the Self-Insurance Fund, an internal service fund, to account for transactions pertaining to the county's self-insured group liability and property plan. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

|           | Liability<br>at<br>Beginning<br>of Year | Current<br>Claims and<br>Changes in<br>Estimates | Claim<br>Payments | Liability<br>at End<br>of Year |
|-----------|---|--|-------------------|--------------------------------|
| 2005-2006 | \$ 892,217                              | \$ 795,616                                       | \$ (445,761)      | \$ 1,242,072                   |
| 2006-2007 | 1,242,072                               | 193,289  | (247,113)         | 1,188,248                      |

**B. Accounting Change**

At the beginning of the year, the discretely presented Putnam County School Department implemented the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. In the prior year, the School Department had only elected to implement the provisions of Statement 34 that related to the fund financial statements.

**C. Subsequent Event**

On September 12, 2007, Putnam County issued \$57,700,000 in general obligation school bonds.

**D. Contingent Liabilities**

There are several pending lawsuits in which the county is involved. The county attorney estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the county’s financial statements.

**E. Changes in Administration**

The Putnam County Board of Education reassigned Dr. Michael Martin from director of schools to the alternative school on September 7, 2006, and Mike Goolsby was appointed interim director of schools until March 18, 2007. On March 19, 2007, Dr. Kathleen Airhart assumed the duties of director of schools.

Opal Burris left the Office of Register on August 31, 2006, and was succeeded by Harold Burris.

**F. Landfill Postclosure Care Costs**

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for 30 years after closure. These closure and postclosure care costs generally are paid near or after the date that the landfill stops accepting waste. Putnam County closed its Class 1

landfill in October 1996 and has contracted its waste management to a private vendor. Putnam County still operates a Class 3 construction landfill, which accepts the kinds of waste not subject to state and federal regulations for closure and postclosure care costs. The Solid Waste/Sanitation Fund (special revenue fund) reports the operations of the Class 3 construction landfill and the closure and postclosure care costs of the closed Class 1 landfill as expenditures in each period in which they are incurred. The \$2,314,400 reported as landfill closure and postclosure care liability at June 30, 2007, represents the net amount reported to date based on the use of 100 percent of the estimated capacity of the landfill. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**G. Joint Ventures**

The Cookeville - Putnam County Emergency Management Agency was established in 1951 as a joint venture between the City of Cookeville and Putnam County. The purpose of the Cookeville - Putnam County Emergency Management Agency is to plan and prepare for emergency operations and to assist other emergency services during emergencies or disasters. Putnam County contributed \$100,000 to the Cookeville - Putnam County Emergency Management Agency for the year ended June 30, 2007.

The Upper Cumberland Regional Airport was established as a joint venture between Putnam County, White County, the City of Cookeville, and the City of Sparta. The airport operates the regional airport for the two-county area. The five-member board of the airport includes one member appointed by each of the four participating governments with the fifth member of the board being the chief executive officer of one of the participating governments. This fifth board position will serve a one-year term and will rotate among the four participating governments in a prescribed order. Each participant retains a 25 percent ownership in the airport. Putnam County contributed \$30,000 to the Upper Cumberland Regional Airport for the year ended June 30, 2007.

The Thirteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Thirteenth Judicial District and participating municipalities in the district. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by the Board of Directors, including the district attorney general, sheriff, and police chief of the participating law enforcement agencies within each judicial district. Putnam County did not make appropriations to the DTF for the year ended June 30, 2007.

The Putnam County Joint Economic and Community Development Board is a joint venture between Putnam County, the Putnam County Chamber of Commerce, and the various cities within the county. The board is comprised of the county executive, mayors of the various cities within the county, chamber of commerce members, and several additional members. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The Chamber of Commerce will provide the funding for the board. Putnam County did not appropriate any funds to the board during the 2006-07 year.

Putnam County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Cookeville - Putnam County Emergency Management Agency, Upper Cumberland Regional Airport, Thirteenth Judicial District Drug Task Force, and Putnam County Joint Economic and Community Development Board can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Cookeville - Putnam County Emergency Management Agency  
P.O. Box 844  
Cookeville, Tennessee 38501

Upper Cumberland Regional Airport  
Route 8, Box 485  
Sparta, Tennessee 38583-8077

Office of District Attorney General  
Judicial District Drug Task Force  
1519A East Spring Street  
Cookeville, Tennessee 38506

Putnam County Joint Economic and Community Development Board  
Putnam County Chamber of Commerce  
One West First Street  
Cookeville, Tennessee 38501

**H. Jointly Governed Organization**

The Nashville and Eastern Railroad Authority is governed by a board of directors representing Putnam, Davidson, Smith, and Wilson counties. The board of directors comprises the mayor/county executive of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity.

## **I. Retirement Commitments**

### **Employees**

#### **Plan Description**

Employees of Putnam County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Putnam County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

#### **Funding Policy**

Putnam County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2007, was 9.5 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Putnam County is established and may be amended by the TCRS Board of Trustees.

## Annual Pension Cost

For the year ended June 30, 2007, Putnam County's annual pension cost of \$2,022,341 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2005, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Putnam County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 14 years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

### Trend Information

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------|---------------------------|-------------------------------|------------------------|
| 6-30-07           | \$2,022,341               | 100%                          | \$0                    |
| 6-30-06           | 1,695,019                 | 100                           | 0                      |
| 6-30-05           | 1,582,241                 | 100                           | 0                      |

## School Teachers

### Plan Description

The Putnam County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining

the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.treasury.state.tn.us>.

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Putnam County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2007, was 6.13 percent of annual covered payroll. The employer contribution requirement for the Putnam County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2007, 2006, and 2005, were \$1,979,998, \$1,670,033, and \$1,651,331, respectively, equal to the required contributions for each year.

## **J. Purchasing Laws**

### Office of County Executive

Purchasing procedures for the County Executive's Office are governed by provisions of Chapter 63, Private Acts of 1981. This statute provides for the county executive to serve as the purchasing agent and for all purchases exceeding \$5,000 to be made on the basis of competitive bids solicited through advertisement in a local newspaper.

### Office of Road Supervisor

Purchasing procedures for the Highway Department are governed by provisions of Chapter 609, Private Acts of 1951, as amended, and the Uniform Road Law, Section 54-7-113, Tennessee Code Annotated (TCA). These statutes require purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the School Department are governed by purchasing laws applicable to the schools as set forth in Section 49-2-203, TCA, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

**VI. OTHER NOTES – PUTNAM COUNTY LIBRARY (SPECIAL REVENUE FUND)**

**A. Summary of Significant Accounting Policies**

Putnam County's Public Library Fund is a special revenue fund of the Putnam County Government. The fund financial statements of the Putnam County Library have been prepared on the modified accrual basis of accounting, which records expenditures when incurred and revenues when measurable and available to finance expenditures of the period. The library's records are maintained on the cash receipts and disbursements method and converted to the modified accrual basis at year end. Under the modified accrual method, the measurement focus is on expenditures, which are measurable and recorded when the related liability is incurred. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

**1. Fund Financial Statements**

To ensure observance of limitations and restrictions placed on the use of resources available to the library, the accounts of the library are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group. The fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. When both restricted and unrestricted resources are available for use, it is the library's policy to use restricted resources first, then unrestricted resources as needed.

The assets, liabilities, and fund balances of the library are reported in one fund as follows:

**Public Library Fund** – This fund accounts for transactions of the Putnam County Library.

**2. Budgeting, Budgetary Control, and Budgetary Reporting**

An annual budget using the cash basis of accounting is prepared and adopted each year. The budget for the year ended June 30, 2007, was approved by the board and the Putnam County Commission before the fiscal year began. Certain changes in expenditure allocations of the budget were addressed and approved by the Board of Trustees. Revenues are considered to be available for unrestricted use unless specifically restricted by the donor or grantor, thus the Board of Trustees may reapply budgeted resources from one use to another without special approval for unrestricted funds.

**3. Capital Assets and Depreciation**

The Putnam County Library’s property, plant, and equipment with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. The capital assets are also reported in the fund financial statements as expenditures in the current year. Donated assets are stated at fair value on the date donated. The Putnam County Library generally capitalizes assets with a cost of over \$300 and a useful life of more than one year.

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. All capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

| <u>Assets</u>                          | <u>Years</u> |
|--|--------------|
| Collections of Books and A/V Materials | 5            |
| Improvements                           | 10 - 20      |
| Furniture, Machinery, and Equipment    | 5 - 10       |

**4. Contributed Facilities**

The library occupies buildings owned by other governmental units without charge. The estimated fair rental value of the premises was not readily determinable. Omission of this support and related rent expense has no effect on the net assets as presented in the financial statements.

**5. Collections and Books**

The cost value of the library's book collections has been capitalized and accumulated depreciation adjusted accordingly based on the year the books were purchased using the group depreciation method. This method groups together similar assets within a collection with similar estimated useful lives for purposes of capitalization and recording of depreciation expense.

**B. Pension Plans**

The Putnam County Library, as a fund of Putnam County, participated in the Tennessee Consolidated Retirement System (TCRS). The TCRS provides retirement benefits as well as death and disability benefits. Aggregate actuarial information can be found in footnote V.I. The TCRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10<sup>th</sup> Floor Andrew Jackson Building, Nashville, TN 37243-0230 or by calling (615) 741-7063.

**C. Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions. The organization's cash at June 30, 2007, was maintained as follows: The Board of Trustees' Fund was invested in an interest-bearing account. The memorial fund was maintained in an interest-bearing checking account and Monterey, Algood, and Baxter funds are held in a checking account.

**D. Prepaid Expenses**

Prepaid expenses record payments to vendors that benefit the future reporting periods and are reported on the consumption basis.

**E. Concentration of Credit Risk**

The library receives a substantial amount of its support from local governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the library's programs and activities.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the library's deposits may not be returned or the library will not be able to recover collateral securities in the possession of an outside party. The library's policy is to have coverage by the Government Collateralization Pool for any amount over the FDIC insured limit of \$100,000.

**F. Compensated Absences**

Full-time employees earn sick and annual leave based on length of employment. However, the sick leave does not vest and therefore no liability had been recorded for sick leave. On July 1, 2006, the library adopted a policy that all annual leave must be taken by June 30 of each year. Therefore, no liability has been recorded for annual leave. Three days bereavement leave is given to each employee for immediate family members' death.

**G. Risk Financing and Related Insurance Issues**

The library, as a fund of Putnam County, provides health insurance coverage to their employees through Blue Cross/Blue Shield.

The library's risks of loss relating to property, general liability, and workers' compensation are covered by the county through a self-insurance program and by the purchase of commercial insurance to cover losses in excess of certain limits.

Additional information can be found in footnote V.A.

The library made no claims in any of the prior three fiscal years.

**H. Schedule of Budget to Actual – Cash Basis to Accrual Basis Reconciliation**

|   |                    |
|---|--------------------|
| Excess of Revenues Over Expenses - Actual - Cash Basis    | \$ 11,813          |
| Accounts Receivable Reversal from Putnam County           | (75,000)           |
| Prepaid Expense Adjustment                                | (4,679)            |
| Accounts Payable Accrual                                  | (23,016)           |
| Accounts Payable Reversal from Prior Year                 | 4,887              |
| Wages Payable Accrual                                     | (9,549)            |
| Wages Payable Reversal from Prior Year                    | 9,073              |
| Payroll Tax Payable Accrual                               | (188)              |
| Payroll Tax Payable Reversal from Prior Year              | 131                |
| Sales Tax Payable Accrual                                 | <u>36</u>          |
| Excess of Revenues Over Expenses - Actual - Accrual Basis | <u>\$ (86,492)</u> |

**VII. OTHER NOTES – PUTNAM COUNTY PARKS, RECREATION, AND CONSERVATION BOARD (SPECIAL REVENUE FUND)**

**A. Organization**

The Putnam County Parks, Recreation, and Conservation Board was created pursuant to the County Conservation Board Act, Public Acts, 1961, to "have custody, control and management of all real and personal property for public parks, preserves, parkways, playgrounds, recreation centers, county forest,

county wildlife areas, and other county conservation and recreation purposes.” The Putnam County Parks, Recreation, and Conservation Board’s primary activities are the oversight and maintenance of parks and community centers as well as coordinating recreational activities within Putnam County. The Putnam County Parks, Recreation, and Conservation Board is managed by a director operating under a five-member Board of Directors appointed by the Putnam County Commission. The Putnam County Commission has the authority to approve or reject budgets presented by the Putnam County Parks, Recreation, and Conservation Board. Based on the Putnam County Parks, Recreation, and Conservation Board’s financial dependency and accountability to Putnam County, the Putnam County Parks, Recreation, and Conservation Board is a separately reported fund of Putnam County, Tennessee. There were no component units of the Putnam County Parks, Recreation, and Conservation Board to consider for inclusion in the financial statements.

**B. Summary of Significant Accounting Policies**

The Putnam County Parks, Recreation, and Conservation Board’s Sports and Recreation Fund is a special revenue fund of the Putnam County Government. The financial statements of the Putnam County Parks, Recreation, and Conservation Board have been prepared on the modified accrual basis of accounting, which records expenditures when incurred and revenues when measurable and available to finance expenditures of the period. The Parks, Recreation, and Conservation Board’s records are maintained on the cash receipts and disbursements method and converted to the modified accrual basis at year end. Under the modified accrual method, the measurement focus is on expenditures, which are measurable and are recorded when the related liability is incurred. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

**1. Government-wide Financial Statements**

The government-wide financial statements include the governmental activities of the Putnam County Parks, Recreation, and Conservation Board. The governmental activities are reported on the economic resources measurement focus on the accrual basis of accounting for inclusion into the financial statements of Putnam County Government.

**2. Fund Financial Statements**

To ensure observance of limitations and restrictions placed on the use of resources available to the Parks, Recreation, and Conservation Board, the accounts of the Putnam County Parks, Recreation, and Conservation Board are maintained in accordance with the principles

of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. All of Putnam County Parks, Recreation, and Conservation Board financial activities and resources are accounted for in a single governmental account which is the Sports and Recreation Fund. The fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. When both restricted and unrestricted resources are available for use, it is the Park, Recreation, and Conservation Board's policy to use restricted resources first, then unrestricted resources as needed.

### **3. Budgeting, Budgetary Control, and Budgetary Reporting**

An annual budget using the same basis of accounting used for governmental fund financial statement presentation is prepared and adopted each year. The budget for the year ended June 30, 2007, was approved by the board and the Putnam County Commission before the fiscal year began. Additional expenditures which alter the total budgeted expenditures must be approved by the Board of Trustees and adopted through an amended budget. Revenues are considered to be available for unrestricted use unless specifically restricted by the donor or grantor, thus the Board of Trustees may reapply budgeted resources from one use to another without special approval for unrestricted funds.

#### **C. Pension Plans**

The Putnam County Parks, Recreation and Conservation Board, as a fund of Putnam County, participated in the Tennessee Consolidated Retirement System (TCRS). The TCRS provides retirement benefits as well as death and disability benefits. Aggregate actuarial information can be found in footnote V.I. The TCRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10<sup>th</sup> Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or by calling (615) 741-7063.

#### **D. Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

The following is a schedule of bank accounts at June 30, 2007:

|                              |                  |
|------------------------------|------------------|
| Checking - Operating Account | \$ 48,178        |
| Checking - Payroll Account   | 13,507           |
| Checking - Soccer Account    | <u>3,277</u>     |
| Total                        | <u>\$ 64,962</u> |

At June 30, 2007, the carrying amount of the Putnam County Parks, Recreation, and Conservation Board's cash deposits was \$64,962. The Board's deposit accounts are covered up to \$100,000 by the Federal Deposit Insurance Corporation and this amount was not exceeded during the year. The Board is authorized to deposit and invest funds according to the provisions of Section 5-8-301, Tennessee Code Annotated.

**E. Prepaid Expenses**

Prepaid expenses record payments to vendors that benefit the future reporting periods and are reported on the consumption basis.

**F. Concentration of Credit Risk**

The Putnam County Parks, Recreation, and Conservation Board receives a substantial amount of its support from Putnam County. A significant reduction in the level of this support, if this were to occur, may have an effect on the Putnam County Parks, Recreation, and Conservation Board's programs and activities.

**G. Compensated Absences**

Annual leave and retirement sick leave are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to service already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The amount shown as compensated absence payable in current liabilities in the Statement of Net Assets represents the amount owed to employees for annual leave as of June 30, 2007, and is also the leave expected to be taken within one year. Retirement sick leave accrued at June 30, 2007, is presented as a long-term liability since it will not be taken within one year.

**H. Capital Assets**

The following table provides a summary of changes in capital assets:

| Assets           | Balance<br>7-1-06 | Additions | Balance<br>6-30-07 |
|------------------|-------------------|-----------|--------------------|
| Improvements     | \$ 15,744         | \$ 20,967 | \$ 36,711          |
| Equipment        | 155,263           | 15,278    | 170,541            |
| Park Fixtures    | 62,409            | 16,684    | 79,093             |
| Vehicles         | 101,375           | 18,573    | 119,948            |
| Office Equipment | 15,585            | 0         | 15,585             |
| Total            | \$ 350,376        | \$ 71,502 | \$ 421,878         |

The following table provides a summary of changes to accumulated depreciation at June 30, 2007:

| Assets           | Balance<br>7-1-06 | Depreciation<br>Expense | Balance<br>6-30-07 |
|------------------|-------------------|-------------------------|--------------------|
| Improvements     | \$ 1,020          | \$ 2,330                | \$ 3,350           |
| Equipment        | 65,224            | 13,602                  | 78,826             |
| Park Fixtures    | 1,993             | 3,892                   | 5,885              |
| Vehicles         | 24,761            | 9,123                   | 33,884             |
| Office Equipment | 9,755             | 1,139                   | 10,894             |
| Total            | \$ 102,753        | \$ 30,086               | \$ 132,839         |

## I. Capital Assets and Depreciation

General capital assets are reported in the government-wide Statement of Net Assets but are not reported in the financial statements of Sports and Recreation Fund. Land, buildings, and infrastructure type assets are not reflected on the financial statements of the Board as these assets are included in the financial statements of Putnam County. The valuation basis for general capital assets is at historical cost. The capitalization threshold is any individual item with a total cost exceeding \$3,500.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

| <u>Assets</u>           | <u>Years</u> |
|-------------------------|--------------|
| Improvements            | 10           |
| Office Equipment        | 5            |
| Fixtures                | 5-7          |
| Vehicles                | 5-10         |
| Other General Equipment | 10           |

**J. Risk Financing and Related Insurance Issues**

The Putnam County Parks, Recreation, and Conservation Board, as a fund of Putnam County, provides health insurance coverage to their employees through Blue Cross/Blue Shield.

The Putnam County Parks, Recreation, and Conservation Board's risks of loss relating to property, general liability, and workers' compensation are covered by the county through a self-insurance program and by the purchase of commercial insurance to cover losses in excess of certain limits.

**K. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

**L. Putnam County Contributions**

Putnam County provides liability, building, and automobile coverage as well as employee dishonesty bond coverage for the Board. Office space is also provided by Putnam County, as well as lease revenues from county-owned property. The value of the insurance and office space provided are not reflected as revenues in the accompanying financial statements. Lease revenues are reflected as annual rentals revenues in the accompanying financial statements.

**M. Commitments and Contingencies**

Approximately 85 percent of the Board's support is received from Putnam County. A significant reduction in the level of this support, if this were to occur, may have an effect on the Board's programs and activities.

**VIII. OTHER NOTES – DISCRETELY PRESENTED PUTNAM COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

**A. Summary of Significant Accounting Policies**

The Putnam County Emergency Communication District was established on November 21, 1988, for the purpose of providing an enhanced level of 911 service to the Putnam County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a

component unit of Putnam County. The Putnam County Emergency Communications District is run by a board of directors, which is appointed by Putnam County. The district must file a budget with Putnam County each year. Any bond issued by the district is subject to approval by Putnam County.

The district uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board. As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the Board has elected not to apply to its proprietary activities the Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989.

The district follows GASB Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments, implemented July 1, 2002.

Depreciation – Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives using the straight-line method. All assets purchased under \$3,000 are expensed. Depreciation begins when the capital assets are placed in service. Depreciation is summarized as follows:

| Assets                   | Method | Estimated<br>Useful Life<br>in Years | 2007<br>Depreciation    |
|--------------------------|--------|--------------------------------------|-------------------------|
| Building/Improvements    | S/L    | 5                                    | \$ 8,436                |
| Communications Equipment | S/L    | 4-7                                  | 71,482                  |
| Vehicle                  | S/L    | 5                                    | <u>10,512</u>           |
| Total                    |        |                                      | <u><u>\$ 90,430</u></u> |

Major Source of Revenue – The major source of operating revenue is emergency telephone and wireless surcharges. The district's non-operating revenue consists of a grant given by the State Emergency Communications Board to help the district employ a dispatcher, a contract with Upper Cumberland Electric Membership Corporation to answer after-hours telephone calls, rebates, reimbursements from the county, and interest.

**B. Cash and Cash Investments**

The following is a schedule of bank accounts at June 30, 2007:

|   |                     |
|---|---------------------|
| Checking - Bank of Putnam County                | \$ 20,000           |
| Money Market - Bank of Putnam County            | 370,997             |
| Certificates of Deposit - Bank of Putnam County | <u>850,000</u>      |
| Total   | <u>\$ 1,240,997</u> |

At June 30, 2007, the carrying amount of the Putnam County Emergency Communications District's cash deposits was \$1,240,997. The district's deposit accounts are covered up to \$100,000 by the Federal Deposit Insurance Corporation. Any amounts over \$100,000 are covered by collateralization held by the Bank of Putnam County in the district's name. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301, Tennessee Code Annotated.

**C. Bonding**

Putnam County Emergency Communications District has a bond covering certain members of the board at June 30, 2007. Other risk areas include theft, property damage, and public liability. The district carries general liability insurance as well as insurance that covers all equipment, buildings, and vehicles. There have been no losses or settlements during the past three years.

**D. Capital Assets**

The following is a schedule of equipment at June 30, 2007:

| <u>Assets</u>            | <u>Cost</u>       | <u>Accumulated<br/>Depreciation</u> | <u>Net</u>        |
|--------------------------|-------------------|-------------------------------------|-------------------|
| Building/Improvements    | \$ 77,659         | \$ 57,235                           | \$ 20,424         |
| Communications Equipment | 737,512           | 621,489                             | 116,023           |
| Vehicle                  | <u>52,560</u>     | <u>34,873</u>                       | <u>17,687</u>     |
| Total                    | <u>\$ 867,731</u> | <u>\$ 713,597</u>                   | <u>\$ 154,134</u> |

| Assets                   | Balance<br>7-1-06 | Additions        | Balance<br>6-30-07 |
|--------------------------|-------------------|------------------|--------------------|
| Building/Improvements    | \$ 77,659         | \$ 0             | \$ 77,659          |
| Communications Equipment | 682,512           | 55,000           | 737,512            |
| Vehicle                  | 52,560            | 0                | 52,560             |
| <b>Total</b>             | <b>\$ 812,731</b> | <b>\$ 55,000</b> | <b>\$ 867,731</b>  |

Putnam County Emergency Communications District purchased equipment for some county agencies that assists them in answering 911 calls. The district feels that since the 911 call does not end with them, that the county agencies need a faster way for the 911 office to communicate with them when needed. The district paid \$38,846 for the radios, which comprises 89 percent of small equipment purchases expense, \$2,152 for new computers, and \$2,890 for a sheriff voting receiver, which comprises the remaining 11 percent of small equipment purchases. Ownership of the equipment is retained by the county agencies. The agencies are responsible for operating and maintaining all equipment.

**E. Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

**F. Accounts Receivable/Due from State Emergency Communications Board**

The amounts due to the district from subscriber services and wireless charges include the following:

|                                      |                                |
|--------------------------------------|--------------------------------|
| Citizens Communications              | \$ 27,514                      |
| Miscellaneous Wireless Charges       | 1,373                          |
| Subtotal                             | <u>\$ 28,887</u>               |
| State Emergency Communications Board | <u>22,669</u>                  |
| <b>Total</b>                         | <b><u><u>\$ 51,556</u></u></b> |

**G. Compensated Absences**

There were no employees at June 30, 2007.

**H. Salaries and Wages**

The district has a contract with Putnam County for the county to provide the assistant director and dispatcher labor to the E-911 District. These costs are disclosed under “Salaries & Wages” in the Statement of Revenues, Expenses, and Changes in Net Assets.

**I. Calculation of Invested in Capital Assets**

|                              |                          |
|------------------------------|--------------------------|
| Net Book Value               | \$ 154,134               |
| Current and Non-Current Debt | <u>0</u>                 |
| Invested in Capital Assets   | <u><u>\$ 154,134</u></u> |

**J. Upper Cumberland Electric Membership Corporation Contract**

The district provides after-hours call answering services for Upper Cumberland Electric Membership Corporation. The amount is calculated by the number of meters energized multiplied by \$.50 or \$5,000, whichever is greater. This amount is included in Non-Operating Revenue and Expenses on the Statement of Revenues, Expenses, and Changes in Net Assets.

**IX. OTHER NOTES – DISCRETELY PRESENTED PUTNAM COUNTY AGRICULTURAL AND INDUSTRIAL FAIR, INC.**

**A. Summary of Significant Accounting Policies**

**1. Organization**

The Putnam County Agricultural and Industrial Fair, Inc., was organized to promote agriculture, to conduct an annual fair in Putnam County, Tennessee, and to utilize the physical facilities of the fairground. All property and related facilities are owned by Putnam County and administered by the Putnam County Agricultural and Industrial Fair, Inc. Putnam County Agricultural and Industrial Fair, Inc. is a component unit of Putnam County, Tennessee. The Putnam County Commission approves all nominations to the board of directors of the Putnam County Agricultural and Industrial Fair, Inc. The legislative body has the authority to reject all nominations and to make nominations from the floor. Three members of the Putnam County Commission will be on the board of directors at all times. The bylaws do not give the board of directors’ permission to borrow money. In addition, all changes to the bylaws are subject to approval by the Putnam County Commission. The organization’s major source of revenue comes from the annual fair. As of and for the year ended June 30, 2007, the annual fair represented 98 percent of revenue.

**2. Basis of Accounting**

The financial statements of the Putnam County Agricultural and Industrial Fair, Inc., have been prepared on the accrual basis and according to Governmental Accounting Standards Board (GASB) Statement No. 20 follows pronouncements of the Financial Accounting Standards Board (FASB) issued before November 30, 1989. After November 30, 1989, the Putnam County Fair Board follows GASB guidelines only and does not follow any FASB guidelines issued after that date.

The Putnam County Agricultural and Industrial Fair, Inc., follows GASB No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, implemented July 1, 2002.

**3. Capital Assets**

All physical facilities of the fairground are owned by Putnam County and are not included in the financial statements of this component unit.

**4. Statement of Cash Flows**

For the purpose of the statement of cash flows, cash is comprised of cash on hand, time and demand deposits in banks, and investments with original maturities of less than 90 days.

**5. Unearned Revenue**

The amount recorded as unearned revenue represents payments from advertisers and food vendors for space in the fair not yet held. The amount will be recognized as revenue when the fair has been completed.

**6. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**B. Cash and Investments**

Deposits (cash and certificates of deposit) are carried at cost which approximates market value. At June 30, 2007, deposits of Putnam County Agricultural and Industrial Fair, Inc., consisted of the following:

|                             |                             |
|-----------------------------|-----------------------------|
| Checking - operating        | \$ 5,969                    |
| Checking - premiums         | 1,705                       |
| Checking - Pacesetter's Day | 9,937                       |
| Certificate of deposit      | 10,981                      |
| Certificate of deposit      | 10,533                      |
| Certificate of deposit      | 10,756                      |
| Certificate of deposit      | <u>21,326</u>               |
| <br>Total                   | <br><u><u>\$ 71,207</u></u> |

At June 30, 2007, the carrying amount of the Putnam County Agricultural and Industrial Fair, Inc.'s, cash deposits was \$71,207. The fair's deposit accounts are covered up to \$100,000 by the Federal Deposit Insurance Corporation. The fair is authorized to deposit and invest funds according to the provisions of Section 5-8-301, Tennessee Code Annotated.

**C. Commitments**

The Putnam County Agricultural and Industrial Fair, Inc., entered into a contract with Geren Rides to provide carnival services for the annual Putnam County Fair. This contract expired in August 2006.

**D. Risk Management**

The Putnam County Agricultural and Industrial Fair, Inc., is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Putnam County Agricultural and Industrial Fair, Inc., maintains an insurance contract with a local insurance carrier to cover all such claims. All insurance expenses for the past three years are related to the premiums paid to the carrier for the respective years.

**E. In-Kind Contributions and Donated Personal Services**

No in-kind contributions or donated services for the annual Putnam County Fair are recorded in the financial statements because the amounts are deemed to be immaterial.

**F. Compensated Absences**

There was no compensated absences balance at June 30, 2007.

**G. Prior-Period Adjustment**

A prior-period adjustment totaling \$20,300 was made to accounts receivable to correct an understatement in this account and in revenue in prior years. A prior-period adjustment totaling \$5,122 was made to Checking – Pacesetter’s Day to correct an understatement in this account and in revenues and expenses in prior years.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

Putnam County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 General Fund  
 For the Year Ended June 30, 2007

|                                       | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2006 | Add:<br>Encumbrances<br>6/30/2007 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts     |                      | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
|                                       |                           |                                   |                                   |   | Original             | Final                |  |
| <b>Revenues</b>                       |                           |                                   |                                   |   |                      |                      |  |
| Local Taxes                           | \$ 10,442,581             | \$ 0                              | \$ 0                              | \$ 10,442,581   | \$ 10,119,170        | \$ 10,157,997        | \$ 284,584   |
| Licenses and Permits                  | 368,428                   | 0                                 | 0                                 | 368,428   | 313,500              | 313,500              | 54,928   |
| Fines, Forfeitures, and Penalties     | 609,774                   | 0                                 | 0                                 | 609,774   | 518,000              | 533,000              | 76,774   |
| Charges for Current Services          | 2,412,024                 | 0                                 | 0                                 | 2,412,024   | 2,167,000            | 2,206,973            | 205,051  |
| Other Local Revenues                  | 723,147                   | 0                                 | 0                                 | 723,147   | 1,981,600            | 1,984,329            | (1,261,182)  |
| Fees Received from County Officials   | 3,890,718                 | 0                                 | 0                                 | 3,890,718   | 3,312,000            | 3,483,192            | 407,526  |
| State of Tennessee                    | 2,601,514                 | 0                                 | 0                                 | 2,601,514   | 2,973,959            | 2,984,969            | (383,455)  |
| Federal Government                    | 1,419,464                 | 0                                 | 0                                 | 1,419,464   | 908,576              | 987,512              | 431,952  |
| Other Governments and Citizens Groups | 357,597                   | 0                                 | 0                                 | 357,597   | 615,000              | 639,250              | (281,653)  |
| <b>Total Revenues</b>                 | <b>\$ 22,825,247</b>      | <b>\$ 0</b>                       | <b>\$ 0</b>                       | <b>\$ 22,825,247</b>  | <b>\$ 22,908,805</b> | <b>\$ 23,290,722</b> | <b>\$ (465,475)</b>  |
| <b>Expenditures</b>                   |                           |                                   |                                   |   |                      |                      |  |
| <b>General Government</b>             |                           |                                   |                                   |   |                      |                      |  |
| County Commission                     | \$ 147,580                | \$ (4,244)                        | \$ 0                              | \$ 143,336  | \$ 141,650           | \$ 150,413           | \$ 7,077   |
| Beer Board                            | 1,929                     | 0                                 | 0                                 | 1,929   | 2,000                | 2,000                | 71   |
| County Mayor/Executive                | 291,117                   | (179)                             | 4,239                             | 295,177   | 245,555              | 302,406              | 7,229  |
| County Attorney                       | 128,402                   | 0                                 | 0                                 | 128,402   | 106,000              | 143,500              | 15,098   |
| Election Commission                   | 661,579                   | (320,290)                         | 1,919                             | 343,208   | 312,262              | 364,890              | 21,682   |
| Register of Deeds                     | 290,694                   | (540)                             | 0                                 | 290,154   | 238,583              | 295,981              | 5,827  |
| Development                           | 21,129                    | 0                                 | 0                                 | 21,129  | 25,800               | 25,800               | 4,671  |
| Codes Compliance                      | 141,402                   | (502)                             | 0                                 | 140,900   | 112,800              | 146,482              | 5,582  |
| Geographical Information Systems      | 33,192                    | (147)                             | 0                                 | 33,045  | 33,600               | 33,600               | 555  |
| County Buildings                      | 1,810,578                 | (33,780)                          | 71,907                            | 1,848,705   | 1,620,860            | 1,927,785            | 79,080   |
| Other Facilities                      | 199,495                   | 0                                 | 11,313                            | 210,808   | 179,000              | 217,894              | 7,086  |
| <b>Finance</b>                        |                           |                                   |                                   |   |                      |                      |  |
| Property Assessor's Office            | 439,406                   | 0                                 | 0                                 | 439,406   | 366,262              | 460,135              | 20,729   |
| County Trustee's Office               | 336,767                   | 0                                 | 0                                 | 336,767   | 271,275              | 336,945              | 178  |

(Continued)

Exhibit F-1

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

|                                      | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2006 | Add:<br>Encumbrances<br>6/30/2007 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |            | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|------------|--|
|                                      |                           |                                   |                                   |   | Original         | Final      |  |
| <u>Expenditures (Cont.)</u>          |                           |                                   |                                   |   |                  |            |  |
| <u>Finance (Cont.)</u>               |                           |                                   |                                   |   |                  |            |  |
| County Clerk's Office                | \$ 860,976                | \$ (2,416)                        | \$ 5,515                          | \$ 864,075  | \$ 705,359       | \$ 893,496 | \$ 29,421  |
| Other Finance                        | 109,676                   | (180)                             | 0                                 | 109,496   | 91,281           | 115,099    | 5,603  |
| <u>Administration of Justice</u>     |                           |                                   |                                   |   |                  |            |  |
| Circuit Court                        | 864,400                   | (15,186)                          | 9,851                             | 859,065   | 679,050          | 873,635    | 14,570   |
| General Sessions Court               | 412,542                   | (738)                             | 821                               | 412,625   | 307,966          | 429,671    | 17,046   |
| Chancery Court                       | 296,628                   | 0                                 | 493                               | 297,121   | 236,969          | 303,618    | 6,497  |
| Juvenile Court                       | 181,968                   | (1,708)                           | 99                                | 180,359   | 140,410          | 183,341    | 2,982  |
| District Attorney General            | 0                         | 0                                 | 0                                 | 0   | 124,048          | 186,569    | 186,569  |
| Judicial Commissioners               | 60,588                    | 0                                 | 0                                 | 60,588  | 49,700           | 62,641     | 2,053  |
| Other Administration of Justice      | 76,294                    | (543)                             | 0                                 | 75,751  | 73,247           | 86,929     | 11,178   |
| Courtroom Security                   | 22,000                    | 0                                 | 0                                 | 22,000  | 0                | 22,000     | 0  |
| <u>Public Safety</u>                 |                           |                                   |                                   |   |                  |            |  |
| Sheriff's Department                 | 3,687,061                 | (47,382)                          | 77,878                            | 3,717,557   | 2,818,853        | 3,747,595  | 30,038   |
| Special Patrols                      | 40,346                    | (1,949)                           | 6,214                             | 44,611  | 46,774           | 49,545     | 4,934  |
| Drug Enforcement                     | 9,679                     | (1,553)                           | 1,244                             | 9,370   | 15,337           | 15,860     | 6,490  |
| Jail                                 | 2,401,348                 | (16,433)                          | 69,992                            | 2,454,907   | 2,125,388        | 2,470,498  | 15,591   |
| Workhouse                            | 58,067                    | (1,063)                           | 0                                 | 57,004  | 49,502           | 61,426     | 4,422  |
| Juvenile Services                    | 561,143                   | (491)                             | 1,941                             | 562,593   | 429,784          | 558,137    | (4,456)  |
| Commissary                           | 134,543                   | (1,846)                           | 15,066                            | 147,763   | 200,000          | 200,000    | 52,237   |
| Fire Prevention and Control          | 632,713                   | (10,654)                          | 278,132                           | 900,191   | 851,274          | 1,033,896  | 133,705  |
| Civil Defense                        | 144,766                   | 0                                 | 0                                 | 144,766   | 139,000          | 148,207    | 3,441  |
| Other Emergency Management           | 482,431                   | (263,893)                         | 235,818                           | 454,356   | 503,502          | 523,353    | 68,997   |
| County Coroner/Medical Examiner      | 47,199                    | (15,484)                          | 3,000                             | 34,715  | 60,250           | 60,250     | 25,535   |
| <u>Public Health and Welfare</u>     |                           |                                   |                                   |   |                  |            |  |
| Local Health Center                  | 229,875                   | (563)                             | 4,161                             | 233,473   | 228,748          | 273,118    | 39,645   |
| Ambulance/Emergency Medical Services | 3,114,108                 | (38,686)                          | 37,668                            | 3,113,090   | 2,643,450        | 3,347,475  | 234,385  |

(Continued)

