

**ANNUAL FINANCIAL REPORT
PUTNAM COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2008



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ANNUAL FINANCIAL REPORT
PUTNAM COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2008

DEPARTMENT OF AUDIT
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Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
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State Auditors

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Audit Highlights
Annual Financial Report
Putnam County, Tennessee
For the Year Ended June 30, 2008

Scope

We have audited the basic financial statements of Putnam County as of and for the year ended June 30, 2008.

Results

Our report on Putnam County's financial statements was unqualified.

Our audit resulted in 15 findings and recommendations, which we have reviewed with Putnam County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE

- ◆ The General, Industrial/Economic Development, General Debt Service, and General Capital Projects funds and the capital assets records required material audit adjustments for proper financial statement presentation.
- ◆ 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.
- ◆ Deficiencies were noted in the maintenance of capital assets records.
- ◆ Payroll for the Solid Waste/Sanitation and District Attorney General funds were processed by the General Fund as a matter of convenience. However, reimbursements were not properly recorded; therefore, expenditures/appropriations and revenues/estimated revenues were overstated.
- ◆ The Industrial/Economic Development Fund had a deficit in unreserved fund balance at June 30, 2008.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The General Purpose School, School Federal Projects, and Other Capital Projects funds and the capital assets records required material audit adjustments for proper financial statement presentation.

- ◆ The School Federal Projects Fund had a deficit in unreserved fund balance.
 - ◆ Deficiencies were noted in the maintenance of accounting records.
 - ◆ Deficiencies were noted in the maintenance of capital assets records.
 - ◆ The Central Cafeteria Fund had deficiencies in budget operations.
-

OFFICE OF COUNTY CLERK

- ◆ The office did not report and remit juvenile fines in accordance with state statutes.
 - ◆ The office had internal control deficiencies related to collections.
 - ◆ The office did not review software audit logs.
-

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.

INTRODUCTORY SECTION

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Putnam County Officials
June 30, 2008

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 McCannless
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 37243-1402
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INDEPENDENT AUDITOR'S REPORT

May 19, 2009

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, 2008, 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 1.14 percent and 4.91 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 .33 percent and 2.29 percent, respectively, of the assets and revenues of the aggregate remaining fund information. Also, we did not audit the financial statements of the Putnam County Emergency Communications District, which represent one percent and .54 percent, respectively, of the assets and revenues of the aggregate discretely presented component units or the Putnam County Agriculture and Industrial Fair, Inc., which represent .05 percent and .22 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Library Fund, the 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.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Putnam County, Tennessee, as of June 30, 2008, 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 May 19, 2009, 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.

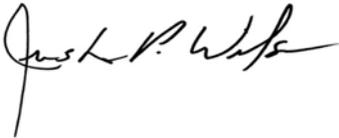
During the year, Putnam County implemented the provisions of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (discretely presented School Department only); Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures.

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 accounting principles generally accepted in the United States of America.

The budgetary comparison, pension, and postemployment benefits information on pages 93 through 101 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 in the audit of the basic financial statements and, in our opinion, based on our audit, 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 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, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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BASIC FINANCIAL STATEMENTS

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Exhibit A

Putnam County, Tennessee
Statement of Net Assets
June 30, 2008

	Component Units			
	Primary Government Governmental Activities	Putnam County School Department	Putnam County Emergency Communications District	Putnam County Agricultural and Industrial Fair, Inc.
<u>ASSETS</u>				
Cash	\$ 210,668	\$ 4,905	\$ 1,474,259	\$ 77,266
Equity in Pooled Cash and Investments	42,163,632	59,432,222	0	0
Accounts Receivable	1,976,424	6,922	25,910	1,857
Allowance for Uncollectibles	(183,907)	0	0	0
Due from Other Governments	1,688,377	4,173,369	29,673	0
Property Taxes Receivable	22,517,379	11,692,377	0	0
Allowance for Uncollectible Property Taxes	(833,764)	(441,011)	0	0
Prepaid Items	14,655	0	17,606	576
Unamortized Issuance Costs on Investments	667,283	0	0	0
Notes Receivable - Current	135,042	0	0	0
Notes Receivable - Long-term	1,530,744	0	0	0
Assets Not Depreciated:				
Land	9,407,507	5,236,257	0	0
Construction in Progress	765,286	2,434,894	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	12,315,750	75,046,429	11,988	0
Infrastructure	27,902,365	0	100,092	0
Other Capital Assets	5,137,006	1,984,468	0	0
Total Assets	<u>\$ 125,414,447</u>	<u>\$ 159,570,832</u>	<u>\$ 1,659,528</u>	<u>\$ 79,699</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 312,347	\$ 183,821	\$ 6,221	\$ 3,823
Accrued Payroll	16,106	780,215	0	0
Payroll Deductions Payable	4,551	588,837	0	0
Claims and Judgments Payable	990,873	0	0	0
Accrued Interest Payable	1,712,885	0	0	0
Contracts Payable	127,295	89,991	0	0
Retainage Payable	42,086	23,391	0	0
Due to State of Tennessee	205	279	0	0
Matured Bonds Payable	15,000	0	0	0
Other Current Liabilities	496	0	0	0
Deferred Revenue - Current Property Taxes	21,083,434	10,952,485	0	0
Unamortized Premiums on Debt	602,131	0	0	0
Noncurrent Liabilities:				
Due Within One Year	5,661,139	116,484	0	0
Due in More Than One Year	142,051,083	594,783	0	0
Total Liabilities	<u>\$ 172,619,631</u>	<u>\$ 13,330,286</u>	<u>\$ 6,221</u>	<u>\$ 3,823</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units		
		Putnam County School Department	Putnam County Emergency Communications District	Putnam County Agricultural and Industrial Fair, Inc.
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 54,259,957	\$ 0	\$ 0	\$ 0
Invested in Capital Assets	0	84,702,048	112,080	0
Restricted for:				
Public Library	154,509	0	0	0
Solid Waste/Sanitation	1,746,660	0	0	0
Industrial/Economic Development	7,272	0	0	0
Drug Control	71,743	0	0	0
Sports and Recreation	44,062	0	0	0
District Attorney General	6,098	0	0	0
Highway/Public Works	1,110,215	0	0	0
School Federal Projects	0	105,584	0	0
Central Cafeteria	0	698,769	0	0
Extended School Program	0	64,479	0	0
Basic Education Program	0	839,940	0	0
Debt Service	18,591,428	0	0	0
Capital Projects	4,845	57,042,674	0	0
Self-Insurance	2,660,353	0	0	0
Other Purposes	130,818	258,578	0	0
Unrestricted	(125,993,144)	2,528,474	1,541,227	75,876
Total Net Assets	<u>\$ (47,205,184)</u>	<u>\$ 146,240,546</u>	<u>\$ 1,653,307</u>	<u>\$ 75,876</u>

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, 2008

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Putnam County School Department	Putnam County Emergency Communications District	Putnam County Agricultural and Industrial Fair, Inc.		
Primary Government:										
Governmental Activities:										
General Government	\$ 5,555,316	\$ 801,618	\$ 128,512	\$ 0	\$ (4,625,186)	\$ 0	\$ 0	\$ 0	\$ 0	0
Finance	1,879,274	2,077,391	21,214	0	219,331	0	0	0	0	0
Administration of Justice	2,345,037	2,295,758	102,246	0	52,967	0	0	0	0	0
Public Safety	9,521,583	1,517,954	133,719	0	(7,869,910)	0	0	0	0	0
Public Health and Welfare	6,769,002	5,679,790	433,840	0	(655,372)	0	0	0	0	0
Social, Cultural, and Recreational Services	1,854,876	0	41,601	0	(1,813,275)	0	0	0	0	0
Agriculture and Natural Resources	316,657	284,893	457,658	0	425,894	0	0	0	0	0
Other Operations	2,207,602	30,645	0	0	(2,176,957)	0	0	0	0	0
Highways/Public Works	4,288,523	977	2,015,776	3,731,375	1,459,605	0	0	0	0	0
Education (Self-Insurance)	280,831	802,022	0	0	521,191	0	0	0	0	0
Education (Payments to Component Unit)	57,729,045	0	0	0	(57,729,045)	0	0	0	0	0
Interest on Long-term Debt	6,386,739	0	0	0	(6,386,739)	0	0	0	0	0
Other Debt Service	201,053	0	0	0	(201,053)	0	0	0	0	0
Total Primary Government	\$ 99,335,538	\$ 13,491,048	\$ 3,334,566	\$ 3,731,375	\$ (78,778,549)	\$ 0	\$ 0	\$ 0	\$ 0	0
Component Units:										
Putnam County School Department	\$ 80,658,423	\$ 2,786,625	\$ 10,407,054	\$ 58,098,582	\$ 0	\$ (9,366,162)	\$ 0	\$ 0	\$ 0	0
Putnam County Emergency Communications District	537,483	638,746	0	0	0	0	101,263	0	0	0
Putnam County Agriculture and Industrial Fair, Inc.	277,832	282,409	0	0	0	0	0	4,577	0	4,577
Total Component Units	\$ 81,473,738	\$ 3,707,780	\$ 10,407,054	\$ 58,098,582	\$ 0	\$ (9,366,162)	\$ 101,263	\$ 4,577	\$ 0	4,577

(Continued)

Exhibit B

Putnam County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Changes for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units				
					Total Governmental Activities	Putnam County School Department	Putnam County Emergency Communications District	Putnam County Agricultural and Industrial Fair, Inc.	
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes		\$ 14,220,326	\$ 10,567,826	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Property Taxes Levied for Debt Service		6,476,584	0	0	0	0	0	0	0
Local Option Sales Tax		2,930,115	15,431,169	0	0	0	0	0	0
Other Local Taxes		2,674,653	3,682	0	0	0	0	0	0
Grants and Contributions Not Restricted to Specific Programs		1,108,633	38,180,779	8,025	8,025	0	0	0	0
Unrestricted Investment Earnings		3,502,799	55,116	69,124	69,124	2,385	0	0	0
Miscellaneous		245,557	95,342	10,329	10,329	0	0	0	0
Proceeds from the Sale of Capital Assets		16,941	0	6,000	6,000	0	0	0	0
Insurance Recovery		310	0	0	0	0	0	0	0
Total General Revenues		\$ 31,175,918	\$ 64,333,914	\$ 93,478	\$ 93,478	\$ 2,385	\$ 0	\$ 0	\$ 0
Extraordinary Item (1)		0	2,478,160	0	0	0	0	0	0
Change in Net Assets		\$ (47,602,631)	\$ 57,445,912	\$ 194,741	\$ 194,741	\$ 6,962	\$ 0	\$ 6,962	\$ 0
Net Assets, July 1, 2007, Restated		(227,340)	87,534,929	1,458,566	1,458,566	68,914	0	68,914	0
Prior-period Adjustment		624,787	1,259,705	0	0	0	0	0	0
Net Assets, June 30, 2008		\$ (47,205,184)	\$ 146,240,546	\$ 1,653,307	\$ 1,653,307	\$ 75,876	\$ 0	\$ 75,876	\$ 0

(1) Proceeds from the insurance carrier for a fire at the Jere Whitson Elementary School on March 17, 2008.