Exhibit F-1

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2006 | Add:<br>Encumbrances<br>6/30/2007 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |                | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
|  |                           |                                   |                                   |   | Original         | Final          |  |
| <u>Expenditures (Cont.)</u>                        |                           |                                   |                                   |   |                  |                |  |
| <u>Public Health and Welfare (Cont.)</u>           |                           |                                   |                                   |   |                  |                |  |
| Other Local Health Services                        | \$ 27,363                 | \$ (2,801)                        | \$ 2,110                          | \$ 26,672   | \$ 33,800        | \$ 28,519      | \$ 1,847   |
| Regional Mental Health Center                      | 15,000                    | 0                                 | 0                                 | 15,000  | 15,000           | 15,000         | 0  |
| General Welfare Assistance                         | 11,000                    | 0                                 | 0                                 | 11,000  | 11,000           | 11,000         | 0  |
| Aid to Dependent Children                          | 7,967                     | 0                                 | 0                                 | 7,967   | 8,000            | 8,000          | 33   |
| Sanitation Management                              | 0                         | 0                                 | 0                                 | 0   | 594,926          | 831,164        | 831,164  |
| Other Public Health and Welfare                    | 917,019                   | (6,627)                           | 2,783                             | 913,175   | 889,821          | 1,026,712      | 113,537  |
| <u>Social, Cultural, and Recreational Services</u> |                           |                                   |                                   |   |                  |                |  |
| Senior Citizens Assistance                         | 65,273                    | 0                                 | 0                                 | 65,273  | 64,917           | 65,273         | 0  |
| Libraries  | 13,669                    | 0                                 | 0                                 | 13,669  | 353,300          | 13,700         | 31   |
| Parks and Fair Boards                              | 92,471                    | 0                                 | 0                                 | 92,471  | 953,100          | 259,493        | 167,022  |
| Other Social, Cultural, and Recreational           | 10,000                    | 0                                 | 0                                 | 10,000  | 10,000           | 10,000         | 0  |
| <u>Agriculture and Natural Resources</u>           |                           |                                   |                                   |   |                  |                |  |
| Agriculture Extension Service                      | 155,764                   | 0                                 | 0                                 | 155,764   | 145,562          | 155,892        | 128  |
| Forest Service                                     | 1,500                     | 0                                 | 0                                 | 1,500   | 1,500            | 1,500          | 0  |
| Soil Conservation                                  | 29,563                    | 0                                 | 0                                 | 29,563  | 24,200           | 29,564         | 1  |
| <u>Other Operations</u>                            |                           |                                   |                                   |   |                  |                |  |
| Tourism  | 140,324                   | 0                                 | 0                                 | 140,324   | 130,000          | 130,000        | (10,324)   |
| Industrial Development                             | 25,000                    | 0                                 | 0                                 | 25,000  | 25,000           | 25,000         | 0  |
| Airport  | 58,000                    | 0                                 | 0                                 | 58,000  | 58,000           | 58,000         | 0  |
| Veterans' Services                                 | 29,276                    | 0                                 | 0                                 | 29,276  | 26,650           | 30,845         | 1,569  |
| Contributions to Other Agencies                    | 269,917                   | 0                                 | 0                                 | 269,917   | 1,921,228        | 1,977,125      | 1,707,208  |
| Employee Benefits                                  | 0                         | 0                                 | 0                                 | 0   | 3,504,801        | 103,091        | 103,091  |
| Miscellaneous                                      | 585,256                   | (3,750)                           | 0                                 | 581,506   | 941,042          | 731,471        | 149,965  |
| Total Expenditures                                 | \$ 21,385,983             | \$ (793,628)                      | \$ 842,164                        | \$ 21,434,519   | \$ 25,887,386    | \$ 25,565,539  | \$ 4,131,020   |
| Excess (Deficiency) of Revenues                    |                           |                                   |                                   |   |                  |                |  |
| Over Expenditures                                  | \$ 1,439,264              | \$ 793,628                        | \$ (842,164)                      | \$ 1,390,728  | \$ (2,978,581)   | \$ (2,274,817) | \$ 3,665,545   |

(Continued)

Exhibit F-1

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

|                                       | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2006 | Add:<br>Encumbrances<br>6/30/2007 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |                | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
|                                       |                           |                                   |                                   |   | Original         | Final          |  |
| <u>Other Financing Sources (Uses)</u> |                           |                                   |                                   |   |                  |                |  |
| Notes Issued                          | \$ 0                      | \$ 0                              | \$ 0                              | \$ 0  | 1,750,000        | \$ 1,750,000   | \$ (1,750,000)   |
| Transfers In                          | 0                         | 0                                 | 0                                 | 0   | 140,051          | 140,051        | (140,051)  |
| Transfers Out                         | (1,052,450)               | 0                                 | 0                                 | (1,052,450)   | (229,444)        | (1,281,894)    | 229,444  |
| Total Other Financing Sources (Uses)  | \$ (1,052,450)            | \$ 0                              | \$ 0                              | \$ (1,052,450)  | \$ 1,660,607     | \$ 608,157     | \$ (1,660,607)   |
| Net Change in Fund Balance            | \$ 386,814                | \$ 793,628                        | \$ (842,164)                      | \$ 338,278  | \$ (1,317,974)   | \$ (1,666,660) | \$ 2,004,938   |
| Fund Balance, July 1, 2006            | 5,870,461                 | (793,628)                         | 0                                 | 5,076,833   | 5,274,823        | 5,274,823      | (197,990)  |
| Fund Balance, June 30, 2007           | \$ 6,257,275              | \$ 0                              | \$ (842,164)                      | \$ 5,415,111  | \$ 3,956,849     | \$ 3,608,163   | \$ 1,806,948   |

Exhibit F-2

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Industrial/Economic Development Fund  
For the Year Ended June 30, 2007

|  | Actual                       | Budgeted Amounts         |                          | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|------------------------------|--------------------------|--------------------------|--|
|  |                              | Original                 | Final                    |  |
| <u>Revenues</u>                                      |                              |                          |                          |  |
| Local Taxes  | \$ 358,245                   | \$ 339,208               | \$ 339,208               | \$ 19,037  |
| Other Local Revenues                                 | 725,083                      | 0                        | 700,000                  | 25,083   |
| Other Governments and Citizens Groups                | 0                            | 700,000                  | 0                        | 0  |
| Total Revenues                                       | <u>\$ 1,083,328</u>          | <u>\$ 1,039,208</u>      | <u>\$ 1,039,208</u>      | <u>\$ 44,120</u>   |
| <u>Expenditures</u>                                  |                              |                          |                          |  |
| <u>Other Operations</u>                              |                              |                          |                          |  |
| Industrial Development                               | \$ 31,780                    | \$ 30,000                | \$ 60,000                | \$ 28,220  |
| Miscellaneous  | 7,124                        | 8,000                    | 8,000                    | 876  |
| <u>Capital Projects</u>                              |                              |                          |                          |  |
| Other General Government Projects                    | 4,905,370                    | 5,000,000                | 5,000,000                | 94,630   |
| Total Expenditures                                   | <u>\$ 4,944,274</u>          | <u>\$ 5,038,000</u>      | <u>\$ 5,068,000</u>      | <u>\$ 123,726</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ (3,860,946)</u>        | <u>\$ (3,998,792)</u>    | <u>\$ (4,028,792)</u>    | <u>\$ 167,846</u>  |
| <u>Other Financing Sources (Uses)</u>                |                              |                          |                          |  |
| Notes Issued   | \$ 0                         | \$ 4,500,000             | \$ 4,500,000             | \$ (4,500,000)   |
| Transfers Out  | 0                            | (500,000)                | (500,000)                | 500,000  |
| Total Other Financing Sources (Uses)                 | <u>\$ 0</u>                  | <u>\$ 4,000,000</u>      | <u>\$ 4,000,000</u>      | <u>\$ (4,000,000)</u>  |
| Net Change in Fund Balance                           | <u>\$ (3,860,946)</u>        | <u>\$ 1,208</u>          | <u>\$ (28,792)</u>       | <u>\$ (3,832,154)</u>  |
| Fund Balance, July 1, 2006                           | <u>771,139</u>               | <u>763,206</u>           | <u>763,206</u>           | <u>7,933</u>   |
| Fund Balance, June 30, 2007                          | <u><u>\$ (3,089,807)</u></u> | <u><u>\$ 764,414</u></u> | <u><u>\$ 734,414</u></u> | <u><u>\$ (3,824,221)</u></u>                                 |

Exhibit F-3

Putnam County, Tennessee  
Schedule of Funding Progress – Pension Plan  
June 30, 2007

(Dollar amounts in thousands)

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br><br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br><br>(b) | Unfunded<br>AAL<br>(UAAL)<br><br>(b)-(a) | Funded<br>Ratio<br><br>(a/b) | Covered<br>Payroll<br><br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|--|---|--|------------------------------|-------------------------------|---|
| 6-30-05                        | \$ 35,018                                  | \$ 37,998   | 2,980                                    | 92.16 %                      | \$ 18,188                     | 16.39 %   |
| 6-30-03                        | 29,895                                     | 33,105  | 3,210                                    | 90.30                        | 16,447                        | 19.52   |
| 6-30-01                        | 25,559                                     | 29,123  | 3,564                                    | 87.76                        | 14,350                        | 24.84   |

**PUTNAM COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2007**

**A. BUDGETARY INFORMATION**

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

**B. FUND DEFICIT**

The Industrial/Economic Development Fund (special revenue fund) had a deficit in unreserved fund balance of \$3,089,807 as of June 3, 2007. This deficit resulted from the recognition of a long-term liability of \$4,444,444 due to the General Debt Service Fund for a loan to purchase land. Funding for these future expenditures will be received from property taxes allocated to the Industrial/Economic Development Fund and from note proceeds from the City of Cookeville.

**C. EXPENDITURES AND ENCUMBRANCES EXCEEDED APPROPRIATIONS**

Expenditures and encumbrances exceeded appropriations approved by the County Commission in the Juvenile Services and Tourism major appropriation categories (the legal level of control) of the General Fund by \$4,456 and \$10,324, respectively. Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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Public Library Fund – The Public Library Fund is used to account for transactions of the Putnam County Library.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions relating to the disposal of solid waste.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Sports and Recreation Fund – The Sports and Recreation Fund is used to account for the transactions of the Parks, Recreation, and Conservation Board related to the oversight and maintenance of public parks and community centers, as well as, coordinating recreational activities within Putnam County.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held in trust for the benefit of the Office of District Attorney General.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register, and sheriff.

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county's Highway Department.

# Capital Projects Fund

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Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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Education Capital Projects Fund – The Education Capital Projects Fund is used to account for other loans issued by Putnam County that are contributed to the Putnam County School Department.

Exhibit G-1

Putnam County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2007

|  | Special Revenue Funds |                                |                  |                          |                                 |   |                              | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-----------------------|--------------------------------|------------------|--------------------------|---------------------------------|---|------------------------------|--|
|  | Public<br>Library     | Solid<br>Waste /<br>Sanitation | Drug<br>Control  | Sports and<br>Recreation | District<br>Attorney<br>General | Constitu-<br>tional<br>Officers -<br>Fees | Highway /<br>Public<br>Works |  |
| <u>ASSETS</u>                                |                       |                                |                  |                          |                                 |   |                              |  |
| Cash   | \$ 187,069            | \$ 0                           | \$ 0             | \$ 64,962                | \$ 0                            | \$ 2,489                                  | \$ 0                         | \$ 254,520                                 |
| Equity in Pooled Cash and Investments        | 0                     | 1,308,745                      | 69,918           | 0                        | 1,669                           | 0   | 943,384                      | 2,323,716                                  |
| Accounts Receivable                          | 0                     | 152,870                        | 0                | 0                        | 0                               | 0   | 0                            | 152,870                                    |
| Due from Other Governments                   | 0                     | 0                              | 0                | 7,000                    | 725                             | 0   | 422,887                      | 430,612                                    |
| Property Taxes Receivable                    | 0                     | 2,674,981                      | 0                | 0                        | 0                               | 0   | 1,146,421                    | 3,821,402                                  |
| Allowance for Uncollectible Property Taxes   | 0                     | (108,456)                      | 0                | 0                        | 0                               | 0   | (46,481)                     | (154,937)                                  |
| Prepaid Items                                | 11,105                | 0                              | 0                | 236                      | 0                               | 0   | 0                            | 11,341                                     |
| <b>Total Assets</b>                          | <b>\$ 198,174</b>     | <b>\$ 4,028,140</b>            | <b>\$ 69,918</b> | <b>\$ 72,198</b>         | <b>\$ 2,394</b>                 | <b>\$ 2,489</b>                           | <b>\$ 2,466,211</b>          | <b>\$ 6,839,524</b>                        |
| <u>LIABILITIES AND FUND BALANCES</u>         |                       |                                |                  |                          |                                 |   |                              |  |
| <u>Liabilities</u>                           |                       |                                |                  |                          |                                 |   |                              |  |
| Accounts Payable                             | \$ 23,016             | \$ 150,701                     | \$ 938           | \$ 11,944                | \$ 0                            | \$ 0                                      | \$ 0                         | \$ 186,599                                 |
| Accrued Payroll                              | 9,549                 | 0                              | 0                | 3,056                    | 0                               | 0   | 0                            | 12,605                                     |
| Payroll Deductions Payable                   | 188                   | 0                              | 0                | 3,645                    | 0                               | 0   | 1,069                        | 4,902                                      |
| Due to Other Funds                           | 0                     | 0                              | 5,020            | 0                        | 0                               | 2,489                                     | 0                            | 7,509                                      |
| Due to State of Tennessee                    | 169                   | 0                              | 0                | 0                        | 0                               | 0   | 0                            | 169  |
| Deferred Revenue - Current Property Taxes    | 0                     | 2,504,784                      | 0                | 0                        | 0                               | 0   | 1,073,479                    | 3,578,263                                  |
| Deferred Revenue - Delinquent Property Taxes | 0                     | 54,179                         | 0                | 0                        | 0                               | 0   | 23,373                       | 77,552                                     |
| Other Deferred Revenues                      | 0                     | 23,740                         | 0                | 0                        | 0                               | 0   | 185,830                      | 209,570                                    |
| <b>Total Liabilities</b>                     | <b>\$ 32,922</b>      | <b>\$ 2,733,404</b>            | <b>\$ 5,958</b>  | <b>\$ 18,645</b>         | <b>\$ 0</b>                     | <b>\$ 2,489</b>                           | <b>\$ 1,283,751</b>          | <b>\$ 4,077,169</b>                        |
| <u>Fund Balances</u>                         |                       |                                |                  |                          |                                 |   |                              |  |
| Reserved for Encumbrances                    | \$ 0                  | \$ 854                         | \$ 0             | \$ 0                     | \$ 0                            | \$ 0                                      | \$ 0                         | \$ 854                                     |
| Reserved for Other General Purposes          | 97,155                | 0                              | 0                | 0                        | 0                               | 0   | 0                            | 97,155                                     |
| Unreserved                                   | 68,097                | 1,293,882                      | 63,960           | 53,553                   | 2,394                           | 0   | 1,182,460                    | 2,664,346                                  |
| <b>Total Fund Balances</b>                   | <b>\$ 165,252</b>     | <b>\$ 1,294,736</b>            | <b>\$ 63,960</b> | <b>\$ 53,553</b>         | <b>\$ 2,394</b>                 | <b>\$ 0</b>                               | <b>\$ 1,182,460</b>          | <b>\$ 2,762,355</b>                        |
| <b>Total Liabilities and Fund Balances</b>   | <b>\$ 198,174</b>     | <b>\$ 4,028,140</b>            | <b>\$ 69,918</b> | <b>\$ 72,198</b>         | <b>\$ 2,394</b>                 | <b>\$ 2,489</b>                           | <b>\$ 2,466,211</b>          | <b>\$ 6,839,524</b>                        |

Exhibit G-2

Putnam County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2007

|   | Special Revenue Funds |                          |              |                       |                           |
|---|-----------------------|--------------------------|--------------|-----------------------|---------------------------|
|   | Public Library        | Solid Waste / Sanitation | Drug Control | Sports and Recreation | District Attorney General |
| <u>Revenues</u>                                   |                       |                          |              |                       |                           |
| Local Taxes                                       | \$ 0                  | \$ 2,517,518             | \$ 0         | \$ 53,100             | \$ 0                      |
| Fines, Forfeitures, and Penalties                 | 0                     | 0                        | 36,125       | 0                     | 16,740                    |
| Charges for Current Services                      | 38,928                | 750,777                  | 0            | 95,304                | 0                         |
| Other Local Revenues                              | 6,527                 | 354,417                  | 1,111        | 45,292                | 1,400                     |
| State of Tennessee                                | 0                     | 42,273                   | 1,606        | 0                     | 0                         |
| Other Governments and Citizens Groups             | 528,181               | 0                        | 0            | 21,920                | 0                         |
| Total Revenues                                    | \$ 573,636            | \$ 3,664,985             | \$ 38,842    | \$ 215,616            | \$ 18,140                 |
| <u>Expenditures</u>                               |                       |                          |              |                       |                           |
| Current:  |                       |                          |              |                       |                           |
| General Government                                | \$ 0                  | \$ 0                     | \$ 0         | \$ 0                  | \$ 0                      |
| Finance   | 0                     | 0                        | 0            | 0                     | 0                         |
| Administration of Justice                         | 0                     | 0                        | 0            | 0                     | 0                         |
| Public Safety                                     | 0                     | 0                        | 69,871       | 0                     | 18,069                    |
| Public Health and Welfare                         | 0                     | 3,412,346                | 0            | 0                     | 0                         |
| Social, Cultural, and Recreational Services       | 1,000,728             | 0                        | 0            | 937,708               | 0                         |
| Other Operations                                  | 0                     | 56,649                   | 0            | 0                     | 0                         |
| Highways  | 0                     | 0                        | 0            | 0                     | 0                         |
| Capital Projects - Donated                        | 0                     | 0                        | 0            | 0                     | 0                         |
| Total Expenditures                                | \$ 1,000,728          | \$ 3,468,995             | \$ 69,871    | \$ 937,708            | \$ 18,069                 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (427,092)          | \$ 195,990               | \$ (31,029)  | \$ (722,092)          | \$ 71                     |
| <u>Other Financing Sources (Uses)</u>             |                       |                          |              |                       |                           |
| Other Loans Issued                                | \$ 0                  | \$ 0                     | \$ 0         | \$ 0                  | \$ 0                      |
| Insurance Recovery                                | 0                     | 0                        | 0            | 0                     | 0                         |
| Transfers In                                      | 339,600               | 0                        | 0            | 712,850               | 0                         |
| Total Other Financing Sources (Uses)              | \$ 339,600            | \$ 0                     | \$ 0         | \$ 712,850            | \$ 0                      |
| Net Change in Fund Balances                       | \$ (87,492)           | \$ 195,990               | \$ (31,029)  | \$ (9,242)            | \$ 71                     |
| Fund Balance, July 1, 2006                        | 252,744               | 1,098,746                | 94,989       | 62,795                | 2,323                     |
| Fund Balance, June 30, 2007                       | \$ 165,252            | \$ 1,294,736             | \$ 63,960    | \$ 53,553             | \$ 2,394                  |

(Continued)

Exhibit G-2

Putnam County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Cont.)

|  | <u>Special Revenue Funds (Cont.)</u> |                  |              | <u>Capital</u>  | <u>Total</u>        |
|--|--------------------------------------|------------------|--------------|-----------------|---------------------|
|  | <u>Constitu-</u>                     | <u>Highway /</u> | <u>Total</u> | <u>Projects</u> |                     |
|  | <u>Officers -</u>                    | <u>Public</u>    |              |                 | <u>Education</u>    |
|  | <u>Fees</u>                          | <u>Works</u>     |              | <u>Capital</u>  | <u>Governmental</u> |
|  |                                      |                  |              | <u>Projects</u> | <u>Funds</u>        |
| <u>Revenues</u>                                      |                                      |                  |              |                 |                     |
| Local Taxes  | \$ 0                                 | \$ 1,300,414     | \$ 3,871,032 | \$ 0            | \$ 3,871,032        |
| Fines, Forfeitures, and Penalties                    | 0                                    | 0                | 52,865       | 0               | 52,865              |
| Charges for Current Services                         | 18,940                               | 0                | 903,949      | 0               | 903,949             |
| Other Local Revenues                                 | 0                                    | 5,064            | 413,811      | 0               | 413,811             |
| State of Tennessee                                   | 0                                    | 2,186,694        | 2,230,573    | 0               | 2,230,573           |
| Other Governments and Citizens Groups                | 0                                    | 0                | 550,101      | 0               | 550,101             |
| Total Revenues                                       | \$ 18,940                            | \$ 3,492,172     | \$ 8,022,331 | \$ 0            | \$ 8,022,331        |
| <u>Expenditures</u>                                  |                                      |                  |              |                 |                     |
| Current:   |                                      |                  |              |                 |                     |
| General Government                                   | \$ 14                                | \$ 0             | \$ 14        | \$ 0            | \$ 14               |
| Finance  | 152                                  | 0                | 152          | 0               | 152                 |
| Administration of Justice                            | 18,712                               | 0                | 18,712       | 0               | 18,712              |
| Public Safety  | 62                                   | 0                | 88,002       | 0               | 88,002              |
| Public Health and Welfare                            | 0                                    | 0                | 3,412,346    | 0               | 3,412,346           |
| Social, Cultural, and Recreational Services          | 0                                    | 0                | 1,938,436    | 0               | 1,938,436           |
| Other Operations                                     | 0                                    | 0                | 56,649       | 0               | 56,649              |
| Highways   | 0                                    | 3,428,785        | 3,428,785    | 0               | 3,428,785           |
| Capital Projects - Donated                           | 0                                    | 0                | 0            | 27,187          | 27,187              |
| Total Expenditures                                   | \$ 18,940                            | \$ 3,428,785     | \$ 8,943,096 | \$ 27,187       | \$ 8,970,283        |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 0                                 | \$ 63,387        | \$ (920,765) | \$ (27,187)     | \$ (947,952)        |
| <u>Other Financing Sources (Uses)</u>                |                                      |                  |              |                 |                     |
| Other Loans Issued                                   | \$ 0                                 | \$ 0             | \$ 0         | \$ 27,187       | \$ 27,187           |
| Insurance Recovery                                   | 0                                    | 3,775            | 3,775        | 0               | 3,775               |
| Transfers In   | 0                                    | 0                | 1,052,450    | 0               | 1,052,450           |
| Total Other Financing Sources (Uses)                 | \$ 0                                 | \$ 3,775         | \$ 1,056,225 | \$ 27,187       | \$ 1,083,412        |
| Net Change in Fund Balances                          | \$ 0                                 | \$ 67,162        | \$ 135,460   | \$ 0            | \$ 135,460          |
| Fund Balance, July 1, 2006                           | 0                                    | 1,115,298        | 2,626,895    | 0               | 2,626,895           |
| Fund Balance, June 30, 2007                          | \$ 0                                 | \$ 1,182,460     | \$ 2,762,355 | \$ 0            | \$ 2,762,355        |

Exhibit G-3

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Public Library Fund  
For the Year Ended June 30, 2007

|  | Actual              | Budgeted Amounts    |                     | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
|  |                     | Original            | Final               |  |
| <u>Revenues</u>                                    |                     |                     |                     |  |
| Charges for Current Services                       | \$ 38,928           | \$ 47,500           | \$ 38,928           | \$ 0   |
| Other Local Revenues                               | 6,527               | 2,563               | 5,373               | 1,154  |
| Other Governments and Citizens Groups              | 528,181             | 469,106             | 469,106             | 59,075   |
| Total Revenues                                     | <u>\$ 573,636</u>   | <u>\$ 519,169</u>   | <u>\$ 513,407</u>   | <u>\$ 60,229</u>                                 |
| <u>Expenditures</u>                                |                     |                     |                     |  |
| <u>Social, Cultural, and Recreational Services</u> |                     |                     |                     |  |
| Libraries  | \$ 1,000,728        | \$ 861,640          | \$ 853,115          | \$ (147,613)                                     |
| Total Expenditures                                 | <u>\$ 1,000,728</u> | <u>\$ 861,640</u>   | <u>\$ 853,115</u>   | <u>\$ (147,613)</u>                              |
| Excess (Deficiency) of Revenues Over Expenditures  | <u>\$ (427,092)</u> | <u>\$ (342,471)</u> | <u>\$ (339,708)</u> | <u>\$ (87,384)</u>                               |
| <u>Other Financing Sources (Uses)</u>              |                     |                     |                     |  |
| Transfers In                                       | \$ 339,600          | \$ 339,600          | \$ 339,600          | \$ 0   |
| Total Other Financing Sources (Uses)               | <u>\$ 339,600</u>   | <u>\$ 339,600</u>   | <u>\$ 339,600</u>   | <u>\$ 0</u>                                      |
| Net Change in Fund Balance                         | \$ (87,492)         | \$ (2,871)          | \$ (108)            | \$ (87,384)                                      |
| Fund Balance, July 1, 2006                         | <u>252,744</u>      | <u>252,744</u>      | <u>252,744</u>      | <u>0</u>   |
| Fund Balance, June 30, 2007                        | <u>\$ 165,252</u>   | <u>\$ 249,873</u>   | <u>\$ 252,636</u>   | <u>\$ (87,384)</u>                               |

Exhibit G-4

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2007

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2006 | Add:<br>Encumbrances<br>6/30/2007 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                  |              |  |
| Local Taxes  | \$ 2,517,518              | \$ 0                              | \$ 0                              | \$ 2,517,518  | \$ 2,475,560     | \$ 2,475,560 | \$ 41,958  |
| Charges for Current Services                         | 750,777                   | 0                                 | 0                                 | 750,777   | 670,000          | 670,000      | 80,777   |
| Other Local Revenues                                 | 354,417                   | 0                                 | 0                                 | 354,417   | 245,000          | 251,771      | 102,646  |
| State of Tennessee                                   | 42,273                    | 0                                 | 0                                 | 42,273  | 20,000           | 20,000       | 22,273   |
| Total Revenues                                       | \$ 3,664,985              | \$ 0                              | \$ 0                              | \$ 3,664,985  | \$ 3,410,560     | \$ 3,417,331 | \$ 247,654   |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                  |              |  |
| <u>Public Health and Welfare</u>                     |                           |                                   |                                   |   |                  |              |  |
| Sanitation Management                                | \$ 2,881,990              | \$ (10,447)                       | \$ 854                            | \$ 2,872,397  | \$ 3,081,673     | \$ 3,088,444 | \$ 216,047   |
| Landfill Operation and Maintenance                   | 52,163                    | 0                                 | 0                                 | 52,163  | 93,500           | 93,500       | 41,337   |
| Other Waste Disposal                                 | 369,984                   | 0                                 | 0                                 | 369,984   | 388,838          | 388,838      | 18,854   |
| Postclosure Care Costs                               | 108,209                   | 0                                 | 0                                 | 108,209   | 127,700          | 127,700      | 19,491   |
| <u>Other Operations</u>                              |                           |                                   |                                   |   |                  |              |  |
| Miscellaneous  | 56,649                    | 0                                 | 0                                 | 56,649  | 56,000           | 56,000       | (649)  |
| Total Expenditures                                   | \$ 3,468,995              | \$ (10,447)                       | \$ 854                            | \$ 3,459,402  | \$ 3,747,711     | \$ 3,754,482 | \$ 295,080   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 195,990                | \$ 10,447                         | \$ (854)                          | \$ 205,583  | \$ (337,151)     | \$ (337,151) | \$ 542,734   |
| Net Change in Fund Balance                           | \$ 195,990                | \$ 10,447                         | \$ (854)                          | \$ 205,583  | \$ (337,151)     | \$ (337,151) | \$ 542,734   |
| Fund Balance, July 1, 2006                           | 1,098,746                 | (10,447)                          | 0                                 | 1,088,299   | 1,084,107        | 1,084,107    | 4,192  |
| Fund Balance, June 30, 2007                          | \$ 1,294,736              | \$ 0                              | \$ (854)                          | \$ 1,293,882  | \$ 746,956       | \$ 746,956   | \$ 546,926   |

Exhibit G-5

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2007

|  | Actual             | Budgeted Amounts   |                    | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|--------------------|--------------------|--------------------|--|
|  |                    | Original           | Final              |  |
| <u>Revenues</u>                                      |                    |                    |                    |  |
| Fines, Forfeitures, and Penalties                    | \$ 36,125          | \$ 28,700          | \$ 28,700          | \$ 7,425   |
| Other Local Revenues                                 | 1,111              | 0                  | 0                  | 1,111  |
| State of Tennessee                                   | 1,606              | 0                  | 0                  | 1,606  |
| Total Revenues                                       | <u>\$ 38,842</u>   | <u>\$ 28,700</u>   | <u>\$ 28,700</u>   | <u>\$ 10,142</u>   |
| <u>Expenditures</u>                                  |                    |                    |                    |  |
| <u>Public Safety</u>                                 |                    |                    |                    |  |
| Sheriff's Department                                 | \$ 11,903          | \$ 11,903          | \$ 11,903          | \$ 0   |
| Drug Enforcement                                     | 57,968             | 34,000             | 64,925             | 6,957  |
| Total Expenditures                                   | <u>\$ 69,871</u>   | <u>\$ 45,903</u>   | <u>\$ 76,828</u>   | <u>\$ 6,957</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ (31,029)</u> | <u>\$ (17,203)</u> | <u>\$ (48,128)</u> | <u>\$ 17,099</u>   |
| Net Change in Fund Balance                           | \$ (31,029)        | \$ (17,203)        | \$ (48,128)        | \$ 17,099  |
| Fund Balance, July 1, 2006                           | <u>94,989</u>      | <u>94,989</u>      | <u>94,989</u>      | <u>0</u>   |
| Fund Balance, June 30, 2007                          | <u>\$ 63,960</u>   | <u>\$ 77,786</u>   | <u>\$ 46,861</u>   | <u>\$ 17,099</u>   |

Exhibit G-6

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Sports and Recreation Fund  
For the Year Ended June 30, 2007

|  | Actual              | Budgeted Amounts    |                     | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|--|
|  |                     | Original            | Final               |  |
| <u>Revenues</u>                                      |                     |                     |                     |  |
| Local Taxes  | \$ 53,100           | \$ 53,100           | \$ 53,100           | \$ 0   |
| Charges for Current Services                         | 95,304              | 96,000              | 96,000              | (696)  |
| Other Local Revenues                                 | 45,292              | 48,350              | 48,350              | (3,058)  |
| Other Governments and Citizens Groups                | 21,920              | 20,600              | 20,600              | 1,320  |
| Total Revenues                                       | <u>\$ 215,616</u>   | <u>\$ 218,050</u>   | <u>\$ 218,050</u>   | <u>\$ (2,434)</u>  |
| <u>Expenditures</u>                                  |                     |                     |                     |  |
| <u>Social, Cultural, and Recreational Services</u>   |                     |                     |                     |  |
| Parks and Fair Boards                                | \$ 937,708          | \$ 940,900          | \$ 940,900          | \$ 3,192   |
| Total Expenditures                                   | <u>\$ 937,708</u>   | <u>\$ 940,900</u>   | <u>\$ 940,900</u>   | <u>\$ 3,192</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ (722,092)</u> | <u>\$ (722,850)</u> | <u>\$ (722,850)</u> | <u>\$ 758</u>  |
| <u>Other Financing Sources (Uses)</u>                |                     |                     |                     |  |
| Transfers In   | \$ 712,850          | \$ 712,850          | \$ 712,850          | \$ 0   |
| Total Other Financing Sources (Uses)                 | <u>\$ 712,850</u>   | <u>\$ 712,850</u>   | <u>\$ 712,850</u>   | <u>\$ 0</u>  |
| Net Change in Fund Balance                           | \$ (9,242)          | \$ (10,000)         | \$ (10,000)         | \$ 758   |
| Fund Balance, July 1, 2006                           | <u>62,795</u>       | <u>62,975</u>       | <u>62,975</u>       | <u>(180)</u>   |
| Fund Balance, June 30, 2007                          | <u>\$ 53,553</u>    | <u>\$ 52,975</u>    | <u>\$ 52,975</u>    | <u>\$ 578</u>  |

Exhibit G-7

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2007

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2006 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts    |                     | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|---|---------------------|---------------------|--|
|  |                           |                                   |   | Original            | Final               |  |
| <u>Revenues</u>                                      |                           |                                   |   |                     |                     |  |
| Local Taxes  | \$ 1,300,414              | \$ 0                              | \$ 1,300,414  | \$ 1,306,740        | \$ 1,306,740        | \$ (6,326)   |
| Other Local Revenues                                 | 5,064                     | 0                                 | 5,064   | 3,000               | 3,000               | 2,064  |
| State of Tennessee                                   | 2,186,694                 | 0                                 | 2,186,694   | 2,672,125           | 2,672,125           | (485,431)  |
| Total Revenues                                       | <u>\$ 3,492,172</u>       | <u>\$ 0</u>                       | <u>\$ 3,492,172</u>   | <u>\$ 3,981,865</u> | <u>\$ 3,981,865</u> | <u>\$ (489,693)</u>  |
| <u>Expenditures</u>                                  |                           |                                   |   |                     |                     |  |
| <u>Highways</u>                                      |                           |                                   |   |                     |                     |  |
| Administration                                       | \$ 255,461                | \$ 0                              | \$ 255,461  | \$ 260,079          | \$ 260,079          | \$ 4,618   |
| Highway and Bridge Maintenance                       | 2,195,883                 | 0                                 | 2,195,883   | 2,375,102           | 2,375,102           | 179,219  |
| Operation and Maintenance of Equipment               | 268,601                   | 0                                 | 268,601   | 325,263             | 325,263             | 56,662   |
| Other Charges  | 180,078                   | 0                                 | 180,078   | 186,161             | 186,161             | 6,083  |
| Capital Outlay                                       | 528,762                   | (169,470)                         | 359,292   | 997,720             | 997,720             | 638,428  |
| Total Expenditures                                   | <u>\$ 3,428,785</u>       | <u>\$ (169,470)</u>               | <u>\$ 3,259,315</u>   | <u>\$ 4,144,325</u> | <u>\$ 4,144,325</u> | <u>\$ 885,010</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 63,387</u>          | <u>\$ 169,470</u>                 | <u>\$ 232,857</u>   | <u>\$ (162,460)</u> | <u>\$ (162,460)</u> | <u>\$ 395,317</u>  |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |   |                     |                     |  |
| Insurance Recovery                                   | \$ 3,775                  | \$ 0                              | \$ 3,775  | \$ 0                | \$ 0                | \$ 3,775   |
| Total Other Financing Sources (Uses)                 | <u>\$ 3,775</u>           | <u>\$ 0</u>                       | <u>\$ 3,775</u>   | <u>\$ 0</u>         | <u>\$ 0</u>         | <u>\$ 3,775</u>  |
| Net Change in Fund Balance                           | \$ 67,162                 | \$ 169,470                        | \$ 236,632  | \$ (162,460)        | \$ (162,460)        | \$ 399,092   |
| Fund Balance, July 1, 2006                           | 1,115,298                 | (169,470)                         | 945,828   | 884,512             | 884,512             | 61,316   |
| Fund Balance, June 30, 2007                          | <u>\$ 1,182,460</u>       | <u>\$ 0</u>                       | <u>\$ 1,182,460</u>   | <u>\$ 722,052</u>   | <u>\$ 722,052</u>   | <u>\$ 460,408</u>  |

# Major Governmental Funds

## Debt Service Fund

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Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

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General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

## Capital Projects Fund

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Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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General Capital Projects Fund – The General Capital Projects Fund is used to account for bond proceeds and property taxes for the construction and renovation of various county buildings.

Exhibit H-1

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2007

|  | Actual               | Budgeted Amounts      |                       | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|----------------------|-----------------------|-----------------------|--|
|  |                      | Original              | Final                 |  |
| <u>Revenues</u>                                      |                      |                       |                       |  |
| Local Taxes  | \$ 8,944,384         | \$ 8,400,056          | \$ 8,400,056          | \$ 544,328   |
| Other Local Revenues                                 | 1,005,083            | 440,051               | 440,051               | 565,032  |
| Total Revenues                                       | <u>\$ 9,949,467</u>  | <u>\$ 8,840,107</u>   | <u>\$ 8,840,107</u>   | <u>\$ 1,109,360</u>  |
| <u>Expenditures</u>                                  |                      |                       |                       |  |
| <u>Principal on Debt</u>                             |                      |                       |                       |  |
| Education  | \$ 4,140,000         | \$ 4,140,000          | \$ 4,140,000          | \$ 0   |
| <u>Interest on Debt</u>                              |                      |                       |                       |  |
| Education  | 3,834,240            | 4,062,415             | 4,014,124             | 179,884  |
| <u>Other Debt Service</u>                            |                      |                       |                       |  |
| Education  | 168,905              | 165,000               | 186,104               | 17,199   |
| Total Expenditures                                   | <u>\$ 8,143,145</u>  | <u>\$ 8,367,415</u>   | <u>\$ 8,340,228</u>   | <u>\$ 197,083</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 1,806,322</u>  | <u>\$ 472,692</u>     | <u>\$ 499,879</u>     | <u>\$ 1,306,443</u>  |
| <u>Other Financing Sources (Uses)</u>                |                      |                       |                       |  |
| Refunding Debt Issued                                | \$ 9,545,000         | \$ 0                  | \$ 9,545,000          | \$ 0   |
| Premiums on Debt Issued                              | 290,217              | 0                     | 290,217               | 0  |
| Transfers In   | 0                    | 729,444               | 729,444               | (729,444)  |
| Transfers Out  | 0                    | (6,390,051)           | (6,390,051)           | 6,390,051  |
| Payments to Refunded Debt Escrow Agent               | (10,011,279)         | 0                     | (10,011,279)          | 0  |
| Total Other Financing Sources (Uses)                 | <u>\$ (176,062)</u>  | <u>\$ (5,660,607)</u> | <u>\$ (5,836,669)</u> | <u>\$ 5,660,607</u>  |
| Net Change in Fund Balance                           | \$ 1,630,260         | \$ (5,187,915)        | \$ (5,336,790)        | \$ 6,967,050   |
| Fund Balance, July 1, 2006                           | <u>16,247,409</u>    | <u>16,244,737</u>     | <u>16,244,737</u>     | <u>2,672</u>   |
| Fund Balance, June 30, 2007                          | <u>\$ 17,877,669</u> | <u>\$ 11,056,822</u>  | <u>\$ 10,907,947</u>  | <u>\$ 6,969,722</u>  |

Exhibit H-2

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Capital Projects Fund  
For the Year Ended June 30, 2007

|  | Actual               | Budgeted Amounts  |                      | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|----------------------|-------------------|----------------------|--|
|  |                      | Original          | Final                |  |
| <u>Revenues</u>                                      |                      |                   |                      |  |
| Local Taxes  | \$ 230,002           | \$ 223,720        | \$ 223,720           | \$ 6,282   |
| Other Local Revenues                                 | 72,231               | 0                 | 0                    | 72,231   |
| Total Revenues                                       | <u>\$ 302,233</u>    | <u>\$ 223,720</u> | <u>\$ 223,720</u>    | <u>\$ 78,513</u>   |
| <u>Expenditures</u>                                  |                      |                   |                      |  |
| <u>Public Health and Welfare</u>                     |                      |                   |                      |  |
| Local Health Center                                  | \$ 6,440             | \$ 0              | \$ 7,000             | \$ 560   |
| Ambulance/Emergency Medical Services                 | 5,815                | 0                 | 7,000                | 1,185  |
| <u>Other Operations</u>                              |                      |                   |                      |  |
| Miscellaneous  | 4,546                | 0                 | 6,318                | 1,772  |
| <u>Other Debt Service</u>                            |                      |                   |                      |  |
| General Government                                   | 237,658              | 0                 | 237,658              | 0  |
| <u>Capital Projects - Donated</u>                    |                      |                   |                      |  |
| Capital Projects Donated to School Department        | 182,180              | 0                 | 182,180              | 0  |
| Total Expenditures                                   | <u>\$ 436,639</u>    | <u>\$ 0</u>       | <u>\$ 440,156</u>    | <u>\$ 3,517</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ (134,406)</u>  | <u>\$ 223,720</u> | <u>\$ (216,436)</u>  | <u>\$ 82,030</u>   |
| <u>Other Financing Sources (Uses)</u>                |                      |                   |                      |  |
| Bonds Issued   | \$ 16,000,000        | \$ 0              | \$ 16,000,000        | \$ 0   |
| Premiums on Debt Issued                              | 65,216               | 0                 | 65,216               | 0  |
| Total Other Financing Sources (Uses)                 | <u>\$ 16,065,216</u> | <u>\$ 0</u>       | <u>\$ 16,065,216</u> | <u>\$ 0</u>  |
| Net Change in Fund Balance                           | \$ 15,930,810        | \$ 223,720        | \$ 15,848,780        | \$ 82,030  |
| Fund Balance, July 1, 2006                           | <u>0</u>             | <u>0</u>          | <u>0</u>             | <u>0</u>   |
| Fund Balance, June 30, 2007                          | <u>\$ 15,930,810</u> | <u>\$ 223,720</u> | <u>\$ 15,848,780</u> | <u>\$ 82,030</u>   |

# Fiduciary Funds

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Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Constitutional Officers - Agency Funds – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Other Agency Fund – The Other Agency Fund is used to account for transactions of the Methamphetamine Initiative Grant which are held in trust for the benefit of the Sixth Congressional District.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues which are held in trust for the benefit of the Judicial District Drug Task Force.

Exhibit I-1

Putnam County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2007

|                                       | Agency Funds             |   |                  |                              |                     | Total |
|---------------------------------------|--------------------------|---|------------------|------------------------------|---------------------|-------|
|                                       | Cities -<br>Sales<br>Tax | Constitu-<br>tional<br>Officers -<br>Agency | Other<br>Agency  | Judicial<br>District<br>Drug |                     |       |
| <u>ASSETS</u>                         |                          |   |                  |                              |                     |       |
| Equity in Pooled Cash and Investments | \$ 0                     | \$ 0  | \$ 944           | \$ 73,524                    | \$ 74,468           |       |
| Cash                                  | 0                        | 1,446,670                                   | 0                | 0                            | 1,446,670           |       |
| Due from Other Governments            | 2,051,457                | 0   | 24,067           | 8,244                        | 2,083,768           |       |
| Total Assets                          | <u>\$ 2,051,457</u>      | <u>\$ 1,446,670</u>                         | <u>\$ 25,011</u> | <u>\$ 81,768</u>             | <u>\$ 3,604,906</u> |       |
| <u>LIABILITIES</u>                    |                          |   |                  |                              |                     |       |
| Due to Other Taxing Units             | \$ 2,051,457             | \$ 0  | \$ 0             | \$ 0                         | \$ 2,051,457        |       |
| Due to Litigants, Heirs, and Others   | 0                        | 1,446,670                                   | 0                | 0                            | 1,446,670           |       |
| Due to Joint Venture                  | 0                        | 0   | 25,011           | 81,768                       | 106,779             |       |
| Total Liabilities                     | <u>\$ 2,051,457</u>      | <u>\$ 1,446,670</u>                         | <u>\$ 25,011</u> | <u>\$ 81,768</u>             | <u>\$ 3,604,906</u> |       |

Exhibit I-2

Putnam County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2007

|  | Beginning<br>Balance | Additions            | Deductions           | Ending<br>Balance   |
|--|----------------------|----------------------|----------------------|---------------------|
| <u>Cities - Sales Tax Fund</u>               |                      |                      |                      |                     |
| <u>Assets</u>                                |                      |                      |                      |                     |
| Equity in Pooled Cash and Investments        | \$ 0                 | \$ 11,807,193        | \$ 11,807,193        | \$ 0                |
| Due from Other Governments                   | 1,929,536            | 2,051,457            | 1,929,536            | 2,051,457           |
| <b>Total Assets</b>                          | <b>\$ 1,929,536</b>  | <b>\$ 13,858,650</b> | <b>\$ 13,736,729</b> | <b>\$ 2,051,457</b> |
| <u>Liabilities</u>                           |                      |                      |                      |                     |
| Due to Other Taxing Units                    | \$ 1,929,536         | \$ 13,858,650        | \$ 13,736,729        | \$ 2,051,457        |
| <b>Total Liabilities</b>                     | <b>\$ 1,929,536</b>  | <b>\$ 13,858,650</b> | <b>\$ 13,736,729</b> | <b>\$ 2,051,457</b> |
| <u>Constitutional Officers - Agency Fund</u> |                      |                      |                      |                     |
| <u>Assets</u>                                |                      |                      |                      |                     |
| Cash   | \$ 1,944,322         | \$ 24,528,418        | \$ 25,026,070        | \$ 1,446,670        |
| Accounts Receivable                          | 288                  | 0                    | 288                  | 0                   |
| <b>Total Assets</b>                          | <b>\$ 1,944,610</b>  | <b>\$ 24,528,418</b> | <b>\$ 25,026,358</b> | <b>\$ 1,446,670</b> |
| <u>Liabilities</u>                           |                      |                      |                      |                     |
| Due to Litigants, Heirs, and Others          | \$ 1,944,610         | \$ 24,528,418        | \$ 25,026,358        | \$ 1,446,670        |
| <b>Total Liabilities</b>                     | <b>\$ 1,944,610</b>  | <b>\$ 24,528,418</b> | <b>\$ 25,026,358</b> | <b>\$ 1,446,670</b> |
| <u>Other Agency Fund</u>                     |                      |                      |                      |                     |
| <u>Assets</u>                                |                      |                      |                      |                     |
| Equity in Pooled Cash and Investments        | \$ 10,308            | \$ 206,006           | \$ 215,370           | \$ 944              |
| Due from Other Governments                   | 12,935               | 24,067               | 12,935               | 24,067              |
| <b>Total Assets</b>                          | <b>\$ 23,243</b>     | <b>\$ 230,073</b>    | <b>\$ 228,305</b>    | <b>\$ 25,011</b>    |
| <u>Liabilities</u>                           |                      |                      |                      |                     |
| Due to Joint Ventures                        | \$ 23,243            | \$ 230,073           | \$ 228,305           | \$ 25,011           |
| <b>Total Liabilities</b>                     | <b>\$ 23,243</b>     | <b>\$ 230,073</b>    | <b>\$ 228,305</b>    | <b>\$ 25,011</b>    |
| <u>Judicial District Drug Fund</u>           |                      |                      |                      |                     |
| <u>Assets</u>                                |                      |                      |                      |                     |
| Equity in Pooled Cash and Investments        | \$ 31,760            | \$ 216,226           | \$ 174,462           | \$ 73,524           |
| Due from Other Governments                   | 19,220               | 8,244                | 19,220               | 8,244               |
| <b>Total Assets</b>                          | <b>\$ 50,980</b>     | <b>\$ 224,470</b>    | <b>\$ 193,682</b>    | <b>\$ 81,768</b>    |
| <u>Liabilities</u>                           |                      |                      |                      |                     |
| Due to Joint Ventures                        | \$ 50,980            | \$ 224,470           | \$ 193,682           | \$ 81,768           |
| <b>Total Liabilities</b>                     | <b>\$ 50,980</b>     | <b>\$ 224,470</b>    | <b>\$ 193,682</b>    | <b>\$ 81,768</b>    |

(Continued)

Exhibit I-2

Putnam County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds (Cont.)

|                                       | Beginning<br>Balance | Additions            | Deductions           | Ending<br>Balance   |
|---------------------------------------|----------------------|----------------------|----------------------|---------------------|
| <u>Totals - All Agency Funds</u>      |                      |                      |                      |                     |
| <u>Assets</u>                         |                      |                      |                      |                     |
| Equity in Pooled Cash and Investments | \$ 42,068            | \$ 12,229,425        | \$ 12,197,025        | \$ 74,468           |
| Cash                                  | 1,944,322            | 24,528,418           | 25,026,070           | 1,446,670           |
| Accounts Receivable                   | 288                  | 0                    | 288                  | 0                   |
| Due from Other Governments            | 1,961,691            | 2,083,768            | 1,961,691            | 2,083,768           |
| Total Assets                          | <u>\$ 3,948,369</u>  | <u>\$ 38,841,611</u> | <u>\$ 39,185,074</u> | <u>\$ 3,604,906</u> |
| <u>Liabilities</u>                    |                      |                      |                      |                     |
| Due to Other Taxing Units             | \$ 1,929,536         | \$ 13,858,650        | \$ 13,736,729        | \$ 2,051,457        |
| Due to Litigants, Heirs, and Others   | 1,944,610            | 24,528,418           | 25,026,358           | 1,446,670           |
| Due to Joint Ventures                 | 74,223               | 454,543              | 421,987              | 106,779             |
| Total Liabilities                     | <u>\$ 3,948,369</u>  | <u>\$ 38,841,611</u> | <u>\$ 39,185,074</u> | <u>\$ 3,604,906</u> |

# Putnam County School Department

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This section presents combining and individual fund financial statements for the Putnam County School Department, a discretely presented component unit. The Putnam County School Department uses a General Fund, three Special Revenue Funds, and three Capital Projects Funds.

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General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Extended School Program Fund – The Extended School Program Fund is used to account for the operations of the child-care programs operated within the schools.

General Capital Projects Fund – The General Capital Projects Fund is used to account for insurance proceeds received in relation to the fire at Jere Whitson Elementary School.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for the purchase of property and equipment, along with construction and renovation of buildings and facilities.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for construction and improvements to the Cookeville High School.

Exhibit J-1

Putnam County, Tennessee  
Statement of Activities  
Discretely Presented Putnam County School Department  
For the Year Ended June 30, 2007

| Functions/Programs   | Expenses      | Program Revenues           |   |   | Net (Expense)<br>Revenue and<br>Changes in<br>Net Assets<br>Total<br>Governmental<br>Activities |
|--|---------------|----------------------------|---|---|---|
|  |               | Charges<br>for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions |   |
| Component Unit:  |               |                            |   |   |   |
| Governmental Activities:                                     |               |                            |   |   |   |
| Instruction  | \$ 42,926,527 | \$ 0                       | \$ 3,819,141                                | \$ 90,647                                 | \$ (39,016,739)   |
| Support Services   | 23,593,093    | 261,417                    | 969,900                                     | 324,019                                   | (22,037,757)  |
| Operation of Non-Instructional Services                      | 7,628,973     | 2,598,478                  | 4,870,911                                   | 372,153                                   | 212,569   |
| Total Governmental Activities                                | \$ 74,148,593 | \$ 2,859,895               | \$ 9,659,952                                | \$ 786,819                                | \$ (60,841,927)   |
| General Revenues:  |               |                            |   |   |   |
| Taxes:   |               |                            |   |   |   |
| Property Taxes Levied for General Purposes                   |               |                            |   |   | \$ 11,009,334   |
| Local Option Sales Taxes                                     |               |                            |   |   | 15,225,749  |
| Other Local Taxes  |               |                            |   |   | 4,904   |
| Grants and Contributions Not Restricted to Specific Programs |               |                            |   |   | 33,182,690  |
| Unrestricted Investment Earnings                             |               |                            |   |   | 7,187   |
| Miscellaneous  |               |                            |   |   | 91,418  |
| Total General Revenues                                       |               |                            |   |   | \$ 59,521,282   |
| Extraordinary Item (1)                                       |               |                            |   |   | \$ 250,000  |
| Change in Net Assets   |               |                            |   |   | \$ (1,070,645)  |
| Net Assets, July 1, 2006                                     |               |                            |   |   | 88,998,601  |
| Net Assets, June 30, 2007                                    |               |                            |   |   | \$ 87,927,956   |

(1) Proceeds from the insurance carrier for the relocation of students and resumption of operations of Jere Whitson Elementary School following a fire on March 17, 2007.

Exhibit J-2

Putnam County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Putnam County School Department  
June 30, 2007

|  | <u>Major Fund</u>            | <u>Nonmajor<br/>Funds</u>           | <u>Total</u>               |
|--|------------------------------|-------------------------------------|----------------------------|
|  | General<br>Purpose<br>School | Other<br>Govern-<br>mental<br>Funds | Govern-<br>mental<br>Funds |
| <u>ASSETS</u>  |                              |                                     |                            |
| Cash   | \$ 0                         | \$ 4,279                            | \$ 4,279                   |
| Equity in Pooled Cash and Investments                | 1,336,190                    | 1,010,310                           | 2,346,500                  |
| Due from Other Governments                           | 3,634,950                    | 795,286                             | 4,430,236                  |
| Due from Other Funds                                 | 16,789                       | 50,018                              | 66,807                     |
| Property Taxes Receivable                            | 11,109,481                   | 0                                   | 11,109,481                 |
| Allowance for Uncollectible Property Taxes           | (428,909)                    | 0                                   | (428,909)                  |
| Notes Receivable - Current                           | 110,759                      | 0                                   | 110,759                    |
| Total Assets   | <u>\$ 15,779,260</u>         | <u>\$ 1,859,893</u>                 | <u>\$ 17,639,153</u>       |
| <u>LIABILITIES AND FUND BALANCES</u>                 |                              |                                     |                            |
| <u>Liabilities</u>                                   |                              |                                     |                            |
| Accounts Payable                                     | \$ 21,150                    | \$ 3,382                            | \$ 24,532                  |
| Accrued Payroll                                      | 703,863                      | 29,202                              | 733,065                    |
| Payroll Deductions Payable                           | 495,471                      | 56,682                              | 552,153                    |
| Due to Other Funds                                   | 50,018                       | 16,789                              | 66,807                     |
| Due to State of Tennessee                            | 1,389                        | 92,477                              | 93,866                     |
| Revenue Anticipation Notes Payable                   | 0                            | 110,759                             | 110,759                    |
| Deferred Revenue - Current Property Taxes            | 10,376,960                   | 0                                   | 10,376,960                 |
| Deferred Revenue - Delinquent Property Taxes         | 270,483                      | 0                                   | 270,483                    |
| Other Deferred Revenues                              | 1,474,385                    | 59,803                              | 1,534,188                  |
| Total Liabilities                                    | <u>\$ 13,393,719</u>         | <u>\$ 369,094</u>                   | <u>\$ 13,762,813</u>       |
| <u>Fund Balances</u>                                 |                              |                                     |                            |
| Reserved for Encumbrances                            | \$ 630,303                   | \$ 256,003                          | \$ 886,306                 |
| Reserved for Driver Education                        | 55,477                       | 0                                   | 55,477                     |
| Reserved for Career Ladder - Extended Contract       | 43,046                       | 0                                   | 43,046                     |
| Reserved for Career Ladder Program                   | 27,379                       | 0                                   | 27,379                     |
| Reserved for Basic Education Program                 | 39,992                       | 0                                   | 39,992                     |
| Reserved for Innovative Education Program Strategies | 0                            | 159,031                             | 159,031                    |
| Other Federal Reserves                               | 0                            | 109,401                             | 109,401                    |
| Unreserved, Reported In:                             |                              |                                     |                            |
| General Fund   | 1,589,344                    | 0                                   | 1,589,344                  |
| Special Revenue Funds                                | 0                            | 855,123                             | 855,123                    |
| Capital Projects Funds                               | 0                            | 111,241                             | 111,241                    |
| Total Fund Balances                                  | <u>\$ 2,385,541</u>          | <u>\$ 1,490,799</u>                 | <u>\$ 3,876,340</u>        |
| Total Liabilities and Fund Balances                  | <u>\$ 15,779,260</u>         | <u>\$ 1,859,893</u>                 | <u>\$ 17,639,153</u>       |

Exhibit J-3

Putnam County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets  
Discretely Presented Putnam County School Department  
June 30, 2007

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

|   |                  |                      |
|---|------------------|----------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit J-2)  |                  | \$ 3,876,340         |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |                  |                      |
| Add: land   | \$ 4,001,382     |                      |
| Add: buildings and improvements net of accumulated depreciation   | 76,778,123       |                      |
| Add: other capital assets net of accumulated depreciation   | <u>1,602,767</u> | 82,382,272           |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.         |                  |                      |
| Less: compensated absences  |                  | (135,327)            |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. |                  | <u>1,804,671</u>     |
| Net assets of governmental activities (Exhibit A)   |                  | <u>\$ 87,927,956</u> |

Exhibit J-4

Putnam County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Putnam County School Department  
For the Year Ended June 30, 2007

|  | <u>Major Fund</u>            | <u>Nonmajor</u><br><u>Funds</u>     |                                |
|--|------------------------------|-------------------------------------|--------------------------------|
|  | General<br>Purpose<br>School | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>Revenues</u>                                      |                              |                                     |                                |
| Local Taxes  | \$ 26,102,266                | \$ 0                                | \$ 26,102,266                  |
| Licenses and Permits                                 | 5,767                        | 0                                   | 5,767                          |
| Charges for Current Services                         | 269,638                      | 2,599,249                           | 2,868,887                      |
| Other Local Revenues                                 | 80,730                       | 34,273                              | 115,003                        |
| State of Tennessee                                   | 34,855,500                   | 53,223                              | 34,908,723                     |
| Federal Government                                   | 591,470                      | 7,470,314                           | 8,061,784                      |
| Other Governments and Citizens Groups                | 208,430                      | 27,187                              | 235,617                        |
| Total Revenues                                       | <u>\$ 62,113,801</u>         | <u>\$ 10,184,246</u>                | <u>\$ 72,298,047</u>           |
| <u>Expenditures</u>                                  |                              |                                     |                                |
| Current:   |                              |                                     |                                |
| Instruction  | \$ 37,870,176                | \$ 3,215,810                        | \$ 41,085,986                  |
| Support Services                                     | 21,455,152                   | 1,920,835                           | 23,375,987                     |
| Operation of Non-Instructional Services              | 2,656,068                    | 4,809,336                           | 7,465,404                      |
| Capital Projects                                     | 0                            | 97,030                              | 97,030                         |
| Total Expenditures                                   | <u>\$ 61,981,396</u>         | <u>\$ 10,043,011</u>                | <u>\$ 72,024,407</u>           |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 132,405</u>            | <u>\$ 141,235</u>                   | <u>\$ 273,640</u>              |
| <u>Other Financing Sources (Uses)</u>                |                              |                                     |                                |
| Insurance Recovery                                   | \$ 0                         | \$ 250,000                          | \$ 250,000                     |
| Transfers In   | 704,974                      | 28,427                              | 733,401                        |
| Transfers Out  | (7,560)                      | (725,841)                           | (733,401)                      |
| Total Other Financing Sources (Uses)                 | <u>\$ 697,414</u>            | <u>\$ (447,414)</u>                 | <u>\$ 250,000</u>              |
| Net Change in Fund Balances                          | \$ 829,819                   | \$ (306,179)                        | \$ 523,640                     |
| Fund Balance, July 1, 2006                           | 1,555,722                    | 1,796,978                           | 3,352,700                      |
| Fund Balance, June 30, 2007                          | <u>\$ 2,385,541</u>          | <u>\$ 1,490,799</u>                 | <u>\$ 3,876,340</u>            |

Exhibit J-5

Putnam County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Putnam County School Department  
For the Year Ended June 30, 2007

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

|  |    |                    |                           |
|--|----|--------------------|---------------------------|
| Net change in fund balances - total governmental funds (Exhibit J-4)   |    | \$                 | 523,640                   |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: |    |                    |                           |
| Less: current year depreciation expense  |    |                    | (1,970,744)               |
| (2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.   |    |                    |                           |
| Add: deferred delinquent property taxes/other deferred June 30, 2007   | \$ | 1,804,671          |                           |
| Less: deferred delinquent property taxes/other deferred June 30, 2006  |    | <u>(1,439,206)</u> | 365,465                   |
| (3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.  |    |                    |                           |
| Change in compensated absences   |    |                    | <u>10,994</u>             |
| Change in net assets of governmental activities (Exhibit B)  |    | \$                 | <u><u>(1,070,645)</u></u> |

Exhibit J-6

Putnam County, Tennessee  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 Discretely Presented Putnam County School Department  
 June 30, 2007

|  | Special Revenue Funds         |                      |                               |                     | Capital Projects Funds         |                                  |                              |                   | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-------------------------------|----------------------|-------------------------------|---------------------|--------------------------------|----------------------------------|------------------------------|-------------------|--|
|  | School<br>Federal<br>Projects | Central<br>Cafeteria | Extended<br>School<br>Program | Total               | General<br>Capital<br>Projects | Education<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total             |  |
| <b>ASSETS</b>  |                               |                      |                               |                     |                                |                                  |                              |                   |  |
| Cash   | \$ 0                          | \$ 4,279             | \$ 0                          | \$ 4,279            | \$ 0                           | \$ 0                             | \$ 0                         | \$ 0              | \$ 4,279                                   |
| Equity in Pooled Cash and Investments                | 159,560                       | 640,626              | 98,693                        | 898,879             | 26,528                         | 55,154                           | 29,749                       | 111,431           | 1,010,310                                  |
| Due from Other Governments                           | 510,924                       | 284,362              | 0                             | 795,286             | 0                              | 0                                | 0                            | 0                 | 795,286                                    |
| Due from Other Funds                                 | 50,018                        | 0                    | 0                             | 50,018              | 0                              | 0                                | 0                            | 0                 | 50,018                                     |
| <b>Total Assets</b>                                  | <b>\$ 720,502</b>             | <b>\$ 929,267</b>    | <b>\$ 98,693</b>              | <b>\$ 1,748,462</b> | <b>\$ 26,528</b>               | <b>\$ 55,154</b>                 | <b>\$ 29,749</b>             | <b>\$ 111,431</b> | <b>\$ 1,859,893</b>                        |
| <b>LIABILITIES AND FUND BALANCES</b>                 |                               |                      |                               |                     |                                |                                  |                              |                   |  |
| <b>Liabilities</b>                                   |                               |                      |                               |                     |                                |                                  |                              |                   |  |
| Accounts Payable                                     | \$ 3,382                      | \$ 0                 | \$ 0                          | \$ 3,382            | \$ 0                           | \$ 0                             | \$ 0                         | \$ 0              | \$ 3,382                                   |
| Accrued Payroll                                      | 29,077                        | 0                    | 125                           | 29,202              | 0                              | 0                                | 0                            | 0                 | 29,202                                     |
| Payroll Deductions Payable                           | 37,850                        | 11,968               | 6,864                         | 56,682              | 0                              | 0                                | 0                            | 0                 | 56,682                                     |
| Due to Other Funds                                   | 16,789                        | 0                    | 0                             | 16,789              | 0                              | 0                                | 0                            | 0                 | 16,789                                     |
| Due to State of Tennessee                            | 92,171                        | 0                    | 306                           | 92,477              | 0                              | 0                                | 0                            | 0                 | 92,477                                     |
| Revenue Anticipation Notes Payable                   | 110,759                       | 0                    | 0                             | 110,759             | 0                              | 0                                | 0                            | 0                 | 110,759                                    |
| Other Deferred Revenues                              | 59,803                        | 0                    | 0                             | 59,803              | 0                              | 0                                | 0                            | 0                 | 59,803                                     |
| <b>Total Liabilities</b>                             | <b>\$ 349,831</b>             | <b>\$ 11,968</b>     | <b>\$ 7,295</b>               | <b>\$ 369,094</b>   | <b>\$ 0</b>                    | <b>\$ 0</b>                      | <b>\$ 0</b>                  | <b>\$ 0</b>       | <b>\$ 369,094</b>                          |
| <b>Fund Balances</b>                                 |                               |                      |                               |                     |                                |                                  |                              |                   |  |
| Reserved for Encumbrances                            | \$ 138,193                    | \$ 111,705           | \$ 5,915                      | \$ 255,813          | \$ 0                           | \$ 0                             | \$ 190                       | \$ 190            | \$ 256,003                                 |
| Reserved for Innovative Education Program Strategies | 159,031                       | 0                    | 0                             | 159,031             | 0                              | 0                                | 0                            | 0                 | 159,031                                    |
| Other Federal Reserves                               | 109,401                       | 0                    | 0                             | 109,401             | 0                              | 0                                | 0                            | 0                 | 109,401                                    |
| Unreserved (Deficit)                                 | (35,954)                      | 805,594              | 85,483                        | 855,123             | 26,528                         | 55,154                           | 29,559                       | 111,241           | 966,364                                    |
| <b>Total Fund Balances</b>                           | <b>\$ 370,671</b>             | <b>\$ 917,299</b>    | <b>\$ 91,398</b>              | <b>\$ 1,379,368</b> | <b>\$ 26,528</b>               | <b>\$ 55,154</b>                 | <b>\$ 29,749</b>             | <b>\$ 111,431</b> | <b>\$ 1,490,799</b>                        |
| <b>Total Liabilities and Fund Balances</b>           | <b>\$ 720,502</b>             | <b>\$ 929,267</b>    | <b>\$ 98,693</b>              | <b>\$ 1,748,462</b> | <b>\$ 26,528</b>               | <b>\$ 55,154</b>                 | <b>\$ 29,749</b>             | <b>\$ 111,431</b> | <b>\$ 1,859,893</b>                        |

Exhibit J-7

Putnam County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Putnam County School Department  
For the Year Ended June 30, 2007

|  | Special Revenue Funds         |                      |                               |                      | Capital Projects Funds         |                                  |                              |                   | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-------------------------------|----------------------|-------------------------------|----------------------|--------------------------------|----------------------------------|------------------------------|-------------------|--|
|  | School<br>Federal<br>Projects | Central<br>Cafeteria | Extended<br>School<br>Program | Total                | General<br>Capital<br>Projects | Education<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total             |  |
| <u>Revenues</u>                                      |                               |                      |                               |                      |                                |                                  |                              |                   |  |
| Charges for Current Services                         | \$ 0                          | \$ 1,804,611         | \$ 794,638                    | \$ 2,599,249         | \$ 0                           | \$ 0                             | \$ 0                         | \$ 0              | \$ 2,599,249                               |
| Other Local Revenues                                 | 0                             | 34,273               | 0                             | 34,273               | 0                              | 0                                | 0                            | 0                 | 34,273                                     |
| State of Tennessee                                   | 0                             | 53,223               | 0                             | 53,223               | 0                              | 0                                | 0                            | 0                 | 53,223                                     |
| Federal Government                                   | 5,128,395                     | 2,341,919            | 0                             | 7,470,314            | 0                              | 0                                | 0                            | 0                 | 7,470,314                                  |
| Other Governments and Citizens Groups                | 0                             | 0                    | 0                             | 0                    | 0                              | 27,187                           | 0                            | 27,187            | 27,187                                     |
| <b>Total Revenues</b>                                | <b>\$ 5,128,395</b>           | <b>\$ 4,234,026</b>  | <b>\$ 794,638</b>             | <b>\$ 10,157,059</b> | <b>\$ 0</b>                    | <b>\$ 27,187</b>                 | <b>\$ 0</b>                  | <b>\$ 27,187</b>  | <b>\$ 10,184,246</b>                       |
| <u>Expenditures</u>                                  |                               |                      |                               |                      |                                |                                  |                              |                   |  |
| Current:   |                               |                      |                               |                      |                                |                                  |                              |                   |  |
| Instruction  | \$ 3,215,810                  | \$ 0                 | \$ 0                          | \$ 3,215,810         | \$ 0                           | \$ 0                             | \$ 0                         | \$ 0              | \$ 3,215,810                               |
| Support Services                                     | 1,920,835                     | 0                    | 0                             | 1,920,835            | 0                              | 0                                | 0                            | 0                 | 1,920,835                                  |
| Operation of Non-Instructional Services              | 181,897                       | 3,807,239            | 820,200                       | 4,809,336            | 0                              | 0                                | 0                            | 0                 | 4,809,336                                  |
| Capital Projects                                     | 0                             | 0                    | 0                             | 0                    | 0                              | 92,736                           | 4,294                        | 97,030            | 97,030                                     |
| <b>Total Expenditures</b>                            | <b>\$ 5,318,542</b>           | <b>\$ 3,807,239</b>  | <b>\$ 820,200</b>             | <b>\$ 9,945,981</b>  | <b>\$ 0</b>                    | <b>\$ 92,736</b>                 | <b>\$ 4,294</b>              | <b>\$ 97,030</b>  | <b>\$ 10,043,011</b>                       |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (190,147)                  | \$ 426,787           | \$ (25,562)                   | \$ 211,078           | \$ 0                           | \$ (65,549)                      | \$ (4,294)                   | \$ (69,843)       | \$ 141,235                                 |
| <u>Other Financing Sources (Uses)</u>                |                               |                      |                               |                      |                                |                                  |                              |                   |  |
| Insurance Recovery                                   | \$ 0                          | \$ 0                 | \$ 0                          | \$ 0                 | \$ 250,000                     | \$ 0                             | \$ 0                         | \$ 250,000        | \$ 250,000                                 |
| Transfers In   | 0                             | 26,846               | 1,581                         | 28,427               | 0                              | 0                                | 0                            | 0                 | 28,427                                     |
| Transfers Out  | (100,252)                     | (402,117)            | 0                             | (502,369)            | (223,472)                      | 0                                | 0                            | (223,472)         | (725,841)                                  |
| <b>Total Other Financing Sources (Uses)</b>          | <b>\$ (100,252)</b>           | <b>\$ (375,271)</b>  | <b>\$ 1,581</b>               | <b>\$ (473,942)</b>  | <b>\$ 26,528</b>               | <b>\$ 0</b>                      | <b>\$ 0</b>                  | <b>\$ 26,528</b>  | <b>\$ (447,414)</b>                        |
| Net Change in Fund Balances                          | \$ (290,399)                  | \$ 51,516            | \$ (23,981)                   | \$ (262,864)         | \$ 26,528                      | \$ (65,549)                      | \$ (4,294)                   | \$ (43,315)       | \$ (306,179)                               |
| Fund Balance, July 1, 2006                           | 661,070                       | 865,783              | 115,379                       | 1,642,232            | 0                              | 120,703                          | 34,043                       | 154,746           | 1,796,978                                  |
| <b>Fund Balance, June 30, 2007</b>                   | <b>\$ 370,671</b>             | <b>\$ 917,299</b>    | <b>\$ 91,398</b>              | <b>\$ 1,379,368</b>  | <b>\$ 26,528</b>               | <b>\$ 55,154</b>                 | <b>\$ 29,749</b>             | <b>\$ 111,431</b> | <b>\$ 1,490,799</b>                        |

Exhibit J-8

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Putnam County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2007

|                                       | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2006 | Add:<br>Encumbrances<br>6/30/2007 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts     |                      | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
|                                       |                           |                                   |                                   |   | Original             | Final                |  |
| <u>Revenues</u>                       |                           |                                   |                                   |   |                      |                      |  |
| Local Taxes                           | \$ 26,102,266             | \$ 0                              | \$ 0                              | \$ 26,102,266   | \$ 25,811,474        | \$ 25,888,885        | \$ 213,381   |
| Licenses and Permits                  | 5,767                     | 0                                 | 0                                 | 5,767   | 6,000                | 6,000                | (233)  |
| Charges for Current Services          | 269,638                   | 0                                 | 0                                 | 269,638   | 254,473              | 270,898              | (1,260)  |
| Other Local Revenues                  | 80,730                    | 0                                 | 0                                 | 80,730  | 68,500               | 70,896               | 9,834  |
| State of Tennessee                    | 34,855,500                | 0                                 | 0                                 | 34,855,500  | 33,631,540           | 34,894,350           | (38,850)   |
| Federal Government                    | 591,470                   | 0                                 | 0                                 | 591,470   | 568,938              | 761,110              | (169,640)  |
| Other Governments and Citizens Groups | 208,430                   | 0                                 | 0                                 | 208,430   | 53,000               | 217,280              | (8,850)  |
| <b>Total Revenues</b>                 | <b>\$ 62,113,801</b>      | <b>\$ 0</b>                       | <b>\$ 0</b>                       | <b>\$ 62,113,801</b>  | <b>\$ 60,393,925</b> | <b>\$ 62,109,419</b> | <b>\$ 4,382</b>  |
| <u>Expenditures</u>                   |                           |                                   |                                   |   |                      |                      |  |
| <u>Instruction</u>                    |                           |                                   |                                   |   |                      |                      |  |
| Regular Instruction Program           | \$ 30,751,391             | \$ (21,480)                       | \$ 137,045                        | \$ 30,866,956   | \$ 31,316,125        | \$ 31,120,753        | \$ 253,797   |
| Alternative Instruction Program       | 399,893                   | (127)                             | 0                                 | 399,766   | 370,355              | 403,597              | 3,831  |
| Special Education Program             | 5,513,309                 | (21,280)                          | 2,912                             | 5,494,941   | 5,334,996            | 5,505,331            | 10,390   |
| Vocational Education Program          | 1,079,029                 | 0                                 | 0                                 | 1,079,029   | 1,060,529            | 1,083,720            | 4,691  |
| Adult Education Program               | 126,554                   | 0                                 | 4,603                             | 131,157   | 165,708              | 158,855              | 27,698   |
| <u>Support Services</u>               |                           |                                   |                                   |   |                      |                      |  |
| Attendance                            | 90,530                    | 0                                 | 0                                 | 90,530  | 95,663               | 92,663               | 2,133  |
| Health Services                       | 627,919                   | 0                                 | 0                                 | 627,919   | 559,915              | 629,203              | 1,284  |
| Other Student Support                 | 1,780,668                 | (258)                             | 2,912                             | 1,783,322   | 1,682,071            | 1,845,092            | 61,770   |
| Regular Instruction Program           | 1,838,181                 | (4,037)                           | 4,966                             | 1,839,110   | 1,836,694            | 1,842,604            | 3,494  |
| Alternative Instruction Program       | 174,032                   | 0                                 | 0                                 | 174,032   | 99,801               | 174,889              | 857  |
| Special Education Program             | 554,309                   | (187)                             | 3,712                             | 557,834   | 510,677              | 563,020              | 5,186  |
| Vocational Education Program          | 105,716                   | 0                                 | 0                                 | 105,716   | 102,146              | 107,138              | 1,422  |
| Adult Programs                        | 125,952                   | (782)                             | 0                                 | 125,170   | 115,972              | 130,557              | 5,387  |
| Board of Education                    | 1,472,267                 | (1,589)                           | 6,350                             | 1,477,028   | 1,412,949            | 1,480,097            | 3,069  |

(Continued)

Exhibit J-8

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented School Department  
General Purpose School Fund (Cont.)