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

Putnam County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2008

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Industrial /	General	General	Other Governmental Funds	Total Governmental Funds	
		Economic Development	Debt Service	Capital Projects			
Cash	\$ 100	\$ 0	\$ 0	\$ 0	\$ 204,962	\$ 205,062	
Equity in Pooled Cash and Investments	6,807,347	1,005,776	13,601,110	14,398,872	2,704,907	38,518,012	
Accounts Receivable	1,419,351	0	393,663	0	163,410	1,976,424	
Allowance for Uncollectibles	(182,030)	0	0	0	(1,877)	(183,907)	
Due from Other Governments	586,084	0	503,574	190,000	408,719	1,688,377	
Due from Other Funds	18,353	0	0	0	0	18,353	
Property Taxes Receivable	11,543,931	374,480	6,615,815	249,653	3,733,500	22,517,379	
Allowance for Uncollectible Property Taxes	(426,258)	(14,627)	(258,400)	(9,751)	(124,728)	(833,764)	
Prepaid Items	0	0	0	0	14,655	14,655	
Notes Receivable - Long-term	0	1,665,786	5,638,888	0	0	7,304,674	
Total Assets	\$ 19,766,878	\$ 3,031,415	\$ 26,494,650	\$ 14,828,774	\$ 7,103,548	\$ 71,225,265	

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities	\$ 125,256	\$ 0	\$ 0	\$ 22,177	\$ 164,914	\$ 312,347
Accounts Payable	0	0	0	0	16,106	16,106
Accrued Payroll	0	0	0	0	4,551	4,551
Payroll Deductions Payable	127,295	0	0	0	0	127,295
Contracts Payable	42,086	0	0	0	0	42,086
Retainage Payable	0	0	0	0	18,353	18,353
Due to Other Funds	0	0	0	0	205	205
Due to State of Tennessee	0	0	0	0	0	0
Matured Bonds Payable	0	0	15,000	0	0	15,000
Other Current Liabilities	0	0	0	0	496	496
Deferred Revenue - Current Property Taxes	10,835,969	349,547	6,175,337	233,031	3,489,550	21,083,434
Deferred Revenue - Delinquent Property Taxes	198,652	7,272	128,398	4,845	102,953	442,120
Other Deferred Revenues	931,301	1,665,786	257,102	0	239,986	3,094,175
Capital Outlay Notes Payable - Long-term	1,750,000	3,888,888	0	0	0	5,638,888
Total Liabilities	\$ 14,010,559	\$ 5,911,493	\$ 6,575,837	\$ 260,053	\$ 4,037,114	\$ 30,795,056

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Industrial / Economic Development	General Debt Service	General Capital Projects	Other		
					Governmental Funds	Governmental Funds	
LIABILITIES AND FUND BALANCES (Cont.)							
Fund Balances							
Reserved for Encumbrances	\$ 1,552,914	\$ 0	\$ 0	\$ 2,502,047	\$ 322,500	\$ 4,377,461	
Reserved for Drug Court	38,552	0	0	0	0	38,552	
Reserved for Sexual Offender Registration	6,715	0	0	0	0	6,715	
Reserved for Computer System - Register	71,804	0	0	0	0	71,804	
Reserved for Automation Purposes - General Sessions Court	4,913	0	0	0	0	4,913	
Reserved for Automation Purposes - Juvenile Court	3,621	0	0	0	0	3,621	
Reserved for Automation Purposes - Chancery Court Clerk	1,108	0	0	0	0	1,108	
	4,105	0	0	0	0	4,105	
Reserved for Long-term Notes Receivable	0	0	5,638,888	0	0	5,638,888	
Reserved for Other General Purposes	0	0	0	0	68,492	68,492	
Unreserved, Reported In:							
General Fund	4,072,587	0	0	0	0	4,072,587	
Special Revenue Funds (Deficit)	0	(2,880,078)	0	0	2,675,442	(204,636)	
Debt Service Funds	0	0	14,279,925	0	0	14,279,925	
Capital Projects Funds	0	0	0	12,066,674	0	12,066,674	
Total Fund Balances	\$ 5,756,319	\$ (2,880,078)	\$ 19,918,813	\$ 14,568,721	\$ 3,066,434	\$ 40,430,209	
Total Liabilities and Fund Balances	\$ 19,766,878	\$ 3,031,415	\$ 26,494,650	\$ 14,828,774	\$ 7,103,548	\$ 71,225,265	

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, 2008

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)		\$	40,430,209
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	9,407,507	
Add: construction in progress		765,286	
Add: buildings and improvements net of accumulated depreciation		11,902,138	
Add: infrastructure net of accumulated depreciation		27,902,365	
Add: other capital assets net of accumulated depreciation		4,649,293	
Putnam County Public Library:			
Add: building improvements net of accumulated depreciation		329,911	
Add: other capital assets net of accumulated depreciation		255,678	
Parks, Recreation, and Conservation Board:			
Add: buildings and improvements net of accumulated depreciation		83,701	
Add: other capital assets net of accumulated depreciation		232,035	
			55,527,914
(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.			2,660,353
(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	\$	(145,205,000)	
Less: landfill postclosure care costs		(2,193,726)	
Add: deferred charges - debt issuance costs		667,283	
Less: compensated absences payable		(280,746)	
Less: accrued interest on bonds		(1,712,885)	
Less: other deferred revenue - premium on debt		(602,131)	
Parks, Recreation, and Conservation Board:			
Less: compensated absences payable		(32,750)	
			(149,359,955)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			3,536,295
Net assets of governmental activities (Exhibit A)		\$	<u>(47,205,184)</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, 2008

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Industrial/ Economic Development	General Debt Service	General Capital Projects	Education Capital Projects	Other	Govern- mental Funds	
Revenues								
Local Taxes	\$ 11,875,810	\$ 368,281	\$ 10,002,661	\$ 244,458	\$ 0	\$ 3,936,070	\$ 26,427,280	
Licenses and Permits	385,586	0	0	0	0	0	385,586	
Fines, Forfeitures, and Penalties	738,480	0	0	0	0	54,757	793,237	
Charges for Current Services	2,904,571	0	0	0	0	998,330	3,902,901	
Other Local Revenues	914,894	225,084	2,610,282	458,647	0	493,285	4,702,192	
Fees Received from County Officials	3,913,493	0	0	0	0	0	3,913,493	
State of Tennessee	3,061,345	0	0	390,000	0	2,269,376	5,720,721	
Federal Government	317,619	0	0	0	0	0	317,619	
Other Governments and Citizens Groups	537,409	0	0	0	0	458,158	995,567	
Total Revenues	\$ 24,649,207	\$ 593,365	\$ 12,612,943	\$ 1,093,105	\$ 0	\$ 8,209,976	\$ 47,158,596	
Expenditures								
Current:								
General Government	\$ 3,664,623	\$ 0	\$ 0	\$ 1,582,159	\$ 0	\$ 26	\$ 5,246,808	
Finance	1,879,079	0	0	0	0	120	1,879,199	
Administration of Justice	2,117,447	0	0	0	0	89	2,117,536	
Public Safety	9,121,868	0	0	0	0	62,160	9,184,028	
Public Health and Welfare	4,803,952	0	0	787,463	0	3,420,379	9,011,794	
Social, Cultural, and Recreational Services	193,929	0	0	0	0	1,839,233	2,033,162	
Agriculture and Natural Resources	197,981	0	0	0	0	0	197,981	
Other Operations	2,051,396	87,316	0	4,894	0	59,704	2,203,310	
Highways	0	0	0	0	0	3,642,528	3,642,528	
Debt Service:								
Principal on Debt	0	0	4,690,000	0	0	0	4,690,000	
Interest on Debt	0	0	5,715,781	0	0	0	5,715,781	
Other Debt Service	0	0	166,018	0	0	0	166,018	
Capital Projects	0	296,320	0	0	354,662	0	650,982	
Capital Projects - Donated	0	0	0	80,678	57,648,367	0	57,729,045	
Total Expenditures	\$ 24,030,275	\$ 383,636	\$ 10,571,799	\$ 2,455,194	\$ 58,003,029	\$ 9,024,239	\$ 104,468,172	
Excess (Deficiency) of Revenues Over Expenditures	\$ 618,932	\$ 209,729	\$ 2,041,144	\$ (1,362,089)	\$ (58,003,029)	\$ (814,263)	\$ (57,309,576)	

(Continued)

Exhibit C-3

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Industrial/ Economic Development	General Debt Service	General Capital Projects	Education Capital Projects	Other Govern- mental Funds	Governmental Funds	
<u>Other Financing Sources (Uses)</u>								
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57,700,000	\$ 0	\$ 0	\$ 57,700,000
Premiums on Debt Issued	0	0	0	0	303,029	0	0	303,029
Insurance Recovery	310	0	0	0	0	0	0	310
Transfers In	0	0	0	0	0	0	1,120,198	1,120,198
Transfers Out	(1,120,198)	0	0	0	0	0	0	(1,120,198)
Total Other Financing Sources (Uses)	\$ (1,119,888)	\$ 0	\$ 0	\$ 0	\$ 58,003,029	\$ 1,120,198	\$ 0	\$ 58,003,339
Net Change in Fund Balances	\$ (500,956)	\$ 209,729	\$ 2,041,144	\$ (1,362,089)	\$ 0	\$ 305,935	\$ 0	\$ 693,763
Fund Balance, July 1, 2007	6,257,275	(3,089,807)	17,877,669	15,930,810	0	2,762,355	0	39,738,302
Prior-period Adjustment	0	0	0	0	0	(1,856)	0	(1,856)
Fund Balance, June 30, 2008	\$ 5,756,319	\$ (2,880,078)	\$ 19,918,813	\$ 14,568,721	\$ 0	\$ 3,066,434	\$ 0	\$ 40,430,209

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, 2008

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)	\$	693,763
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these 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	\$	3,425,176
Less: current year depreciation expense		(1,951,717)
Putnam County Public Library:		
Add: capital assets purchased in the current period		153,627
Less: current year depreciation expense		(118,890)
Parks, Recreation, and Conservation Board:		
Add: capital assets purchased in the current period		67,845
Less: current year depreciation expense		(41,149)
		1,534,892
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: assets donated and capitalized	\$	3,555,005
Less: loss on disposal of capital assets		(331,783)
		3,223,222
(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 and other deferred June 30, 2008	\$	3,536,295
Less: deferred delinquent property taxes and other deferred June 30, 2007		(3,405,395)
		130,900
(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: bond proceeds	\$	(57,700,000)
Add: change in premium on debt issuances		(263,941)
Add: change in deferred debt issuance costs		319,627
Add: principal payments on bonds		4,690,000
		(52,954,314)
(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 governmental funds.		
Change in accrued interest payable	\$	(670,958)
Change in landfill postclosure care costs		120,674
Change in compensated absences payable		(124,362)
Parks, Recreation, and Conservation Board:		
Change in compensated absences payable		(3,546)
		(678,192)
(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.		447,098
Change in net assets of governmental activities (Exhibit B)	\$	(47,602,631)

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, 2008

Governmental
 Activities -
 Internal
Service Fund
Self-Insurance
Fund

ASSETS

Current Assets:

Cash	\$ 5,606
Equity in Pooled Cash and Investments	<u>3,645,620</u>
Total Assets	<u>\$ 3,651,226</u>

LIABILITIES

Current Liabilities:

Claims and Judgments Payable	<u>\$ 990,873</u>
Total Liabilities	<u>\$ 990,873</u>

NET ASSETS

Unrestricted	<u>\$ 2,660,353</u>
Total Net Assets	<u>\$ 2,660,353</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, 2008

	Governmental Activities - Internal Service Fund <hr/> Self-Insurance Fund <hr/>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 1,507,508
Refunds	8,406
Total Operating Revenues	<hr/> \$ 1,515,914 <hr/>
<u>Operating Expenses</u>	
County Buildings:	
Liability Claims	\$ 321
Other General Administration:	
Handling Charges and Administrative Costs	6,500
Excess Risk Insurance	202,376
Workers' Compensation Insurance	189,236
Other Charges	2,700
General Sessions Court Clerk:	
Liability Claims	70,108
Sheriff's Department:	
Legal Services	20,805
Liability Claims	6,767
Workers' Compensation Insurance	347
Other Contracted Services	332
Other Charges	1,411
Ambulance/Emergency Medical Services	
Building and Contents Insurance	219
Excess Risk Insurance	776
Workers' Compensation Insurance	19,761
Sanitation Management:	
Liability Claims	3,200
Libraries:	
Workers' Compensation Insurance	174
Parks and Fair Boards:	
Workers' Compensation Insurance	1,475
Other Charges	585

(Continued)

Exhibit D-2

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

	Governmental Activities - Internal Service Fund <hr/> Self-Insurance Fund <hr/>
<u>Operating Expenses (Cont.)</u>	
Other Charges:	
Building and Contents Insurance	\$ 71,603
Excess Risk Insurance	12,118
Workers' Compensation Insurance	29,186
Liability Claims	3,287
Other Charges	9,715
Highways:	
Building and Contents Insurance	42,120
Workers' Compensation Insurance	147,350
Liability Claims	402
Regular Instruction Program:	
Other Charges	827
Other Student Support:	
Liability Claims	51,965
Transportation:	
Liability Claims	8,462
Other Charges	3,533
Central and Other:	
Building and Contents Insurance	96,875
Workers' Compensation Insurance	7,728
Liability Claims	108,332
Other Charges	3,109
Total Operating Expenses	<hr/> \$ 1,123,705
Operating Income (Loss)	<hr/> \$ 392,209
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 54,889
Total Nonoperating Revenue	<hr/> \$ 54,889
Change in Net Assets	\$ 447,098
Net Assets, July 1, 2007	2,113,255
Prior-period Adjustment	<hr/> 100,000
Net Assets, June 30, 2008	<hr/> <hr/> \$ 2,660,353

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, 2008

	Governmental Activities - Internal Service Fund <u>Self-Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-insurance Premiums	\$ 1,507,508
Receipts for Refunds	8,406
Payments for Administrative Costs and Premiums	(765,295)
Payments for Claims	(382,670)
Payments for Legal Costs	(43,648)
Payments for Other Charges	(29,467)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 294,834</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 54,889
Net Cash Provided By (Used In) Investing Activities	<u>\$ 54,889</u>
Net Increase (Decrease) in Cash	\$ 349,723
Cash, July 1, 2007	<u>3,301,503</u>
Cash, June 30, 2008	<u>\$ 3,651,226</u>
<u>Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 392,209
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets and Liabilities:	
Increase (Decrease) in Claims and Judgments Payable	<u>(97,375)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 294,834</u>
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Cash per Net Assets	\$ 5,606
Equity in Pooled Cash and Investments per Net Assets	<u>3,645,620</u>
Cash, June 30, 2008	<u>\$ 3,651,226</u>

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, 2008

	<u>Agency Funds</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 73,828
Cash	2,092,161
Accounts Receivable	1,020
Due from Other Governments	<u>2,061,355</u>
Total Assets	<u>\$ 4,228,364</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,052,105
Due to Litigants, Heirs, and Others	2,093,181
Due to Joint Venture	<u>83,078</u>
Total Liabilities	<u>\$ 4,228,364</u>

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

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PUTNAM COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

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 (\$57,729,045) were contributed by the county to the School Department during the year ended June 30, 2008.