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2006 | Add:<br>Encumbrances<br>6/30/2007 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
|  |                           |                                   |                                   |   | Original         | Final         |  |
| <u>Expenditures (Cont.)</u>                    |                           |                                   |                                   |   |                  |               |  |
| <u>Support Services (Cont.)</u>                |                           |                                   |                                   |   |                  |               |  |
| Director of Schools                            | \$ 499,913                | \$ 0                              | \$ 0                              | \$ 499,913  | \$ 483,954       | \$ 505,496    | \$ 5,583   |
| Office of the Principal                        | 3,635,724                 | 0                                 | 0                                 | 3,635,724   | 3,579,793        | 3,682,911     | 47,187   |
| Fiscal Services                                | 428,087                   | (10,665)                          | 5,883                             | 423,305   | 433,892          | 431,042       | 7,737  |
| Operation of Plant                             | 5,659,825                 | (89,422)                          | 0                                 | 5,570,403   | 5,884,644        | 5,587,126     | 16,723   |
| Maintenance of Plant                           | 1,815,200                 | (30,345)                          | 119,601                           | 1,904,456   | 1,483,854        | 1,907,711     | 3,255  |
| Transportation                                 | 1,827,933                 | (142)                             | 328,803                           | 2,156,594   | 2,195,913        | 2,206,252     | 49,658   |
| Central and Other                              | 818,896                   | (1,165)                           | 2,995                             | 820,726   | 660,982          | 830,494       | 9,768  |
| <u>Operation of Non-Instructional Services</u> |                           |                                   |                                   |   |                  |               |  |
| Food Service                                   | 177,321                   | 0                                 | 0                                 | 177,321   | 171,562          | 177,883       | 562  |
| Community Services                             | 1,118,364                 | (3,882)                           | 7,729                             | 1,122,211   | 122,224          | 1,122,321     | 110  |
| Early Childhood Education                      | 1,360,383                 | (27,504)                          | 2,792                             | 1,335,671   | 1,325,482        | 1,349,123     | 13,452   |
| Total Expenditures                             | \$ 61,981,396             | \$ (212,865)                      | \$ 630,303                        | \$ 62,398,834   | \$ 61,005,901    | \$ 62,937,878 | \$ 539,044   |
| Excess (Deficiency) of Revenues                |                           |                                   |                                   |   |                  |               |  |
| Over Expenditures                              | \$ 132,405                | \$ 212,865                        | \$ (630,303)                      | \$ (285,033)  | \$ (611,976)     | \$ (828,459)  | \$ 543,426   |
| <u>Other Financing Sources (Uses)</u>          |                           |                                   |                                   |   |                  |               |  |
| Transfers In                                   | \$ 704,974                | \$ 0                              | \$ 0                              | \$ 704,974  | \$ 584,230       | \$ 793,156    | \$ (88,182)  |
| Transfers Out                                  | (7,560)                   | 0                                 | 0                                 | (7,560)   | 0                | (7,560)       | 0  |
| Total Other Financing Sources (Uses)           | \$ 697,414                | \$ 0                              | \$ 0                              | \$ 697,414  | \$ 584,230       | \$ 785,596    | \$ (88,182)  |
| Net Change in Fund Balance                     |                           |                                   |                                   |   |                  |               |  |
| Fund Balance, July 1, 2006                     | \$ 829,819                | \$ 212,865                        | \$ (630,303)                      | \$ 412,381  | \$ (27,746)      | \$ (42,863)   | \$ 455,244   |
|  | 1,555,722                 | (212,865)                         | 0                                 | 1,342,857   | 1,927,004        | 1,927,004     | (584,147)  |
| Fund Balance, June 30, 2007                    | \$ 2,385,541              | \$ 0                              | \$ (630,303)                      | \$ 1,755,238  | \$ 1,899,258     | \$ 1,884,141  | \$ (128,903)   |

Exhibit J-9

Putnam County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Discretely Presented Putnam County School Department  
 School Federal Projects Fund  
 For the Year Ended June 30, 2007

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2006 | Add:<br>Encumbrances<br>6/30/2007 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                  |              |  |
| Federal Government                                   | \$ 5,128,395              | \$ 0                              | \$ 0                              | \$ 5,128,395  | \$ 7,098,977     | \$ 7,475,397 | \$ (2,347,002)   |
| Total Revenues                                       | \$ 5,128,395              | \$ 0                              | \$ 0                              | \$ 5,128,395  | \$ 7,098,977     | \$ 7,475,397 | \$ (2,347,002)   |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                  |              |  |
| <u>Instruction</u>                                   |                           |                                   |                                   |   |                  |              |  |
| Regular Instruction Program                          | \$ 1,808,837              | \$ (28,512)                       | \$ 23,125                         | \$ 1,803,450  | \$ 2,798,560     | \$ 2,938,326 | \$ 1,134,876   |
| Special Education Program                            | 1,310,723                 | (1,342)                           | 0                                 | 1,309,381   | 1,455,293        | 1,503,477    | 194,096  |
| Vocational Education Program                         | 96,250                    | (12,384)                          | 15,876                            | 99,742  | 104,588          | 99,460       | (282)  |
| <u>Support Services</u>                              |                           |                                   |                                   |   |                  |              |  |
| Health Services                                      | 71,083                    | 0                                 | 0                                 | 71,083  | 113,714          | 100,306      | 29,223   |
| Other Student Support                                | 97,228                    | 0                                 | 750                               | 97,978  | 139,085          | 131,310      | 33,332   |
| Regular Instruction Program                          | 1,121,385                 | (136,404)                         | 83,852                            | 1,068,833   | 1,387,176        | 1,639,447    | 570,614  |
| Special Education Program                            | 614,389                   | (17,201)                          | 0                                 | 597,188   | 687,976          | 666,544      | 69,356   |
| Vocational Education Program                         | 4,000                     | 0                                 | 0                                 | 4,000   | 6,230            | 4,000        | 0  |
| Transportation                                       | 12,750                    | 0                                 | 0                                 | 12,750  | 20,200           | 20,700       | 7,950  |
| <u>Operation of Non-Instructional Services</u>       |                           |                                   |                                   |   |                  |              |  |
| Community Services                                   | 181,897                   | 0                                 | 14,590                            | 196,487   | 218,379          | 227,674      | 31,187   |
| Total Expenditures                                   | \$ 5,318,542              | \$ (195,843)                      | \$ 138,193                        | \$ 5,260,892  | \$ 6,931,201     | \$ 7,331,244 | \$ 2,070,352   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (190,147)              | \$ 195,843                        | \$ (138,193)                      | \$ (132,497)  | \$ 167,776       | \$ 144,153   | \$ (276,650)   |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                  |              |  |
| Transfers Out  | \$ (100,252)              | \$ 0                              | \$ 0                              | \$ (100,252)  | \$ (167,776)     | \$ (144,153) | \$ 43,901  |
| Total Other Financing Sources (Uses)                 | \$ (100,252)              | \$ 0                              | \$ 0                              | \$ (100,252)  | \$ (167,776)     | \$ (144,153) | \$ 43,901  |
| Net Change in Fund Balance                           | \$ (290,399)              | \$ 195,843                        | \$ (138,193)                      | \$ (232,749)  | \$ 0             | \$ 0         | \$ (232,749)   |
| Fund Balance, July 1, 2006                           | 661,070                   | (195,843)                         | 0                                 | 465,227   | 0                | 0            | 465,227  |
| Fund Balance, June 30, 2007                          | \$ 370,671                | \$ 0                              | \$ (138,193)                      | \$ 232,478  | \$ 0             | \$ 0         | \$ 232,478   |

Exhibit J-10

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Putnam County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2007

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2006 | Add:<br>Encumbrances<br>6/30/2007 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts    |                     | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|---------------------|---------------------|--|
|  |                           |                                   |                                   |   | Original            | Final               |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                     |                     |  |
| Charges for Current Services                         | \$ 1,804,611              | \$ 0                              | \$ 0                              | \$ 1,804,611  | \$ 1,915,996        | \$ 1,915,996        | \$ (111,385)   |
| Other Local Revenues                                 | 34,273                    | 0                                 | 0                                 | 34,273  | 18,400              | 18,400              | 15,873   |
| State of Tennessee                                   | 53,223                    | 0                                 | 0                                 | 53,223  | 53,600              | 53,600              | (377)  |
| Federal Government                                   | 2,341,919                 | 0                                 | 0                                 | 2,341,919   | 2,209,700           | 2,209,700           | 132,219  |
| Total Revenues                                       | <u>\$ 4,234,026</u>       | <u>\$ 0</u>                       | <u>\$ 0</u>                       | <u>\$ 4,234,026</u>   | <u>\$ 4,197,696</u> | <u>\$ 4,197,696</u> | <u>\$ 36,330</u>   |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                     |                     |  |
| <u>Operation of Non-Instructional Services</u>       |                           |                                   |                                   |   |                     |                     |  |
| Food Service   | \$ 3,807,239              | \$ (113,643)                      | \$ 111,705                        | \$ 3,805,301  | \$ 3,777,441        | \$ 3,804,287        | \$ (1,014)   |
| Total Expenditures                                   | <u>\$ 3,807,239</u>       | <u>\$ (113,643)</u>               | <u>\$ 111,705</u>                 | <u>\$ 3,805,301</u>   | <u>\$ 3,777,441</u> | <u>\$ 3,804,287</u> | <u>\$ (1,014)</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 426,787</u>         | <u>\$ 113,643</u>                 | <u>\$ (111,705)</u>               | <u>\$ 428,725</u>   | <u>\$ 420,255</u>   | <u>\$ 393,409</u>   | <u>\$ 35,316</u>   |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                     |                     |  |
| Transfers In   | \$ 26,846                 | \$ 0                              | \$ 0                              | \$ 26,846   | \$ 0                | \$ 26,846           | \$ 0   |
| Transfers Out  | (402,117)                 | 0                                 | 0                                 | (402,117)   | (420,255)           | (420,255)           | 18,138   |
| Total Other Financing Sources (Uses)                 | <u>\$ (375,271)</u>       | <u>\$ 0</u>                       | <u>\$ 0</u>                       | <u>\$ (375,271)</u>   | <u>\$ (420,255)</u> | <u>\$ (393,409)</u> | <u>\$ 18,138</u>   |
| Net Change in Fund Balance                           | \$ 51,516                 | \$ 113,643                        | \$ (111,705)                      | \$ 53,454   | \$ 0                | \$ 0                | \$ 53,454  |
| Fund Balance, July 1, 2006                           | 865,783                   | (113,643)                         | 0                                 | 752,140   | 0                   | 0                   | 752,140  |
| Fund Balance, June 30, 2007                          | <u>\$ 917,299</u>         | <u>\$ 0</u>                       | <u>\$ (111,705)</u>               | <u>\$ 805,594</u>   | <u>\$ 0</u>         | <u>\$ 0</u>         | <u>\$ 805,594</u>  |

Exhibit J-11

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Putnam County School Department  
Extended School Program Fund  
For the Year Ended June 30, 2007

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2006 | Add:<br>Encumbrances<br>6/30/2007 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |             | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|-------------|--|
|  |                           |                                   |                                   |   | Original         | Final       |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                  |             |  |
| Charges for Current Services                         | \$ 794,638                | \$ 0                              | \$ 0                              | \$ 794,638  | \$ 760,514       | \$ 771,514  | \$ 23,124  |
| Total Revenues                                       | \$ 794,638                | \$ 0                              | \$ 0                              | \$ 794,638  | \$ 760,514       | \$ 771,514  | \$ 23,124  |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                  |             |  |
| <u>Operation of Non-Instructional Services</u>       |                           |                                   |                                   |   |                  |             |  |
| Community Services                                   | \$ 820,200                | \$ (7,710)                        | \$ 5,915                          | \$ 818,405  | \$ 760,514       | \$ 821,095  | \$ 2,690   |
| Total Expenditures                                   | \$ 820,200                | \$ (7,710)                        | \$ 5,915                          | \$ 818,405  | \$ 760,514       | \$ 821,095  | \$ 2,690   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (25,562)               | \$ 7,710                          | \$ (5,915)                        | \$ (23,767)   | \$ 0             | \$ (49,581) | \$ 25,814  |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                  |             |  |
| Transfers In   | \$ 1,581                  | \$ 0                              | \$ 0                              | \$ 1,581  | \$ 0             | \$ 1,581    | \$ 0   |
| Total Other Financing Sources (Uses)                 | \$ 1,581                  | \$ 0                              | \$ 0                              | \$ 1,581  | \$ 0             | \$ 1,581    | \$ 0   |
| Net Change in Fund Balance                           | \$ (23,981)               | \$ 7,710                          | \$ (5,915)                        | \$ (22,186)   | \$ 0             | \$ (48,000) | \$ 25,814  |
| Fund Balance, July 1, 2006                           | 115,379                   | (7,710)                           | 0                                 | 107,669   | 102,463          | 102,463     | 5,206  |
| Fund Balance, June 30, 2007                          | \$ 91,398                 | \$ 0                              | \$ (5,915)                        | \$ 85,483   | \$ 102,463       | \$ 54,463   | \$ 31,020  |

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

Putnam County, Tennessee  
Schedule of Changes in Long-term Other Loans and Bonds  
For the Year Ended June 30, 2007

| Description of Indebtedness                      | Original<br>Amount<br>of Issue | Interest<br>Rate | Date<br>of<br>Issue | Last<br>Maturity<br>Date | Outstanding<br>7-1-06 | Issued<br>During<br>Period | Paid and/or<br>Matured<br>During<br>Period | Debt<br>Refunded | Outstanding<br>6-30-07 |
|--|--------------------------------|------------------|---------------------|--------------------------|-----------------------|----------------------------|--|------------------|------------------------|
| <u>OTHER LOANS PAYABLE</u>                       |                                |                  |                     |                          |                       |                            |  |                  |                        |
| <u>Public Building Authority Loan Agreement</u>  |                                |                  |                     |                          |                       |                            |  |                  |                        |
| <u>Payable through General Debt Service Fund</u> |                                |                  |                     |                          |                       |                            |  |                  |                        |
| School Series 2002                               | \$ 9,893,253                   | variable         | 8-19-02             | 10-11-06                 | \$ 9,866,066          | \$ 27,187                  | \$ 0                                       | \$ 9,893,253     | \$ 0                   |
| <u>BONDS PAYABLE</u>                             |                                |                  |                     |                          |                       |                            |  |                  |                        |
| <u>Payable through General Debt Service Fund</u> |                                |                  |                     |                          |                       |                            |  |                  |                        |
| School Refunding                                 | 6,785,000                      | 4 to 4.3 %       | 12-1-1998           | 4-1-13                   | \$ 3,855,000          | \$ 0                       | \$ 495,000                                 | \$ 0             | \$ 3,360,000           |
| School   | 35,100,000                     | 4.85 to 5.5      | 5-18-00             | 8-1-10                   | 1,400,000             | 0                          | 200,000                                    | 0                | 1,200,000              |
| School Refunding                                 | 35,280,000                     | 4.85 to 5.5      | 8-1-01              | 4-1-20                   | 34,130,000            | 0                          | 60,000                                     | 0                | 34,070,000             |
| School Refunding                                 | 30,105,000                     | 3 to 5           | 12-1-02             | 6-30-12                  | 23,490,000            | 0                          | 3,330,000                                  | 0                | 20,160,000             |
| School Refunding                                 | 7,970,000                      | 2.125 to 4       | 8-13-04             | 4-1-19                   | 7,915,000             | 0                          | 55,000                                     | 0                | 7,860,000              |
| School Refunding                                 | 9,545,000                      | 4.5              | 10-11-06            | 10-11-18                 | 0                     | 9,545,000                  | 0  | 0                | 9,545,000              |
| Public Improvement                               | 16,000,000                     | 4.38             | 6-7-07              | 4-1-28                   | 0                     | 16,000,000                 | 0  | 0                | 16,000,000             |
| Total Bonds Payable                              |                                |                  |                     |                          | \$ 70,790,000         | \$ 25,545,000              | \$ 4,140,000                               | \$ 0             | \$ 92,195,000          |

Exhibit K-2

Putnam County, Tennessee  
Schedule of Bond and Interest Requirements by Year

| Year<br>Ending<br>June 30 | Bond<br>Requirements | Interest<br>Requirements | Total<br>Requirements |
|---------------------------|----------------------|--------------------------|-----------------------|
| 2008                      | \$ 4,690,000         | \$ 4,205,150             | \$ 8,895,150          |
| 2009                      | 5,195,000            | 4,122,907                | 9,317,907             |
| 2010                      | 5,605,000            | 3,892,457                | 9,497,457             |
| 2011                      | 6,055,000            | 3,621,847                | 9,676,847             |
| 2012                      | 6,475,000            | 3,336,095                | 9,811,095             |
| 2013                      | 5,550,000            | 3,033,235                | 8,583,235             |
| 2014                      | 5,750,000            | 2,774,388                | 8,524,388             |
| 2015                      | 6,120,000            | 2,500,163                | 8,620,163             |
| 2016                      | 6,735,000            | 2,204,218                | 8,939,218             |
| 2017                      | 7,325,000            | 1,878,881                | 9,203,881             |
| 2018                      | 7,505,000            | 1,526,756                | 9,031,756             |
| 2019                      | 6,945,000            | 1,169,500                | 8,114,500             |
| 2020                      | 6,245,000            | 827,241                  | 7,072,241             |
| 2021                      | 1,500,000            | 515,625                  | 2,015,625             |
| 2022                      | 1,500,000            | 448,125                  | 1,948,125             |
| 2023                      | 1,500,000            | 380,625                  | 1,880,625             |
| 2024                      | 1,500,000            | 318,750                  | 1,818,750             |
| 2025                      | 1,500,000            | 256,875                  | 1,756,875             |
| 2026                      | 1,500,000            | 193,125                  | 1,693,125             |
| 2027                      | 1,500,000            | 129,375                  | 1,629,375             |
| 2028                      | 1,500,000            | 65,625                   | 1,565,625             |
|                           |                      |                          |                       |
| Total                     | \$ 92,195,000        | \$ 37,400,963            | \$ 129,595,963        |

Exhibit K-3

Putnam County, Tennessee  
Schedule of Notes Receivable  
For the Year Ended June 30, 2007

| Description                                 | Debtor                               | Original<br>Amount<br>of Note | Date<br>of<br>Issue | Date<br>of<br>Maturity | Interest<br>Rate | Balance<br>6-30-07  |
|---|--------------------------------------|-------------------------------|---------------------|------------------------|------------------|---------------------|
| <u>Industrial/Economic Development Fund</u> |                                      |                               |                     |                        |                  |                     |
| Land Purchase                               | City of Cookeville                   | \$ 2,452,685                  | 7-28-06             | 4-1-19                 | 5 %              | \$ 1,800,828        |
| <u>General Debt Service Fund</u>            |                                      |                               |                     |                        |                  |                     |
| Land Purchase                               | Industrial/Economic Development Fund | 5,000,000                     | 6-29-07             | 6-29-15                | 0                | <u>4,444,444</u>    |
| Total Notes Receivable                      |                                      |                               |                     |                        |                  | <u>\$ 6,245,272</u> |

Exhibit K-4

Putnam County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Putnam County School Department  
For the Year Ended June 30, 2007

| <u>From Fund</u>  | <u>To Fund</u>          | <u>Purpose</u>                           | <u>Amount</u>       |
|---|-------------------------|--|---------------------|
| <u>Primary Government</u>   |                         |  |                     |
| General   | Public Library          | Funds for operations                     | \$ 339,600          |
| General   | Sports and Recreation   | Funds for operations                     | <u>712,850</u>      |
| Total Transfers Primary Government                                      |                         |  | <u>\$ 1,052,450</u> |
| <u>Discretely Presented Putnam</u><br><u>County School Department</u>   |                         |  |                     |
| School Federal Projects   | General Purpose School  | Indirect costs                           | \$ 100,252          |
| Central Cafeteria   | General Purpose School  | Indirect costs and salary reimbursements | 402,117             |
| General Capital Projects  | General Purpose School  | Insurance proceeds - Jere Whitson fire   | 202,605             |
| General Capital Projects  | Central Cafeteria       | Insurance proceeds - Jere Whitson fire   | 19,286              |
| General Capital Projects  | Extended School Program | Insurance proceeds - Jere Whitson fire   | 1,581               |
| General Purpose School  | Central Cafeteria       | Donations - Jere Whitson fire            | <u>7,560</u>        |
| Total Transfers Discretely Presented<br>Putnam County School Department |                         |  | <u>\$ 733,401</u>   |

Exhibit K-5

Putnam County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Putnam County School Department  
For the Year Ended June 30, 2007

| Official                                       | Authorization for Salary                                      | Salary Paid During Period | Bond      | Surety                          |
|--|---|---------------------------|-----------|---------------------------------|
| County Executive                               | Section 8-24-102, <u>TCA</u> and County Commission            | \$ 74,105 (1)             | \$ 50,000 | Western Surety Company          |
| Road Supervisor                                | Section 8-24-102, <u>TCA</u>                                  | 69,376                    | 100,000   | "                               |
| Director of Schools:                           |   |                           |           |                                 |
| Dr. Michael Martin (7-1-06 through 9-7-06)     | State Board of Education and Putnam County Board of Education | 20,037                    | (5)       |                                 |
| Mike Goolsby (9-8-06 through 3-18-07)          | State Board of Education and Putnam County Board of Education | 53,254                    | (5)       |                                 |
| Dr. Kathleen Airhart (3-19-07 through 6-30-07) | State Board of Education and Putnam County Board of Education | 27,348                    | (5)       |                                 |
| Trustee  | Section 8-24-102, <u>TCA</u>                                  | 63,069                    | 2,300,000 | Ohio Casualty Insurance Company |
| Assessor of Property                           | Section 8-24-102, <u>TCA</u>                                  | 63,069                    | 10,000    | Western Surety Company          |
| County Clerk                                   | Section 8-24-102, <u>TCA</u> , and Probate Court Judge        | 64,829 (2)                | 50,000    | Cincinnati Insurance Company    |
| Circuit and General Sessions Courts Clerk      | Section 8-24-102, <u>TCA</u>                                  | 63,069                    | 60,000    | Western Surety Company          |
| Clerk and Master                               | Section 8-24-102, <u>TCA</u> , and Chancery Court Judge       | 64,701 (3)                | 85,000    | "                               |
| Register:                                      |   |                           |           |                                 |
| Opal Burris (7-1-06 through 8-31-06)           | Section 8-24-102, <u>TCA</u>                                  | 10,511                    | 25,000    | "                               |
| Harold Burris (9-1-06 through 6-30-07)         | Section 8-24-102, <u>TCA</u>                                  | 52,558                    |           |                                 |
| Sheriff  | Section 8-24-102, <u>TCA</u> , and County Commission          | 71,176 (4)                | 25,000    | "                               |
| Employee Blanket Bond Coverage:                |   |                           |           |                                 |
| All County Departments                         |   |                           | 500,000   | Cincinnati Insurance Company    |

- (1) Includes additional appropriation of \$1,261.
- (2) Includes special commissioners fees of \$1,760.
- (3) Includes special commissioners fees of \$1,632.
- (4) Includes payment of \$1,200 for serving as superintendent of the workhouse and a law enforcement training supplement of \$600.
- (5) The director of schools is covered by the \$500,000 employee blanket bond.

Exhibit K-6

Putnam County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2007

|  | Special Revenue Funds |                |                          |                                   |              |                       |
|--|-----------------------|----------------|--------------------------|-----------------------------------|--------------|-----------------------|
|  | General               | Public Library | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control | Sports and Recreation |
| <u>Local Taxes</u>                               |                       |                |                          |                                   |              |                       |
| <u>County Property Taxes</u>                     |                       |                |                          |                                   |              |                       |
| Current Property Tax                             | \$ 8,090,060          | \$ 0           | \$ 2,359,789             | \$ 337,208                        | \$ 0         | \$ 0                  |
| Trustee's Collections - Prior Year               | 273,313               | 0              | 77,808                   | 10,243                            | 0            | 0                     |
| Circuit/Clerk & Master Collections - Prior Years | 169,991               | 0              | 48,452                   | 6,405                             | 0            | 0                     |
| Interest and Penalty                             | 44,565                | 0              | 12,754                   | 1,716                             | 0            | 0                     |
| Payments in-Lieu-of Taxes - T.V.A.               | 1,070                 | 0              | 0                        | 0                                 | 0            | 0                     |
| Payments in-Lieu-of Taxes - Other                | 3,909                 | 0              | 228                      | 32                                | 0            | 0                     |
| <u>County Local Option Taxes</u>                 |                       |                |                          |                                   |              |                       |
| Local Option Sales Tax                           | 0                     | 0              | 0                        | 0                                 | 0            | 0                     |
| Hotel/Motel Tax                                  | 285,807               | 0              | 0                        | 0                                 | 0            | 53,100                |
| Litigation Tax - General                         | 308,302               | 0              | 0                        | 0                                 | 0            | 0                     |
| Litigation Tax - Special Purpose                 | 66,235                | 0              | 0                        | 0                                 | 0            | 0                     |
| Business Tax                                     | 913,278               | 0              | 0                        | 0                                 | 0            | 0                     |
| Mineral Severance Tax                            | 0                     | 0              | 0                        | 0                                 | 0            | 0                     |
| <u>Statutory Local Taxes</u>                     |                       |                |                          |                                   |              |                       |
| Bank Excise Tax                                  | 63,386                | 0              | 18,487                   | 2,641                             | 0            | 0                     |
| Wholesale Beer Tax                               | 212,170               | 0              | 0                        | 0                                 | 0            | 0                     |
| Interstate Telecommunications Tax                | 10,495                | 0              | 0                        | 0                                 | 0            | 0                     |
| Total Local Taxes                                | \$ 10,442,581         | \$ 0           | \$ 2,517,518             | \$ 358,245                        | \$ 0         | \$ 53,100             |
| <u>Licenses and Permits</u>                      |                       |                |                          |                                   |              |                       |
| <u>Licenses</u>                                  |                       |                |                          |                                   |              |                       |
| Cable TV Franchise                               | \$ 106,341            | \$ 0           | \$ 0                     | \$ 0                              | \$ 0         | \$ 0                  |
| <u>Permits</u>                                   |                       |                |                          |                                   |              |                       |
| Building Permits                                 | 222,520               | 0              | 0                        | 0                                 | 0            | 0                     |
| Electrical Permits                               | 12,728                | 0              | 0                        | 0                                 | 0            | 0                     |
| Plumbing Permits                                 | 20,891                | 0              | 0                        | 0                                 | 0            | 0                     |
| Other Permits                                    | 5,948                 | 0              | 0                        | 0                                 | 0            | 0                     |
| Total Licenses and Permits                       | \$ 368,428            | \$ 0           | \$ 0                     | \$ 0                              | \$ 0         | \$ 0                  |
| <u>Fines, Forfeitures, and Penalties</u>         |                       |                |                          |                                   |              |                       |
| <u>Circuit Court</u>                             |                       |                |                          |                                   |              |                       |
| Fines  | \$ 77,478             | \$ 0           | \$ 0                     | \$ 0                              | \$ 0         | \$ 0                  |

(Continued)

Exhibit K-6

Putnam County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

|  | Special Revenue Funds |                |                          |                                   |              |                       |
|--|-----------------------|----------------|--------------------------|-----------------------------------|--------------|-----------------------|
|  | General               | Public Library | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control | Sports and Recreation |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> |                       |                |                          |                                   |              |                       |
| <u>Circuit Court (Cont.)</u>                     |                       |                |                          |                                   |              |                       |
| Officers Costs                                   | \$ 25,877             | \$ 0           | \$ 0                     | \$ 0                              | \$ 0         | \$ 0                  |
| Drug Control Fines                               | 0                     | 0              | 0                        | 0                                 | 3,935        | 0                     |
| Drug Court Fees                                  | 1,836                 | 0              | 0                        | 0                                 | 0            | 0                     |
| Jail Fees  | 52,379                | 0              | 0                        | 0                                 | 0            | 0                     |
| District Attorney General Fees                   | 0                     | 0              | 0                        | 0                                 | 0            | 0                     |
| Judicial Commissioner Fees                       | 1,759                 | 0              | 0                        | 0                                 | 0            | 0                     |
| DUI Treatment Fines                              | 8,830                 | 0              | 0                        | 0                                 | 0            | 0                     |
| Data Entry Fee - Circuit Court                   | 1,683                 | 0              | 0                        | 0                                 | 0            | 0                     |
| Courtroom Security Fee                           | 1,283                 | 0              | 0                        | 0                                 | 0            | 0                     |
| <u>General Sessions Court</u>                    |                       |                |                          |                                   |              |                       |
| Fines  | 88,593                | 0              | 0                        | 0                                 | 0            | 0                     |
| Officers Costs                                   | 108,458               | 0              | 0                        | 0                                 | 0            | 0                     |
| Drug Control Fines                               | 0                     | 0              | 0                        | 0                                 | 2,655        | 0                     |
| Drug Court Fees                                  | 7,544                 | 0              | 0                        | 0                                 | 0            | 0                     |
| Jail Fees  | 130,741               | 0              | 0                        | 0                                 | 0            | 0                     |
| Interpreter Fees                                 | 3,481                 | 0              | 0                        | 0                                 | 0            | 0                     |
| District Attorney General Fees                   | 0                     | 0              | 0                        | 0                                 | 0            | 0                     |
| Judicial Commissioner Fees                       | 4,025                 | 0              | 0                        | 0                                 | 0            | 0                     |
| DUI Treatment Fines                              | 8,332                 | 0              | 0                        | 0                                 | 0            | 0                     |
| Data Entry Fee - General Sessions Court          | 27,449                | 0              | 0                        | 0                                 | 0            | 0                     |
| Courtroom Security Fee                           | 4,125                 | 0              | 0                        | 0                                 | 0            | 0                     |
| <u>Juvenile Court</u>                            |                       |                |                          |                                   |              |                       |
| Fines  | 2,259                 | 0              | 0                        | 0                                 | 0            | 0                     |
| Officers Costs                                   | 14,340                | 0              | 0                        | 0                                 | 0            | 0                     |
| Jail Fees  | 13,699                | 0              | 0                        | 0                                 | 0            | 0                     |
| Interpreter Fees                                 | 185                   | 0              | 0                        | 0                                 | 0            | 0                     |
| Data Entry Fee - Juvenile Court                  | 1,700                 | 0              | 0                        | 0                                 | 0            | 0                     |
| Courtroom Security Fee                           | 36                    | 0              | 0                        | 0                                 | 0            | 0                     |
| <u>Chancery Court</u>                            |                       |                |                          |                                   |              |                       |
| Officers Costs                                   | 14,222                | 0              | 0                        | 0                                 | 0            | 0                     |
| Data Entry Fee - Chancery Court                  | 1,148                 | 0              | 0                        | 0                                 | 0            | 0                     |

(Continued)

Exhibit K-6

Putnam County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

|  | Special Revenue Funds |                  |                          |                                   |                  |                       |
|--|-----------------------|------------------|--------------------------|-----------------------------------|------------------|-----------------------|
|  | General               | Public Library   | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control     | Sports and Recreation |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> |                       |                  |                          |                                   |                  |                       |
| <u>Courts in Other District Counties</u>         |                       |                  |                          |                                   |                  |                       |
| District Attorney General Fees                   | \$ 0                  | \$ 0             | \$ 0                     | \$ 0                              | \$ 0             | 0                     |
| <u>Judicial District Drug Program</u>            |                       |                  |                          |                                   |                  |                       |
| Courtroom Security Fee                           | 32                    | 0                | 0                        | 0                                 | 0                | 0                     |
| <u>Other Fines, Forfeitures, and Penalties</u>   |                       |                  |                          |                                   |                  |                       |
| Proceeds from Confiscated Property               | 7,740                 | 0                | 0                        | 0                                 | 29,535           | 0                     |
| Other Fines, Forfeitures, and Penalties          | 540                   | 0                | 0                        | 0                                 | 0                | 0                     |
| <b>Total Fines, Forfeitures, and Penalties</b>   | <b>\$ 609,774</b>     | <b>\$ 0</b>      | <b>\$ 0</b>              | <b>\$ 0</b>                       | <b>\$ 36,125</b> | <b>\$ 0</b>           |
| <u>Charges for Current Services</u>              |                       |                  |                          |                                   |                  |                       |
| <u>General Service Charges</u>                   |                       |                  |                          |                                   |                  |                       |
| Tipping Fees                                     | \$ 0                  | \$ 0             | \$ 710,777               | \$ 0                              | \$ 0             | 0                     |
| Solid Waste Disposal Fees                        | 0                     | 0                | 40,000                   | 0                                 | 0                | 0                     |
| Patient Charges                                  | 2,275,299             | 0                | 0                        | 0                                 | 0                | 0                     |
| Other General Service Charges                    | 3,347                 | 0                | 0                        | 0                                 | 0                | 0                     |
| <u>Fees</u>                                      |                       |                  |                          |                                   |                  |                       |
| Subdivision Lot Fees                             | 3,290                 | 0                | 0                        | 0                                 | 0                | 0                     |
| Recreation Fees                                  | 24,400                | 0                | 0                        | 0                                 | 0                | 93,535                |
| Library Fees                                     | 0                     | 38,928           | 0                        | 0                                 | 0                | 0                     |
| Telephone Commissions                            | 61,037                | 0                | 0                        | 0                                 | 0                | 0                     |
| Vending Machine Collections                      | 0                     | 0                | 0                        | 0                                 | 0                | 1,769                 |
| Constitutional Officers' Fees and Commissions    | 0                     | 0                | 0                        | 0                                 | 0                | 0                     |
| Data Processing Fee - Register                   | 30,621                | 0                | 0                        | 0                                 | 0                | 0                     |
| Data Processing Fee - Sheriff                    | 12,630                | 0                | 0                        | 0                                 | 0                | 0                     |
| Sexual Offender Registration Fees - Sheriff      | 1,400                 | 0                | 0                        | 0                                 | 0                | 0                     |
| <b>Total Charges for Current Services</b>        | <b>\$ 2,412,024</b>   | <b>\$ 38,928</b> | <b>\$ 750,777</b>        | <b>\$ 0</b>                       | <b>\$ 0</b>      | <b>\$ 95,304</b>      |
| <u>Other Local Revenues</u>                      |                       |                  |                          |                                   |                  |                       |
| <u>Recurring Items</u>                           |                       |                  |                          |                                   |                  |                       |
| Investment Income                                | \$ 300,000            | \$ 1,557         | \$ 0                     | \$ 73,226                         | \$ 0             | 1,102                 |
| Lease/Rentals                                    | 36,362                | 0                | 0                        | 0                                 | 0                | 40,971                |
| Sale of Materials and Supplies                   | 3,404                 | 0                | 0                        | 0                                 | 0                | 0                     |
| Commissary Sales                                 | 228,853               | 0                | 0                        | 0                                 | 0                | 0                     |

(Continued)

Exhibit K-6

Putnam County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

|  | Special Revenue Funds |                |                          |                                   |              |                       |
|--|-----------------------|----------------|--------------------------|-----------------------------------|--------------|-----------------------|
|  | General               | Public Library | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control | Sports and Recreation |
| <u>Other Local Revenues (Cont.)</u>        |                       |                |                          |                                   |              |                       |
| <u>Recurring Items (Cont.)</u>             |                       |                |                          |                                   |              |                       |
| Sale of Gasoline                           | \$ 25,530             | \$ 0           | \$ 0                     | \$ 0                              | \$ 0         | 0                     |
| Sale of Recycled Materials                 | 0                     | 0              | 353,786                  | 0                                 | 0            | 0                     |
| Miscellaneous Refunds                      | 7,913                 | 4,970          | 131                      | 0                                 | 11           | 0                     |
| <u>Nonrecurring Items</u>                  |                       |                |                          |                                   |              |                       |
| Accrued Interest on Debt Issues            | 0                     | 0              | 0                        | 0                                 | 0            | 0                     |
| Sale of Equipment                          | 4,956                 | 0              | 0                        | 0                                 | 0            | 0                     |
| Damages Recovered from Individuals         | 42,605                | 0              | 0                        | 0                                 | 0            | 0                     |
| Contributions and Gifts                    | 4,409                 | 0              | 0                        | 651,857                           | 1,100        | 0                     |
| Performance Bond Forfeitures               | 46,570                | 0              | 0                        | 0                                 | 0            | 0                     |
| <u>Other Local Revenues</u>                |                       |                |                          |                                   |              |                       |
| Other Local Revenues                       | 22,545                | 0              | 500                      | 0                                 | 0            | 3,219                 |
| Total Other Local Revenues                 | \$ 723,147            | \$ 6,527       | \$ 354,417               | \$ 725,083                        | \$ 1,111     | \$ 45,292             |
| <u>Fees Received from County Officials</u> |                       |                |                          |                                   |              |                       |
| <u>Fees-In-Lieu of Salary</u>              |                       |                |                          |                                   |              |                       |
| County Clerk                               | \$ 838,924            | \$ 0           | \$ 0                     | \$ 0                              | \$ 0         | 0                     |
| Circuit Court Clerk                        | 333,177               | 0              | 0                        | 0                                 | 0            | 0                     |
| General Sessions Court Clerk               | 936,041               | 0              | 0                        | 0                                 | 0            | 0                     |
| Clerk and Master                           | 250,347               | 0              | 0                        | 0                                 | 0            | 0                     |
| Register                                   | 400,847               | 0              | 0                        | 0                                 | 0            | 0                     |
| Sheriff                                    | 28,995                | 0              | 0                        | 0                                 | 0            | 0                     |
| Trustee                                    | 1,102,387             | 0              | 0                        | 0                                 | 0            | 0                     |
| Total Fees Received from County Officials  | \$ 3,890,718          | \$ 0           | \$ 0                     | \$ 0                              | \$ 0         | 0                     |
| <u>State of Tennessee</u>                  |                       |                |                          |                                   |              |                       |
| <u>General Government Grants</u>           |                       |                |                          |                                   |              |                       |
| Juvenile Services Program                  | \$ 129,113            | \$ 0           | \$ 0                     | \$ 0                              | \$ 0         | 0                     |
| State Reappraisal Grant                    | 21,104                | 0              | 0                        | 0                                 | 0            | 0                     |
| Solid Waste Grants                         | 0                     | 0              | 42,273                   | 0                                 | 0            | 0                     |
| <u>Public Safety Grants</u>                |                       |                |                          |                                   |              |                       |
| Law Enforcement Training Programs          | 57,298                | 0              | 0                        | 0                                 | 0            | 0                     |
| Drug Control Grants                        | 11,009                | 0              | 0                        | 0                                 | 0            | 0                     |

(Continued)

Exhibit K-6

Putnam County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

|  | Special Revenue Funds |                |                          |                                   |              |                       |
|--|-----------------------|----------------|--------------------------|-----------------------------------|--------------|-----------------------|
|  | General               | Public Library | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control | Sports and Recreation |
| <u>State of Tennessee (Cont.)</u>            |                       |                |                          |                                   |              |                       |
| <u>Health and Welfare Grants</u>             |                       |                |                          |                                   |              |                       |
| Health Department Programs                   | \$ 872,731            | \$ 0           | \$ 0                     | \$ 0                              | \$ 0         | 0                     |
| <u>Public Works Grants</u>                   |                       |                |                          |                                   |              |                       |
| State Aid Program                            | 0                     | 0              | 0                        | 0                                 | 0            | 0                     |
| Litter Program                               | 42,952                | 0              | 0                        | 0                                 | 0            | 0                     |
| <u>Other State Revenues</u>                  |                       |                |                          |                                   |              |                       |
| Income Tax                                   | 163,788               | 0              | 0                        | 0                                 | 0            | 0                     |
| Beer Tax                                     | 8,765                 | 0              | 0                        | 0                                 | 0            | 0                     |
| Alcoholic Beverage Tax                       | 71,339                | 0              | 0                        | 0                                 | 0            | 0                     |
| State Revenue Sharing - T.V.A.               | 570,514               | 0              | 0                        | 0                                 | 0            | 0                     |
| Board of Jurors                              | 459                   | 0              | 0                        | 0                                 | 0            | 0                     |
| Prisoner Transportation                      | 3                     | 0              | 0                        | 0                                 | 0            | 0                     |
| Contracted Prisoner Boarding                 | 616,483               | 0              | 0                        | 0                                 | 0            | 0                     |
| Gasoline and Motor Fuel Tax                  | 0                     | 0              | 0                        | 0                                 | 0            | 0                     |
| Petroleum Special Tax                        | 0                     | 0              | 0                        | 0                                 | 0            | 0                     |
| Registrar's Salary Supplement                | 16,380                | 0              | 0                        | 0                                 | 0            | 0                     |
| Other State Revenues                         | 19,576                | 0              | 0                        | 0                                 | 1,606        | 0                     |
| Total State of Tennessee                     | \$ 2,601,514          | \$ 0           | \$ 42,273                | \$ 0                              | \$ 1,606     | \$ 0                  |
| <u>Federal Government</u>                    |                       |                |                          |                                   |              |                       |
| <u>Federal Through State</u>                 |                       |                |                          |                                   |              |                       |
| Community Development                        | \$ 300,000            | \$ 0           | \$ 0                     | \$ 0                              | \$ 0         | 0                     |
| Civil Defense Reimbursement                  | 35,559                | 0              | 0                        | 0                                 | 0            | 0                     |
| Homeland Security Grants                     | 691,127               | 0              | 0                        | 0                                 | 0            | 0                     |
| Other Federal through State                  | 383,978               | 0              | 0                        | 0                                 | 0            | 0                     |
| <u>Direct Federal Revenue</u>                |                       |                |                          |                                   |              |                       |
| Other Direct Federal Revenue                 | 8,800                 | 0              | 0                        | 0                                 | 0            | 0                     |
| Total Federal Government                     | \$ 1,419,464          | \$ 0           | \$ 0                     | \$ 0                              | \$ 0         | \$ 0                  |
| <u>Other Governments and Citizens Groups</u> |                       |                |                          |                                   |              |                       |
| <u>Other Governments</u>                     |                       |                |                          |                                   |              |                       |
| Prisoner Board                               | \$ 187,964            | \$ 0           | \$ 0                     | \$ 0                              | \$ 0         | 0                     |
| Contributions                                | 0                     | 329,266        | 0                        | 0                                 | 0            | 21,920                |

(Continued)

Exhibit K-6

Putnam County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

|  | Special Revenue Funds |                |                          |                                   |              |                       |
|--|-----------------------|----------------|--------------------------|-----------------------------------|--------------|-----------------------|
|  | General               | Public Library | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control | Sports and Recreation |
| <u>Other Governments and Citizens Groups (Cont.)</u> |                       |                |                          |                                   |              |                       |
| <u>Citizens Groups</u>                               |                       |                |                          |                                   |              |                       |
| Donations  | \$ 0                  | \$ 198,915     | \$ 0                     | \$ 0                              | \$ 0         | \$ 0                  |
| <u>Other</u>   |                       |                |                          |                                   |              |                       |
| Other  | 169,633               | 0              | 0                        | 0                                 | 0            | 0                     |
| Total Other Governments and Citizens Groups          | \$ 357,597            | \$ 528,181     | \$ 0                     | \$ 0                              | \$ 0         | \$ 21,920             |
| Total  | \$ 22,825,247         | \$ 573,636     | \$ 3,664,985             | \$ 1,083,328                      | \$ 38,842    | \$ 215,616            |

(Continued)

Exhibit K-6

Putnam County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

|  | Special Revenue Funds (Cont.) |                                |                        | Debt Service Fund    | Capital Projects Fund    | Total         |
|--|-------------------------------|--------------------------------|------------------------|----------------------|--------------------------|---------------|
|  | District Attorney General     | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | General Capital Projects |               |
| <u>Local Taxes</u>                               |                               |                                |                        |                      |                          |               |
| <u>County Property Taxes</u>                     |                               |                                |                        |                      |                          |               |
| Current Property Tax                             | \$ 0                          | \$ 0                           | \$ 1,019,316           | \$ 5,168,557         | \$ 225,425               | \$ 17,200,355 |
| Trustee's Collections - Prior Year               | 0                             | 0                              | 25,620                 | 175,380              | 1,778                    | 564,142       |
| Circuit/Clerk & Master Collections - Prior Years | 0                             | 0                              | 19,354                 | 109,057              | 657                      | 353,916       |
| Interest and Penalty                             | 0                             | 0                              | 5,568                  | 28,572               | 359                      | 93,534        |
| Payments in-Lieu-of Taxes - T.V.A.               | 0                             | 0                              | 0                      | 0                    | 0                        | 1,070         |
| Payments in-Lieu-of Taxes - Other                | 0                             | 0                              | 98                     | 498                  | 22                       | 4,787         |
| <u>County Local Option Taxes</u>                 |                               |                                |                        |                      |                          |               |
| Local Option Sales Tax                           | 0                             | 0                              | 0                      | 2,867,023            | 0                        | 2,867,023     |
| Hotel/Motel Tax                                  | 0                             | 0                              | 0                      | 554,801              | 0                        | 893,708       |
| Litigation Tax - General                         | 0                             | 0                              | 0                      | 0                    | 0                        | 308,302       |
| Litigation Tax - Special Purpose                 | 0                             | 0                              | 0                      | 0                    | 0                        | 66,235        |
| Business Tax                                     | 0                             | 0                              | 0                      | 0                    | 0                        | 913,278       |
| Mineral Severance Tax                            | 0                             | 0                              | 222,535                | 0                    | 0                        | 222,535       |
| <u>Statutory Local Taxes</u>                     |                               |                                |                        |                      |                          |               |
| Bank Excise Tax                                  | 0                             | 0                              | 7,923                  | 40,496               | 1,761                    | 134,694       |
| Wholesale Beer Tax                               | 0                             | 0                              | 0                      | 0                    | 0                        | 212,170       |
| Interstate Telecommunications Tax                | 0                             | 0                              | 0                      | 0                    | 0                        | 10,495        |
| Total Local Taxes                                | \$ 0                          | \$ 0                           | \$ 1,300,414           | \$ 8,944,384         | \$ 230,002               | \$ 23,846,244 |
| <u>Licenses and Permits</u>                      |                               |                                |                        |                      |                          |               |
| <u>Licenses</u>                                  |                               |                                |                        |                      |                          |               |
| Cable TV Franchise                               | \$ 0                          | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | \$ 106,341    |
| <u>Permits</u>                                   |                               |                                |                        |                      |                          |               |
| Building Permits                                 | 0                             | 0                              | 0                      | 0                    | 0                        | 222,520       |
| Electrical Permits                               | 0                             | 0                              | 0                      | 0                    | 0                        | 12,728        |
| Plumbing Permits                                 | 0                             | 0                              | 0                      | 0                    | 0                        | 20,891        |
| Other Permits                                    | 0                             | 0                              | 0                      | 0                    | 0                        | 5,948         |
| Total Licenses and Permits                       | \$ 0                          | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | \$ 368,428    |
| <u>Fines, Forfeitures, and Penalties</u>         |                               |                                |                        |                      |                          |               |
| <u>Circuit Court</u>                             |                               |                                |                        |                      |                          |               |
| Fines  | \$ 0                          | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | \$ 77,478     |

(Continued)

Exhibit K-6

Putnam County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

|  | Special Revenue Funds (Cont.) |                                |                        | Debt Service Fund    | Capital Projects Fund    | Total   |
|--|-------------------------------|--------------------------------|------------------------|----------------------|--------------------------|---------|
|  | District Attorney General     | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | General Capital Projects |         |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> |                               |                                |                        |                      |                          |         |
| <u>Circuit Court (Cont.)</u>                     |                               |                                |                        |                      |                          |         |
| Officers Costs                                   | \$ 0                          | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | 25,877  |
| Drug Control Fines                               | 0                             | 0                              | 0                      | 0                    | 0                        | 3,935   |
| Drug Court Fees                                  | 0                             | 0                              | 0                      | 0                    | 0                        | 1,836   |
| Jail Fees  | 0                             | 0                              | 0                      | 0                    | 0                        | 52,379  |
| District Attorney General Fees                   | 601                           | 0                              | 0                      | 0                    | 0                        | 601     |
| Judicial Commissioner Fees                       | 0                             | 0                              | 0                      | 0                    | 0                        | 1,759   |
| DUI Treatment Fines                              | 0                             | 0                              | 0                      | 0                    | 0                        | 8,830   |
| Data Entry Fee - Circuit Court                   | 0                             | 0                              | 0                      | 0                    | 0                        | 1,683   |
| Courtroom Security Fee                           | 0                             | 0                              | 0                      | 0                    | 0                        | 1,283   |
| <u>General Sessions Court</u>                    |                               |                                |                        |                      |                          |         |
| Fines  | 0                             | 0                              | 0                      | 0                    | 0                        | 88,593  |
| Officers Costs                                   | 0                             | 0                              | 0                      | 0                    | 0                        | 108,458 |
| Drug Control Fines                               | 0                             | 0                              | 0                      | 0                    | 0                        | 2,655   |
| Drug Court Fees                                  | 0                             | 0                              | 0                      | 0                    | 0                        | 7,544   |
| Jail Fees  | 0                             | 0                              | 0                      | 0                    | 0                        | 130,741 |
| Interpreter Fees                                 | 0                             | 0                              | 0                      | 0                    | 0                        | 3,481   |
| District Attorney General Fees                   | 5,134                         | 0                              | 0                      | 0                    | 0                        | 5,134   |
| Judicial Commissioner Fees                       | 0                             | 0                              | 0                      | 0                    | 0                        | 4,025   |
| DUI Treatment Fines                              | 0                             | 0                              | 0                      | 0                    | 0                        | 8,332   |
| Data Entry Fee - General Sessions Court          | 0                             | 0                              | 0                      | 0                    | 0                        | 27,449  |
| Courtroom Security Fee                           | 0                             | 0                              | 0                      | 0                    | 0                        | 4,125   |
| <u>Juvenile Court</u>                            |                               |                                |                        |                      |                          |         |
| Fines  | 0                             | 0                              | 0                      | 0                    | 0                        | 2,259   |
| Officers Costs                                   | 0                             | 0                              | 0                      | 0                    | 0                        | 14,340  |
| Jail Fees  | 0                             | 0                              | 0                      | 0                    | 0                        | 13,699  |
| Interpreter Fees                                 | 0                             | 0                              | 0                      | 0                    | 0                        | 185     |
| Data Entry Fee - Juvenile Court                  | 0                             | 0                              | 0                      | 0                    | 0                        | 1,700   |
| Courtroom Security Fee                           | 0                             | 0                              | 0                      | 0                    | 0                        | 36      |
| <u>Chancery Court</u>                            |                               |                                |                        |                      |                          |         |
| Officers Costs                                   | 0                             | 0                              | 0                      | 0                    | 0                        | 14,222  |
| Data Entry Fee - Chancery Court                  | 0                             | 0                              | 0                      | 0                    | 0                        | 1,148   |

(Continued)

Exhibit K-6

Putnam County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

|  | Special Revenue Funds (Cont.) |                                |                        | Debt Service Fund    | Capital Projects Fund    | Total        |
|--|-------------------------------|--------------------------------|------------------------|----------------------|--------------------------|--------------|
|  | District Attorney General     | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | General Capital Projects |              |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> |                               |                                |                        |                      |                          |              |
| <u>Courts in Other District Counties</u>         |                               |                                |                        |                      |                          |              |
| District Attorney General Fees                   | \$ 11,005                     | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | \$ 11,005    |
| <u>Judicial District Drug Program</u>            |                               |                                |                        |                      |                          |              |
| Courtroom Security Fee                           | 0                             | 0                              | 0                      | 0                    | 0                        | 32           |
| <u>Other Fines, Forfeitures, and Penalties</u>   |                               |                                |                        |                      |                          |              |
| Proceeds from Confiscated Property               | 0                             | 0                              | 0                      | 0                    | 0                        | 37,275       |
| Other Fines, Forfeitures, and Penalties          | 0                             | 0                              | 0                      | 0                    | 0                        | 540          |
| Total Fines, Forfeitures, and Penalties          | \$ 16,740                     | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | \$ 662,639   |
| <u>Charges for Current Services</u>              |                               |                                |                        |                      |                          |              |
| <u>General Service Charges</u>                   |                               |                                |                        |                      |                          |              |
| Tipping Fees                                     | \$ 0                          | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | \$ 710,777   |
| Solid Waste Disposal Fees                        | 0                             | 0                              | 0                      | 0                    | 0                        | 40,000       |
| Patient Charges                                  | 0                             | 0                              | 0                      | 0                    | 0                        | 2,275,299    |
| Other General Service Charges                    | 0                             | 0                              | 0                      | 0                    | 0                        | 3,347        |
| <u>Fees</u>                                      |                               |                                |                        |                      |                          |              |
| Subdivision Lot Fees                             | 0                             | 0                              | 0                      | 0                    | 0                        | 3,290        |
| Recreation Fees                                  | 0                             | 0                              | 0                      | 0                    | 0                        | 117,935      |
| Library Fees                                     | 0                             | 0                              | 0                      | 0                    | 0                        | 38,928       |
| Telephone Commissions                            | 0                             | 0                              | 0                      | 0                    | 0                        | 61,037       |
| Vending Machine Collections                      | 0                             | 0                              | 0                      | 0                    | 0                        | 1,769        |
| Constitutional Officers' Fees and Commissions    | 0                             | 18,940                         | 0                      | 0                    | 0                        | 18,940       |
| Data Processing Fee - Register                   | 0                             | 0                              | 0                      | 0                    | 0                        | 30,621       |
| Data Processing Fee - Sheriff                    | 0                             | 0                              | 0                      | 0                    | 0                        | 12,630       |
| Sexual Offender Registration Fees - Sheriff      | 0                             | 0                              | 0                      | 0                    | 0                        | 1,400        |
| Total Charges for Current Services               | \$ 0                          | \$ 18,940                      | \$ 0                   | \$ 0                 | \$ 0                     | \$ 3,315,973 |
| <u>Other Local Revenues</u>                      |                               |                                |                        |                      |                          |              |
| <u>Recurring Items</u>                           |                               |                                |                        |                      |                          |              |
| Investment Income                                | \$ 0                          | \$ 0                           | \$ 0                   | \$ 953,661           | \$ 72,231                | \$ 1,401,777 |
| Lease/Rentals                                    | 0                             | 0                              | 0                      | 0                    | 0                        | 77,333       |
| Sale of Materials and Supplies                   | 0                             | 0                              | 4,117                  | 0                    | 0                        | 7,521        |
| Commissary Sales                                 | 0                             | 0                              | 0                      | 0                    | 0                        | 228,853      |

(Continued)

Exhibit K-6

Putnam County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

|  | Special Revenue Funds (Cont.) |                                |                        | Debt Service Fund    | Capital Projects Fund    | Total               |
|--|-------------------------------|--------------------------------|------------------------|----------------------|--------------------------|---------------------|
|  | District Attorney General     | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | General Capital Projects |                     |
| <u>Other Local Revenues (Cont.)</u>              |                               |                                |                        |                      |                          |                     |
| <u>Recurring Items (Cont.)</u>                   |                               |                                |                        |                      |                          |                     |
| Sale of Gasoline                                 | \$ 0                          | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | 25,530              |
| Sale of Recycled Materials                       | 0                             | 0                              | 0                      | 0                    | 0                        | 353,786             |
| Miscellaneous Refunds                            | 1,400                         | 0                              | 947                    | 0                    | 0                        | 15,372              |
| <u>Nonrecurring Items</u>                        |                               |                                |                        |                      |                          |                     |
| Accrued Interest on Debt Issues                  | 0                             | 0                              | 0                      | 51,422               | 0                        | 51,422              |
| Sale of Equipment                                | 0                             | 0                              | 0                      | 0                    | 0                        | 4,956               |
| Damages Recovered from Individuals               | 0                             | 0                              | 0                      | 0                    | 0                        | 42,605              |
| Contributions and Gifts                          | 0                             | 0                              | 0                      | 0                    | 0                        | 657,366             |
| Performance Bond Forfeitures                     | 0                             | 0                              | 0                      | 0                    | 0                        | 46,570              |
| <u>Other Local Revenues</u>                      |                               |                                |                        |                      |                          |                     |
| Other Local Revenues                             | 0                             | 0                              | 0                      | 0                    | 0                        | 26,264              |
| <b>Total Other Local Revenues</b>                | <b>\$ 1,400</b>               | <b>\$ 0</b>                    | <b>\$ 5,064</b>        | <b>\$ 1,005,083</b>  | <b>\$ 72,231</b>         | <b>\$ 2,939,355</b> |
| <u>Fees Received from County Officials</u>       |                               |                                |                        |                      |                          |                     |
| <u>Fees-In-Lieu of Salary</u>                    |                               |                                |                        |                      |                          |                     |
| County Clerk                                     | \$ 0                          | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | 838,924             |
| Circuit Court Clerk                              | 0                             | 0                              | 0                      | 0                    | 0                        | 333,177             |
| General Sessions Court Clerk                     | 0                             | 0                              | 0                      | 0                    | 0                        | 936,041             |
| Clerk and Master                                 | 0                             | 0                              | 0                      | 0                    | 0                        | 250,347             |
| Register   | 0                             | 0                              | 0                      | 0                    | 0                        | 400,847             |
| Sheriff  | 0                             | 0                              | 0                      | 0                    | 0                        | 28,995              |
| Trustee  | 0                             | 0                              | 0                      | 0                    | 0                        | 1,102,387           |
| <b>Total Fees Received from County Officials</b> | <b>\$ 0</b>                   | <b>\$ 0</b>                    | <b>\$ 0</b>            | <b>\$ 0</b>          | <b>\$ 0</b>              | <b>\$ 3,890,718</b> |
| <u>State of Tennessee</u>                        |                               |                                |                        |                      |                          |                     |
| <u>General Government Grants</u>                 |                               |                                |                        |                      |                          |                     |
| Juvenile Services Program                        | \$ 0                          | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | 129,113             |
| State Reappraisal Grant                          | 0                             | 0                              | 0                      | 0                    | 0                        | 21,104              |
| Solid Waste Grants                               | 0                             | 0                              | 0                      | 0                    | 0                        | 42,273              |
| <u>Public Safety Grants</u>                      |                               |                                |                        |                      |                          |                     |
| Law Enforcement Training Programs                | 0                             | 0                              | 0                      | 0                    | 0                        | 57,298              |
| Drug Control Grants                              | 0                             | 0                              | 0                      | 0                    | 0                        | 11,009              |

(Continued)

Exhibit K-6

Putnam County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

|  | Special Revenue Funds (Cont.) |                                |                        | Debt Service Fund    | Capital Projects Fund    | Total        |
|--|-------------------------------|--------------------------------|------------------------|----------------------|--------------------------|--------------|
|  | District Attorney General     | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | General Capital Projects |              |
| <u>State of Tennessee (Cont.)</u>            |                               |                                |                        |                      |                          |              |
| <u>Health and Welfare Grants</u>             |                               |                                |                        |                      |                          |              |
| Health Department Programs                   | \$ 0                          | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | \$ 872,731   |
| <u>Public Works Grants</u>                   |                               |                                |                        |                      |                          |              |
| State Aid Program                            | 0                             | 0                              | 183,955                | 0                    | 0                        | 183,955      |
| Litter Program                               | 0                             | 0                              | 0                      | 0                    | 0                        | 42,952       |
| <u>Other State Revenues</u>                  |                               |                                |                        |                      |                          |              |
| Income Tax                                   | 0                             | 0                              | 0                      | 0                    | 0                        | 163,788      |
| Beer Tax                                     | 0                             | 0                              | 0                      | 0                    | 0                        | 8,765        |
| Alcoholic Beverage Tax                       | 0                             | 0                              | 0                      | 0                    | 0                        | 71,339       |
| State Revenue Sharing - T.V.A.               | 0                             | 0                              | 0                      | 0                    | 0                        | 570,514      |
| Board of Jurors                              | 0                             | 0                              | 0                      | 0                    | 0                        | 459          |
| Prisoner Transportation                      | 0                             | 0                              | 0                      | 0                    | 0                        | 3            |
| Contracted Prisoner Boarding                 | 0                             | 0                              | 0                      | 0                    | 0                        | 616,483      |
| Gasoline and Motor Fuel Tax                  | 0                             | 0                              | 1,952,611              | 0                    | 0                        | 1,952,611    |
| Petroleum Special Tax                        | 0                             | 0                              | 50,128                 | 0                    | 0                        | 50,128       |
| Registrar's Salary Supplement                | 0                             | 0                              | 0                      | 0                    | 0                        | 16,380       |
| Other State Revenues                         | 0                             | 0                              | 0                      | 0                    | 0                        | 21,182       |
| Total State of Tennessee                     | \$ 0                          | \$ 0                           | \$ 2,186,694           | \$ 0                 | \$ 0                     | \$ 4,832,087 |
| <u>Federal Government</u>                    |                               |                                |                        |                      |                          |              |
| <u>Federal Through State</u>                 |                               |                                |                        |                      |                          |              |
| Community Development                        | \$ 0                          | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | \$ 300,000   |
| Civil Defense Reimbursement                  | 0                             | 0                              | 0                      | 0                    | 0                        | 35,559       |
| Homeland Security Grants                     | 0                             | 0                              | 0                      | 0                    | 0                        | 691,127      |
| Other Federal through State                  | 0                             | 0                              | 0                      | 0                    | 0                        | 383,978      |
| <u>Direct Federal Revenue</u>                |                               |                                |                        |                      |                          |              |
| Other Direct Federal Revenue                 | 0                             | 0                              | 0                      | 0                    | 0                        | 8,800        |
| Total Federal Government                     | \$ 0                          | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | \$ 1,419,464 |
| <u>Other Governments and Citizens Groups</u> |                               |                                |                        |                      |                          |              |
| <u>Other Governments</u>                     |                               |                                |                        |                      |                          |              |
| Prisoner Board                               | \$ 0                          | \$ 0                           | \$ 0                   | \$ 0                 | \$ 0                     | \$ 187,964   |
| Contributions                                | 0                             | 0                              | 0                      | 0                    | 0                        | 351,186      |

(Continued)

Exhibit K-6

Putnam County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

|  | Special Revenue Funds (Cont.)   |   |                              | Debt<br>Service<br>Fund    | Capital<br>Projects<br>Fund    | Total         |
|--|---------------------------------|---|------------------------------|----------------------------|--------------------------------|---------------|
|  | District<br>Attorney<br>General | Constitu-<br>tional<br>Officers -<br>Fees | Highway /<br>Public<br>Works | General<br>Debt<br>Service | General<br>Capital<br>Projects |               |
| <u>Other Governments and Citizens Groups (Cont.)</u> |                                 |   |                              |                            |                                |               |
| <u>Citizens Groups</u>                               |                                 |   |                              |                            |                                |               |
| Donations  | \$ 0                            | \$ 0                                      | \$ 0                         | \$ 0                       | \$ 0                           | 198,915       |
| <u>Other</u>   |                                 |   |                              |                            |                                |               |
| Other  | 0                               | 0   | 0                            | 0                          | 0                              | 169,633       |
| Total Other Governments and Citizens Groups          | \$ 0                            | \$ 0                                      | \$ 0                         | \$ 0                       | \$ 0                           | 907,698       |
| Total  | \$ 18,140                       | \$ 18,940                                 | \$ 3,492,172                 | \$ 9,949,467               | \$ 302,233                     | \$ 42,182,606 |

Exhibit K-7

Putnam County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department  
For the Year Ended June 30, 2007

|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Extended<br>School<br>Program | Education<br>Capital<br>Projects | Total         |
|--|------------------------------|-------------------------------|----------------------|-------------------------------|----------------------------------|---------------|
| <u>Local Taxes</u>                                       |                              |                               |                      |                               |                                  |               |
| <u>County Property Taxes</u>                             |                              |                               |                      |                               |                                  |               |
| Current Property Tax                                     | \$ 10,384,381                | \$ 0                          | \$ 0                 | \$ 0                          | \$ 0                             | \$ 10,384,381 |
| Trustee's Collections - Prior Year                       | 268,600                      | 0                             | 0                    | 0                             | 0                                | 268,600       |
| Circuit/Clerk & Master Collections - Prior Years         | 195,077                      | 0                             | 0                    | 0                             | 0                                | 195,077       |
| Interest and Penalty                                     | 52,471                       | 0                             | 0                    | 0                             | 0                                | 52,471        |
| Payments in-Lieu-of Taxes - Other                        | 996                          | 0                             | 0                    | 0                             | 0                                | 996           |
| <u>County Local Option Taxes</u>                         |                              |                               |                      |                               |                                  |               |
| Local Option Sales Tax                                   | 15,114,844                   | 0                             | 0                    | 0                             | 0                                | 15,114,844    |
| <u>Statutory Local Taxes</u>                             |                              |                               |                      |                               |                                  |               |
| Bank Excise Tax  | 80,993                       | 0                             | 0                    | 0                             | 0                                | 80,993        |
| Interstate Telecommunications Tax                        | 4,904                        | 0                             | 0                    | 0                             | 0                                | 4,904         |
| Total Local Taxes  | \$ 26,102,266                | \$ 0                          | \$ 0                 | \$ 0                          | \$ 0                             | \$ 26,102,266 |
| <u>Licenses and Permits</u>                              |                              |                               |                      |                               |                                  |               |
| <u>Licenses</u>  |                              |                               |                      |                               |                                  |               |
| Marriage Licenses  | \$ 5,767                     | \$ 0                          | \$ 0                 | \$ 0                          | \$ 0                             | \$ 5,767      |
| Total Licenses and Permits                               | \$ 5,767                     | \$ 0                          | \$ 0                 | \$ 0                          | \$ 0                             | \$ 5,767      |
| <u>Charges for Current Services</u>                      |                              |                               |                      |                               |                                  |               |
| <u>General Service Charges</u>                           |                              |                               |                      |                               |                                  |               |
| Other Employee Benefit Charges/Contributions             | \$ 8,130                     | \$ 0                          | \$ 0                 | \$ 771                        | \$ 0                             | \$ 8,901      |
| <u>Education Charges</u>                                 |                              |                               |                      |                               |                                  |               |
| Lunch Payments - Children                                | 0                            | 0                             | 986,986              | 0                             | 0                                | 986,986       |
| Lunch Payments - Adults                                  | 0                            | 0                             | 78,949               | 0                             | 0                                | 78,949        |
| Income from Breakfast                                    | 0                            | 0                             | 504,471              | 0                             | 0                                | 504,471       |
| A la carte Sales   | 0                            | 0                             | 234,205              | 0                             | 0                                | 234,205       |
| Transportation - Other State Systems                     | 8,578                        | 0                             | 0                    | 0                             | 0                                | 8,578         |
| Transportation from Individuals                          | 951                          | 0                             | 0                    | 0                             | 0                                | 951           |
| Contract for Instructional Services with Other LEAs      | 29,876                       | 0                             | 0                    | 0                             | 0                                | 29,876        |
| Contract for Student Support Services with Other LEAs    | 6,000                        | 0                             | 0                    | 0                             | 0                                | 6,000         |
| Contract for Instructional Staff Support with Other LEAs | 10,187                       | 0                             | 0                    | 0                             | 0                                | 10,187        |
| Receipts from Individual Schools                         | 191,185                      | 0                             | 0                    | 0                             | 0                                | 191,185       |
| Community Service Fees - Children                        | 0                            | 0                             | 0                    | 793,867                       | 0                                | 793,867       |
| TBI Criminal Background Fees                             | 14,640                       | 0                             | 0                    | 0                             | 0                                | 14,640        |
| <u>Other Charges for Services</u>                        |                              |                               |                      |                               |                                  |               |
| Other Charges for Services                               | 91                           | 0                             | 0                    | 0                             | 0                                | 91            |
| Total Charges for Current Services                       | \$ 269,638                   | \$ 0                          | \$ 1,804,611         | \$ 794,638                    | \$ 0                             | \$ 2,868,887  |

(Continued)

Exhibit K-7

Putnam County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

|   | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Extended<br>School<br>Program | Education<br>Capital<br>Projects | Total         |
|---|------------------------------|-------------------------------|----------------------|-------------------------------|----------------------------------|---------------|
| <u>Other Local Revenues</u>                   |                              |                               |                      |                               |                                  |               |
| <u>Recurring Items</u>                        |                              |                               |                      |                               |                                  |               |
| Investment Income                             | \$ 0                         | \$ 0                          | \$ 7,187             | \$ 0                          | \$ 0                             | \$ 7,187      |
| Lease/Rentals                                 | 50                           | 0                             | 0                    | 0                             | 0                                | 50            |
| Sale of Materials and Supplies                | 597                          | 0                             | 0                    | 0                             | 0                                | 597           |
| Miscellaneous Refunds                         | 26,885                       | 0                             | 27,086               | 0                             | 0                                | 53,971        |
| Expenditure Credits                           | 550                          | 0                             | 0                    | 0                             | 0                                | 550           |
| <u>Nonrecurring Items</u>                     |                              |                               |                      |                               |                                  |               |
| Sale of Property                              | 23,417                       | 0                             | 0                    | 0                             | 0                                | 23,417        |
| Damages Recovered from Individuals            | 2,691                        | 0                             | 0                    | 0                             | 0                                | 2,691         |
| Contributions and Gifts                       | 25,390                       | 0                             | 0                    | 0                             | 0                                | 25,390        |
| <u>Other Local Revenues</u>                   |                              |                               |                      |                               |                                  |               |
| Other Local Revenues                          | 1,150                        | 0                             | 0                    | 0                             | 0                                | 1,150         |
| Total Other Local Revenues                    | \$ 80,730                    | \$ 0                          | \$ 34,273            | \$ 0                          | \$ 0                             | \$ 115,003    |
| <u>State of Tennessee</u>                     |                              |                               |                      |                               |                                  |               |
| <u>State Education Funds</u>                  |                              |                               |                      |                               |                                  |               |
| Basic Education Program                       | \$ 30,894,899                | \$ 0                          | \$ 0                 | \$ 0                          | \$ 0                             | \$ 30,894,899 |
| School Food Service                           | 0                            | 0                             | 53,223               | 0                             | 0                                | 53,223        |
| Other State Education Funds                   | 371,764                      | 0                             | 0                    | 0                             | 0                                | 371,764       |
| Career Ladder Program                         | 566,478                      | 0                             | 0                    | 0                             | 0                                | 566,478       |
| Career Ladder - Extended Contract             | 251,188                      | 0                             | 0                    | 0                             | 0                                | 251,188       |
| <u>Other State Revenues</u>                   |                              |                               |                      |                               |                                  |               |
| Beer Tax                                      | 9,988                        | 0                             | 0                    | 0                             | 0                                | 9,988         |
| Mixed Drink Tax                               | 140,313                      | 0                             | 0                    | 0                             | 0                                | 140,313       |
| Other State Grants                            | 2,243,339                    | 0                             | 0                    | 0                             | 0                                | 2,243,339     |
| Other State Revenues                          | 377,531                      | 0                             | 0                    | 0                             | 0                                | 377,531       |
| Total State of Tennessee                      | \$ 34,855,500                | \$ 0                          | \$ 53,223            | \$ 0                          | \$ 0                             | \$ 34,908,723 |
| <u>Federal Government</u>                     |                              |                               |                      |                               |                                  |               |
| <u>Federal Through State</u>                  |                              |                               |                      |                               |                                  |               |
| USDA School Lunch Program                     | \$ 0                         | \$ 0                          | \$ 1,743,379         | \$ 0                          | \$ 0                             | \$ 1,743,379  |
| Breakfast                                     | 0                            | 0                             | 573,168              | 0                             | 0                                | 573,168       |
| USDA - Other                                  | 0                            | 0                             | 25,372               | 0                             | 0                                | 25,372        |
| Adult Education State Grant Program           | 180,790                      | 0                             | 0                    | 0                             | 0                                | 180,790       |
| Vocational Education - Basic Grants to States | 0                            | 181,512                       | 0                    | 0                             | 0                                | 181,512       |
| Other Vocational                              | 44,917                       | 0                             | 0                    | 0                             | 0                                | 44,917        |

(Continued)

Exhibit K-7

Putnam County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Extended<br>School<br>Program | Education<br>Capital<br>Projects | Total         |
|--|------------------------------|-------------------------------|----------------------|-------------------------------|----------------------------------|---------------|
| <u>Federal Government (Cont.)</u>                |                              |                               |                      |                               |                                  |               |
| <u>Federal Through State (Cont.)</u>             |                              |                               |                      |                               |                                  |               |
| Title I Grants to Local Education Agencies       | \$ 0                         | \$ 2,009,626                  | \$ 0                 | \$ 0                          | \$ 0                             | \$ 2,009,626  |
| Special Education - Grants to States             | 205,652                      | 1,773,481                     | 0                    | 0                             | 0                                | 1,979,133     |
| Special Education Preschool Grants               | 0                            | 43,883                        | 0                    | 0                             | 0                                | 43,883        |
| Eisenhower Professional Development State Grants | 0                            | 701,596                       | 0                    | 0                             | 0                                | 701,596       |
| Other Federal through State                      | 110,145                      | 418,297                       | 0                    | 0                             | 0                                | 528,442       |
| <u>Direct Federal Revenue</u>                    |                              |                               |                      |                               |                                  |               |
| ROTC Reimbursement                               | 49,966                       | 0                             | 0                    | 0                             | 0                                | 49,966        |
| Total Federal Government                         | \$ 591,470                   | \$ 5,128,395                  | \$ 2,341,919         | \$ 0                          | \$ 0                             | \$ 8,061,784  |
| <u>Other Governments and Citizens Groups</u>     |                              |                               |                      |                               |                                  |               |
| <u>Other Governments</u>                         |                              |                               |                      |                               |                                  |               |
| Contributions                                    | \$ 182,180                   | \$ 0                          | \$ 0                 | \$ 0                          | \$ 27,187                        | \$ 209,367    |
| <u>Citizens Groups</u>                           |                              |                               |                      |                               |                                  |               |
| Donations  | 26,250                       | 0                             | 0                    | 0                             | 0                                | 26,250        |
| Total Other Governments and Citizens Groups      | \$ 208,430                   | \$ 0                          | \$ 0                 | \$ 0                          | \$ 27,187                        | \$ 235,617    |
| Total  | \$ 62,113,801                | \$ 5,128,395                  | \$ 4,234,026         | \$ 794,638                    | \$ 27,187                        | \$ 72,298,047 |

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2007

General Fund

General Government

County Commission

|                                  |    |         |            |
|----------------------------------|----|---------|------------|
| Board and Committee Members Fees | \$ | 114,550 |            |
| Social Security                  |    | 8,763   |            |
| Audit Services                   |    | 14,165  |            |
| Dues and Memberships             |    | 1,850   |            |
| Printing, Stationery, and Forms  |    | 500     |            |
| Travel                           |    | 1,561   |            |
| Other Charges                    |    | 1,947   |            |
| Office Equipment                 |    | 4,244   |            |
| Total County Commission          |    |         | \$ 147,580 |

Beer Board

|                                  |    |       |       |
|----------------------------------|----|-------|-------|
| Board and Committee Members Fees | \$ | 1,929 |       |
| Total Beer Board                 |    |       | 1,929 |

County Mayor/Executive

|   |    |         |         |
|---|----|---------|---------|
| County Official/Administrative Officer      | \$ | 74,105  |         |
| Temporary Personnel                         |    | 5,977   |         |
| Longevity Pay                               |    | 1,650   |         |
| Other Salaries and Wages                    |    | 126,600 |         |
| Social Security                             |    | 15,380  |         |
| State Retirement                            |    | 19,224  |         |
| Life Insurance                              |    | 186     |         |
| Medical Insurance                           |    | 15,681  |         |
| Dental Insurance                            |    | 144     |         |
| Unemployment Compensation                   |    | 272     |         |
| Communication                               |    | 5,881   |         |
| Data Processing Services                    |    | 5,019   |         |
| Dues and Memberships                        |    | 1,650   |         |
| Maintenance and Repair Services - Equipment |    | 307     |         |
| Travel                                      |    | 431     |         |
| Office Supplies                             |    | 9,448   |         |
| Premiums on Corporate Surety Bonds          |    | 175     |         |
| Workers' Compensation Insurance             |    | 4,007   |         |
| Other Charges                               |    | 1,447   |         |
| Data Processing Equipment                   |    | 430     |         |
| Office Equipment                            |    | 3,103   |         |
| Total County Mayor/Executive                |    |         | 291,117 |

County Attorney

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 122,402 |  |
|--|----|---------|--|

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

|                       |    |       |            |
|-----------------------|----|-------|------------|
| Legal Services        | \$ | 5,000 |            |
| Other Charges         |    | 1,000 |            |
| Total County Attorney |    |       | \$ 128,402 |

Election Commission

|   |    |         |         |
|---|----|---------|---------|
| County Official/Administrative Officer      | \$ | 56,762  |         |
| Longevity Pay                               |    | 1,700   |         |
| Overtime Pay                                |    | 5,812   |         |
| Other Salaries and Wages                    |    | 96,800  |         |
| Election Commission                         |    | 6,198   |         |
| Election Workers                            |    | 80,350  |         |
| Social Security                             |    | 14,894  |         |
| State Retirement                            |    | 14,750  |         |
| Life Insurance                              |    | 149     |         |
| Medical Insurance                           |    | 9,348   |         |
| Dental Insurance                            |    | 837     |         |
| Unemployment Compensation                   |    | 531     |         |
| Communication                               |    | 5,309   |         |
| Data Processing Services                    |    | 2,760   |         |
| Dues and Memberships                        |    | 300     |         |
| Freight Expenses                            |    | 1,550   |         |
| Legal Notices, Recording, and Court Costs   |    | 6,023   |         |
| Maintenance and Repair Services - Equipment |    | 363     |         |
| Printing, Stationery, and Forms             |    | 8,561   |         |
| Travel                                      |    | 3,815   |         |
| Other Contracted Services                   |    | 7,470   |         |
| Office Supplies                             |    | 12,290  |         |
| Workers' Compensation Insurance             |    | 3,206   |         |
| Office Equipment                            |    | 8,041   |         |
| Voting Machines                             |    | 313,760 |         |
| Total Election Commission                   |    |         | 661,579 |

Register of Deeds

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 63,069  |  |
| Longevity Pay                          |    | 2,350   |  |
| Other Salaries and Wages               |    | 118,400 |  |
| Social Security                        |    | 13,373  |  |
| State Retirement                       |    | 17,463  |  |
| Life Insurance                         |    | 186     |  |
| Medical Insurance                      |    | 19,185  |  |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Dental Insurance                            | \$ | 554    |            |
| Unemployment Compensation                   |    | 280    |            |
| Communication                               |    | 2,298  |            |
| Dues and Memberships                        |    | 588    |            |
| Maintenance Agreements                      |    | 30,038 |            |
| Maintenance and Repair Services - Equipment |    | 90     |            |
| Travel                                      |    | 878    |            |
| Data Processing Supplies                    |    | 7,943  |            |
| Office Supplies                             |    | 5,262  |            |
| Premiums on Corporate Surety Bonds          |    | 100    |            |
| Workers' Compensation Insurance             |    | 4,007  |            |
| Data Processing Equipment                   |    | 4,630  |            |
| Total Register of Deeds                     |    |        | \$ 290,694 |

Development

|                           |    |        |        |
|---------------------------|----|--------|--------|
| Other Salaries and Wages  | \$ | 10,500 |        |
| Engineering Services      |    | 2,829  |        |
| Other Contracted Services |    | 7,800  |        |
| Total Development         |    |        | 21,129 |

Codes Compliance

|   |    |        |  |
|---|----|--------|--|
| Assistant(s)                                | \$ | 26,600 |  |
| Supervisor/Director                         |    | 37,100 |  |
| Other Salaries and Wages                    |    | 29,100 |  |
| In-Service Training                         |    | 879    |  |
| Social Security                             |    | 6,691  |  |
| State Retirement                            |    | 8,816  |  |
| Life Insurance                              |    | 112    |  |
| Medical Insurance                           |    | 10,866 |  |
| Dental Insurance                            |    | 300    |  |
| Unemployment Compensation                   |    | 168    |  |
| Communication                               |    | 4,713  |  |
| Maintenance and Repair Services - Equipment |    | 105    |  |
| Printing, Stationery, and Forms             |    | 1,463  |  |
| Gasoline                                    |    | 4,220  |  |
| Office Supplies                             |    | 3,236  |  |
| Periodicals                                 |    | 1,470  |  |
| Uniforms                                    |    | 817    |  |
| Utilities                                   |    | 1,637  |  |
| Workers' Compensation Insurance             |    | 2,404  |  |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

|                        |        |            |
|------------------------|--------|------------|
| Office Equipment       | \$ 705 |            |
| Total Codes Compliance |        | \$ 141,402 |