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.

Education Capital Projects Fund – This fund accounts for debt issued by Putnam County that is subsequently contributed to the

discretely presented Putnam County School Department for 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 discretely presented 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 funds:

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.

Other Capital Projects Fund – This fund is used to account for the receipt of debt issued by Putnam County and contributed to the School Department for building construction and renovations.

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

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.

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 the 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 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.

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 2.02 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.

Retainage payable in the General Fund and the discretely presented Putnam County School Department's General Purpose School and Other Capital Projects funds represents amounts withheld from payments made on a construction contract pending completion of the project. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the major governmental funds.

3. Capital Assets

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

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 primary 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. Capital assets are defined by the discretely presented Putnam County 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, equipment, and infrastructure of the primary government and School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
<u>Primary Government</u>	
Buildings and Improvements	50
Other Capital Assets	5 - 20
Infrastructure:	
Roads	40
Bridges	40
<u>School Department</u>	
Buildings and Improvements	40
Other Capital Assets	15

4. **Compensated Absences**

Primary Government

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.

Discretely Presented Putnam County School Department

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 refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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, 2008, Putnam County had \$129,205,000 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. Restatement of Prior-Year Financial Statements – Discretely Presented Putnam County School Department

In March 2007, the Jere Whitson Elementary School building was damaged by fire. This event met the definition of an asset impairment under GASB Statement No. 42. The effect of the impairment was not recorded on the June 30, 2007, financial statements. Accordingly, for the year ended June 30, 2008, beginning capital assets and net assets balances for the discretely presented Putnam County School Department have been restated to reflect the previous impairment in accordance with GASB Statement No. 42. The fire damage resulted in a net asset impairment loss of \$393,027 using the restoration cost approach. However, after recognizing an insurance recovery of \$2,639,991, a net gain of \$2,246,964 will be achieved. Restoration costs were \$2,828,892. The restoration project will extend the useful life of the building to 40 years. Restoration began in October 2008. During the restoration of the school, the asset was reclassified to construction in progress. The following table shows the effects of restating the beginning balances for the impairment:

<u>Capital Assets Restatement</u>	<u>Amount</u>
Capital Assets, Building, June 30, 2007	\$ 98,086,624
Less: Impairment Loss	(393,027)
Less: Transferred to Construction in Progress	(1,568,573)
Capital Assets, Building, June 30, 2007 - Restated	<u>\$ 96,125,024</u>

<u>Capital Assets Restatement (Cont.)</u>	<u>Amount</u>
Accumulated Depreciation, Building, June 30, 2007	\$ 21,308,501
Less: Transferred to Construction in Progress	<u>(696,371)</u>
Capital Assets, Building, June 30, 2007 - Restated	<u>\$ 20,612,130</u>
Construction in Progress, Building, June 30, 2007	\$ 0
Add: Carrying Amount, Less Impairment Loss	<u>872,202</u>
Capital Assets, Building, June 30, 2007 - Restated	<u>\$ 872,202</u>

8. Prior-period Adjustments

A prior-period adjustment of \$624,787 was recognized in the government-wide statement of activities. The majority of this prior-period adjustment (\$526,643) resulted from an increase to the value of capital assets at June 30, 2007. The historical values of capital assets estimated by the primary government were understated at June 30, 2007. In addition, a prior-period adjustment was recognized in the Public Library Fund (\$1,856), and an adjustment was recognized in the Self-Insurance Fund (\$100,000) to reduce outstanding claims liability as of July 1, 2007. Claims included in the estimate of outstanding claims liability at June 30, 2007, were settled without payments by the county.

A prior-period adjustment was recognized in the government-wide statement of activities (\$1,259,705) of the discretely presented Putnam County School Department to increase the value of capital assets (\$1,285,631) and to increase the liability for compensated absences (\$25,926) at June 30, 2007. The historical values of capital assets and the compensated absences estimated by the discretely presented School Department were understated at June 30, 2007.

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 \$2,880,078 as of June 30, 2008. This deficit resulted from the recognition of a long-term liability of \$3,888,888 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 allocated to the Industrial/Economic Development Fund and from note proceeds from the City of Cookeville.

The School Federal Projects Fund (special revenue fund) of the discretely presented Putnam County School Department had a deficit in unreserved fund balance of \$234,271 at June 30, 2008. This deficit resulted from expenditures exceeding grant funds requested and received. This deficit was liquidated subsequent to June 30, 2008, when federal grant revenues were received.

C. Actual Fund Balance Exceeded the Estimated Beginning Fund Balance by a Material Amount

At July 1, 2007, the actual fund balance of the Central Cafeteria Fund (a special revenue fund) of the discretely presented Putnam County School Department was \$917,299; however, the estimated fund balance reflected in the county's budget was \$150,000. Therefore, the actual fund balance exceeded the estimated fund balance presented to the County Commission by \$767,299. Sound business practices dictate that realistic estimates of beginning fund balances should be presented to the County Commission during the budget process.

D. Budget and Amendments Exceeded Estimated Available Funds

The budget and subsequent amendments approved by the County Commission for the Central Cafeteria Fund (a special revenue fund) of the discretely presented Putnam County School Department resulted in appropriations exceeding estimated available funds causing a budgeted fund deficit of \$33,495. Sound business principles dictate that appropriations be held within estimated available funding.

E. Deposits were Exposed to Custodial Credit Risk

At June 30, 2008, the trustee held investments of \$85,978,661, which were exposed to custodial credit risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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, 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, 2008, Putnam County had the following investments carried at fair value or cost. Investments were in government bonds and 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.

Investments	Maturities	Fair Value or Cost
State Treasurer's Investment Pool	Daily	\$ 768,077
Federal Home Loan Bank	4-15-09	20,272,800
"	4-15-09	20,019,600
Federal National Mortgage Association	7-16-09	5,006,600
Federal Home Loan Bank	9-29-09	20,841,660
"	10-21-09	19,838,000
Total		\$ 86,746,737

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, 2008, Putnam County's investment in the State Treasurer's Investment pool was unrated. As of June 30, 2008, Putnam County's investments in the Federal Home Loan Bank and the Federal National

Mortgage Association were rated Aaa by Moody's Investor's Service and AAA by Standard & Poor's.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Putnam County places no limit on the amount the county may invest in one issuer. More than five percent of the county's investments are in the Federal Home Loan Bank and the Federal National Mortgage Association. These investments are 93 percent and six percent respectively, of the county's total investments.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Putnam County does not have a formal policy that limits custodial credit risk for investments

B. Notes Receivable

Notes receivable in the Industrial/Economic Development Fund (\$1,665,786) 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 \$1,530,744.

C. Capital Assets

Capital assets activity for the year ended June 30, 2008, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Land	\$ 7,276,573	\$ 2,190,933	\$ (60,000)	\$ 9,407,506
Construction in Progress	0	765,286	0	765,286
Total Capital Assets Not Depreciated	<u>\$ 7,276,573</u>	<u>\$ 2,956,219</u>	<u>\$ (60,000)</u>	<u>\$ 10,172,792</u>

Governmental Activities (Cont.):

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Depreciated:				
Buildings and Improvements	\$ 16,446,225	\$ 0	\$ 0	\$ 16,446,225
Roads and Bridges	41,082,686	3,312,582	0	44,395,268
Other Capital Assets	11,322,414	956,060	(405,286)	11,873,188
Total Capital Assets Depreciated	\$ 68,851,325	\$ 4,268,642	\$ (405,286)	\$ 72,714,681
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,295,796	\$ 248,292	\$ 0	\$ 4,544,088
Roads and Bridges	15,591,255	901,648	0	16,492,903
Other Capital Assets	6,837,581	801,778	(415,463)	7,223,896
Total Accumulated Depreciation	\$ 26,724,632	\$ 1,951,718	\$ (415,463)	\$ 28,260,887
Total Capital Assets Depreciated, Net	\$ 42,126,693	\$ 2,316,924	\$ 10,177	\$ 44,453,794
Governmental Activities Capital Assets, Net	\$ 49,403,266	\$ 5,273,143	\$ (49,823)	\$ 54,626,586

Increases include prior-period adjustments of \$526,643 to correct management's estimates for historical costs. 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	\$ 48,511
Administration of Justice	167,290
Public Safety	360,305
Public Health and Welfare	293,329
Social, Cultural, and Recreational Services	36,517
Agriculture and Natural Resources	118,890
Other Operations	41,149
Highways/Public Works	1,045,765
Total Depreciation Expense - Governmental Activities	\$ 2,111,756

Discretely Presented Putnam County School Department

Governmental Activities:

	Restated		
	Balance		Balance
	7-1-07	Increases	6-30-08
	<hr/>		
Capital Assets Not Depreciated:			
Land	\$ 4,001,382	\$ 1,234,875	\$ 5,236,257
Construction in Progress			
Restated, See Note I.D.7	872,202	1,562,692	2,434,894
Total Capital Assets	<hr/>		
Not Depreciated	\$ 4,873,584	\$ 2,797,567	\$ 7,671,151
	<hr/>		
Capital Assets Depreciated:			
Buildings and Improvements			
Restated, See Note I.D.7	\$ 96,125,024	\$ 1,552,461	\$ 97,677,485
Other Capital Assets	4,144,917	591,352	4,736,269
Total Capital Assets	<hr/>		
Depreciated	\$ 100,269,941	\$ 2,143,813	\$ 102,413,754
	<hr/>		
Less Accumulated Depreciation For:			
Buildings and Improvement			
Restated, See Note I.D.7	\$ 20,612,130	\$ 2,018,926	\$ 22,631,056
Other Capital Assets	2,542,150	209,651	2,751,801
Total Accumulated Depreciation	<hr/>		
	\$ 23,154,280	\$ 2,228,577	\$ 25,382,857
	<hr/>		
Total Capital Assets Depreciated, Net	\$ 77,115,661	\$ (84,764)	\$ 77,030,897
	<hr/>		
Governmental Activities Capital Assets, Net	\$ 81,989,245	\$ 2,712,803	\$ 84,702,048
	<hr/>		

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

Governmental Activities:

Instruction	\$ 1,730,050
Support Services	<u>231,697</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,961,747</u></u>

The Jere Whitson Elementary School, with a carrying amount of \$872,202, was temporarily idle at year-end due to fire and water damage.

D. Insurance Recovery

Insurance recovery proceeds of \$2,328,160 were received during the year to restore Jere Whitson Elementary School, and \$1,928,381 was in the General Capital Projects Fund at June 30, 2008, for reconstruction. This revenue is presented as an extraordinary item in the government-wide financial statements.

E. Construction Commitments

At June 30, 2008, the General Fund had uncompleted construction contracts of approximately \$1,115,624 for the construction of the Tennessee Vocational Rehabilitation Center. Funding has been received for these future expenditures from a interfund loan from the General Debt Service Fund.

At June 30, 2008, the General Capital Projects Fund had uncompleted construction contracts of approximately \$2,304,526 for a new EMS Building (\$1,367,727) and Health Department (\$936,799). Funding has been received for these future expenditures.

At June 30, 2008, the discretely presented General Purpose School Fund had uncompleted construction contracts of approximately \$63,281 for Parkview Elementary School. Funding has been received for these future expenditures.

At June 30, 2008, the discretely presented Other Capital Projects Fund had uncompleted construction contracts of approximately \$1,822,392 for Algood Elementary (\$575,346) and a new Pre-K through eighth grade (\$1,247,046). Funding has been received for these future expenditures.

At June 30, 2008, the discretely presented General Capital Projects Fund had uncompleted construction contracts of approximately \$161,876 for the construction and reconstruction of Jere Whitson Elementary. Funding has been received for these future expenditures from insurance recovery.

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 18,353
Discretely Presented Putnam County School Department:		
General Purpose School	Nonmajor governmental	80,189

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.

A portion of the receivable in the General Purpose School Fund (\$56,596) was in transit from the Central Cafeteria Fund at June 30, 2008.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2008, consisted of the following amounts:

Primary Government

Transfer Out	Transfer In Nonmajor Governmental Funds
General	\$ 1,120,198

Discretely Presented Putnam County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
Other Capital Projects	\$ 0	\$ 19,776
Nonmajor governmental funds	1,132,438	0
Total	\$ 1,132,438	\$ 19,776

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.

G. Long-term Debt

Primary Government

General Obligation Bonds

The county issues general obligation bonds 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, 2008, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2008, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-08
General Obligation Bonds	4.38 to 5.5%	\$ 108,800,000	\$ 74,600,000
General Obligation Bonds - Refunding	2.125 to 5.5	89,685,000	70,605,000

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2008, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2009	\$ 5,495,000	\$ 6,855,707	\$ 12,350,707
2010	6,005,000	6,611,757	12,616,757
2011	6,555,000	6,324,147	12,879,147
2012	7,075,000	6,014,145	13,089,145

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 147,712,222
Less: Balance Due Within One Year	<u>(5,661,139)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 142,051,083</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.

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, 2008, the following outstanding bonds are considered defeased:

	<u>Amount</u>
2000 General Obligation School Bonds	\$ 33,700,000
1993 General Obligation School and Public Improvement Bonds	17,300,000
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, 2008, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2007	\$ 135,327	\$ 0
Prior-period Adjustment	25,926	0
Additions	132,274	1,155,634
Deductions	(107,614)	(630,280)
	<hr/>	<hr/>
Balance, June 30, 2008	\$ 185,913	\$ 525,354
	<hr/>	<hr/>
Balance Due Within One Year	\$ 116,484	\$ 0
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 711,267
Less: Balance Due Within One Year	<u>(116,484)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 594,783</u>

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

H. On-Behalf Payments – Discretely Presented Putnam County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Putnam County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Teacher Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2008, were \$175,679 and \$54,450, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. 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 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 Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
Fire Department Tanker				
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 Issued Matured	
	Outstanding 7-1-07	During Period	During Period	Outstanding 6-30-08
Fire Department Tanker				
Trucks and Pumper Trucks	\$ 75,051	\$ 0	\$ (75,051)	\$ 0
Land	130,000	0	(65,000)	65,000
Total	<u>\$ 205,051</u>	<u>\$ 0</u>	<u>\$ (140,051)</u>	<u>\$ 65,000</u>

Internally reported notes receivable from idle funds loaned from the General Debt Service Fund will be paid by the Industrial/Economic Development Fund (\$3,888,888) and the General Fund (\$1,750,000). Amounts financed are presented as a long-term liability in the governmental funds. Internally reported notes receivable at June 30, 2008, are reflected as follows:

Receivable Fund/Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
General Debt Service Fund:				
Land	\$ 5,000,000	0 %	6-29-07	6-29-15
Building	1,750,000	2	6-24-08	6-24-17

	Outstanding 7-1-07	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-08
General Debt Service Fund:				
Land	\$ 4,444,444	\$ 0	\$ (555,556)	\$ 3,888,888
Building	0	1,750,000	0	1,750,000
Total	\$ 4,444,444	\$ 1,750,000	\$ (555,556)	\$ 5,638,888

J. Short-term Debt

During the year, Putnam County issued tax anticipation notes of \$1,000,000 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, 2008.

During the prior 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. The interfund loan was repaid on August 31, 2007.

	Balance 7-1-07	Issued	Redeemed	Balance 6-30-08
Revenue				
Anticipation Notes	\$ 110,759	\$ 1,000,000	\$ (1,110,759)	\$ 0

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 participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool

established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, Tennessee Code Annotated (TCA), all local education agencies are eligible to participate. The LEGIF 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. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

Putnam County’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 \$275,993,309. 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 at Beginning of Year	Current Claims and Changes in Estimates	Claim Payments	Liability at End of Year
2006-2007	\$ 1,242,072	\$ 193,289	\$ (247,113)	\$ 1,188,248
2007-2008	1,188,248	185,295	(382,670)	990,873

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures became effective for the year ended June 30, 2008.

GASB Statement No. 45 establishes reporting requirements for Other Postemployment Benefits (OPEB). OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the county's financial statements. Putnam County and the discretely presented Putnam County School Department are required to implement the provisions of GASB Statement No. 45 for the year ended June 30, 2009. However, the School Department decided to implement GASB Statement No. 45 for the year ended June 30, 2008. In previous years, the School Department had recognized only the current year cost (expense) of these benefits. GASB Statement No. 45 was implemented prospectively with a zero net OPEB obligation at transition.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions are sales or collateralized borrowings and provides guidance on how to account for sales or pledges of receivables or future revenues. This statement provides additional guidance for sales of receivables and future revenues within the same reporting entity. This statement also requires governments to disclose in the notes to the financial statements the nature of any receivables or future revenues that have been pledged or sold. Tennessee state statutes do not currently allow counties to sell or pledge receivables or sell future revenue streams. Therefore, those provisions of GASB Statement No. 48 that pertain to the sale or pledge receivables or sale of future revenue will not apply to Putnam County. GASB Statement No. 48 had no effect on the financial statements of Putnam County for the year ended June 30, 2008, since the county has not pledged any of its future revenues. However, it is reasonably expected that Putnam County may pledge a future revenue stream toward the payment of debt in subsequent years.

GASB Statement No. 50 amends previous guidance concerning pension information. This statement closely aligns the financial reporting requirements for pensions with those for other postemployment benefits and enhances the information disclosed in the notes to the financial statements or presented as required supplementary information for pension plans. This statement requires Putnam County to provide additional and more detailed pension plan note disclosures than in previous years.

C. Subsequent Events

On July 1, 2008, the administration of the Probate and Juvenile courts was transferred from the Office of County Clerk to the Office of Circuit and General Sessions Courts Clerk.

On August 13, 2008, the discretely presented Putnam County School Department's School Federal Project Fund received revenue anticipation note proceeds from the General Purpose School Fund.

The discretely presented School Department issued tax anticipation notes of \$2,000,000 for the General Purpose School Fund from the General Debt Service Fund. The notes were issued on July 2, 2008 (\$500,000), August 14, 2008 (\$500,000), and September 10, 2008 (\$1,000,000).

On November 10, 2008, the discretely presented School Department sold Prescott Central Middle School to Tennessee Technological University for \$2,620,000 with an option for the School Department to lease the building for \$10,000 per month until a new school can be constructed.

The County Commission approved a \$7,200,000 bond issue for an Industrial and Business Park on November 17, 2008. These bonds have not been issued as of the date of this report.

The county issued General Obligation School Refunding Bonds of \$2,340,000 on March 31, 2009, to refund the School Refunding Series dated December 1, 1998.

The County Commission approved a \$175,000 capital outlay note on May 18, 2009, for the purchase of a fire truck. These notes have not been issued as of the date of this report.

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.

There is a possibility that the county may have a future arbitrage liability for interest earned on the \$57,700,000 bond issued during the year.

E. 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 \$2,193,726 reported as landfill closure and postclosure care liability at June 30, 2008, 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.

F. 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 \$121,641 to the Cookeville - Putnam County Emergency Management Agency for the year ended June 30, 2008.

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 \$10,000 to the Upper Cumberland Regional Airport for the year ended June 30, 2008.

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, 2008.

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 contributed \$50,000 to the Chamber of Commerce for the year ended June 30, 2008.

The Tennessee Central Heritage Rail Trail Authority is operated through an interlocal agreement between Putnam County and the cities of Algood, Cookeville, and Monterey. The agreement created a ten-member board to construct and manage a rail trail on the right-of-way owned by the Nashville Eastern Railroad Authority. The county and cities will each appoint two members, the ninth member will be appointed by the Putnam County Chamber of Commerce, and the tenth member will be appointed by the Upper Cumberland Heritage Association. The county and cities will each approve the budget of the authority. Putnam County contributed \$30,000 to the operations of the authority during the year ended June 30, 2008.

Putnam County does not have an equity interest in any of the above-noted joint ventures with the exception of the Tennessee Central Heritage Rail Trail Authority. Complete financial statements for the Cookeville - Putnam County Emergency Management Agency, Upper Cumberland Regional Airport, Thirteenth Judicial District Drug Task Force, Putnam County Joint Economic and Community Development Board, and the Tennessee Central Heritage Rail Trail Authority 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, TN 38501

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

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

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

Tennessee Central Heritage Rail Trail Authority
45 East Broad
Cookeville, TN 38501

G. 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.

H. 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.tn.gov/treasury/tcrs/>.

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, 2008, 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, 2008, Putnam County's annual pension cost of \$2,234,723 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 postretirement 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, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	\$ 2,234,723	100%	\$ 0
6-30-07	2,022,341	100	0
6-30-06	1,695,019	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 82.64 percent funded. The actuarial accrued liability for benefits was \$52.04 million, and the actuarial value of assets was \$43.01 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$9.03 million. The covered payroll (annual payroll of active employees covered by the plan) was \$21.06 million, and the ratio of the UAAL to the covered payroll was 42.88 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not

identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

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 SETHEEPP. 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.tn.gov/treasury/tcrs>.

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, 2008, was 6.24 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, 2008, 2007, and 2006, were \$2,175,089, \$1,979,998, and \$1,670,033, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Discretely Presented Putnam County School Department

As discussed in Note V.B., the Putnam County School Department early implemented the provisions of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions.

Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated for teachers. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plan is reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. No contribution for retired teachers is required. During the year ended June 30, 2008, the discretely presented School Department contributed \$630,280 of postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 1,155,634
Interest on the NPO	0
Adjustment to the ARC	0
Annual OPEB cost	<hr/> \$ 1,155,634
Amount of contribution	(630,280)
Increase/decrease in NPO	<hr/> \$ 525,354
Net OPEB obligation, 7-1-07	<hr/> 0
Net OPEB obligation, 6-30-08	<hr/> <hr/> \$ 525,354

Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
		<hr/>		
6-30-08	Local Education Group	\$ 1,155,634	55%	\$ 525,354

* Data not available for two preceding years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2008, was as follows:

	Local Education Group Plan
	<hr/>
Actuarial valuation date	6-30-07
Actuarial accrued liability (AAL)	\$ 14,877,899
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 14,877,899
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 36,096,985
UAAL as a % of covered payroll	41%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and

actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the June 30, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

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 122, Private Acts of 1989, 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. The fund financial statements report using 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 modified accrual basis of accounting is prepared and adopted each year. The budget for the year ended June 30, 2008, 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.H. 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, 10th 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, 2008, was maintained as follows: 1) the Board of Trustees' Fund was invested in an interest-bearing account; 2) the Memorial Fund was maintained in an interest-bearing checking account; and 3) Monterey, Algood, and Baxter funds were 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 Federal Deposit Insurance Corporation 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 an 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.