Geographical Information Systems

|  |          |        |
|--|----------|--------|
| In-Service Training                    | \$ 2,986 |        |
| Maintenance Agreements                 | 19,289   |        |
| Travel                                 | 796      |        |
| Other Contracted Services              | 5,000    |        |
| Office Supplies                        | 4,146    |        |
| Other Equipment                        | 975      |        |
| Total Geographical Information Systems |          | 33,192 |

County Buildings

|  |           |
|--|-----------|
| Supervisor/Director                                | \$ 49,100 |
| Secretary(ies)                                     | 35,000    |
| Custodial Personnel                                | 115,636   |
| Part-time Personnel                                | 11,045    |
| Longevity Pay                                      | 9,800     |
| Overtime Pay                                       | 9,181     |
| Other Salaries and Wages                           | 459,570   |
| In-Service Training                                | 498       |
| Social Security                                    | 50,103    |
| State Retirement                                   | 64,265    |
| Life Insurance                                     | 868       |
| Medical Insurance                                  | 97,529    |
| Dental Insurance                                   | 446       |
| Unemployment Compensation                          | 1,649     |
| Communication                                      | 8,584     |
| Maintenance Agreements                             | 19,997    |
| Maintenance and Repair Services - Buildings        | 214,456   |
| Maintenance and Repair Services - Equipment        | 8,644     |
| Maintenance and Repair Services - Office Equipment | 5,058     |
| Maintenance and Repair Services - Vehicles         | 187,439   |
| Rentals  | 701       |
| Custodial Supplies                                 | 21,586    |
| Gasoline   | 19,832    |
| Office Supplies                                    | 2,702     |
| Small Tools  | 2,868     |
| Uniforms   | 12,090    |
| Utilities  | 366,271   |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

|                                 |    |        |              |
|---------------------------------|----|--------|--------------|
| Workers' Compensation Insurance | \$ | 18,702 |              |
| Other Charges                   |    | 2,874  |              |
| Data Processing Equipment       |    | 771    |              |
| Motor Vehicles                  |    | 12,000 |              |
| Other Equipment                 |    | 1,313  |              |
| Total County Buildings          |    |        | \$ 1,810,578 |

Other Facilities

|  |    |        |         |
|--|----|--------|---------|
| Computer Programmer(s)                             | \$ | 99,900 |         |
| Longevity Pay                                      |    | 850    |         |
| Overtime Pay                                       |    | 26,124 |         |
| In-Service Training                                |    | 1,688  |         |
| Social Security                                    |    | 7,984  |         |
| State Retirement                                   |    | 8,421  |         |
| Life Insurance                                     |    | 112    |         |
| Medical Insurance                                  |    | 10,771 |         |
| Unemployment Compensation                          |    | 168    |         |
| Communication                                      |    | 3,084  |         |
| Maintenance and Repair Services - Office Equipment |    | 23,830 |         |
| Rentals  |    | 6,600  |         |
| Custodial Supplies                                 |    | 179    |         |
| Office Supplies                                    |    | 710    |         |
| Small Tools  |    | 445    |         |
| Utilities  |    | 2,637  |         |
| Workers' Compensation Insurance                    |    | 2,404  |         |
| Data Processing Equipment                          |    | 2,588  |         |
| Other Equipment                                    |    | 1,000  |         |
| Total Other Facilities                             |    |        | 199,495 |

Finance

Property Assessor's Office

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 63,069  |  |
| Part-time Personnel                    |    | 12,474  |  |
| Longevity Pay                          |    | 1,800   |  |
| Other Salaries and Wages               |    | 214,852 |  |
| Board and Committee Members Fees       |    | 660     |  |
| In-Service Training                    |    | 755     |  |
| Social Security                        |    | 20,734  |  |
| State Retirement                       |    | 27,509  |  |
| Life Insurance                         |    | 335     |  |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Medical Insurance                           | \$ | 34,971 |            |
| Dental Insurance                            |    | 141    |            |
| Unemployment Compensation                   |    | 555    |            |
| Audit Services                              |    | 27,951 |            |
| Communication                               |    | 5,321  |            |
| Data Processing Services                    |    | 9,700  |            |
| Dues and Memberships                        |    | 1,383  |            |
| Maintenance and Repair Services - Equipment |    | 615    |            |
| Office Supplies                             |    | 7,772  |            |
| Premiums on Corporate Surety Bonds          |    | 100    |            |
| Workers' Compensation Insurance             |    | 7,213  |            |
| Office Equipment                            |    | 1,496  |            |
| Total Property Assessor's Office            |    |        | \$ 439,406 |

County Trustee's Office

|   |    |         |         |
|---|----|---------|---------|
| County Official/Administrative Officer    | \$ | 63,069  |         |
| Longevity Pay                             |    | 3,400   |         |
| Other Salaries and Wages                  |    | 162,210 |         |
| Social Security                           |    | 16,672  |         |
| State Retirement                          |    | 18,461  |         |
| Life Insurance                            |    | 260     |         |
| Medical Insurance                         |    | 20,273  |         |
| Dental Insurance                          |    | 658     |         |
| Unemployment Compensation                 |    | 336     |         |
| Communication                             |    | 2,880   |         |
| Data Processing Services                  |    | 16,421  |         |
| Dues and Memberships                      |    | 603     |         |
| Legal Notices, Recording, and Court Costs |    | 158     |         |
| Travel                                    |    | 826     |         |
| Office Supplies                           |    | 18,195  |         |
| Premiums on Corporate Surety Bonds        |    | 3,488   |         |
| Workers' Compensation Insurance           |    | 5,610   |         |
| Office Equipment                          |    | 3,247   |         |
| Total County Trustee's Office             |    |         | 336,767 |

County Clerk's Office

|  |    |        |
|--|----|--------|
| County Official/Administrative Officer | \$ | 63,069 |
| Part-time Personnel                    |    | 2,680  |
| Longevity Pay                          |    | 5,500  |
| Overtime Pay                           |    | 1,038  |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

|   |    |         |            |
|---|----|---------|------------|
| Other Salaries and Wages                    | \$ | 531,968 |            |
| Other Per Diem and Fees                     |    | 1,320   |            |
| Social Security                             |    | 43,869  |            |
| State Retirement                            |    | 57,026  |            |
| Life Insurance                              |    | 793     |            |
| Medical Insurance                           |    | 58,647  |            |
| Dental Insurance                            |    | 1,362   |            |
| Unemployment Compensation                   |    | 1,408   |            |
| Communication                               |    | 6,184   |            |
| Data Processing Services                    |    | 3,825   |            |
| Dues and Memberships                        |    | 653     |            |
| Maintenance Agreements                      |    | 11,742  |            |
| Maintenance and Repair Services - Equipment |    | 1,640   |            |
| Travel                                      |    | 1,279   |            |
| Office Supplies                             |    | 34,068  |            |
| Utilities                                   |    | 7,702   |            |
| Premiums on Corporate Surety Bonds          |    | 150     |            |
| Workers' Compensation Insurance             |    | 17,098  |            |
| Other Charges                               |    | 88      |            |
| Office Equipment                            |    | 7,867   |            |
| Total County Clerk's Office                 |    |         | \$ 860,976 |

Other Finance

|                                 |    |        |
|---------------------------------|----|--------|
| Part-time Personnel             | \$ | 10,707 |
| Overtime Pay                    |    | 2,340  |
| Other Salaries and Wages        |    | 49,900 |
| In-Service Training             |    | 355    |
| Social Security                 |    | 4,512  |
| State Retirement                |    | 5,130  |
| Life Insurance                  |    | 74     |
| Medical Insurance               |    | 9,507  |
| Dental Insurance                |    | 1,310  |
| Unemployment Compensation       |    | 174    |
| Communication                   |    | 1,156  |
| Data Processing Services        |    | 7,300  |
| Travel                          |    | 647    |
| Gasoline                        |    | 2,948  |
| Office Supplies                 |    | 4,673  |
| Workers' Compensation Insurance |    | 1,603  |
| Other Charges                   |    | 56     |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Other Finance (Cont.)

|                     |    |              |         |
|---------------------|----|--------------|---------|
| Motor Vehicles      | \$ | 4,800        |         |
| Office Equipment    |    | <u>2,484</u> |         |
| Total Other Finance | \$ |              | 109,676 |

Administration of Justice

Circuit Court

|   |    |              |         |
|---|----|--------------|---------|
| County Official/Administrative Officer      | \$ | 63,069       |         |
| Part-time Personnel                         |    | 4,634        |         |
| Longevity Pay                               |    | 6,000        |         |
| Other Salaries and Wages                    |    | 475,999      |         |
| Jury and Witness Fees                       |    | 23,963       |         |
| Other Per Diem and Fees                     |    | 23,470       |         |
| Social Security                             |    | 40,621       |         |
| State Retirement                            |    | 45,790       |         |
| Life Insurance                              |    | 744          |         |
| Medical Insurance                           |    | 69,749       |         |
| Dental Insurance                            |    | 3,278        |         |
| Unemployment Compensation                   |    | 1,318        |         |
| Communication                               |    | 8,149        |         |
| Data Processing Services                    |    | 11,788       |         |
| Dues and Memberships                        |    | 893          |         |
| Maintenance Agreements                      |    | 7,020        |         |
| Maintenance and Repair Services - Equipment |    | 45           |         |
| Travel                                      |    | 1,312        |         |
| Other Contracted Services                   |    | 11,009       |         |
| Data Processing Supplies                    |    | 2,773        |         |
| Office Supplies                             |    | 32,864       |         |
| Premiums on Corporate Surety Bonds          |    | 350          |         |
| Workers' Compensation Insurance             |    | 16,030       |         |
| Data Processing Equipment                   |    | 8,200        |         |
| Office Equipment                            |    | <u>5,332</u> |         |
| Total Circuit Court                         |    |              | 864,400 |

General Sessions Court

|                          |    |         |  |
|--------------------------|----|---------|--|
| Judge(s)                 | \$ | 256,413 |  |
| Other Salaries and Wages |    | 68,514  |  |
| Social Security          |    | 19,873  |  |
| State Retirement         |    | 27,969  |  |
| Life Insurance           |    | 112     |  |
| Medical Insurance        |    | 12,353  |  |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

|                                 |    |        |            |
|---------------------------------|----|--------|------------|
| Dental Insurance                | \$ | 246    |            |
| Unemployment Compensation       |    | 56     |            |
| Data Processing Services        |    | 2,222  |            |
| Dues and Memberships            |    | 550    |            |
| Travel                          |    | 2,905  |            |
| Other Contracted Services       |    | 15,000 |            |
| Office Supplies                 |    | 2,523  |            |
| Workers' Compensation Insurance |    | 2,404  |            |
| Office Equipment                |    | 1,402  |            |
| Total General Sessions Court    |    |        | \$ 412,542 |

Chancery Court

|   |    |         |         |
|---|----|---------|---------|
| County Official/Administrative Officer      | \$ | 63,069  |         |
| Longevity Pay                               |    | 950     |         |
| Other Salaries and Wages                    |    | 136,400 |         |
| Other Per Diem and Fees                     |    | 8,400   |         |
| Social Security                             |    | 14,643  |         |
| State Retirement                            |    | 19,040  |         |
| Life Insurance                              |    | 223     |         |
| Medical Insurance                           |    | 26,112  |         |
| Dental Insurance                            |    | 158     |         |
| Unemployment Compensation                   |    | 338     |         |
| Communication                               |    | 2,745   |         |
| Dues and Memberships                        |    | 573     |         |
| Legal Notices, Recording, and Court Costs   |    | 235     |         |
| Maintenance and Repair Services - Equipment |    | 376     |         |
| Travel                                      |    | 800     |         |
| Office Supplies                             |    | 10,526  |         |
| Premiums on Corporate Surety Bonds          |    | 350     |         |
| Workers' Compensation Insurance             |    | 4,809   |         |
| Office Equipment                            |    | 6,881   |         |
| Total Chancery Court                        |    |         | 296,628 |

Juvenile Court

|                          |    |        |  |
|--------------------------|----|--------|--|
| Youth Service Officer(s) | \$ | 54,990 |  |
| Longevity Pay            |    | 900    |  |
| Other Salaries and Wages |    | 44,460 |  |
| In-Service Training      |    | 4,409  |  |
| Social Security          |    | 10,209 |  |
| State Retirement         |    | 13,339 |  |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Life Insurance                              | \$ | 186    |            |
| Medical Insurance                           |    | 11,682 |            |
| Dental Insurance                            |    | 305    |            |
| Unemployment Compensation                   |    | 338    |            |
| Communication                               |    | 5,610  |            |
| Data Processing Services                    |    | 2,095  |            |
| Dues and Memberships                        |    | 490    |            |
| Maintenance and Repair Services - Equipment |    | 1,963  |            |
| Travel                                      |    | 1,860  |            |
| Other Contracted Services                   |    | 21,284 |            |
| Office Supplies                             |    | 2,986  |            |
| Workers' Compensation Insurance             |    | 4,007  |            |
| Office Equipment                            |    | 855    |            |
| Total Juvenile Court                        |    |        | \$ 181,968 |

Judicial Commissioners

|                                 |    |        |        |
|---------------------------------|----|--------|--------|
| Longevity Pay                   | \$ | 300    |        |
| Other Salaries and Wages        |    | 46,720 |        |
| In-Service Training             |    | 372    |        |
| Social Security                 |    | 3,531  |        |
| State Retirement                |    | 4,083  |        |
| Life Insurance                  |    | 74     |        |
| Medical Insurance               |    | 3,080  |        |
| Dental Insurance                |    | 97     |        |
| Unemployment Compensation       |    | 173    |        |
| Workers' Compensation Insurance |    | 1,603  |        |
| Other Charges                   |    | 555    |        |
| Total Judicial Commissioners    |    |        | 60,588 |

Other Administration of Justice

|                                       |    |        |        |
|---------------------------------------|----|--------|--------|
| Probation Officer(s)                  | \$ | 59,652 |        |
| Social Security                       |    | 4,295  |        |
| State Retirement                      |    | 3,390  |        |
| Life Insurance                        |    | 37     |        |
| Medical Insurance                     |    | 4,707  |        |
| Dental Insurance                      |    | 223    |        |
| Unemployment Compensation             |    | 228    |        |
| Travel                                |    | 1,887  |        |
| Office Supplies                       |    | 1,073  |        |
| Workers' Compensation Insurance       |    | 802    |        |
| Total Other Administration of Justice |    |        | 76,294 |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security

|                          |           |           |
|--------------------------|-----------|-----------|
| Other Equipment          | \$ 22,000 |           |
| Total Courtroom Security |           | \$ 22,000 |

Public Safety

Sheriff's Department

|   |           |           |
|---|-----------|-----------|
| County Official/Administrative Officer      | \$ 69,376 |           |
| Deputy(ies)                                 | 1,432,169 |           |
| Investigator(s)                             | 256,636   |           |
| Salary Supplements                          | 32,400    |           |
| Dispatchers/Radio Operators                 | 203,944   |           |
| Secretary(ies)                              | 115,174   |           |
| Longevity Pay                               | 27,100    |           |
| Overtime Pay                                | 243,765   |           |
| Other Salaries and Wages                    | 78,000    |           |
| In-Service Training                         | 52,583    |           |
| Social Security                             | 179,362   |           |
| State Retirement                            | 210,146   |           |
| Life Insurance                              | 2,293     |           |
| Medical Insurance                           | 248,521   |           |
| Dental Insurance                            | 2,633     |           |
| Unemployment Compensation                   | 4,414     |           |
| Communication                               | 25,610    |           |
| Contributions                               | 9,054     |           |
| Data Processing Services                    | 17,551    |           |
| Maintenance and Repair Services - Equipment | 5,711     |           |
| Transportation - Other than Students        | 11,356    |           |
| Travel                                      | 1,184     |           |
| Animal Food and Supplies                    | 5,050     |           |
| Gasoline                                    | 188,833   |           |
| Instructional Supplies and Materials        | 1,967     |           |
| Uniforms                                    | 31,782    |           |
| Other Supplies and Materials                | 15,292    |           |
| Premiums on Corporate Surety Bonds          | 6,025     |           |
| Workers' Compensation Insurance             | 49,424    |           |
| Communication Equipment                     | 99,592    |           |
| Law Enforcement Equipment                   | 35,825    |           |
| Motor Vehicles                              | 11,787    |           |
| Traffic Control Equipment                   | 4,065     |           |
| Other Equipment                             | 8,437     |           |
| Total Sheriff's Department                  |           | 3,687,061 |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols

|                              |    |        |           |
|------------------------------|----|--------|-----------|
| Deputy(ies)                  | \$ | 26,300 |           |
| In-Service Training          |    | 288    |           |
| Social Security              |    | 2,012  |           |
| State Retirement             |    | 2,498  |           |
| Unemployment Compensation    |    | 56     |           |
| Communication                |    | 1,203  |           |
| Travel                       |    | 1,027  |           |
| Office Supplies              |    | 1,573  |           |
| Other Supplies and Materials |    | 5,389  |           |
| Total Special Patrols        |    |        | \$ 40,346 |

Drug Enforcement

|                              |    |       |       |
|------------------------------|----|-------|-------|
| In-Service Training          | \$ | 1,193 |       |
| Communication                |    | 2,019 |       |
| Travel                       |    | 1,483 |       |
| Office Supplies              |    | 2,329 |       |
| Other Supplies and Materials |    | 2,655 |       |
| Total Drug Enforcement       |    |       | 9,679 |

Jail

|                                 |    |           |  |
|---------------------------------|----|-----------|--|
| Medical Personnel               | \$ | 69,070    |  |
| Guards                          |    | 1,039,095 |  |
| Cafeteria Personnel             |    | 52,083    |  |
| Part-time Personnel             |    | 24,990    |  |
| Longevity Pay                   |    | 4,100     |  |
| Social Security                 |    | 87,474    |  |
| State Retirement                |    | 109,170   |  |
| Life Insurance                  |    | 1,500     |  |
| Medical Insurance               |    | 114,617   |  |
| Dental Insurance                |    | 1,555     |  |
| Unemployment Compensation       |    | 3,325     |  |
| Medical and Dental Services     |    | 435,213   |  |
| Custodial Supplies              |    | 45,524    |  |
| Food Supplies                   |    | 279,114   |  |
| Office Supplies                 |    | 19,487    |  |
| Other Supplies and Materials    |    | 3,631     |  |
| Workers' Compensation Insurance |    | 32,327    |  |
| Other Charges                   |    | 19,514    |  |
| Data Processing Equipment       |    | 13,418    |  |
| Office Equipment                |    | 12,504    |  |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

|                 |           |              |
|-----------------|-----------|--------------|
| Other Equipment | \$ 33,637 |              |
| Total Jail      |           | \$ 2,401,348 |

Workhouse

|                                 |          |        |
|---------------------------------|----------|--------|
| Supervisor/Director             | \$ 1,200 |        |
| Guards                          | 33,500   |        |
| Part-time Personnel             | 9,354    |        |
| Longevity Pay                   | 1,000    |        |
| Social Security                 | 3,384    |        |
| State Retirement                | 3,391    |        |
| Life Insurance                  | 37       |        |
| Medical Insurance               | 3,195    |        |
| Unemployment Compensation       | 115      |        |
| Uniforms                        | 250      |        |
| Workers' Compensation Insurance | 802      |        |
| Other Charges                   | 1,839    |        |
| Total Workhouse                 |          | 58,067 |

Juvenile Services

|                              |           |
|------------------------------|-----------|
| Supervisor/Director          | \$ 42,500 |
| Guards                       | 314,919   |
| Secretary(ies)               | 26,000    |
| Longevity Pay                | 3,800     |
| Overtime Pay                 | 10,536    |
| In-Service Training          | 255       |
| Social Security              | 28,740    |
| State Retirement             | 36,786    |
| Life Insurance               | 570       |
| Medical Insurance            | 43,619    |
| Dental Insurance             | 1,748     |
| Unemployment Compensation    | 801       |
| Communication                | 7,178     |
| Laundry Service              | 1,291     |
| Medical and Dental Services  | 462       |
| Travel                       | 508       |
| Food Supplies                | 2,762     |
| Office Supplies              | 4,904     |
| Uniforms                     | 2,691     |
| Utilities                    | 7,656     |
| Other Supplies and Materials | 3,174     |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

|                                 |    |        |            |
|---------------------------------|----|--------|------------|
| Workers' Compensation Insurance | \$ | 12,289 |            |
| Other Charges                   |    | 7,037  |            |
| Office Equipment                |    | 917    |            |
| Total Juvenile Services         |    |        | \$ 561,143 |

Commissary

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Food Supplies                | \$ | 100,721 |         |
| Other Supplies and Materials |    | 33,822  |         |
| Total Commissary             |    |         | 134,543 |

Fire Prevention and Control

|   |    |         |         |
|---|----|---------|---------|
| Supervisor/Director                         | \$ | 37,535  |         |
| Other Salaries and Wages                    |    | 34,987  |         |
| In-Service Training                         |    | 11,874  |         |
| Social Security                             |    | 2,871   |         |
| State Retirement                            |    | 3,566   |         |
| Life Insurance                              |    | 113     |         |
| Unemployment Compensation                   |    | 172     |         |
| Communication                               |    | 2,888   |         |
| Maintenance and Repair Services - Equipment |    | 1,011   |         |
| Gasoline                                    |    | 6,579   |         |
| Office Supplies                             |    | 252     |         |
| Uniforms                                    |    | 5,480   |         |
| Utilities                                   |    | 16,524  |         |
| Workers' Compensation Insurance             |    | 2,404   |         |
| Building Construction                       |    | 153,629 |         |
| Communication Equipment                     |    | 2,885   |         |
| Motor Vehicles                              |    | 263,148 |         |
| Other Equipment                             |    | 86,795  |         |
| Total Fire Prevention and Control           |    |         | 632,713 |

Civil Defense

|                           |    |         |         |
|---------------------------|----|---------|---------|
| Contributions             | \$ | 100,000 |         |
| Other Contracted Services |    | 35,559  |         |
| Gasoline                  |    | 9,207   |         |
| Total Civil Defense       |    |         | 144,766 |

Other Emergency Management

|                              |    |         |  |
|------------------------------|----|---------|--|
| Other Supplies and Materials | \$ | 17,097  |  |
| Health Equipment             |    | 285,308 |  |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

|                                  |            |            |
|----------------------------------|------------|------------|
| Other Equipment                  | \$ 180,026 |            |
| Total Other Emergency Management |            | \$ 482,431 |

County Coroner/Medical Examiner

|                                       |          |        |
|---------------------------------------|----------|--------|
| Other Per Diem and Fees               | \$ 5,300 |        |
| Other Contracted Services             | 39,015   |        |
| Premiums on Corporate Surety Bonds    | 200      |        |
| Other Charges                         | 2,684    |        |
| Total County Coroner/Medical Examiner |          | 47,199 |

Public Health and Welfare

Local Health Center

|                                    |           |         |
|------------------------------------|-----------|---------|
| Other Salaries and Wages           | \$ 16,607 |         |
| Social Security                    | 1,270     |         |
| State Retirement                   | 1,578     |         |
| Life Insurance                     | 37        |         |
| Medical Insurance                  | 2,577     |         |
| Unemployment Compensation          | 105       |         |
| Communication                      | 10,314    |         |
| Contracts with Government Agencies | 128,000   |         |
| Contributions                      | 2,973     |         |
| Other Contracted Services          | 7,005     |         |
| Custodial Supplies                 | 3,826     |         |
| Drugs and Medical Supplies         | 9,789     |         |
| Office Supplies                    | 16,179    |         |
| Utilities                          | 26,422    |         |
| Workers' Compensation Insurance    | 802       |         |
| Other Charges                      | 2,391     |         |
| Total Local Health Center          |           | 229,875 |

Ambulance/Emergency Medical Services

|                         |           |
|-------------------------|-----------|
| Supervisor/Director     | \$ 49,100 |
| Deputy(ies)             | 46,500    |
| Accountants/Bookkeepers | 35,000    |
| Paraprofessionals       | 1,414,025 |
| Secretary(ies)          | 27,200    |
| Part-time Personnel     | 243,110   |
| Longevity Pay           | 18,500    |
| Overtime Pay            | 118,584   |
| In-Service Training     | 15,281    |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

|   |    |         |           |
|---|----|---------|-----------|
| Social Security                             | \$ | 142,400 |           |
| State Retirement                            |    | 163,721 |           |
| Life Insurance                              |    | 1,810   |           |
| Medical Insurance                           |    | 163,996 |           |
| Unemployment Compensation                   |    | 2,545   |           |
| Communication                               |    | 11,556  |           |
| Data Processing Services                    |    | 4,681   |           |
| Maintenance and Repair Services - Equipment |    | 3,798   |           |
| Medical and Dental Services                 |    | 7,200   |           |
| Travel                                      |    | 541     |           |
| Permits                                     |    | 1,787   |           |
| Drugs and Medical Supplies                  |    | 102,695 |           |
| Gasoline                                    |    | 92,886  |           |
| Office Supplies                             |    | 11,426  |           |
| Uniforms                                    |    | 24,531  |           |
| Utilities                                   |    | 55,192  |           |
| Other Supplies and Materials                |    | 5,486   |           |
| Workers' Compensation Insurance             |    | 39,006  |           |
| Other Charges                               |    | 1,281   |           |
| Building Improvements                       |    | 16,600  |           |
| Communication Equipment                     |    | 3,208   |           |
| Motor Vehicles                              |    | 179,005 |           |
| Office Equipment                            |    | 21,836  |           |
| Other Equipment                             |    | 89,621  |           |
| Total Ambulance/Emergency Medical Services  | \$ |         | 3,114,108 |

Other Local Health Services

|                                   |    |        |        |
|-----------------------------------|----|--------|--------|
| Supervisor/Director               | \$ | 600    |        |
| In-Service Training               |    | 865    |        |
| Social Security                   |    | 41     |        |
| State Retirement                  |    | 57     |        |
| Life Insurance                    |    | 37     |        |
| Medical Insurance                 |    | 81     |        |
| Unemployment Compensation         |    | 1      |        |
| Drugs and Medical Supplies        |    | 16,920 |        |
| Other Supplies and Materials      |    | 7,959  |        |
| Workers' Compensation Insurance   |    | 802    |        |
| Total Other Local Health Services |    |        | 27,363 |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Regional Mental Health Center

|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Contributions                       | \$ 15,000 |           |
| Total Regional Mental Health Center |           | \$ 15,000 |

General Welfare Assistance

|                                  |           |        |
|----------------------------------|-----------|--------|
| Contributions                    | \$ 11,000 |        |
| Total General Welfare Assistance |           | 11,000 |

Aid to Dependent Children

|                                 |          |       |
|---------------------------------|----------|-------|
| Contributions                   | \$ 7,967 |       |
| Total Aid to Dependent Children |          | 7,967 |

Other Public Health and Welfare

|                                       |          |         |
|---------------------------------------|----------|---------|
| Custodial Personnel                   | \$ 2,486 |         |
| Longevity Pay                         | 550      |         |
| Other Salaries and Wages              | 692,754  |         |
| Social Security                       | 51,478   |         |
| State Retirement                      | 56,656   |         |
| Employee and Dependent Insurance      | 715      |         |
| Life Insurance                        | 793      |         |
| Medical Insurance                     | 42,996   |         |
| Dental Insurance                      | 650      |         |
| Unemployment Compensation             | 1,754    |         |
| Rentals                               | 19,800   |         |
| Travel                                | 16,178   |         |
| Drugs and Medical Supplies            | 506      |         |
| Office Supplies                       | 2,000    |         |
| Excess Risk Insurance                 | 826      |         |
| Workers' Compensation Insurance       | 17,098   |         |
| Other Charges                         | 7,897    |         |
| Other Construction                    | 1,882    |         |
| Total Other Public Health and Welfare |          | 917,019 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

|                                  |           |        |
|----------------------------------|-----------|--------|
| Contributions                    | \$ 64,917 |        |
| Gasoline                         | 356       |        |
| Total Senior Citizens Assistance |           | 65,273 |

Libraries

|                 |           |        |
|-----------------|-----------|--------|
| Contributions   | \$ 13,669 |        |
| Total Libraries |           | 13,669 |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards

|                                    |    |        |           |
|------------------------------------|----|--------|-----------|
| Dental Insurance                   | \$ | 577    |           |
| Contracts with Government Agencies |    | 70,050 |           |
| Dues and Memberships               |    | 2,002  |           |
| Gasoline                           |    | 12,243 |           |
| Utilities                          |    | 7,599  |           |
| Total Parks and Fair Boards        |    |        | \$ 92,471 |

Other Social, Cultural, and Recreational

|  |    |        |        |
|--|----|--------|--------|
| Contributions                                  | \$ | 10,000 |        |
| Total Other Social, Cultural, and Recreational |    |        | 10,000 |

Agriculture and Natural Resources

Agriculture Extension Service

|   |    |        |         |
|---|----|--------|---------|
| Salary Supplements                          | \$ | 90,470 |         |
| Other Salaries and Wages                    |    | 20,200 |         |
| Social Security                             |    | 1,512  |         |
| State Retirement                            |    | 1,919  |         |
| Employee and Dependent Insurance            |    | 960    |         |
| Life Insurance                              |    | 37     |         |
| Dental Insurance                            |    | 104    |         |
| Unemployment Compensation                   |    | 56     |         |
| Other Fringe Benefits                       |    | 15,958 |         |
| Communication                               |    | 5,164  |         |
| Maintenance and Repair Services - Equipment |    | 1,112  |         |
| Matching Share                              |    | 1,500  |         |
| Travel                                      |    | 1,594  |         |
| Utilities                                   |    | 12,675 |         |
| Workers' Compensation Insurance             |    | 802    |         |
| Other Charges                               |    | 1,000  |         |
| Office Equipment                            |    | 701    |         |
| Total Agriculture Extension Service         |    |        | 155,764 |

Forest Service

|                      |    |       |       |
|----------------------|----|-------|-------|
| Contributions        | \$ | 1,500 |       |
| Total Forest Service |    |       | 1,500 |

Soil Conservation

|                  |    |        |  |
|------------------|----|--------|--|
| Secretary(ies)   | \$ | 24,200 |  |
| Social Security  |    | 1,851  |  |
| State Retirement |    | 2,299  |  |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

|                                 |    |     |           |
|---------------------------------|----|-----|-----------|
| Life Insurance                  | \$ | 37  |           |
| Dental Insurance                |    | 318 |           |
| Unemployment Compensation       |    | 56  |           |
| Workers' Compensation Insurance |    | 802 |           |
| Total Soil Conservation         |    |     | \$ 29,563 |

Other Operations

Tourism

|               |    |         |         |
|---------------|----|---------|---------|
| Contributions | \$ | 140,324 |         |
| Total Tourism |    |         | 140,324 |

Industrial Development

|                              |    |        |        |
|------------------------------|----|--------|--------|
| Contributions                | \$ | 25,000 |        |
| Total Industrial Development |    |        | 25,000 |

Airport

|                |    |        |        |
|----------------|----|--------|--------|
| Contributions  | \$ | 30,000 |        |
| Matching Share |    | 28,000 |        |
| Total Airport  |    |        | 58,000 |

Veterans' Services

|                                 |    |        |        |
|---------------------------------|----|--------|--------|
| Supervisor/Director             | \$ | 18,910 |        |
| Social Security                 |    | 1,447  |        |
| State Retirement                |    | 1,797  |        |
| Life Insurance                  |    | 37     |        |
| Unemployment Compensation       |    | 112    |        |
| Communication                   |    | 1,735  |        |
| Maintenance Agreements          |    | 450    |        |
| Office Supplies                 |    | 1,483  |        |
| Workers' Compensation Insurance |    | 802    |        |
| Other Charges                   |    | 469    |        |
| Office Equipment                |    | 2,034  |        |
| Total Veterans' Services        |    |        | 29,276 |

Contributions to Other Agencies

|                                       |    |         |         |
|---------------------------------------|----|---------|---------|
| Contributions                         | \$ | 169,770 |         |
| Other Contracted Services             |    | 52,928  |         |
| Gasoline                              |    | 2,969   |         |
| Other Construction                    |    | 44,250  |         |
| Total Contributions to Other Agencies |    |         | 269,917 |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

|   |    |         |            |
|---|----|---------|------------|
| Dues and Memberships                      | \$ | 7,602   |            |
| Legal Notices, Recording, and Court Costs |    | 1,973   |            |
| Other Contracted Services                 |    | 7,110   |            |
| Gasoline                                  |    | 1       |            |
| Library Books/Media                       |    | 11,500  |            |
| Building and Contents Insurance           |    | 28,256  |            |
| Excess Risk Insurance                     |    | 50,119  |            |
| Liability Insurance                       |    | 78,750  |            |
| Refunds                                   |    | 2,318   |            |
| Trustee's Commission                      |    | 260,552 |            |
| Tax Relief Program                        |    | 93,554  |            |
| Other Charges                             |    | 40,271  |            |
| Disabilities Act Improvements             |    | 3,250   |            |
| Total Miscellaneous                       |    |         | \$ 585,256 |

Total General Fund \$ 21,385,983

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

|   |    |         |              |
|---|----|---------|--------------|
| Other Salaries and Wages                    | \$ | 491,357 |              |
| Legal Services                              |    | 2,500   |              |
| Maintenance and Repair Services - Equipment |    | 26,276  |              |
| Travel                                      |    | 3,081   |              |
| Library Books/Media                         |    | 82,305  |              |
| Utilities                                   |    | 43,656  |              |
| Other Supplies and Materials                |    | 31,336  |              |
| Liability Insurance                         |    | 2,210   |              |
| Other Charges                               |    | 22,771  |              |
| Building Construction                       |    | 239,429 |              |
| Other Equipment                             |    | 55,807  |              |
| Total Libraries                             |    |         | \$ 1,000,728 |

Total Public Library Fund 1,000,728

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

|                     |    |         |  |
|---------------------|----|---------|--|
| Supervisor/Director | \$ | 43,100  |  |
| Attendants          |    | 121,826 |  |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

|   |    |           |              |
|---|----|-----------|--------------|
| Part-time Personnel                         | \$ | 13,537    |              |
| Overtime Pay                                |    | 31,034    |              |
| Other Salaries and Wages                    |    | 371,834   |              |
| Other Fringe Benefits                       |    | 148,000   |              |
| Communication                               |    | 14,616    |              |
| Engineering Services                        |    | 7,669     |              |
| Legal Services                              |    | 2,910     |              |
| Maintenance and Repair Services - Buildings |    | 20,846    |              |
| Maintenance and Repair Services - Equipment |    | 70,931    |              |
| Maintenance and Repair Services - Vehicles  |    | 79,014    |              |
| Travel                                      |    | 1,643     |              |
| Disposal Fees                               |    | 1,530,928 |              |
| Permits                                     |    | 150       |              |
| Other Contracted Services                   |    | 46,904    |              |
| Crushed Stone                               |    | 17,692    |              |
| Gasoline                                    |    | 80,056    |              |
| Office Supplies                             |    | 2,563     |              |
| Uniforms                                    |    | 7,374     |              |
| Utilities                                   |    | 40,027    |              |
| Other Charges                               |    | 14,993    |              |
| Motor Vehicles                              |    | 6,512     |              |
| Office Equipment                            |    | 918       |              |
| Solid Waste Equipment                       |    | 54,494    |              |
| Other Construction                          |    | 152,419   |              |
| Total Sanitation Management                 |    |           | \$ 2,881,990 |

Landfill Operation and Maintenance

|  |    |        |        |
|--|----|--------|--------|
| Engineering Services                     | \$ | 8,145  |        |
| Other Charges                            |    | 2,018  |        |
| Other Construction                       |    | 42,000 |        |
| Total Landfill Operation and Maintenance |    |        | 52,163 |

Other Waste Disposal

|                                   |    |         |         |
|-----------------------------------|----|---------|---------|
| Engineering Services              | \$ | 35,346  |         |
| Contracts for Landfill Facilities |    | 32,000  |         |
| Other Contracted Services         |    | 214,638 |         |
| Other Construction                |    | 88,000  |         |
| Total Other Waste Disposal        |    |         | 369,984 |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Postclosure Care Costs

|                              |    |        |            |
|------------------------------|----|--------|------------|
| Engineering Services         | \$ | 13,609 |            |
| Other Contracted Services    |    | 31,000 |            |
| Other Supplies and Materials |    | 12,100 |            |
| Other Construction           |    | 51,500 |            |
| Total Postclosure Care Costs |    |        | \$ 108,209 |

Other Operations

Miscellaneous

|                      |    |        |        |
|----------------------|----|--------|--------|
| Trustee's Commission | \$ | 56,649 |        |
| Total Miscellaneous  |    |        | 56,649 |

Total Solid Waste/Sanitation Fund \$ 3,468,995

Industrial/Economic Development Fund

Other Operations

Industrial Development

|                                    |    |        |           |
|------------------------------------|----|--------|-----------|
| Advertising                        | \$ | 1,780  |           |
| Contracts with Government Agencies |    | 30,000 |           |
| Total Industrial Development       |    |        | \$ 31,780 |

Miscellaneous

|                      |    |       |       |
|----------------------|----|-------|-------|
| Trustee's Commission | \$ | 7,124 |       |
| Total Miscellaneous  |    |       | 7,124 |

Capital Projects

Other General Government Projects

|   |    |           |           |
|---|----|-----------|-----------|
| Land                                    | \$ | 4,905,370 |           |
| Total Other General Government Projects |    |           | 4,905,370 |

Total Industrial/Economic Development Fund 4,944,274

Drug Control Fund

Public Safety

Sheriff's Department

|                            |    |        |           |
|----------------------------|----|--------|-----------|
| Investigator(s)            | \$ | 10,350 |           |
| Other Fringe Benefits      |    | 1,553  |           |
| Total Sheriff's Department |    |        | \$ 11,903 |

Drug Enforcement

|                     |    |     |  |
|---------------------|----|-----|--|
| In-Service Training | \$ | 400 |  |
|---------------------|----|-----|--|

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

|  |    |        |           |
|--|----|--------|-----------|
| Communication                          | \$ | 1,398  |           |
| Confidential Drug Enforcement Payments |    | 25,000 |           |
| Rentals                                |    | 938    |           |
| Travel                                 |    | 692    |           |
| Other Supplies and Materials           |    | 2,161  |           |
| Law Enforcement Equipment              |    | 9,079  |           |
| Motor Vehicles                         |    | 18,300 |           |
| Total Drug Enforcement                 |    |        | \$ 57,968 |