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 applying 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, 2008, 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 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 Plan

The Putnam County Parks, Recreation and Conservation Board, as a fund of Putnam County, participates 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.H. 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, 10th 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, 2008:

Checking - Operating Account	\$ 44,312
Checking - Payroll Account	3,287
Checking - Soccer Account	<u>1,420</u>
Total	<u>\$ 49,019</u>

At June 30, 2008, the carrying amount of the Putnam County Parks, Recreation, and Conservation Board's cash deposits was \$49,019. 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 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 employees 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 absences payable in current liabilities in the Statement of Net Assets represents the amount owed to employees for annual leave as of June 30, 2008, and is also the leave expected to be taken within one year. Retirement sick leave accrued at June 30, 2008, 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:

<u>Assets</u>	<u>Balance</u> <u>7-1-07</u>	<u>Additions</u>	<u>Balance</u> <u>6-30-08</u>
Improvements	\$ 36,711	\$ 57,356	\$ 94,067
Equipment	170,541	10,489	181,030
Park Fixtures	79,093	0	79,093
Vehicles	119,948	0	119,948
Office Equipment	15,585	0	15,585
Total	<u>\$ 421,878</u>	<u>\$ 67,845</u>	<u>\$ 489,723</u>

The following table provides a summary of changes to accumulated depreciation at June 30, 2008:

<u>Assets</u>	<u>Balance</u> <u>7-1-07</u>	<u>Depreciation</u> <u>Expense</u>	<u>Balance</u> <u>6-30-08</u>
Improvements	\$ 3,350	\$ 7,017	\$ 10,367
Equipment	78,826	16,849	95,675
Park Fixtures	5,885	5,560	11,445
Vehicles	33,884	10,584	44,468
Office Equipment	10,894	1,139	12,033
Total	<u>\$ 132,839</u>	<u>\$ 41,149</u>	<u>\$ 173,988</u>

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 the 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 Communications District was established on November 21, 1988, to provide an enhanced level of 911 services to 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 addresses and information. It is a component unit of Putnam County. A board of directors, appointed by Putnam County runs the Putnam County Emergency Communications District. 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.

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 Useful Life in Years	2008 Depreciation
Building/Improvements	S/L	5	\$ 8,436
Office Equipment	S/L	5	705
Communications Equipment	S/L	4-7	49,989
Vehicle	S/L	5	<u>8,938</u>
Total			<u><u>\$ 68,068</u></u>

Major Source of Revenue – The major source of operating revenue is emergency telephone and wireless surcharges. The district’s nonoperating 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, 2008:

Checking - Bank of Putnam County	\$ 20,000
Money Market - Bank of Putnam County	154,259
Certificates of Deposit - Bank of Putnam County	<u>1,300,000</u>
 Total	 <u><u>\$ 1,474,259</u></u>

At June 30, 2008, the carrying amount of the Putnam County Emergency Communications District’s cash deposits was \$1,474,259. 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, 2008. 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, 2008:

Assets	Cost	Accumulated Depreciation	Net
Building/Improvements	\$ 77,659	\$ 65,671	\$ 11,988
Office Equipment	3,844	705	3,139
Communications Equipment	737,512	671,479	66,033
Vehicle	51,742	20,822	30,920
 Total	 <u><u>\$ 870,757</u></u>	 <u><u>\$ 758,677</u></u>	 <u><u>\$ 112,080</u></u>

Assets	Balance 7-1-07	Additions	Decreases	Balance 6-30-08
Building/Improvements	\$ 77,659	\$ 0	\$ 0	\$ 77,659
Office Equipment	0	3,844	0	3,844
Communications Equipment	737,512	0	0	737,512
Vehicle	52,560	22,171	(22,989)	51,742
Total	\$ 867,731	\$ 26,015	\$ (22,989)	\$ 870,757

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 \$53,623 for the radios, which comprises 87 percent of small equipment purchases expense, \$2,152 for new computers, and \$8,307 for a sheriff voting receiver, which comprises the remaining 13 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	\$ 24,706
Miscellaneous Wireless Charges	1,204
Subtotal	<u>\$ 25,910</u>
State Emergency Communications Board	<u>29,673</u>
Total	<u><u>\$ 55,583</u></u>

G. Compensated Absences

There were no employees at June 30, 2008 to receive compensation.

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 and Wages" in the Statement of Revenues, Expenses, and Changes in Net Assets.

I. Calculation of Invested in Capital Assets

Net Book Value	\$ 112,080
Current and Non-Current Debt	<u>0</u>
Invested in Capital Assets	<u>\$ 112,080</u>

J. Upper Cumberland Electric Membership Corporation Contract

The district provides after-hours call answering services for the 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 Nonoperating 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, 2008, 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.

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, 2008, deposits of Putnam County Agricultural and Industrial Fair, Inc., consisted of the following:

Checking - operating	\$ 19,888
Checking - premiums	(3,095)
Checking - Pacesetter's Day	5,049
Certificate of deposit	11,612
Certificate of deposit	10,681
Certificate of deposit	11,222
Certificate of deposit	<u>21,909</u>
 Total	 <u><u>\$ 77,266</u></u>

At June 30, 2008, the carrying amount of the Putnam County Agricultural and Industrial Fair, Inc.'s, cash deposits was \$77,266. 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 2007.

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 immaterial.

F. Compensated Absences

There was no compensated absences balance at June 30, 2008.

**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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,875,810	\$ 0	\$ 0	\$ 11,875,810	\$ 11,685,745	\$ 11,715,745	\$ 160,065
Licenses and Permits	385,586	0	0	385,586	328,500	400,178	(14,592)
Fines, Forfeitures, and Penalties	738,480	0	0	738,480	543,000	543,000	195,480
Charges for Current Services	2,904,571	0	0	2,904,571	2,317,000	2,529,235	375,336
Other Local Revenues	914,894	0	0	914,894	1,906,000	1,103,505	(188,611)
Fees Received from County Officials	3,913,493	0	0	3,913,493	3,567,000	3,621,919	291,574
State of Tennessee	3,061,345	0	0	3,061,345	3,037,250	3,116,963	(55,618)
Federal Government	317,619	0	0	317,619	117,730	252,195	65,424
Other Governments and Citizens Groups	537,409	0	0	537,409	550,000	734,006	(196,597)
Total Revenues	\$ 24,649,207	\$ 0	\$ 0	\$ 24,649,207	\$ 24,052,225	\$ 24,016,746	\$ 632,461

<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 156,926	\$ 0	\$ 0	\$ 156,926	\$ 153,200	\$ 162,311	\$ 5,385
Beer Board	1,916	0	0	1,916	2,000	2,000	84
County Mayor/Executive	338,615	(4,239)	1,740	336,116	276,839	345,299	9,183
County Attorney	130,813	0	0	130,813	106,000	130,813	0
Election Commission	309,170	(1,919)	8,870	316,121	286,713	333,691	17,570
Register of Deeds	297,638	0	442	298,080	263,035	319,047	20,967
Development	19,510	0	0	19,510	25,800	25,800	6,290
Codes Compliance	155,274	0	114	155,388	126,900	164,131	8,743
Geographical Information Systems	44,132	0	630	44,762	49,000	49,000	4,238
County Buildings	1,963,411	(71,908)	13,434	1,904,937	1,655,649	1,932,789	27,852
Other Facilities	227,743	(11,313)	1,068	217,498	192,300	228,575	11,077
Preservation of Records	19,475	0	846	20,321	0	21,253	932

(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 (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance</u>							
Property Assessor's Office	\$	0	0	460,891	\$ 379,183	\$ 475,615	14,724
County Trustee's Office		0	304	359,060	292,122	361,814	2,754
County Clerk's Office		(5,515)	647	943,359	762,015	964,937	21,578
Other Finance		0	0	111,205	88,587	119,841	8,636
<u>Administration of Justice</u>							
Circuit Court	989,422	(9,850)	11,614	991,186	726,724	985,981	(5,205)
General Sessions Court	422,512	(821)	168	421,859	331,756	422,740	881
Drug Court	76,011	0	0	76,011	0	137,951	61,940
Chancery Court	314,159	(493)	1,050	314,716	247,297	318,970	4,254
Juvenile Court	178,235	(99)	1,343	179,479	152,910	207,769	28,290
District Attorney General	0	0	0	0	190,048	251,383	251,383
Judicial Commissioners	64,017	0	0	64,017	51,900	65,431	1,414
Other Administration of Justice	73,091	0	0	73,091	62,372	75,994	2,903
<u>Public Safety</u>							
Sheriff's Department	4,305,947	(77,878)	19,710	4,247,779	3,213,432	4,273,336	25,557
Special Patrols	6,214	(6,214)	0	0	0	0	0
Drug Enforcement	1,244	(1,244)	0	0	0	0	0
Jail	2,886,840	(69,992)	41,775	2,858,623	2,347,050	2,936,902	78,279
Workhouse	73,114	0	695	73,809	65,270	76,491	2,682
Juvenile Services	662,445	(1,941)	2,388	662,892	519,550	669,039	6,147
Commissary	136,413	(15,066)	3,359	124,706	100,000	130,000	5,294
Fire Prevention and Control	519,494	(278,132)	291,249	532,611	496,335	644,192	111,581
Civil Defense	139,493	0	0	139,493	158,278	184,621	45,128
Other Emergency Management	325,504	(235,818)	0	89,686	72,971	137,143	47,457

(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 (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
County Coroner/Medical Examiner	\$ 65,160	(3,000)	2,094	\$ 64,254	\$ 55,250	\$ 68,185	\$ 3,931
<u>Public Health and Welfare</u>							
Local Health Center	261,160	(4,161)	15,731	272,730	278,404	284,920	12,190
Ambulance/Emergency Medical Services	3,518,650	(37,668)	16,856	3,497,838	2,804,100	3,724,237	226,399
Other Local Health Services	25,117	(2,110)	0	23,007	33,800	25,874	2,867
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	8,000	0	0	8,000	8,000	8,000	0
Sanitation Management	0	0	0	0	624,482	46,196	46,196
Other Public Health and Welfare	965,025	(1,859)	1,162	964,328	960,200	1,170,588	206,260
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	75,451	0	0	75,451	74,917	75,451	0
Libraries	25,741	0	0	25,741	369,959	6,251	(19,490)
Parks and Fair Boards	87,737	0	0	87,737	979,825	264,952	177,215
Other Social, Cultural, and Recreational	5,000	0	0	5,000	5,000	105,000	100,000
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	164,205	0	0	164,205	161,442	166,669	2,464
Forest Service	1,500	0	0	1,500	1,500	1,500	0
Soil Conservation	32,276	0	0	32,276	26,550	56,027	23,751
<u>Other Operations</u>							
Tourism	154,229	0	0	154,229	130,000	160,000	5,771
Industrial Development	25,000	0	0	25,000	25,000	25,000	0
Airport	38,000	0	0	38,000	38,000	38,000	0
Veterans' Services	30,779	0	0	30,779	28,400	33,097	2,318

(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 (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Contributions to Other Agencies	\$ 1,154,695	\$ 0	\$ 1,115,625	\$ 2,270,320	\$ 1,941,120	\$ 2,331,999	\$ 61,679
Employee Benefits	0	0	0	0	3,834,000	85,355	85,355
Miscellaneous	648,693	(924)	0	647,769	1,211,778	728,594	80,825
Total Expenditures	\$ 24,030,275	\$ (842,164)	\$ 1,552,914	\$ 24,741,025	\$ 27,012,963	\$ 26,586,754	\$ 1,845,729
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ 618,932	\$ 842,164	\$ (1,552,914)	\$ (91,818)	\$ (2,960,738)	\$ (2,570,008)	\$ 2,478,190
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,750,000	\$ 1,750,000	\$ (1,750,000)
Insurance Recovery	310	0	0	310	0	1,000	(690)
Transfers In	0	0	0	0	140,051	140,051	(140,051)
Transfers Out	(1,120,198)	0	0	(1,120,198)	(229,444)	(1,366,427)	246,229
Total Other Financing Sources (Uses)	\$ (1,119,888)	\$ 0	\$ 0	\$ (1,119,888)	\$ 1,660,607	\$ 524,624	\$ (1,644,512)
Net Change in Fund Balance	\$ (500,956)	\$ 842,164	\$ (1,552,914)	\$ (1,211,706)	\$ (1,300,131)	\$ (2,045,384)	\$ 833,678
Fund Balance, July 1, 2007	6,257,275	(842,164)	0	5,415,111	5,562,984	5,562,984	(147,873)
Fund Balance, June 30, 2008	\$ 5,756,319	\$ 0	\$ (1,552,914)	\$ 4,203,405	\$ 4,262,853	\$ 3,517,600	\$ 685,805

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 368,281	\$ 366,152	\$ 366,152	\$ 2,129
Other Local Revenues	225,084	0	225,084	0
Other Governments and Citizens Groups	0	236,110	11,026	(11,026)
Total Revenues	<u>\$ 593,365</u>	<u>\$ 602,262</u>	<u>\$ 602,262</u>	<u>\$ (8,897)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 80,000	\$ 110,000	\$ 155,000	\$ 75,000
Miscellaneous	7,316	8,250	8,250	934
<u>Capital Projects</u>				
Other General Government Projects	296,320	344,630	344,630	48,310
Total Expenditures	<u>\$ 383,636</u>	<u>\$ 462,880</u>	<u>\$ 507,880</u>	<u>\$ 124,244</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 209,729</u>	<u>\$ 139,382</u>	<u>\$ 94,382</u>	<u>\$ 115,347</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (555,556)	\$ (555,556)	\$ 555,556
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (555,556)</u>	<u>\$ (555,556)</u>	<u>\$ 555,556</u>
Net Change in Fund Balance	\$ 209,729	\$ (416,174)	\$ (461,174)	\$ 670,903
Fund Balance, July 1, 2007	<u>(3,089,807)</u>	<u>1,346,406</u>	<u>1,346,406</u>	<u>(4,436,213)</u>
Fund Balance, June 30, 2008	<u>\$ (2,880,078)</u>	<u>\$ 930,232</u>	<u>\$ 885,232</u>	<u>\$ (3,765,310)</u>

Exhibit F-3

Putnam County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2008

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-07	\$ 43,011	\$ 52,044	\$ 9,033	82.64 %	\$ 21,066	42.88 %

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the year; therefore, only the most current year is presented.

Exhibit F-4

Putnam County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Putnam County School Department
June 30, 2008

(Dollar amounts in thousands)

	Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll (b-a)/c)
Local Education Group Plan	6-30-07	\$ 0	\$ 14,878	\$ 14,878	0 %	\$ 36,097	41 %

*Data not available for two preceding years.

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PUTNAM COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2008

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 \$2,880,078 as of June 3, 2008. This deficit resulted from the recognition of a long-term liability of \$3,888,888 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.

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

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Nonmajor Governmental Funds

Special Revenue Funds

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.

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 involving solid waste collection.

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 Highway Department.

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Exhibit G-1

Putnam County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2008

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Public Library	Solid Waste/ Sanitation	Drug Control	Sports and Recreation	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	
Cash	\$ 151,849	\$ 0	\$ 0	\$ 49,019	\$ 0	\$ 4,094	\$ 0	\$ 204,962
Equity in Pooled Cash and Investments	0	1,757,512	71,743	0	6,098	0	869,554	2,704,907
Accounts Receivable	5,000	158,410	0	0	0	0	0	163,410
Allowance for Uncollectibles	0	(1,877)	0	0	0	0	0	(1,877)
Due from Other Governments	0	11,827	0	0	0	0	396,892	408,719
Property Taxes Receivable	0	2,621,361	0	0	0	0	1,112,139	3,733,500
Allowance for Uncollectible Property Taxes	0	(102,385)	0	0	0	0	(22,343)	(124,728)
Prepaid Items	14,420	0	0	235	0	0	0	14,655
Total Assets	\$ 171,269	\$ 4,444,848	\$ 71,743	\$ 49,254	\$ 6,098	\$ 4,094	\$ 2,356,242	\$ 7,103,548

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Allowance for Uncollectibles
 Due from Other Governments
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes
 Prepaid Items

Total Assets

LIABILITIES AND FUND BALANCES

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Public Library	Solid Waste/ Sanitation	Drug Control	Sports and Recreation	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	
Accounts Payable	\$ 0	\$ 163,251	\$ 0	\$ 1,663	\$ 0	\$ 0	\$ 0	\$ 164,914
Accrued Payroll	12,577	0	0	3,529	0	0	0	16,106
Payroll Deductions Payable	3,482	0	0	0	0	0	1,069	4,551
Due to Other Funds	0	14,259	0	0	0	4,094	0	18,353
Due to State of Tennessee	205	0	0	0	0	0	0	205
Other Current Liabilities	496	0	0	0	0	0	0	496
Deferred Revenue - Current Property Taxes	0	2,446,832	0	0	0	0	1,042,718	3,489,550
Deferred Revenue - Delinquent Property Taxes	86,017	50,875	0	0	0	0	52,078	102,953
Other Deferred Revenues	0	73,846	0	0	0	0	166,140	239,986
Total Liabilities	\$ 16,760	\$ 2,749,063	\$ 0	\$ 5,192	\$ 0	\$ 4,094	\$ 1,262,005	\$ 4,037,114
Fund Balances	\$ 0	\$ 158,123	\$ 0	\$ 0	\$ 0	\$ 0	\$ 164,377	\$ 322,500
Reserved for Encumbrances	68,492	0	0	0	0	0	0	68,492
Reserved for Other General Purposes	86,017	1,537,662	71,743	44,062	6,098	0	929,860	2,675,442
Unreserved	154,509	1,695,785	71,743	44,062	6,098	0	1,094,237	3,066,434
Total Fund Balances	\$ 171,269	\$ 4,444,848	\$ 71,743	\$ 49,254	\$ 6,098	\$ 4,094	\$ 2,356,242	\$ 7,103,548

Total Liabilities and Fund Balances

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, 2008

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Sports and Recreation	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	
Revenues								
Local Taxes	\$ 0	\$ 2,577,998	\$ 0	\$ 48,350	\$ 0	\$ 0	\$ 1,309,722	\$ 3,936,070
Fines, Forfeitures, and Penalties	0	0	34,148	0	20,609	0	0	54,757
Charges for Current Services	36,797	849,384	0	111,845	0	304	0	998,330
Other Local Revenues	3,696	414,417	114	42,311	0	0	32,747	493,285
State of Tennessee	0	39,333	18,207	0	0	0	2,211,836	2,269,376
Other Governments and Citizens Groups	437,038	0	500	20,620	0	0	0	458,158
Total Revenues	\$ 477,531	\$ 3,881,132	\$ 52,969	\$ 223,126	\$ 20,609	\$ 304	\$ 3,554,305	\$ 8,209,976
Expenditures								
Current:								
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26	\$ 0	\$ 26
Finance	0	0	0	0	0	120	0	120
Administration of Justice	0	0	0	0	0	89	0	89
Public Safety	0	0	45,186	0	16,905	69	0	62,160
Public Health and Welfare	0	3,420,379	0	0	0	0	0	3,420,379
Social, Cultural, and Recreational Services	850,126	0	0	989,107	0	0	0	1,839,233
Other Operations	0	59,704	0	0	0	0	0	59,704
Highways	0	0	0	0	0	0	3,642,528	3,642,528
Total Expenditures	\$ 850,126	\$ 3,480,083	\$ 45,186	\$ 989,107	\$ 16,905	\$ 304	\$ 3,642,528	\$ 9,024,239
Excess (Deficiency) of Revenues Over Expenditures	\$ (372,595)	\$ 401,049	\$ 7,783	\$ (765,981)	\$ 3,704	\$ 0	\$ (88,223)	\$ (814,263)
Other Financing Sources (Uses)								
Transfers In	\$ 363,708	\$ 0	\$ 0	\$ 756,490	\$ 0	\$ 0	\$ 0	\$ 1,120,198
Total Other Financing Sources (Uses)	\$ 363,708	\$ 0	\$ 0	\$ 756,490	\$ 0	\$ 0	\$ 0	\$ 1,120,198
Net Change in Fund Balances	\$ (8,887)	\$ 401,049	\$ 7,783	\$ (9,491)	\$ 3,704	\$ 0	\$ (88,223)	\$ 305,935
Fund Balance, July 1, 2007	165,252	1,294,736	63,960	53,553	2,394	0	1,182,460	2,762,355
Prior-period Adjustment	(1,856)	0	0	0	0	0	0	(1,856)
Fund Balance, June 30, 2008	\$ 154,509	\$ 1,695,785	\$ 71,743	\$ 44,062	\$ 6,098	\$ 0	\$ 1,094,237	\$ 3,066,434

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 36,797	\$ 36,675	\$ 36,675	\$ 122
Other Local Revenues	3,696	1,115	4,100	(404)
Other Governments and Citizens Groups	437,038	343,747	439,366	(2,328)
Total Revenues	<u>\$ 477,531</u>	<u>\$ 381,537</u>	<u>\$ 480,141</u>	<u>\$ (2,610)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 850,126	\$ 753,996	\$ 852,600	\$ 2,474
Total Expenditures	<u>\$ 850,126</u>	<u>\$ 753,996</u>	<u>\$ 852,600</u>	<u>\$ 2,474</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (372,595)</u>	<u>\$ (372,459)</u>	<u>\$ (372,459)</u>	<u>\$ (136)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 363,708	\$ 363,708	\$ 363,708	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 363,708</u>	<u>\$ 363,708</u>	<u>\$ 363,708</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (8,887)	(8,751)	(8,751)	(136)
Fund Balance, July 1, 2007	165,252	165,252	165,252	0
Prior-period Adjustment	(1,856)	0	0	(1,856)
Fund Balance, June 30, 2008	<u>\$ 154,509</u>	<u>\$ 156,501</u>	<u>\$ 156,501</u>	<u>\$ (1,992)</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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,577,998	\$ 0	\$ 0	\$ 2,577,998	\$ 2,566,354	\$ 2,566,354	\$ 11,644
Charges for Current Services	849,384	0	0	849,384	680,000	680,000	169,384
Other Local Revenues	414,417	0	0	414,417	300,000	300,000	114,417
State of Tennessee	39,333	0	0	39,333	20,000	20,000	19,333
Total Revenues	\$ 3,881,132	\$ 0	\$ 0	\$ 3,881,132	\$ 3,566,354	\$ 3,566,354	\$ 314,778
<u>Expenditures</u>							
Public Health and Welfare							
Sanitation Management	\$ 2,837,967	(854)	158,123	\$ 2,995,236	\$ 3,205,422	\$ 3,205,422	\$ 210,186
Landfill Operation and Maintenance	53,004	0	0	53,004	94,500	94,500	41,496
Other Waste Disposal	408,734	0	0	408,734	486,683	486,683	77,949
Postclosure Care Costs	120,674	0	0	120,674	125,200	125,200	4,526
Other Operations	59,704	0	0	59,704	60,000	60,000	296
Miscellaneous	\$ 3,480,083	(854)	158,123	\$ 3,637,352	\$ 3,971,805	\$ 3,971,805	\$ 334,453
Total Expenditures							
Excess (Deficiency) of Revenues Over Expenditures	\$ 401,049	\$ 854	(158,123)	\$ 243,780	\$ (405,451)	\$ (405,451)	\$ 649,231
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ 401,049	\$ 854	(158,123)	\$ 243,780	\$ (405,451)	\$ (405,451)	\$ 649,231
	1,294,736	(854)	0	1,293,882	1,251,852	1,251,852	42,030
Fund Balance, June 30, 2008	\$ 1,695,785	\$ 0	(158,123)	\$ 1,537,662	\$ 846,401	\$ 846,401	\$ 691,261

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 34,148	\$ 29,500	\$ 29,500	\$ 4,648
Other Local Revenues	114	0	0	114
State of Tennessee	18,207	0	0	18,207
Other Governments and Citizens Groups	500	0	0	500
Total Revenues	<u>\$ 52,969</u>	<u>\$ 29,500</u>	<u>\$ 29,500</u>	<u>\$ 23,469</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 45,186	\$ 53,200	\$ 53,200	\$ 8,014
Total Expenditures	<u>\$ 45,186</u>	<u>\$ 53,200</u>	<u>\$ 53,200</u>	<u>\$ 8,014</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 7,783</u>	<u>\$ (23,700)</u>	<u>\$ (23,700)</u>	<u>\$ 31,483</u>
Net Change in Fund Balance	\$ 7,783	\$ (23,700)	\$ (23,700)	\$ 31,483
Fund Balance, July 1, 2007	<u>63,960</u>	<u>69,018</u>	<u>69,018</u>	<u>(5,058)</u>
Fund Balance, June 30, 2008	<u>\$ 71,743</u>	<u>\$ 45,318</u>	<u>\$ 45,318</u>	<u>\$ 26,425</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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 48,350	\$ 48,350	\$ 48,350	\$ 0
Charges for Current Services	111,845	96,000	110,724	1,121
Other Local Revenues	42,311	48,750	74,738	(32,427)
Other Governments and Citizens Groups	20,620	20,600	28,476	(7,856)
Total Revenues	<u>\$ 223,126</u>	<u>\$ 213,700</u>	<u>\$ 262,288</u>	<u>\$ (39,162)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Parks and Fair Boards	\$ 989,107	\$ 936,400	\$ 1,011,443	\$ 22,336
Total Expenditures	<u>\$ 989,107</u>	<u>\$ 936,400</u>	<u>\$ 1,011,443</u>	<u>\$ 22,336</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (765,981)</u>	<u>\$ (722,700)</u>	<u>\$ (749,155)</u>	<u>\$ (16,826)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 756,490	\$ 712,700	\$ 748,275	\$ 8,215
Total Other Financing Sources (Uses)	<u>\$ 756,490</u>	<u>\$ 712,700</u>	<u>\$ 748,275</u>	<u>\$ 8,215</u>
Net Change in Fund Balance	\$ (9,491)	\$ (10,000)	\$ (880)	\$ (8,611)
Fund Balance, July 1, 2007	<u>53,553</u>	<u>53,553</u>	<u>53,553</u>	<u>0</u>
Fund Balance, June 30, 2008	<u>\$ 44,062</u>	<u>\$ 43,553</u>	<u>\$ 52,673</u>	<u>\$ (8,611)</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, 2008