Total Drug Control Fund \$ 69,871

Sports and Recreation Fund

Social, Cultural, and Recreational Services

Parks and Fair Boards

|   |    |         |            |
|---|----|---------|------------|
| Temporary Personnel                         | \$ | 23,100  |            |
| Other Salaries and Wages                    |    | 432,179 |            |
| Social Security                             |    | 32,016  |            |
| State Retirement                            |    | 37,495  |            |
| Medical Insurance                           |    | 42,410  |            |
| Dental Insurance                            |    | 577     |            |
| Unemployment Compensation                   |    | 1,574   |            |
| Audit Services                              |    | 2,500   |            |
| Communication                               |    | 13,418  |            |
| Dues and Memberships                        |    | 2,002   |            |
| Maintenance and Repair Services - Buildings |    | 92,176  |            |
| Maintenance and Repair Services - Vehicles  |    | 4,386   |            |
| Gasoline                                    |    | 17,011  |            |
| Office Supplies                             |    | 4,404   |            |
| Small Tools                                 |    | 10,403  |            |
| Utilities                                   |    | 113,026 |            |
| Other Supplies and Materials                |    | 43,916  |            |
| Workers' Compensation Insurance             |    | 14,498  |            |
| Other Charges                               |    | 6,429   |            |
| Other Equipment                             |    | 25,616  |            |
| Other Capital Outlay                        |    | 18,572  |            |
| Total Parks and Fair Boards                 |    |         | \$ 937,708 |

Total Sports and Recreation Fund 937,708

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

District Attorney General Fund

Public Safety

Other Public Safety

|  |    |       |           |
|--|----|-------|-----------|
| Salary Supplements                                 | \$ | 3,006 |           |
| Jury and Witness Fees                              |    | 345   |           |
| Communication                                      |    | 4,791 |           |
| Dues and Memberships                               |    | 100   |           |
| Maintenance and Repair Services - Office Equipment |    | 973   |           |
| Rentals  |    | 400   |           |
| Travel   |    | 6,007 |           |
| Other Contracted Services                          |    | 2,219 |           |
| Utilities  |    | 11    |           |
| Other Charges                                      |    | 217   |           |
| Total Other Public Safety                          |    |       | \$ 18,069 |

Total District Attorney General Fund \$ 18,069

Constitutional Officers - Fees Fund

General Government

Register of Deeds

|   |    |    |       |
|---|----|----|-------|
| Constitutional Officers' Operating Expenses | \$ | 14 |       |
| Total Register of Deeds                     |    |    | \$ 14 |

Finance

County Clerk's Office

|   |    |     |     |
|---|----|-----|-----|
| Constitutional Officers' Operating Expenses | \$ | 152 |     |
| Total County Clerk's Office                 |    |     | 152 |

Administration of Justice

General Sessions Court Clerk

|   |    |     |     |
|---|----|-----|-----|
| Constitutional Officers' Operating Expenses | \$ | 212 |     |
| Total General Sessions Court Clerk          |    |     | 212 |

Chancery Court

|   |    |        |        |
|---|----|--------|--------|
| Constitutional Officers' Operating Expenses | \$ | 18,500 |        |
| Total Chancery Court                        |    |        | 18,500 |

Public Safety

Sheriff's Department

|   |    |    |    |
|---|----|----|----|
| Constitutional Officers' Operating Expenses | \$ | 62 |    |
| Total Sheriff's Department                  |    |    | 62 |

Total Constitutional Officers - Fees Fund 18,940

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund

Highways

Administration

|  |    |        |            |
|--|----|--------|------------|
| County Official/Administrative Officer             | \$ | 69,376 |            |
| Assistant(s)                                       |    | 39,900 |            |
| Accountants/Bookkeepers                            |    | 33,600 |            |
| Longevity Pay                                      |    | 1,500  |            |
| Other Salaries and Wages                           |    | 25,400 |            |
| Social Security                                    |    | 10,398 |            |
| Employee and Dependent Insurance                   |    | 3,826  |            |
| Life Insurance                                     |    | 164    |            |
| Medical Insurance                                  |    | 6,936  |            |
| Dental Insurance                                   |    | 235    |            |
| Unemployment Compensation                          |    | 41     |            |
| Local Retirement                                   |    | 16,129 |            |
| Employer Medicare                                  |    | 2,432  |            |
| Data Processing Services                           |    | 4,410  |            |
| Dues and Memberships                               |    | 3,200  |            |
| Legal Services                                     |    | 12,000 |            |
| Legal Notices, Recording, and Court Costs          |    | 500    |            |
| Maintenance and Repair Services - Office Equipment |    | 1,456  |            |
| Postal Charges                                     |    | 700    |            |
| Printing, Stationery, and Forms                    |    | 761    |            |
| Data Processing Supplies                           |    | 1,270  |            |
| Drugs and Medical Supplies                         |    | 390    |            |
| Office Supplies                                    |    | 497    |            |
| Workers' Compensation Insurance                    |    | 15,840 |            |
| Other Charges                                      |    | 863    |            |
| Communication Equipment                            |    | 2,808  |            |
| Data Processing Equipment                          |    | 829    |            |
| Total Administration                               |    |        | \$ 255,461 |

Highway and Bridge Maintenance

|                                  |    |         |
|----------------------------------|----|---------|
| Foremen                          | \$ | 24,217  |
| Equipment Operators              |    | 351,041 |
| Truck Drivers                    |    | 211,171 |
| Laborers                         |    | 73,595  |
| Longevity Pay                    |    | 12,500  |
| Overtime Pay                     |    | 5,351   |
| Other Salaries and Wages         |    | 33,301  |
| Social Security                  |    | 42,363  |
| Employee and Dependent Insurance |    | 70,618  |
| Life Insurance                   |    | 920     |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

|                                      |    |         |              |
|--------------------------------------|----|---------|--------------|
| Medical Insurance                    | \$ | 2,000   |              |
| Dental Insurance                     |    | 1,038   |              |
| Unemployment Compensation            |    | 1,328   |              |
| Local Retirement                     |    | 65,483  |              |
| Employer Medicare                    |    | 9,908   |              |
| Other Contracted Services            |    | 999,971 |              |
| Asphalt - Hot Mix                    |    | 4,566   |              |
| Asphalt - Liquid                     |    | 57,755  |              |
| Concrete                             |    | 16      |              |
| Crushed Stone                        |    | 59,829  |              |
| Electricity                          |    | 1,028   |              |
| Pipe - Metal                         |    | 14,812  |              |
| Road Signs                           |    | 14,730  |              |
| Salt                                 |    | 9,696   |              |
| Small Tools                          |    | 2,281   |              |
| Wood Products                        |    | 1,000   |              |
| Other Supplies and Materials         |    | 4,946   |              |
| Workers' Compensation Insurance      |    | 118,742 |              |
| Other Charges                        |    | 1,677   |              |
| Total Highway and Bridge Maintenance |    |         | \$ 2,195,883 |

Operation and Maintenance of Equipment

|   |    |        |
|---|----|--------|
| Mechanic(s)                                 | \$ | 64,600 |
| Custodial Personnel                         |    | 5,839  |
| Longevity Pay                               |    | 2,000  |
| Overtime Pay                                |    | 257    |
| Social Security                             |    | 4,202  |
| Employee and Dependent Insurance            |    | 5,091  |
| Life Insurance                              |    | 87     |
| Medical Insurance                           |    | 634    |
| Local Retirement                            |    | 6,882  |
| Employer Medicare                           |    | 983    |
| Laundry Service                             |    | 2,981  |
| Licenses                                    |    | 44     |
| Maintenance and Repair Services - Equipment |    | 7,764  |
| Diesel Fuel                                 |    | 52,915 |
| Equipment and Machinery Parts               |    | 44,744 |
| Garage Supplies                             |    | 5,975  |
| Gasoline                                    |    | 34,614 |
| Lubricants                                  |    | 6,000  |

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Small Tools                                  | \$ | 1,833  |            |
| Tires and Tubes                              |    | 4,779  |            |
| Other Supplies and Materials                 |    | 2,000  |            |
| Workers' Compensation Insurance              |    | 11,879 |            |
| Other Charges                                |    | 2,498  |            |
| Total Operation and Maintenance of Equipment |    |        | \$ 268,601 |

Other Charges

|                                    |    |        |         |
|------------------------------------|----|--------|---------|
| Communication                      | \$ | 4,620  |         |
| Contributions                      |    | 8,000  |         |
| Evaluation and Testing             |    | 970    |         |
| Electricity                        |    | 6,719  |         |
| Natural Gas                        |    | 5,256  |         |
| Water and Sewer                    |    | 259    |         |
| Building and Contents Insurance    |    | 741    |         |
| Excess Risk Insurance              |    | 21,520 |         |
| Liability Insurance                |    | 78,750 |         |
| Premiums on Corporate Surety Bonds |    | 350    |         |
| Trustee's Commission               |    | 43,711 |         |
| Other Charges                      |    | 9,182  |         |
| Total Other Charges                |    |        | 180,078 |

Capital Outlay

|                      |    |         |         |
|----------------------|----|---------|---------|
| Engineering Services | \$ | 15,000  |         |
| Bridge Construction  |    | 150,932 |         |
| Highway Equipment    |    | 187,067 |         |
| State Aid Projects   |    | 175,763 |         |
| Total Capital Outlay |    |         | 528,762 |

Total Highway/Public Works Fund \$ 3,428,785

General Debt Service Fund

Principal on Debt

Education

|                    |    |           |              |
|--------------------|----|-----------|--------------|
| Principal on Bonds | \$ | 4,140,000 |              |
| Total Education    |    |           | \$ 4,140,000 |

Interest on Debt

Education

|                   |    |           |  |
|-------------------|----|-----------|--|
| Interest on Bonds | \$ | 3,602,508 |  |
|-------------------|----|-----------|--|

(Continued)

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

|  |            |                      |
|--|------------|----------------------|
| <u>General Debt Service Fund (Cont.)</u>             |            |                      |
| <u>Interest on Debt (Cont.)</u>                      |            |                      |
| <u>Education (Cont.)</u>                             |            |                      |
| Interest on Other Loans                              | \$ 231,732 |                      |
| Total Education                                      |            | \$ 3,834,240         |
| <u>Other Debt Service</u>                            |            |                      |
| <u>Education</u>                                     |            |                      |
| Other Contracted Services                            | \$ 21,103  |                      |
| Trustee's Commission                                 | 144,032    |                      |
| Other Debt Service                                   | 3,770      |                      |
| Total Education                                      |            | 168,905              |
| Total General Debt Service Fund                      |            | \$ 8,143,145         |
| <u>General Capital Projects Fund</u>                 |            |                      |
| <u>Public Health and Welfare</u>                     |            |                      |
| <u>Local Health Center</u>                           |            |                      |
| Building Construction                                | \$ 6,440   |                      |
| Total Local Health Center                            |            | \$ 6,440             |
| <u>Ambulance/Emergency Medical Services</u>          |            |                      |
| Building Construction                                | \$ 5,815   |                      |
| Total Ambulance/Emergency Medical Services           |            | 5,815                |
| <u>Other Operations</u>                              |            |                      |
| <u>Miscellaneous</u>                                 |            |                      |
| Trustee's Commission                                 | \$ 4,546   |                      |
| Total Miscellaneous                                  |            | 4,546                |
| <u>Other Debt Service</u>                            |            |                      |
| <u>General Government</u>                            |            |                      |
| Underwriter's Discount                               | \$ 151,300 |                      |
| Other Debt Issuance Charges                          | 86,358     |                      |
| Total General Government                             |            | 237,658              |
| <u>Capital Projects - Donated</u>                    |            |                      |
| <u>Capital Projects Donated to School Department</u> |            |                      |
| Contributions  | \$ 182,180 |                      |
| Total Capital Projects Donated to School Department  |            | 182,180              |
| Total General Capital Projects Fund                  |            | 436,639              |
| <u>Education Capital Projects Fund</u>               |            |                      |
| <u>Capital Projects - Donated</u>                    |            |                      |
| <u>Capital Projects Donated to School Department</u> |            |                      |
| Contributions  | \$ 27,187  |                      |
| Total Capital Projects Donated to School Department  |            | \$ 27,187            |
| Total Education Capital Projects Fund                |            | 27,187               |
| Total Governmental Funds - Primary Government        |            | <u>\$ 43,880,324</u> |

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department  
For the Year Ended June 30, 2007

General Purpose School Fund

Instruction

Regular Instruction Program

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Teachers                             | \$ 20,123,247 |               |
| Career Ladder Program                | 319,056       |               |
| Career Ladder Extended Contracts     | 197,722       |               |
| Salary Supplements                   | 187,770       |               |
| Educational Assistants               | 902,643       |               |
| Other Salaries and Wages             | 1,666         |               |
| Certified Substitute Teachers        | 150,331       |               |
| Non-certified Substitute Teachers    | 151,622       |               |
| Social Security                      | 1,321,381     |               |
| State Retirement                     | 1,356,898     |               |
| Life Insurance                       | 15,633        |               |
| Medical Insurance                    | 4,118,225     |               |
| Dental Insurance                     | 45,633        |               |
| Unemployment Compensation            | 23,366        |               |
| Employer Medicare                    | 310,365       |               |
| Other Contracted Services            | 67,156        |               |
| Instructional Supplies and Materials | 261,905       |               |
| Textbooks                            | 872,526       |               |
| Other Supplies and Materials         | 4,670         |               |
| Fee Waivers                          | 28,690        |               |
| Other Charges                        | 4,926         |               |
| Regular Instruction Equipment        | 285,960       |               |
| Total Regular Instruction Program    |               | \$ 30,751,391 |

Alternative Instruction Program

|                                       |            |         |
|---------------------------------------|------------|---------|
| Teachers                              | \$ 280,213 |         |
| Career Ladder Program                 | 4,000      |         |
| Educational Assistants                | 18,228     |         |
| Social Security                       | 18,066     |         |
| State Retirement                      | 18,897     |         |
| Life Insurance                        | 194        |         |
| Medical Insurance                     | 52,517     |         |
| Dental Insurance                      | 484        |         |
| Unemployment Compensation             | 293        |         |
| Employer Medicare                     | 4,287      |         |
| Instructional Supplies and Materials  | 210        |         |
| Other Supplies and Materials          | 767        |         |
| Other Charges                         | 814        |         |
| Other Equipment                       | 923        |         |
| Total Alternative Instruction Program |            | 399,893 |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| Teachers                             | \$ 2,744,744 |              |
| Career Ladder Program                | 43,008       |              |
| Career Ladder Extended Contracts     | 13,625       |              |
| Homebound Teachers                   | 65,955       |              |
| Educational Assistants               | 674,604      |              |
| Speech Pathologist                   | 229,154      |              |
| Other Salaries and Wages             | 134,389      |              |
| Certified Substitute Teachers        | 6,708        |              |
| Non-certified Substitute Teachers    | 6,376        |              |
| Social Security                      | 234,782      |              |
| State Retirement                     | 260,409      |              |
| Life Insurance                       | 3,682        |              |
| Medical Insurance                    | 777,028      |              |
| Dental Insurance                     | 8,258        |              |
| Unemployment Compensation            | 5,256        |              |
| Employer Medicare                    | 54,916       |              |
| Contracts with Private Agencies      | 9,674        |              |
| Instructional Supplies and Materials | 139,157      |              |
| Other Supplies and Materials         | 8,363        |              |
| Other Charges                        | 20,304       |              |
| Special Education Equipment          | 72,917       |              |
| Total Special Education Program      |              | \$ 5,513,309 |

Vocational Education Program

|   |            |
|---|------------|
| Teachers                                    | \$ 786,356 |
| Career Ladder Program                       | 10,963     |
| Other Salaries and Wages                    | 107        |
| Certified Substitute Teachers               | 853        |
| Non-certified Substitute Teachers           | 2,560      |
| Social Security                             | 48,425     |
| State Retirement                            | 48,876     |
| Life Insurance                              | 516        |
| Medical Insurance                           | 147,140    |
| Dental Insurance                            | 1,261      |
| Unemployment Compensation                   | 721        |
| Employer Medicare                           | 11,332     |
| Maintenance and Repair Services - Equipment | 1,891      |
| Instructional Supplies and Materials        | 16,059     |
| Other Charges                               | 700        |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

|                                    |          |              |
|------------------------------------|----------|--------------|
| Vocational Instruction Equipment   | \$ 1,269 |              |
| Total Vocational Education Program |          | \$ 1,079,029 |

Adult Education Program

|                                      |           |         |
|--------------------------------------|-----------|---------|
| Teachers                             | \$ 70,460 |         |
| Other Salaries and Wages             | 23,771    |         |
| Social Security                      | 5,834     |         |
| State Retirement                     | 5,550     |         |
| Life Insurance                       | 135       |         |
| Medical Insurance                    | 1,574     |         |
| Dental Insurance                     | 180       |         |
| Unemployment Compensation            | 295       |         |
| Employer Medicare                    | 1,364     |         |
| Travel                               | 33        |         |
| Instructional Supplies and Materials | 14,231    |         |
| Other Charges                        | 696       |         |
| Other Equipment                      | 2,431     |         |
| Total Adult Education Program        |           | 126,554 |

Support Services

Attendance

|                                  |           |        |
|----------------------------------|-----------|--------|
| Supervisor/Director              | \$ 63,464 |        |
| Career Ladder Program            | 2,000     |        |
| Career Ladder Extended Contracts | 2,000     |        |
| Social Security                  | 4,219     |        |
| State Retirement                 | 4,136     |        |
| Life Insurance                   | 28        |        |
| Medical Insurance                | 11,144    |        |
| Unemployment Compensation        | 30        |        |
| Employer Medicare                | 987       |        |
| Other Supplies and Materials     | 546       |        |
| Attendance Equipment             | 1,976     |        |
| Total Attendance                 |           | 90,530 |

Health Services

|                          |            |  |
|--------------------------|------------|--|
| Medical Personnel        | \$ 316,879 |  |
| Other Salaries and Wages | 132,210    |  |
| Social Security          | 25,321     |  |
| State Retirement         | 41,610     |  |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

|                              |    |        |            |
|------------------------------|----|--------|------------|
| Life Insurance               | \$ | 548    |            |
| Medical Insurance            |    | 91,307 |            |
| Dental Insurance             |    | 389    |            |
| Unemployment Compensation    |    | 759    |            |
| Employer Medicare            |    | 5,954  |            |
| Travel                       |    | 2,841  |            |
| Drugs and Medical Supplies   |    | 3,713  |            |
| Office Supplies              |    | 396    |            |
| Other Supplies and Materials |    | 5,110  |            |
| In Service/Staff Development |    | 193    |            |
| Other Charges                |    | 689    |            |
| Total Health Services        |    |        | \$ 627,919 |

Other Student Support

|                                    |    |         |           |
|------------------------------------|----|---------|-----------|
| Career Ladder Program              | \$ | 25,045  |           |
| Guidance Personnel                 |    | 986,055 |           |
| Psychological Personnel            |    | 27,533  |           |
| Career Ladder Extended Contracts   |    | 11,635  |           |
| Attendants                         |    | 129,509 |           |
| Other Salaries and Wages           |    | 19,257  |           |
| Social Security                    |    | 72,525  |           |
| State Retirement                   |    | 77,175  |           |
| Life Insurance                     |    | 954     |           |
| Medical Insurance                  |    | 200,463 |           |
| Dental Insurance                   |    | 2,923   |           |
| Unemployment Compensation          |    | 1,256   |           |
| Employer Medicare                  |    | 16,961  |           |
| Contracts with Government Agencies |    | 170,606 |           |
| Evaluation and Testing             |    | 31,920  |           |
| Travel                             |    | 3,865   |           |
| Other Supplies and Materials       |    | 1,550   |           |
| In Service/Staff Development       |    | 237     |           |
| Other Equipment                    |    | 1,199   |           |
| Total Other Student Support        |    |         | 1,780,668 |

Regular Instruction Program

|                                  |    |         |
|----------------------------------|----|---------|
| Supervisor/Director              | \$ | 169,578 |
| Career Ladder Program            |    | 22,083  |
| Career Ladder Extended Contracts |    | 29,550  |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

|                                   |    |         |              |
|-----------------------------------|----|---------|--------------|
| Librarians                        | \$ | 733,721 |              |
| Materials Supervisor              |    | 30,020  |              |
| Secretary(ies)                    |    | 85,391  |              |
| Clerical Personnel                |    | 37,204  |              |
| Educational Assistants            |    | 2,914   |              |
| Other Salaries and Wages          |    | 140,987 |              |
| Social Security                   |    | 75,581  |              |
| State Retirement                  |    | 75,915  |              |
| Life Insurance                    |    | 1,138   |              |
| Medical Insurance                 |    | 184,103 |              |
| Dental Insurance                  |    | 4,802   |              |
| Unemployment Compensation         |    | 1,436   |              |
| Employer Medicare                 |    | 17,676  |              |
| Matching Share                    |    | 21,428  |              |
| Travel                            |    | 5,731   |              |
| Other Contracted Services         |    | 16,860  |              |
| Library Books/Media               |    | 121,096 |              |
| Periodicals                       |    | 6,165   |              |
| Other Supplies and Materials      |    | 3,814   |              |
| In Service/Staff Development      |    | 22,778  |              |
| Other Charges                     |    | 24,833  |              |
| Other Equipment                   |    | 3,377   |              |
| Total Regular Instruction Program |    |         | \$ 1,838,181 |

Alternative Instruction Program

|                                       |    |        |         |
|---------------------------------------|----|--------|---------|
| Supervisor/Director                   | \$ | 57,236 |         |
| Career Ladder Program                 |    | 1,000  |         |
| Secretary(ies)                        |    | 26,406 |         |
| Other Salaries and Wages              |    | 59,314 |         |
| Social Security                       |    | 8,889  |         |
| State Retirement                      |    | 9,762  |         |
| Life Insurance                        |    | 65     |         |
| Medical Insurance                     |    | 9,029  |         |
| Dental Insurance                      |    | 101    |         |
| Unemployment Compensation             |    | 76     |         |
| Employer Medicare                     |    | 2,079  |         |
| Other Supplies and Materials          |    | 75     |         |
| Total Alternative Instruction Program |    |        | 174,032 |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

|                                 |    |         |            |
|---------------------------------|----|---------|------------|
| Supervisor/Director             | \$ | 63,049  |            |
| Career Ladder Program           |    | 9,000   |            |
| Salary Supplements              |    | 3,000   |            |
| Bus Drivers                     |    | 673     |            |
| Secretary(ies)                  |    | 27,438  |            |
| Other Salaries and Wages        |    | 138,552 |            |
| Social Security                 |    | 14,755  |            |
| State Retirement                |    | 16,899  |            |
| Life Insurance                  |    | 190     |            |
| Medical Insurance               |    | 23,210  |            |
| Dental Insurance                |    | 308     |            |
| Unemployment Compensation       |    | 205     |            |
| Employer Medicare               |    | 3,451   |            |
| Travel                          |    | 24,186  |            |
| Other Contracted Services       |    | 129,744 |            |
| Other Supplies and Materials    |    | 34,589  |            |
| In Service/Staff Development    |    | 16,798  |            |
| Other Charges                   |    | 31,952  |            |
| Other Equipment                 |    | 16,310  |            |
| Total Special Education Program |    |         | \$ 554,309 |

Vocational Education Program

|                                    |    |        |         |
|------------------------------------|----|--------|---------|
| Supervisor/Director                | \$ | 66,020 |         |
| Career Ladder Program              |    | 3,000  |         |
| Secretary(ies)                     |    | 12,325 |         |
| Social Security                    |    | 4,783  |         |
| State Retirement                   |    | 5,402  |         |
| Life Insurance                     |    | 31     |         |
| Medical Insurance                  |    | 11,143 |         |
| Dental Insurance                   |    | 490    |         |
| Unemployment Compensation          |    | 57     |         |
| Employer Medicare                  |    | 1,119  |         |
| Travel                             |    | 873    |         |
| Other Supplies and Materials       |    | 473    |         |
| Total Vocational Education Program |    |        | 105,716 |

Adult Programs

|                       |    |        |
|-----------------------|----|--------|
| Supervisor/Director   | \$ | 52,092 |
| Career Ladder Program |    | 1,083  |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

|                              |    |        |            |
|------------------------------|----|--------|------------|
| Clerical Personnel           | \$ | 24,519 |            |
| Social Security              |    | 4,557  |            |
| State Retirement             |    | 5,589  |            |
| Life Insurance               |    | 60     |            |
| Medical Insurance            |    | 18,260 |            |
| Dental Insurance             |    | 89     |            |
| Unemployment Compensation    |    | 78     |            |
| Employer Medicare            |    | 1,066  |            |
| Travel                       |    | 8,194  |            |
| Other Supplies and Materials |    | 3,050  |            |
| Other Charges                |    | 5,761  |            |
| Other Equipment              |    | 1,554  |            |
| Total Adult Programs         |    |        | \$ 125,952 |

Board of Education

|  |    |         |           |
|--|----|---------|-----------|
| Secretary to Board                             | \$ | 45,253  |           |
| Other Salaries and Wages                       |    | 3,487   |           |
| Board and Committee Members Fees               |    | 9,200   |           |
| Social Security                                |    | 3,417   |           |
| State Retirement                               |    | 4,513   |           |
| Life Insurance                                 |    | 28      |           |
| Medical Insurance                              |    | 9,603   |           |
| Dental Insurance                               |    | 109     |           |
| Unemployment Compensation                      |    | 39      |           |
| Employer Medicare                              |    | 799     |           |
| Audit Services                                 |    | 11,297  |           |
| Dues and Memberships                           |    | 16,625  |           |
| Legal Services                                 |    | 92,635  |           |
| Travel   |    | 4,204   |           |
| Other Contracted Services                      |    | 92,521  |           |
| Office Supplies                                |    | 483     |           |
| Other Supplies and Materials                   |    | 829     |           |
| Liability Insurance                            |    | 157,500 |           |
| Trustee's Commission                           |    | 467,401 |           |
| Workers' Compensation Insurance                |    | 381,501 |           |
| In Service/Staff Development                   |    | 2,918   |           |
| Criminal Investigation of Applicants - TBI     |    | 14,832  |           |
| Refund to Applicant for Criminal Investigation |    | 8,112   |           |
| Other Charges                                  |    | 144,961 |           |
| Total Board of Education                       |    |         | 1,472,267 |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

|  |    |         |            |
|--|----|---------|------------|
| County Official/Administrative Officer | \$ | 100,639 |            |
| Assistant(s)                           |    | 220,698 |            |
| Career Ladder Program                  |    | 4,000   |            |
| Secretary(ies)                         |    | 22,938  |            |
| Other Salaries and Wages               |    | 4,673   |            |
| Social Security                        |    | 20,834  |            |
| State Retirement                       |    | 24,720  |            |
| Life Insurance                         |    | 134     |            |
| Medical Insurance                      |    | 50,633  |            |
| Dental Insurance                       |    | 810     |            |
| Unemployment Compensation              |    | 221     |            |
| Employer Medicare                      |    | 4,872   |            |
| Communication                          |    | 27,585  |            |
| Travel                                 |    | 3,250   |            |
| Other Contracted Services              |    | 1,193   |            |
| Office Supplies                        |    | 3,482   |            |
| Other Charges                          |    | 6,727   |            |
| Administration Equipment               |    | 2,504   |            |
| Total Director of Schools              |    |         | \$ 499,913 |

Office of the Principal

|                                  |    |           |
|----------------------------------|----|-----------|
| Principals                       | \$ | 1,036,133 |
| Career Ladder Program            |    | 34,916    |
| Accountants/Bookkeepers          |    | 130,811   |
| Career Ladder Extended Contracts |    | 14,900    |
| Assistant Principals             |    | 662,787   |
| Salary Supplements               |    | 40,000    |
| Secretary(ies)                   |    | 828,015   |
| Social Security                  |    | 169,308   |
| State Retirement                 |    | 205,949   |
| Life Insurance                   |    | 2,014     |
| Medical Insurance                |    | 383,242   |
| Dental Insurance                 |    | 5,220     |
| Unemployment Compensation        |    | 2,771     |
| Employer Medicare                |    | 39,597    |
| Communication                    |    | 52,429    |
| Dues and Memberships             |    | 8,225     |
| Postal Charges                   |    | 8,500     |
| Other Contracted Services        |    | 49        |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

|                               |    |       |              |
|-------------------------------|----|-------|--------------|
| Office Supplies               | \$ | 2,171 |              |
| Other Supplies and Materials  |    | 187   |              |
| Other Charges                 |    | 8,500 |              |
| Total Office of the Principal |    |       | \$ 3,635,724 |

Fiscal Services

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Accountants/Bookkeepers      | \$ | 133,027 |         |
| Purchasing Personnel         |    | 29,032  |         |
| Clerical Personnel           |    | 51,250  |         |
| Social Security              |    | 12,802  |         |
| State Retirement             |    | 20,265  |         |
| Life Insurance               |    | 189     |         |
| Medical Insurance            |    | 33,918  |         |
| Dental Insurance             |    | 281     |         |
| Unemployment Compensation    |    | 304     |         |
| Employer Medicare            |    | 2,994   |         |
| Travel                       |    | 1,820   |         |
| Other Contracted Services    |    | 87,147  |         |
| Office Supplies              |    | 16,026  |         |
| In Service/Staff Development |    | 1,979   |         |
| Other Charges                |    | 27,562  |         |
| Administration Equipment     |    | 9,491   |         |
| Total Fiscal Services        |    |         | 428,087 |

Operation of Plant

|                           |    |           |  |
|---------------------------|----|-----------|--|
| Custodial Personnel       | \$ | 698,499   |  |
| Social Security           |    | 40,610    |  |
| State Retirement          |    | 60,436    |  |
| Life Insurance            |    | 904       |  |
| Medical Insurance         |    | 166,580   |  |
| Dental Insurance          |    | 1,900     |  |
| Unemployment Compensation |    | 1,507     |  |
| Employer Medicare         |    | 9,497     |  |
| Janitorial Services       |    | 1,060,310 |  |
| Other Contracted Services |    | 60,388    |  |
| Custodial Supplies        |    | 59,681    |  |
| Electricity               |    | 2,092,027 |  |
| Natural Gas               |    | 902,281   |  |
| Water and Sewer           |    | 303,004   |  |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

|                                 |    |         |              |
|---------------------------------|----|---------|--------------|
| Other Supplies and Materials    | \$ | 47,976  |              |
| Boiler Insurance                |    | 4,507   |              |
| Building and Contents Insurance |    | 145,308 |              |
| Other Charges                   |    | 4,410   |              |
| Total Operation of Plant        |    |         | \$ 5,659,825 |

Maintenance of Plant

|                              |    |         |           |
|------------------------------|----|---------|-----------|
| Supervisor/Director          | \$ | 54,042  |           |
| Secretary(ies)               |    | 25,814  |           |
| Maintenance Personnel        |    | 532,496 |           |
| Social Security              |    | 36,311  |           |
| State Retirement             |    | 58,080  |           |
| Life Insurance               |    | 536     |           |
| Medical Insurance            |    | 107,609 |           |
| Dental Insurance             |    | 1,741   |           |
| Unemployment Compensation    |    | 761     |           |
| Employer Medicare            |    | 8,492   |           |
| Laundry Service              |    | 11,853  |           |
| Other Contracted Services    |    | 490,132 |           |
| Other Supplies and Materials |    | 434,734 |           |
| Other Charges                |    | 52,599  |           |
| Total Maintenance of Plant   |    |         | 1,815,200 |

Transportation

|                           |    |         |  |
|---------------------------|----|---------|--|
| Supervisor/Director       | \$ | 51,834  |  |
| Mechanic(s)               |    | 133,946 |  |
| Bus Drivers               |    | 829,861 |  |
| Clerical Personnel        |    | 23,487  |  |
| Other Salaries and Wages  |    | 1,673   |  |
| Social Security           |    | 59,048  |  |
| State Retirement          |    | 94,923  |  |
| Life Insurance            |    | 1,527   |  |
| Medical Insurance         |    | 183,198 |  |
| Dental Insurance          |    | 6,390   |  |
| Unemployment Compensation |    | 2,295   |  |
| Employer Medicare         |    | 14,327  |  |
| Contracts with Parents    |    | 3,361   |  |
| Laundry Service           |    | 4,222   |  |
| Rentals                   |    | 21,106  |  |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

|                              |    |         |              |
|------------------------------|----|---------|--------------|
| Other Contracted Services    | \$ | 30,537  |              |
| Diesel Fuel                  |    | 223,583 |              |
| Gasoline                     |    | 41,951  |              |
| Lubricants                   |    | 4,998   |              |
| Tires and Tubes              |    | 20,890  |              |
| Vehicle Parts                |    | 59,399  |              |
| Other Supplies and Materials |    | 3,543   |              |
| Other Charges                |    | 4,757   |              |
| Transportation Equipment     |    | 7,077   |              |
| Total Transportation         |    |         | \$ 1,827,933 |

Central and Other

|   |    |         |         |
|---|----|---------|---------|
| Supervisor/Director                         | \$ | 60,121  |         |
| Career Ladder Program                       |    | 4,000   |         |
| Computer Programmer(s)                      |    | 277,565 |         |
| Clerical Personnel                          |    | 23,346  |         |
| Other Salaries and Wages                    |    | 55,880  |         |
| Certified Substitute Teachers               |    | 165     |         |
| Social Security                             |    | 25,391  |         |
| State Retirement                            |    | 29,642  |         |
| Life Insurance                              |    | 266     |         |
| Medical Insurance                           |    | 60,642  |         |
| Dental Insurance                            |    | 300     |         |
| Unemployment Compensation                   |    | 369     |         |
| Employer Medicare                           |    | 5,938   |         |
| Maintenance and Repair Services - Equipment |    | 16,792  |         |
| Travel                                      |    | 1,671   |         |
| Other Contracted Services                   |    | 500     |         |
| Office Supplies                             |    | 494     |         |
| Other Supplies and Materials                |    | 217,945 |         |
| Data Processing Equipment                   |    | 37,869  |         |
| Total Central and Other                     |    |         | 818,896 |

Operation of Non-Instructional Services

Food Service

|                         |    |        |  |
|-------------------------|----|--------|--|
| Supervisor/Director     | \$ | 64,241 |  |
| Career Ladder Program   |    | 1,000  |  |
| Accountants/Bookkeepers |    | 30,376 |  |
| Clerical Personnel      |    | 56,564 |  |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

|                           |    |        |            |
|---------------------------|----|--------|------------|
| Social Security           | \$ | 9,276  |            |
| State Retirement          |    | 12,281 |            |
| Life Insurance            |    | 1,263  |            |
| Unemployment Compensation |    | 151    |            |
| Employer Medicare         |    | 2,169  |            |
| Total Food Service        |    |        | \$ 177,321 |

Community Services

|                              |    |         |           |
|------------------------------|----|---------|-----------|
| Supervisor/Director          | \$ | 2,205   |           |
| Teachers                     |    | 432,740 |           |
| Clerical Personnel           |    | 5,578   |           |
| Educational Assistants       |    | 35,843  |           |
| Other Salaries and Wages     |    | 58,269  |           |
| Social Security              |    | 32,198  |           |
| State Retirement             |    | 36,030  |           |
| Life Insurance               |    | 106     |           |
| Medical Insurance            |    | 11,779  |           |
| Dental Insurance             |    | 100     |           |
| Unemployment Compensation    |    | 163     |           |
| Employer Medicare            |    | 7,530   |           |
| Travel                       |    | 21,395  |           |
| Other Contracted Services    |    | 19,027  |           |
| Other Supplies and Materials |    | 146,199 |           |
| In Service/Staff Development |    | 1,812   |           |
| Other Charges                |    | 1,987   |           |
| Other Equipment              |    | 305,403 |           |
| Total Community Services     |    |         | 1,118,364 |

Early Childhood Education

|                                   |    |         |
|-----------------------------------|----|---------|
| Supervisor/Director               | \$ | 28,840  |
| Teachers                          |    | 581,804 |
| Clerical Personnel                |    | 10,078  |
| Other Salaries and Wages          |    | 260,698 |
| Certified Substitute Teachers     |    | 1,295   |
| Non-certified Substitute Teachers |    | 1,565   |
| Social Security                   |    | 52,436  |
| State Retirement                  |    | 61,067  |
| Life Insurance                    |    | 1,018   |
| Medical Insurance                 |    | 194,273 |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

|                                 |    |        |              |
|---------------------------------|----|--------|--------------|
| Dental Insurance                | \$ | 1,795  |              |
| Unemployment Compensation       |    | 1,421  |              |
| Employer Medicare               |    | 12,267 |              |
| Other Contracted Services       |    | 2,270  |              |
| Food Supplies                   |    | 2,233  |              |
| Other Supplies and Materials    |    | 53,206 |              |
| Other Charges                   |    | 38,483 |              |
| Other Equipment                 |    | 55,634 |              |
| Total Early Childhood Education |    |        | \$ 1,360,383 |

Total General Purpose School Fund \$ 61,981,396

School Federal Projects Fund

Instruction

Regular Instruction Program

|                                      |    |         |              |
|--------------------------------------|----|---------|--------------|
| Teachers                             | \$ | 722,647 |              |
| Educational Assistants               |    | 110,345 |              |
| Certified Substitute Teachers        |    | 5,702   |              |
| Non-certified Substitute Teachers    |    | 8,838   |              |
| Social Security                      |    | 50,558  |              |
| State Retirement                     |    | 53,162  |              |
| Life Insurance                       |    | 716     |              |
| Medical Insurance                    |    | 157,019 |              |
| Dental Insurance                     |    | 1,908   |              |
| Unemployment Compensation            |    | 1,188   |              |
| Employer Medicare                    |    | 11,889  |              |
| Travel                               |    | 132     |              |
| Instructional Supplies and Materials |    | 140,908 |              |
| Textbooks                            |    | 2,195   |              |
| Regular Instruction Equipment        |    | 541,630 |              |
| Total Regular Instruction Program    |    |         | \$ 1,808,837 |

Special Education Program

|                        |    |         |  |
|------------------------|----|---------|--|
| Teachers               | \$ | 7,456   |  |
| Educational Assistants |    | 845,270 |  |
| Speech Pathologist     |    | 48,131  |  |
| Social Security        |    | 52,950  |  |
| State Retirement       |    | 81,138  |  |
| Life Insurance         |    | 1,423   |  |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

|                                      |    |         |              |
|--------------------------------------|----|---------|--------------|
| Medical Insurance                    | \$ | 178,728 |              |
| Dental Insurance                     |    | 3,063   |              |
| Unemployment Compensation            |    | 2,010   |              |
| Employer Medicare                    |    | 12,383  |              |
| Contracts with Private Agencies      |    | 7,500   |              |
| Other Contracted Services            |    | 58,962  |              |
| Instructional Supplies and Materials |    | 9,960   |              |
| Other Supplies and Materials         |    | 1,749   |              |
| Total Special Education Program      |    |         | \$ 1,310,723 |