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,309,722	\$ 0	\$ 1,309,722	\$ 1,340,866	\$ 1,340,866	\$ (31,144)
Other Local Revenues	32,747	0	32,747	1,000	1,000	31,747
State of Tennessee	2,211,836	0	2,211,836	2,800,128	2,800,128	(588,292)
Total Revenues	\$ 3,554,305	\$ 0	\$ 3,554,305	\$ 4,141,994	\$ 4,141,994	\$ (587,689)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 273,468	\$ 0	\$ 273,468	\$ 287,766	\$ 287,766	\$ 14,298
Highway and Bridge Maintenance	2,353,856	0	2,353,856	2,494,761	2,494,761	140,905
Operation and Maintenance of Equipment	279,890	0	279,890	317,662	317,662	37,772
Other Charges	183,197	0	183,197	189,896	189,896	6,699
Capital Outlay	552,117	164,377	716,494	1,231,748	1,231,748	515,254
Total Expenditures	\$ 3,642,528	\$ 164,377	\$ 3,806,905	\$ 4,521,833	\$ 4,521,833	\$ 714,928
Excess (Deficiency) of Revenues Over Expenditures	\$ (88,223)	\$ (164,377)	\$ (252,600)	\$ (379,839)	\$ (379,839)	\$ 127,239
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ (88,223)	\$ (164,377)	\$ (252,600)	\$ (379,839)	\$ (379,839)	\$ 127,239
	1,182,460	0	1,182,460	1,349,455	1,349,455	(166,995)
Fund Balance, June 30, 2008	\$ 1,094,237	\$ (164,377)	\$ 929,860	\$ 969,616	\$ 969,616	\$ (39,756)

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Major Governmental Funds

Debt Service Fund

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.

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

Capital Projects Funds

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

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.

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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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 10,002,661	\$ 9,518,322	\$ 9,518,322	\$ 484,339
Other Local Revenues	2,610,282	440,051	440,051	2,170,231
Total Revenues	<u>\$ 12,612,943</u>	<u>\$ 9,958,373</u>	<u>\$ 9,958,373</u>	<u>\$ 2,654,570</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 4,690,000	\$ 9,921,728	\$ 4,690,000	\$ 0
<u>Interest on Debt</u>				
General Government	556,660	0	556,660	0
Education	5,159,121	0	5,231,728	72,607
<u>Other Debt Service</u>				
Education	166,018	180,000	184,000	17,982
<u>Capital Projects</u>				
Public Safety Projects	0	556,660	0	0
Total Expenditures	<u>\$ 10,571,799</u>	<u>\$ 10,658,388</u>	<u>\$ 10,662,388</u>	<u>\$ 90,589</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,041,144</u>	<u>\$ (700,015)</u>	<u>\$ (704,015)</u>	<u>\$ 2,745,159</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 785,000	\$ 785,000	\$ (785,000)
Transfers Out	0	(140,051)	(1,890,051)	1,890,051
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 644,949</u>	<u>\$ (1,105,051)</u>	<u>\$ 1,105,051</u>
Net Change in Fund Balance	\$ 2,041,144	\$ (55,066)	\$ (1,809,066)	\$ 3,850,210
Fund Balance, July 1, 2007	<u>17,877,669</u>	<u>13,432,236</u>	<u>13,432,236</u>	<u>4,445,433</u>
Fund Balance, June 30, 2008	<u>\$ 19,918,813</u>	<u>\$ 13,377,170</u>	<u>\$ 11,623,170</u>	<u>\$ 8,295,643</u>

Exhibit H-2

Putnam County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 244,458	\$ 0	\$ 244,458	\$ 232,248	\$ 232,248	\$ 12,210
Other Local Revenues	458,647	0	458,647	500,000	500,000	(41,353)
State of Tennessee	390,000	0	390,000	0	0	390,000
Total Revenues	\$ 1,093,105	\$ 0	\$ 1,093,105	\$ 732,248	\$ 732,248	\$ 360,857
<u>Expenditures</u>						
<u>General Government</u>						
County Buildings	\$ 1,582,159	\$ 0	\$ 1,582,159	\$ 1,700,000	\$ 1,700,000	\$ 117,841
Public Health and Welfare						
Local Health Center	297,964	936,799	1,234,763	2,500,000	2,500,000	1,265,237
Ambulance/Emergency Medical Services	489,499	1,372,258	1,861,757	3,650,000	3,650,000	1,788,243
Other Operations						
Miscellaneous	4,894	0	4,894	8,000	7,999	3,105
<u>Capital Projects - Donated</u>						
Capital Projects Donated to School Department	80,678	192,990	273,668	0	273,668	0
Total Expenditures	\$ 2,455,194	\$ 2,502,047	\$ 4,957,241	\$ 7,858,000	\$ 8,131,667	\$ 3,174,426
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,362,089)	\$ (2,502,047)	\$ (3,864,136)	\$ (7,125,752)	\$ (7,399,419)	\$ 3,535,283
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ (1,362,089)	\$ (2,502,047)	\$ (3,864,136)	\$ (7,125,752)	\$ (7,399,419)	\$ 3,535,283
	15,930,810	0	15,930,810	15,929,265	15,929,265	1,545
Fund Balance, June 30, 2008	\$ 14,568,721	\$ (2,502,047)	\$ 12,066,674	\$ 8,803,513	\$ 8,529,846	\$ 3,536,828

Fiduciary Funds

Agency funds are used to account for assets held by the county in a trustee capacity or 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.

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.

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Exhibit I-1

Putnam County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2008

	Agency Funds					Total
	Cities - Sales Tax	Constitu- tional Officers - Agency	Other Agency	Judicial District Drug		
<u>ASSETS</u>						
Equity in Pooled Cash and Investments	\$ 0	\$ 0	\$ 10,517	\$ 63,311	\$	73,828
Cash	0	2,092,161	0	0	0	2,092,161
Accounts Receivable	0	1,020	0	0	0	1,020
Due from Other Governments	2,052,105	0	0	9,250	2,061,355	
Total Assets	\$ 2,052,105	\$ 2,093,181	\$ 10,517	\$ 72,561	\$ 4,228,364	
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 2,052,105	\$ 0	\$ 0	\$ 0	\$ 2,052,105	
Due to Litigants, Heirs, and Others	0	2,093,181	0	0	2,093,181	
Due to Joint Venture	0	0	10,517	72,561	83,078	
Total Liabilities	\$ 2,052,105	\$ 2,093,181	\$ 10,517	\$ 72,561	\$ 4,228,364	

Exhibit I-2

Putnam County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 12,045,077	\$ 12,045,077	\$ 0
Due from Other Governments	2,051,457	2,052,105	2,051,457	2,052,105
Total Assets	\$ 2,051,457	\$ 14,097,182	\$ 14,096,534	\$ 2,052,105
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,051,457	\$ 14,097,182	\$ 14,096,534	\$ 2,052,105
Total Liabilities	\$ 2,051,457	\$ 14,097,182	\$ 14,096,534	\$ 2,052,105
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,446,670	\$ 30,479,892	\$ 29,834,401	\$ 2,092,161
Accounts Receivable	0	1,020	0	1,020
Total Assets	\$ 1,446,670	\$ 30,480,912	\$ 29,834,401	\$ 2,093,181
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,446,670	\$ 30,480,912	\$ 29,834,401	\$ 2,093,181
Total Liabilities	\$ 1,446,670	\$ 30,480,912	\$ 29,834,401	\$ 2,093,181
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 944	\$ 147,086	\$ 137,513	\$ 10,517
Due from Other Governments	24,067	0	24,067	0
Total Assets	\$ 25,011	\$ 147,086	\$ 161,580	\$ 10,517
<u>Liabilities</u>				
Due to Joint Ventures	\$ 25,011	\$ 147,086	\$ 161,580	\$ 10,517
Total Liabilities	\$ 25,011	\$ 147,086	\$ 161,580	\$ 10,517
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 73,524	\$ 340,831	\$ 351,044	\$ 63,311
Due from Other Governments	8,244	9,250	8,244	9,250
Total Assets	\$ 81,768	\$ 350,081	\$ 359,288	\$ 72,561
<u>Liabilities</u>				
Due to Joint Ventures	\$ 81,768	\$ 350,081	\$ 359,288	\$ 72,561
Total Liabilities	\$ 81,768	\$ 350,081	\$ 359,288	\$ 72,561

(Continued)

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 74,468	\$ 12,532,994	\$ 12,533,634	\$ 73,828
Cash	1,446,670	30,479,892	29,834,401	2,092,161
Accounts Receivable	0	1,020	0	1,020
Due from Other Governments	2,083,768	2,061,355	2,083,768	2,061,355
Total Assets	\$ 3,604,906	\$ 45,075,261	\$ 44,451,803	\$ 4,228,364
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,051,457	\$ 14,097,182	\$ 14,096,534	\$ 2,052,105
Due to Litigants, Heirs, and Others	1,446,670	30,480,912	29,834,401	2,093,181
Due to Joint Ventures	106,779	497,167	520,868	83,078
Total Liabilities	\$ 3,604,906	\$ 45,075,261	\$ 44,451,803	\$ 4,228,364

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Putnam County School Department

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.

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 bond proceeds of \$57,700,000 issued for school construction.

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Exhibit J-1

Putnam County, Tennessee
 Statement of Activities
 Discretely Presented Putnam County School Department
 For the Year Ended June 30, 2008

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Component Unit:					
Governmental Activities:					
Instruction	\$ 47,604,156	\$ 22,083	\$ 4,078,575	\$ 108,412	\$ (43,395,086)
Support Services	25,526,920	229,940	1,254,191	52,416	(23,990,373)
Operation of Non-Instructional Services	7,527,347	2,534,602	5,074,288	208,709	290,252
Total Governmental Activities	\$ 80,658,423	\$ 2,786,625	\$ 10,407,054	\$ 369,537	\$ (67,095,207)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 10,567,826
Local Option Sales Tax					15,431,169
Other Local Taxes					3,682
Grants and Contributions Not Restricted to Specific Programs					95,909,824
Unrestricted Investment Earnings					55,116
Miscellaneous					95,342
Total General Revenues					\$ 122,062,959
Extraordinary Item (1)					\$ 2,478,160
Change in Net Assets					\$ 57,445,912
Net Assets, July 1, 2007, Restated					87,534,929
Prior-period Adjustment					1,259,705
Net Assets, June 30, 2008					\$ 146,240,546

(1) Proceeds from the insurance carrier for relocating students and resuming operations at 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, 2008