Vocational Education Program

|                                      |    |        |        |
|--------------------------------------|----|--------|--------|
| Other Salaries and Wages             | \$ | 2,000  |        |
| Social Security                      |    | 62     |        |
| State Retirement                     |    | 78     |        |
| Unemployment Compensation            |    | 3      |        |
| Employer Medicare                    |    | 14     |        |
| Instructional Supplies and Materials |    | 19,151 |        |
| Other Supplies and Materials         |    | 5,078  |        |
| Vocational Instruction Equipment     |    | 69,864 |        |
| Total Vocational Education Program   |    |        | 96,250 |

Support Services

Health Services

|                           |    |        |        |
|---------------------------|----|--------|--------|
| Medical Personnel         | \$ | 7,142  |        |
| Other Salaries and Wages  |    | 34,150 |        |
| Social Security           |    | 2,473  |        |
| State Retirement          |    | 4,002  |        |
| Life Insurance            |    | 49     |        |
| Medical Insurance         |    | 4,785  |        |
| Dental Insurance          |    | 4      |        |
| Unemployment Compensation |    | 52     |        |
| Employer Medicare         |    | 578    |        |
| Travel                    |    | 644    |        |
| Other Contracted Services |    | 17,204 |        |
| Total Health Services     |    |        | 71,083 |

Other Student Support

|                    |    |        |  |
|--------------------|----|--------|--|
| Guidance Personnel | \$ | 47,846 |  |
| Social Workers     |    | 18,404 |  |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

|                              |    |        |           |
|------------------------------|----|--------|-----------|
| Social Security              | \$ | 4,055  |           |
| State Retirement             |    | 4,681  |           |
| Life Insurance               |    | 42     |           |
| Medical Insurance            |    | 3,298  |           |
| Dental Insurance             |    | 124    |           |
| Unemployment Compensation    |    | 98     |           |
| Employer Medicare            |    | 948    |           |
| Travel                       |    | 1,145  |           |
| In Service/Staff Development |    | 16,587 |           |
| Total Other Student Support  |    |        | \$ 97,228 |

Regular Instruction Program

|                                   |    |         |           |
|-----------------------------------|----|---------|-----------|
| Supervisor/Director               | \$ | 68,790  |           |
| Secretary(ies)                    |    | 46,275  |           |
| Other Salaries and Wages          |    | 232,572 |           |
| Social Security                   |    | 20,835  |           |
| State Retirement                  |    | 22,224  |           |
| Life Insurance                    |    | 211     |           |
| Medical Insurance                 |    | 36,816  |           |
| Dental Insurance                  |    | 881     |           |
| Unemployment Compensation         |    | 601     |           |
| Employer Medicare                 |    | 4,873   |           |
| Travel                            |    | 15,324  |           |
| Other Contracted Services         |    | 163,535 |           |
| Other Supplies and Materials      |    | 187,992 |           |
| In Service/Staff Development      |    | 210,252 |           |
| Other Charges                     |    | 38,276  |           |
| Other Equipment                   |    | 71,928  |           |
| Total Regular Instruction Program |    |         | 1,121,385 |

Special Education Program

|                          |    |         |
|--------------------------|----|---------|
| Psychological Personnel  | \$ | 247,245 |
| Assessment Personnel     |    | 82,337  |
| Secretary(ies)           |    | 70      |
| Clerical Personnel       |    | 38,031  |
| Other Salaries and Wages |    | 64,695  |
| Social Security          |    | 26,106  |
| State Retirement         |    | 27,789  |
| Life Insurance           |    | 307     |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

|                                 |    |        |            |
|---------------------------------|----|--------|------------|
| Medical Insurance               | \$ | 74,091 |            |
| Dental Insurance                |    | 1,199  |            |
| Unemployment Compensation       |    | 386    |            |
| Employer Medicare               |    | 6,105  |            |
| Travel                          |    | 4,782  |            |
| Other Contracted Services       |    | 23,725 |            |
| Other Supplies and Materials    |    | 17,521 |            |
| Total Special Education Program |    |        | \$ 614,389 |

Vocational Education Program

|                                    |    |       |       |
|------------------------------------|----|-------|-------|
| Other Contracted Services          | \$ | 2,000 |       |
| Other Charges                      |    | 2,000 |       |
| Total Vocational Education Program |    |       | 4,000 |

Transportation

|                        |    |        |        |
|------------------------|----|--------|--------|
| Contracts with Parents | \$ | 1,690  |        |
| Rentals                |    | 11,060 |        |
| Total Transportation   |    |        | 12,750 |

Operation of Non-Instructional Services

Community Services

|                              |    |        |         |
|------------------------------|----|--------|---------|
| Supervisor/Director          | \$ | 1,596  |         |
| Teachers                     |    | 88,729 |         |
| Clerical Personnel           |    | 57     |         |
| Other Salaries and Wages     |    | 62,792 |         |
| Social Security              |    | 9,099  |         |
| State Retirement             |    | 9,550  |         |
| Unemployment Compensation    |    | 248    |         |
| Employer Medicare            |    | 2,128  |         |
| Travel                       |    | 69     |         |
| Other Contracted Services    |    | 2,200  |         |
| Food Supplies                |    | 573    |         |
| Other Supplies and Materials |    | 3,848  |         |
| Other Charges                |    | 1,008  |         |
| Total Community Services     |    |        | 181,897 |

Total School Federal Projects Fund \$ 5,318,542

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

|   |              |              |
|---|--------------|--------------|
| Cafeteria Personnel                         | \$ 1,297,302 |              |
| Social Security                             | 75,747       |              |
| State Retirement                            | 90,828       |              |
| Medical Insurance                           | 227,298      |              |
| Dental Insurance                            | 3,205        |              |
| Unemployment Compensation                   | 4,627        |              |
| Employer Medicare                           | 17,715       |              |
| Communication                               | 11,234       |              |
| Maintenance and Repair Services - Equipment | 48,570       |              |
| Travel                                      | 7,050        |              |
| Other Contracted Services                   | 42,506       |              |
| Food Preparation Supplies                   | 91,247       |              |
| Food Supplies                               | 1,671,547    |              |
| Office Supplies                             | 9,010        |              |
| Other Supplies and Materials                | 2,697        |              |
| In Service/Staff Development                | 10,733       |              |
| Other Charges                               | 20,290       |              |
| Food Service Equipment                      | 175,633      |              |
| Total Food Service                          |              | \$ 3,807,239 |

Total Central Cafeteria Fund \$ 3,807,239

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

|                              |            |
|------------------------------|------------|
| Other Salaries and Wages     | \$ 593,892 |
| Social Security              | 36,090     |
| State Retirement             | 29,283     |
| Life Insurance               | 410        |
| Medical Insurance            | 51,765     |
| Dental Insurance             | 883        |
| Unemployment Compensation    | 1,871      |
| Employer Medicare            | 8,440      |
| Travel                       | 3,833      |
| Other Contracted Services    | 272        |
| Food Supplies                | 34,997     |
| Other Supplies and Materials | 579        |
| Refunds                      | 422        |
| Other Charges                | 40,062     |

(Continued)

Exhibit K-9

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Putnam County School Department (Cont.)

|  |    |        |               |
|--|----|--------|---------------|
| <u>Extended School Program Fund (Cont.)</u>            |    |        |               |
| <u>Operation of Non-Instructional Services (Cont.)</u> |    |        |               |
| <u>Community Services (Cont.)</u>                      |    |        |               |
| Other Equipment  | \$ | 17,401 |               |
| Total Community Services                               |    |        | \$ 820,200    |
| Total Extended School Program Fund                     |    |        | \$ 820,200    |
| <u>Education Capital Projects Fund</u>                 |    |        |               |
| <u>Capital Projects</u>                                |    |        |               |
| <u>Education Capital Projects</u>                      |    |        |               |
| Consultants  | \$ | 4,250  |               |
| Legal Services   |    | 32,303 |               |
| Other Contracted Services                              |    | 56,183 |               |
| Total Education Capital Projects                       |    |        | \$ 92,736     |
| Total Education Capital Projects Fund                  |    |        | 92,736        |
| <u>Other Capital Projects Fund</u>                     |    |        |               |
| <u>Capital Projects</u>                                |    |        |               |
| <u>Education Capital Projects</u>                      |    |        |               |
| Other Contracted Services                              | \$ | 438    |               |
| Other Charges  |    | 3,856  |               |
| Total Education Capital Projects                       |    |        | \$ 4,294      |
| Total Other Capital Projects Fund                      |    |        | 4,294         |
| Total Governmental Funds - School Department           |    |        | \$ 72,024,407 |

Exhibit K-10

Putnam County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2007

|  | <u>Cities -<br/>Sales Tax<br/>Fund</u> |
|--|--|
| <u>Cash Receipts</u>                                       |  |
| Local Option Sales Tax                                     | \$ 11,807,193                          |
| Total Cash Receipts  | <u>\$ 11,807,193</u>                   |
| <u>Cash Disbursements</u>                                  |  |
| Remittance of Revenues Collected                           | \$ 11,689,121                          |
| Trustee's Commission                                       | 118,072                                |
| Total Cash Disbursements                                   | <u>\$ 11,807,193</u>                   |
| Excess of Cash Receipts Over<br>(Under) Cash Disbursements | \$ 0                                   |
| Cash Balance, July 1, 2006                                 | <u>0</u>                               |
| Cash Balance, June 30, 2007                                | <u><u>\$ 0</u></u>                     |

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## **SINGLE AUDIT SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841

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

February 29, 2008

Putnam County Executive and  
Board of County Commissioners  
Putnam County, Tennessee

To the County Executive and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Putnam County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Putnam County's basic financial statements and have issued our report thereon dated February 29, 2008. Our report on the aggregate discretely presented component units of Putnam County expresses an adverse opinion because the financial statements of the discretely presented Putnam County School Department were materially misstated. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Public Library Fund and the Sports and Recreation Fund, special revenue funds, and the Putnam County Emergency Communications District and the Putnam County Agricultural and Industrial Fair, Inc., discretely presented component units, as described in our report on Putnam County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

## Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding 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 the entity'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 the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 07.01, 07.02, 07.03(B,C), 07.07, 07.08, 07.10, and 07.11.

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 Putnam County'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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 07.08 to be a material weakness.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Putnam County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 disclosed instances of noncompliance or other matters that are required

to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items: 07.03(A), 07.04, 07.05, 07.06, and 07.09.

We consider item 07.12 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations. We also noted certain matters that we reported to management of Putnam County in separate communications.

Putnam County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit their responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the county executive, County Commission, road supervisor, director of schools, Board of Education, others within Putnam County, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan  
Comptroller of the Treasury

JGM/sb



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841

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

February 29, 2008

Putnam County Executive and  
Board of County Commissioners  
Putnam County, Tennessee

To the County Executive and Board of County Commissioners:

Compliance

We have audited the compliance of Putnam County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. Putnam County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Putnam County's management. Our responsibility is to express an opinion on Putnam County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Putnam County's compliance with those requirements and

performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Putnam County's compliance with those requirements.

In our opinion, Putnam County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, as described in items 07.06 and 07.13 in the accompanying Schedule of Findings and Questioned Costs, Putnam County did not comply with requirements regarding cash management that are applicable to its Special Education – Grants to States (CFDA No. 84.027) program.

#### Internal Control Over Compliance

The management of Putnam County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Putnam County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Putnam County's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Putnam County, Tennessee, as of and for the year ended June 30, 2007, and have issued our report thereon dated February 29, 2008. Our report on the aggregate

discretely presented component units of Putnam County expresses an adverse opinion because the financial statements of the discretely presented Putnam County School Department were materially misstated. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Putnam County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Putnam County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit their responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the county executive, County Commission, road supervisor, director of schools, Board of Education, others within Putnam County, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal stroke at the end.

John G. Morgan  
Comptroller of the Treasury

JGM/sb

Putnam County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2007

| Federal/Pass-through Agency/State Grantor Program Title                       | Federal<br>CFDA<br>Number | Pass-through Entity<br>Identifying Number | Expenditures        |
|---|---------------------------|---|---------------------|
| U.S. Department of Agriculture:   |                           |   |                     |
| Passed-through State Department of Agriculture:                               |                           |   |                     |
| Food Donation (Noncash Assistance)  | 10.550                    | N/A                                       | \$ 164,436          |
| Passed-through State Department of Education:                                 |                           |   |                     |
| Child Nutrition Cluster:  |                           |   |                     |
| School Breakfast Program  | 10.553                    | N/A                                       | 573,168             |
| National School Lunch Program   | 10.555                    | N/A                                       | <u>1,768,751</u>    |
| Total U.S. Department of Agriculture  |                           |   | <u>\$ 2,506,355</u> |
| U.S. Department of Housing and Urban Development:                             |                           |   |                     |
| Passed-through the State Department of Economic and Community<br>Development: |                           |   |                     |
| Community Development Block Grants/State's Program                            | 14.228                    | GG-06-12287-00                            | \$ 300,000          |
| Total U.S. Department of Housing and Urban Development                        |                           |   | <u>\$ 300,000</u>   |
| U.S. Department of Justice:   |                           |   |                     |
| Direct Program:   |                           |   |                     |
| Appalachia HIDTA  | 16.XXX                    | Z-05-025504                               | \$ 8,800            |
| Passed-through Upper Cumberland Development District:                         |                           |   |                     |
| Edward Byrne Memorial Formula Grant Program                                   | 16.579                    | Z-99-088399-02                            | 52,928              |
| Passed-through the State Office of Criminal Justice Programs:                 |                           |   |                     |
| Edward Byrne Memorial State and Local Law Enforcement Assistance              |                           |   |                     |
| Discretionary Grants Program  | 16.580                    | (2)                                       | 38,924              |
| Violence Against Women Formula Grant  | 16.588                    | (2)                                       | <u>49,200</u>       |
| Total U.S. Department of Justice  |                           |   | <u>\$ 149,852</u>   |
| U.S. Department of Labor:   |                           |   |                     |
| Passed-through Upper Cumberland Human Resource Agency:                        |                           |   |                     |
| WIA Adult Program   | 17.258                    | (2)                                       | \$ 20,240 (3)       |
| WIA Youth Activities  | 17.259                    | (2)                                       | 14,000              |
| WIA Dislocated Workers  | 17.260                    | (2)                                       | 23,760              |
| Passed-through State Department of Labor and Workforce Development:           |                           |   |                     |
| WIA Adult Program   | 17.258                    | (2)                                       | <u>2,998 (3)</u>    |
| Total U.S. Department of Labor  |                           |   | <u>\$ 60,998</u>    |
| U.S. Department of Education:   |                           |   |                     |
| Passed-through State Department of Education:                                 |                           |   |                     |
| Title I Grants to Local Educational Agencies                                  | 84.010                    | N/A                                       | \$ 1,815,843        |
| Special Education Cluster:  |                           |   |                     |
| Special Education - Grants to States  | 84.027                    | N/A                                       | 2,247,994           |
| Special Education - Preschool Grants  | 84.173                    | N/A                                       | 43,851              |
| Vocational Education - Basic Grants to States                                 | 84.048                    | N/A                                       | 175,753             |
| Safe and Drug Free Schools and Communities - State Grant                      | 84.186                    | (2)                                       | 64,225              |
| Twenty-First Century Community Learning Centers                               | 84.287                    | (2)                                       | 183,897             |
| State Grants for Innovative Programs  | 84.298                    | (2)                                       | 57,486              |
| Education Technology State Grants   | 84.318                    | (2)                                       | 39,864              |
| Comprehensive School Reform Demonstration                                     | 84.332                    | (2)                                       | 1,114               |
| Reading First State Grants  | 84.357                    | (2)                                       | 237,060             |
| English Language Acquisition Grants   | 84.365                    | (2)                                       | 94,211              |
| Mathematics and Science Partnerships  | 84.366                    | (2)                                       | 95,759              |
| Improving Teacher Quality State Grants  | 84.367                    | N/A                                       | 567,389             |
| Hurricane Education Recovery  | 84.938                    | (2)                                       | 31,672              |
| Passed-through State Department of Labor and Workforce Development:           |                           |   |                     |
| Adult Education - State Grant Program   | 84.002                    | (5)                                       | 179,540 (4)         |
| Passed-through the University of Tennessee:                                   |                           |   |                     |
| Adult Education - State Grant Program   | 84.002                    | (2)                                       | 1,250 (4)           |

(Continued)

Putnam County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

| Federal/Pass-through Agency/State Grantor Program Title                                 | Federal<br>CFDA<br>Number | Pass-through Entity<br>Identifying Number | Expenditures        |
|---|---------------------------|---|---------------------|
| U.S. Department of Education: (Cont.)   |                           |   |                     |
| Passed-through State Department of Human Services:                                      |                           |   |                     |
| Rehabilitation Services - Vocational Rehabilitation Grants to States                    | 84.126                    | (6)                                       | \$ 44,917           |
| Total U.S. Department of Education  |                           |   | <u>\$ 5,881,825</u> |
| U.S. Elections Assistance Commission:   |                           |   |                     |
| Passed-through Tennessee Office of Secretary of State:                                  |                           |   |                     |
| Help America Vote Act Requirements Payments   | 90.401                    | (7)                                       | \$ 281,850          |
| Total U.S. Elections Assistance Commission  |                           |   | <u>\$ 281,850</u>   |
| U.S. Department of Health and Human Services:   |                           |   |                     |
| Passed-through State Department of Labor and Workforce Development:                     |                           |   |                     |
| Temporary Assistance for Needy Families   | 93.558                    | Z-07-034250-00                            | \$ 17,475           |
| Total U.S. Department of Health and Human Services                                      |                           |   | <u>\$ 17,475</u>    |
| U.S. Department of Homeland Security:   |                           |   |                     |
| Passed-through State Department of Military:  |                           |   |                     |
| State Domestic Preparedness Equipment Support Program                                   | 97.004                    | GG-07-20322-00                            | \$ 82,246           |
| Homeland Security Grant Program   | 97.067                    | Z-05025200                                | 569,957             |
| Total U.S. Department of Homeland Security  |                           |   | <u>\$ 652,203</u>   |
| Total Expenditures of Federal Awards  |                           |   | <u>\$ 9,850,558</u> |
| <u>State Grants</u>   |                           |   |                     |
|   |                           | <u>Contract<br/>Number</u>                |                     |
| Early Childhood Education - State Department of Education                               | N/A                       | (2)                                       | \$ 195,000          |
| Coordinated School Health - State Department of Education                               | N/A                       | (2)                                       | 91,800              |
| State Reappraisal Program - Comptroller of the Treasury                                 | N/A                       | (2)                                       | 21,104              |
| Juvenile Services Program - State Children's Services Commission                        | N/A                       | Z-07-036573-00                            | 9,000               |
| Family Based Service - State Children's Services Commission                             | N/A                       | GG-0712591                                | 87,541              |
| Parenting Plan - State Administrative Office of the Courts                              | N/A                       | (2)                                       | 32,572              |
| Drug Court Treatment Resources Fund - State Department of Finance<br>and Administration | N/A                       | Z-05-025504-00                            | 11,009              |
| Rural Local Health Services - State Department of Health                                | N/A                       | Z-07031519-01                             | 872,731             |
| Litter Program - State Department of Transportation                                     | N/A                       | (2)                                       | 42,952              |
| Law Enforcement Training Program - State Department of Safety                           | N/A                       | (2)                                       | 57,298              |
| Waste Tire Storage and Disposal - State Department of Environment and<br>Conservation   | N/A                       | (2)                                       | 42,273              |
| Safe Schools Act - State Department of Education  | N/A                       | (2)                                       | 49,838              |
| Tennessee Learn and Serve - State Department of Education                               | N/A                       | (2)                                       | 6,500               |
| Voluntary PreK for Tennessee - State Department of Education                            | N/A                       | (2)                                       | 1,063,407           |
| Lottery for Education - Afterschool Programs (LEAPS) - State Department<br>of Education | N/A                       | (2)                                       | 1,173,432           |
| Family Resource - State Department of Education   | N/A                       | (2)                                       | 33,300              |
| Families First - State Department of Labor and Workforce Development                    | N/A                       | Z-06-027213-00                            | 1,826               |
| Total State Grants  |                           |   | <u>\$ 3,791,583</u> |

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

- (1) - Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) - Information not available.
- (3) - Total WIA Adult Program (CFDA No. 17.258) from the U.S. Department of Labor was \$23,238.
- (4) - Total Adult Education - State Grant Program (CFDA No. 84.002) from the U.S. Department of Education was \$180,790.
- (5) - Z-07-0337266-00: \$151,812; GG-07-12667-00: \$13,146; Z-06-027809-00: \$14,582.
- (6) - GG-07-12453-00: \$32,348; GG-04-10247-00: \$12,569.
- (7) - Z-07-037432-00: \$6,850; Z-06-032986-00: \$275,000.

Putnam County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2007

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Putnam County, Tennessee, for the year ended June 30, 2006, which have not been corrected.

**OFFICE OF COUNTY CLERK**

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u>   |
|-----------------------|--------------------|--|
| 06.04                 | 19                 | The office did not report and remit juvenile fines in accordance with state statutes   |
| 06.05(A,B)            | 20                 | Collections from satellite offices are taken to employees' homes at night, and the documentation of transactions from the Baxter satellite office is not properly maintained |

**OTHER FINDINGS**

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u>  |
|-----------------------|--------------------|---|
| 06.06                 | 22                 | Duties were not segregated adequately in the Offices of County Executive, Road Supervisor, Director of Schools, Trustee, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff |
| 06.07                 | 23                 | A central system of accounting, budgeting, and purchasing had not been adopted  |

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**PUTNAM COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2007**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. An adverse opinion was issued on the financial statements of the aggregate discretely presented component units. An unqualified opinion was issued on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.
2. The audit of the financial statements of Putnam County disclosed significant deficiencies in internal control. One of these conditions was considered to be a material weakness in the Putnam County School Department.
3. The audit disclosed two instances of noncompliance that were material to the financial statements of the Putnam County School Department.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed one finding that was required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: the School Breakfast Program and the National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Community Development Block Grant (CFDA No. 14.228), the Title I Grants to Local Educational Agencies (CFDA No. 84.010), the State Domestic Preparedness Equipment Support Program (CFDA No. 97.004), and the Homeland Security Grant Program (CFDA No. 97.067) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Putnam County did not qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county executive, road supervisor, director of schools, clerk and master, and sheriff are paraphrased in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

### **OFFICE OF COUNTY EXECUTIVE**

#### **FINDING 07.01      **DEFICIENCIES WERE NOTED IN THE ADMINISTRATION OF THE SELF-INSURANCE FUND** (Internal Control – Significant Deficiency Under Government Auditing Standards)**

Our examination revealed the following deficiencies in the administration of the Self-Insurance Fund:

- A. Documentation was not on file in the County Executive's Office to support many of the disbursements from the Self-Insurance Fund. Documentation for these payments was maintained by a local insurance agency, the program's administrator.
- B. Expenditures were coded to accounts that did not reflect the true nature of the transactions. Expenditures for salaries totaling \$521,261 were posted to the Other General Administration major appropriation category rather than the major categories applicable to the employee's job description. The proper classification of expenditures is necessary to prepare government-wide financial statements as required by Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Management has accepted our audit adjustments to classify these expenditures properly in the financial statements of this report.

### **RECOMMENDATION**

The county executive should maintain documentation to support all payments made from the Self-Insurance Fund. Expenditures should be coded to accounts that most appropriately reflect the true nature of the transactions.

### **MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE**

BBT/Legge Agency has always been the administrator of the Putnam County Self-Insurance Fund, and the records have always been maintained at their office. In the future, documentation will also be maintained in the County Executive's Office, and expenditures will be classified more accurately.

**FINDING 07.02      DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSETS RECORDS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination revealed the following deficiencies in the maintenance of capital assets records:

- A.     The historical values of several parcels of land owned by the county were estimated. However, officials could not provide us with documentation supporting the estimates. Without documentation, we could not determine if the estimates were reasonable.
  
- B.     Several vehicles were recorded at their estimated historical cost based on the current replacement value adjusted to the date of acquisition. However, officials could not provide documentation of the replacement value used in their estimates.

**RECOMMENDATION**

Capital assets should be valued at historical cost or estimated historical cost if a historical cost is not available. Officials should take steps to ensure that sufficient documentation is on hand to support the establishment of all the county’s capital assets.

**MANAGEMENT’S RESPONSE – COUNTY EXECUTIVE**

The assessor of property valued the land but failed to keep the notes of her work. I will request that the assessor recalculate the values and maintain documentation of her work. Steps will be taken to correct any other deficiencies.

---

**OFFICE OF DIRECTOR OF SCHOOLS**

**FINDING 07.03      DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSETS RECORDS**  
(A. – Material Noncompliance Under Government Auditing Standards; B. and C. – Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination of capital assets revealed the following deficiencies in the maintenance of capital assets records. These deficiencies resulted in an adverse opinion on the aggregate discretely presented component units’ financial statements.

- A.     On March 17, 2007, Jere Whitson Elementary School was partially destroyed by a fire. According to the Governmental Accounting Standards Board (GASB) Statement No. 42, when an asset is impaired (a significant,

unexpected decline in service utility), the impairment should be reflected in the government-wide financial statements. The School Department's capital assets records did not take into consideration the impairment caused by the fire.

- B. The School Department did not maintain adequate documentation for the historical value recorded for some buildings.
- C. Supporting documentation for capital assets did not agree with the historical costs on the School Department's capital assets records by \$214,554 for other capital assets and \$68,756 for land.

### RECOMMENDATION

The School Department should determine the impairment loss for Jere Whitson Elementary School and record the loss in its government-wide financial statements in accordance with provisions of GASB Statement No. 42. Also, officials should take steps to ensure that sufficient documentation is on hand to support the establishment of all the department's capital assets.

### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur. The School Department will make every effort to calculate and record properly the impairment loss for Jere Whitson Elementary School. Further, documentation will be on file and reconciled with the capital assets records.

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### FINDING 07.04      **INTERFUND LOANS WERE NOT AUTHORIZED AND RECORDED** (Material Noncompliance Under Government Auditing Standards)

During the year, the trustee transferred funds totaling \$234,632 from the General Purpose School Fund to the School Federal Projects Fund to provide cash for operations. These transfers were authorized by letters to the county trustee from either the School Department's chief financial officer or the financial fund accountant. These transfers were not reflected on the fund accounting records of the School Department but were used as reconciling items when the School Department reconciled its funds with the county trustee's reports. This transfer was, in effect, an interfund loan that was not approved by the Board of Education, the County Commission, and the state director of Local Finance as required by Section 9-21-408, Tennessee Code Annotated. As of June 30, 2007, \$110,759 had not been repaid to the General Purpose School Fund. We proposed and management accepted audit adjustments to present correctly cash on deposit with the trustee at June 30, 2007, and to present the \$110,759 outstanding balance of this loan as Notes Receivable in the General Purpose School Fund and Revenue Anticipation Notes Payable in the School Federal Projects Fund. Subsequent to June 30, 2007, an additional \$152,470 was transferred from the General Purpose School Fund to the School Federal Projects Fund to provide cash for operations in the same manner as described above. All interfund loans were repaid on August 31, 2007.

RECOMMENDATION

Interfund loans should be approved by the Board of Education, the County Commission, and the state director of Local Finance as required by state statute. All financial transactions should be accurately recorded in the accounting records of the School Department.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur.

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FINDING 07.05      **TITLE II-A FUNDS WERE USED TO PAY THE SALARY OF A  
TEACHER WHO DID NOT WORK IN THE PROGRAM**  
(Noncompliance Under Government Auditing Standards)

A State Department of Education review of the School Department's Title II-A Program revealed that a teacher who did not work in that program was paid with Title II-A funds. This teacher's salary and benefits are presented in the financial statements of this report as Due from Other Funds in the School Federal Projects Fund and Due to Other Funds in the General Purpose School Fund. Subsequent to June 30, 2007, the General Purpose School Fund transferred funds to the School Federal Projects Fund to correct the error in this nonmajor federal program.

RECOMMENDATION

The School Department should ensure that only the salaries and benefits of personnel whose work activities meet the objectives of the Title II-A Program are charged to that program.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur. The Putnam County Board of Education has taken appropriate action to credit the Title II-A Program and has improved its internal control system to ensure that salaries and benefits are charged appropriately. Upon initial discovery of the error, the Putnam County Board of Education immediately reimbursed Title II-A from its General Purpose School Fund. Internal controls have been improved to provide a monthly report to the federal projects supervisor of all employees charged to federal programs. A reconciliation between the federal projects bookkeeper and the payroll department will now occur monthly.

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**FINDING 07.06      GRANT FUNDS WERE NOT REIMBURSED TO THE STATE IN A TIMELY MANNER**  
(Noncompliance Under Government Auditing Standards and OMB Circular A-133)

On April 18, 2007, the School Department received federal special education funds of \$92,051 from the State Department of Education to replace equipment destroyed by a fire at Jere Whitson Elementary School. These funds were deposited into the School Federal Projects Fund and remain in that fund as of the date of this report. According to School Department officials, the destroyed equipment was replaced with insurance proceeds; however, the special education funds were not returned to the State Department of Education because of cash flow problems in the School Federal Projects Fund. At June 30, 2007, the School Federal Projects Fund had a cash balance of \$48,801.

**RECOMMENDATION**

School Department officials should return the unused federal funds to the State Department of Education, and they should not use federal funds to alleviate cash flow problems.

**MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS**

I concur.

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**FINDING 07.07      DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF ACCOUNTING RECORDS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our audit revealed the following deficiencies in the maintenance of accounting records:

- A. School Department personnel attempted to reconcile the General Purpose School Fund's general ledger cash balance with the trustee's reports monthly. At June 30, 2007, there were numerous differences that had been identified but not corrected on the accounting records; however, we do not consider the uncorrected differences to be material to the financial statements.
  
- B. Reservations of fund balance were reflected in the financial statements of the School Federal Projects Fund at June 30, 2007; however, the office did not provide an analysis or other documentation to support the amounts reserved. An analysis is necessary for each reservation of fund balance to document the unexpended amount of any legally restricted revenue. We performed additional audit procedures to determine reserves at June 30 and presented adjustments to management, which they accepted. These reserves have been properly reflected in the financial statements of this report.

- C. Receivable and payable totals were reflected in the general ledgers of the General Purpose School Fund and the School Federal Projects Fund at June 30, 2007; however, the School Department could not provide us with detailed listings to support the amounts posted to the general ledgers. We recreated these detailed listings by reviewing receipts and disbursements subsequent to June 30 and determined the general ledger balances were correct. However, subsequent to June 30, 2007, the School Department did not reduce the general ledger accounts receivables or payables for collections and disbursements. This resulted in the 2007-08 revenue and expenditure accounts now being overstated. Management has accepted our audit adjustments to correct their posting errors in the 2007-08 accounting records.
  
- D. General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments monthly. The failure to regularly reconcile payroll liability accounts allows errors to remain undiscovered and uncorrected. These errors were not corrected in the financial statements of this report; however, we do not consider the uncorrected differences to be material to the financial statements.

RECOMMENDATION

Differences indentified during the reconciliation of fund cash with the trustee's reports should be corrected in a timely manner. Officials should properly determine, record, and document all reservations of fund balance. School officials should provide a detailed listing of receivables and payables to support amounts posted to the general ledger at year-end. The subsequent receipt of receivables and the payment of payables should be accurately posted. Also, general ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and errors should be corrected promptly.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur. The Finance Department has undergone reorganization, and personnel changes have been implemented to ensure that the above deficiencies are corrected.

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FINDING 07.08      **ELECTRONIC TIMESHEET RECORDS WERE DESTROYED AND COULD NOT BE RECOVERED**  
(Internal Control – Material Weakness Under Government Auditing Standards)

The School Department uses an electronic timesheet system to document its payroll expenditures for support staff and nonsalaried employees. A hardware failure occurred on or about April 2, 2007, which caused the data to be corrupted and/or destroyed. As a result of this hardware failure, there is no documentation to support payroll expenditures for the support staff and nonsalaried employees from October 2006 through April 2007, because the School Department did not backup the data on a regular basis. The School Department hired a data recovery company to recover the data; however, they were unsuccessful.

## RECOMMENDATION

The School Department should perform regular backups of electronic data.

## MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur. The electronic timesheet system failed in April 2007. As a result of that failure, it was discovered that automatic backup procedures had not occurred since October 2006. School officials suspect the backup failure was related to daylight savings time, but that theory was not confirmed. Attempts to recover the data through a contracted service specializing in data recovery proved unsuccessful. The Board of Education has reverted back to paper timesheets. A backup protocol has been established to ensure data is not lost should the Board of Education re-implement the electronic timesheet system.

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## OFFICE OF COUNTY CLERK

### FINDING 07.09      **THE OFFICE DID NOT REPORT AND REMIT JUVENILE FINES IN ACCORDANCE WITH STATE STATUTES** (Noncompliance Under Government Auditing Standards)

At June 30, 2007, the office had not reported and remitted juvenile fines of \$63,294 to the county trustee and various cities within the county. The clerk collected partial payments on juvenile fines and held the collections until the entire fine was paid. We noted fines held for collections dated as far back as July 1998. Sections 9-2-108 through 9-2-114, Tennessee Code Annotated, require all county and city revenues to be reported and paid quarterly.

## RECOMMENDATION

The office should remit all collections in compliance with state statutes.

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### FINDING 07.10      **THE OFFICE HAD INTERNAL CONTROL DEFICIENCIES RELATED TO COLLECTIONS** (Internal Control – Significant Deficiency Under Government Auditing Standards)

Our audit revealed the following deficiencies in controls over collections:

- A. The county clerk maintains satellite offices in the cities of Baxter and Monterey. The Monterey office is open Monday through Friday for one and one-half hours each day. The Baxter office is open for a half-hour on Mondays, Wednesdays, and Fridays. The employee on duty at these locations takes the collections and paperwork home, and on the following business day takes them to the central office for deposit.

- B. Motor vehicle title applications and renewals completed at the Baxter satellite office are prepared manually and entered into the central office computer system the next business day. Once the information from the manual documents is entered into the computer system, one signed copy is mailed to the state with the motor vehicle report while the remaining copies of the manually prepared documents are destroyed. Therefore, the County Clerk's Office does not retain a signed copy of these title applications and renewals.

### RECOMMENDATION

Employees should not take office collections and paperwork home overnight. Collections and paperwork should be transported to the central office daily. Manually prepared title applications and renewals containing original signatures should be retained for audit inspection.

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### OTHER FINDINGS AND RECOMMENDATIONS

FINDING 07.11      **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF COUNTY EXECUTIVE, ROAD SUPERVISOR, DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of County Executive, Road Supervisor, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. We realize that due to limited resources and personnel, management may not be able to properly segregate duties among employees. However, our professional standards require that we bring this matter to the reader's attention in this report.

#### MANAGEMENT'S RESPONSE – ROAD SUPERVISOR

I agree with this finding.

#### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

With regard to the central school Finance Office, we do not concur with this finding. Duties are adequately separated among six employees within the Finance Office. For specific audit concerns, I offer the following explanation: (1) the director of schools has provided a memo to the county trustee designating the director of schools and the chief financial officer as the only personnel who may transfer funds from one fund to another; (2) all journal entries are approved and/or reviewed by the chief financial officer prior to posting. The

fund accountant responsible for reconciling cash with the trustee is the same person that enters journal entries and posts revenue; however, she does not receipt or deposit funds; and (3) funds are received by another fund accountant and then deposited by the chief financial officer's executive assistant. The trustee's receipt is returned to the fund accountant who initially created the deposit. She in turn compares the receipt to the deposit and reports any discrepancies to the chief financial officer.

**REBUTTAL TO DIRECTOR OF SCHOOL'S MANAGEMENT'S RESPONSE**

The School Department has instituted additional internal controls subsequent to June 30, 2007, and these controls will be reviewed during the next audit.

**MANAGEMENT'S RESPONSE – CLERK AND MASTER**

I concur with the finding regarding segregation of duties in my office. As always, we strive to operate the office as efficiently as possible with the number of deputy clerks we have.

**MANAGEMENT'S RESPONSE – SHERIFF**

Without additional staff this is impossible for this office to comply with.

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**FINDING 07.12**      **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED**  
(Internal Control – Control Deficiency Under Government Auditing Standards)

County officials had not adopted a central system of accounting, budgeting, and purchasing covering all county departments. Establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes.

**RECOMMENDATION**

County officials should consider adopting the County Financial Management System of 1981 or a private act that would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

**MANAGEMENT'S RESPONSE – ROAD SUPERVISOR**

I agree with this finding.

**PART III, FINDINGS AND QUESTIONED  
COSTS FOR FEDERAL AWARDS**

| Federal/Pass-through Agencies  | Finding<br>Number | Federal<br>CFDA<br>Number | Criteria                              | Explanation   | Amount<br>Questioned |
|--|-------------------|---------------------------|---------------------------------------|---|----------------------|
| U.S. Department of Education:<br>Passed-through State Department<br>of Education:<br>Special Eduation - Grants to States | 07.13             | 84.027                    | Circular A-133,<br>Section 500 (d)(3) | Noncompliance - See Finding 07.06<br>Grant funds were not reimbursed to the<br>state in a timely manner | \$ 92,051            |

**PUTNAM COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2007**

There were audit findings relative to federal awards presented in the prior and current years' Schedules of Findings and Questioned Costs.

**Director of Schools – Corrective Action Plan for Current Year's Findings**

FINDINGS 07.06 and 07.13

Contact person: Dr. Kathleen Airhart, Director of Schools  
Corrective action planned: Unused federal funds will be returned to the state.  
Anticipated completion date: June 30, 2008

**County Executive – Summary Schedule of Prior Year's Findings**

FINDINGS 06.06 and 06.08

Although the County Executive's Office as a whole lacks sufficient segregation of duties, additional controls are in place over the expenditures of federal funds and reporting to federal agencies that we feel mitigate the lack of segregation of duties as it pertains to federal awards.

**Director of Schools – Summary Schedule of Prior Year's Findings**

FINDINGS 06.06 and 06.08

Although the School Department as a whole lacks sufficient segregation of duties, additional controls are in place over the expenditures of federal funds and reporting to federal agencies that we feel mitigate the lack of segregation of duties as it pertains to federal awards.