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Other</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Governmental</u>	<u>Governmental</u>
			<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 4,905	\$ 4,905
Equity in Pooled Cash and Investments	1,669,638	55,008,445	2,697,543	59,375,626
Accounts Receivable	83	0	6,839	6,922
Due from Other Governments	3,545,565	0	627,804	4,173,369
Due from Other Funds	80,189	0	0	80,189
Property Taxes Receivable	11,692,377	0	0	11,692,377
Allowance for Uncollectible Property Taxes	(441,011)	0	0	(441,011)
Total Assets	<u>\$ 16,546,841</u>	<u>\$ 55,008,445</u>	<u>\$ 3,337,091</u>	<u>\$ 74,892,377</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 93,645	\$ 0	\$ 90,176	\$ 183,821
Accrued Payroll	640,664	0	139,551	780,215
Payroll Deductions Payable	519,102	486	69,249	588,837
Contracts Payable	0	89,991	0	89,991
Retainage Payable	2,686	20,705	0	23,391
Due to Other Funds	0	0	23,593	23,593
Due to State of Tennessee	0	0	279	279
Deferred Revenue - Current Property Taxes	10,952,485	0	0	10,952,485
Deferred Revenue - Delinquent Property Taxes	210,765	0	0	210,765
Other Deferred Revenues	1,856,465	0	0	1,856,465
Total Liabilities	<u>\$ 14,275,812</u>	<u>\$ 111,182</u>	<u>\$ 322,848</u>	<u>\$ 14,709,842</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 340,208	\$ 1,822,392	\$ 190,004	\$ 2,352,604
Reserved for Driver Education	55,477	0	0	55,477
Reserved for Career Ladder - Extended Contract	139,063	0	0	139,063
Reserved for Career Ladder Program	23,985	0	0	23,985
Reserved for Basic Education Program	839,940	0	0	839,940
Other State Education Reserves	40,053	0	0	40,053
Reserved for Title I Grants to Local Education Agencies	0	0	75,967	75,967
Reserved for Innovative Education Program Strategies	0	0	14,572	14,572
Other Federal Reserves	0	0	233,622	233,622
Unreserved, Reported In:				
General Fund	832,303	0	0	832,303
Special Revenue Funds	0	0	516,543	516,543
Capital Projects Funds	0	53,074,871	1,983,535	55,058,406
Total Fund Balances	<u>\$ 2,271,029</u>	<u>\$ 54,897,263</u>	<u>\$ 3,014,243</u>	<u>\$ 60,182,535</u>
Total Liabilities and Fund Balances	<u>\$ 16,546,841</u>	<u>\$ 55,008,445</u>	<u>\$ 3,337,091</u>	<u>\$ 74,892,377</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, 2008

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)		\$	60,182,535
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	5,236,257	
Add: construction in progress		2,434,894	
Add: buildings and improvements net of accumulated depreciation		75,046,429	
Add: other capital assets net of accumulated depreciation		<u>1,984,468</u>	84,702,048
(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 payable			(185,913)
Less: other postemployment benefits liability			(525,354)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>2,067,230</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>146,240,546</u></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, 2008

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Other</u>	<u>Other</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 26,170,188	\$ 0	\$ 0	\$ 26,170,188
Licenses and Permits	5,653	0	0	5,653
Charges for Current Services	252,023	0	2,534,602	2,786,625
Other Local Revenues	126,888	51,633	22,016	200,537
State of Tennessee	39,492,213	0	52,966	39,545,179
Federal Government	514,413	0	8,186,118	8,700,531
Other Governments and Citizens Groups	91,247	57,648,367	0	57,739,614
Total Revenues	<u>\$ 66,652,625</u>	<u>\$ 57,700,000</u>	<u>\$ 10,795,702</u>	<u>\$ 135,148,327</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 41,570,341	\$ 0	\$ 3,741,938	\$ 45,312,279
Support Services	23,983,605	0	1,878,283	25,861,888
Operation of Non-Instructional Services	2,495,629	0	4,814,662	7,310,291
Capital Projects	0	2,812,710	23,124	2,835,834
Total Expenditures	<u>\$ 68,049,575</u>	<u>\$ 2,812,710</u>	<u>\$ 10,458,007</u>	<u>\$ 81,320,292</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ (1,396,950)</u>	<u>\$ 54,887,290</u>	<u>\$ 337,695</u>	<u>\$ 53,828,035</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 150,000	\$ 0	\$ 2,328,160	\$ 2,478,160
Transfers In	1,132,438	0	19,776	1,152,214
Transfers Out	0	(19,776)	(1,132,438)	(1,152,214)
Total Other Financing Sources (Uses)	<u>\$ 1,282,438</u>	<u>\$ (19,776)</u>	<u>\$ 1,215,498</u>	<u>\$ 2,478,160</u>
Net Change in Fund Balances	\$ (114,512)	\$ 54,867,514	\$ 1,553,193	\$ 56,306,195
Fund Balance, July 1, 2007	<u>2,385,541</u>	<u>29,749</u>	<u>1,461,050</u>	<u>3,876,340</u>
Fund Balance, June 30, 2008	<u>\$ 2,271,029</u>	<u>\$ 54,897,263</u>	<u>\$ 3,014,243</u>	<u>\$ 60,182,535</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, 2008

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)		\$ 56,306,195
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these 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	\$ 3,388,919	
Less: current year depreciation expense	<u>(1,961,747)</u>	1,427,172
(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 and other deferred June 30, 2008	\$ 2,067,230	
Less: deferred delinquent property taxes and other deferred June 30, 2007	<u>(1,804,671)</u>	262,559
(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 governmental funds.		
Change in compensated absences payable		<u>(550,014)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 57,445,912</u>

Putnam County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Putnam County School Department
 June 30, 2008

Exhibit J-6

ASSETS

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	General Capital Projects	Education Capital Projects	
Cash	\$ 0	\$ 4,905	\$ 0	\$ 4,905	\$ 0	\$ 0	\$ 4,905
Equity in Pooled Cash and Investments	7,730	478,996	65,406	552,132	2,090,257	55,154	2,145,411
Accounts Receivable	6,583	0	256	6,839	0	0	6,839
Due from Other Governments	352,358	268,748	6,698	627,804	0	0	627,804
Total Assets	\$ 366,671	\$ 752,649	\$ 72,360	\$ 1,191,680	\$ 2,090,257	\$ 55,154	\$ 2,145,411

LIABILITIES AND FUND BALANCES

Liabilities							
Accounts Payable	\$ 49,861	\$ 39,560	\$ 755	\$ 90,176	\$ 0	\$ 0	\$ 90,176
Accrued Payroll	139,551	0	0	139,551	0	0	139,551
Payroll Deductions Payable	48,075	14,320	6,854	69,249	0	0	69,249
Due to Other Funds	23,593	0	0	23,593	0	0	23,593
Due to State of Tennessee	7	0	272	279	0	0	279
Total Liabilities	\$ 261,087	\$ 53,880	\$ 7,881	\$ 322,848	\$ 0	\$ 0	\$ 322,848

Fund Balances

Reserved for Encumbrances	\$ 15,694	\$ 5,090	\$ 7,344	\$ 28,128	\$ 161,876	\$ 0	\$ 190,004
Reserved for Title I Grants to Local Education Agencies	75,967	0	0	75,967	0	0	75,967
Reserved for Innovative Education Program Strategies	14,572	0	0	14,572	0	0	14,572
Other Federal Reserves	233,622	0	0	233,622	0	0	233,622
Unreserved (Deficit)	(234,271)	693,679	57,135	516,543	1,928,381	55,154	2,500,078
Total Fund Balances	\$ 105,584	\$ 698,769	\$ 64,479	\$ 868,832	\$ 2,090,257	\$ 55,154	\$ 3,014,243
Total Liabilities and Fund Balances	\$ 366,671	\$ 752,649	\$ 72,360	\$ 1,191,680	\$ 2,090,257	\$ 55,154	\$ 3,337,091

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, 2008

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	General Capital Projects	Education Capital Projects	Total	
<u>Revenues</u>								
Charges for Current Services	\$ 0	\$ 1,724,575	\$ 810,027	\$ 2,534,602	\$ 0	\$ 0	\$ 0	\$ 2,534,602
Other Local Revenues	0	21,473	543	22,016	0	0	0	22,016
State of Tennessee	0	52,966	0	52,966	0	0	0	52,966
Federal Government	5,728,616	2,457,502	0	8,186,118	0	0	0	8,186,118
Total Revenues	\$ 5,728,616	\$ 4,256,516	\$ 810,570	\$ 10,795,702	\$ 0	\$ 0	\$ 0	\$ 10,795,702
<u>Expenditures</u>								
Current:								
Instruction	\$ 3,741,938	\$ 0	\$ 0	\$ 3,741,938	\$ 0	\$ 0	\$ 0	\$ 3,741,938
Support Services	1,878,283	0	0	1,878,283	0	0	0	1,878,283
Operation of Non-Instructional Services	15,368	3,961,805	837,489	4,814,662	0	0	0	4,814,662
Capital Projects	0	0	0	0	23,124	0	23,124	23,124
Total Expenditures	\$ 5,635,589	\$ 3,961,805	\$ 837,489	\$ 10,434,883	\$ 23,124	\$ 0	\$ 23,124	\$ 10,458,007
Excess (Deficiency) of Revenues Over Expenditures	\$ 93,027	\$ 294,711	\$ (26,919)	\$ 360,819	\$ (23,124)	\$ 0	\$ (23,124)	\$ 337,695
<u>Other Financing Sources (Uses)</u>								
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,328,160	\$ 0	\$ 2,328,160	\$ 2,328,160
Transfers In	0	0	0	0	19,776	0	19,776	19,776
Transfers Out	(358,114)	(513,241)	0	(871,355)	(261,083)	0	(261,083)	(1,132,438)
Total Other Financing Sources (Uses)	\$ (358,114)	\$ (513,241)	\$ 0	\$ (871,355)	\$ 2,086,853	\$ 0	\$ 2,086,853	\$ 1,215,498
Net Change in Fund Balances Fund Balance, July 1, 2007	\$ (265,087)	\$ (218,530)	\$ (26,919)	\$ (510,536)	\$ 2,063,729	\$ 0	\$ 2,063,729	\$ 1,553,193
	370,671	917,299	91,398	1,379,368	26,528	55,154	81,682	1,461,050
Fund Balance, June 30, 2008	\$ 105,584	\$ 698,769	\$ 64,479	\$ 868,832	\$ 2,090,257	\$ 55,154	\$ 2,145,411	\$ 3,014,243

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
						Original	Final	
Revenues								
Local Taxes	\$ 26,170,188	\$ 0	\$ 0	\$ 26,170,188	\$ 26,574,508	\$ 26,574,508	\$	(404,320)
Licenses and Permits	5,653	0	0	5,653	6,000	6,000		(347)
Charges for Current Services	252,023	0	0	252,023	228,500	233,752		18,271
Other Local Revenues	126,888	0	0	126,888	222,414	74,515		52,373
State of Tennessee	39,492,213	0	0	39,492,213	39,445,344	39,910,134		(417,921)
Federal Government	514,413	0	0	514,413	711,316	493,467		20,946
Other Governments and Citizens Groups	91,247	0	0	91,247	133,567	282,667		(191,420)
Total Revenues	\$ 66,652,625	\$ 0	\$ 0	\$ 66,652,625	\$ 67,321,649	\$ 67,575,043	\$	(922,418)
Expenditures								
<u>Instruction</u>								
Regular Instruction Program	\$ 34,088,283	(137,045)	24,463	\$ 33,975,701	\$ 34,110,248	\$ 34,227,139	\$	251,438
Alternative Instruction Program	386,621	0	0	386,621	377,075	394,291		7,670
Special Education Program	5,784,753	(2,912)	0	5,781,841	5,707,229	5,819,583		37,742
Vocational Education Program	1,175,532	0	0	1,175,532	1,165,419	1,178,165		2,633
Adult Education Program	135,152	(4,603)	0	130,549	158,853	133,882		3,333
<u>Support Services</u>								
Attendance	135,276	0	0	135,276	147,233	136,233		957
Health Services	741,512	0	7,896	749,408	770,474	784,714		35,306
Other Student Support	2,335,694	(2,912)	2,556	2,335,338	2,426,977	2,356,553		21,215
Regular Instruction Program	2,124,874	(4,966)	1,037	2,120,945	2,310,006	2,168,892		47,947
Alternative Instruction Program	214,276	0	0	214,276	252,924	229,090		14,814
Special Education Program	447,196	(3,712)	0	443,484	447,952	464,373		20,889
Vocational Education Program	101,203	0	0	101,203	111,190	106,777		5,574

(Continued)

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 (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Adult Programs	\$ 135,877	\$ 0	\$ 1,519	\$ 137,396	\$ 124,895	\$ 137,496	\$ 100
Other Programs	230,129	0	0	230,129	0	230,129	0
Board of Education	1,740,492	(6,350)	0	1,734,142	1,524,836	1,772,933	38,791
Director of Schools	327,864	0	0	327,864	301,131	329,038	1,174
Office of the Principal	3,933,578	0	0	3,933,578	3,997,180	3,995,412	61,834
Fiscal Services	518,087	(5,883)	207	512,411	531,834	519,547	7,136
Operation of Plant	5,676,915	0	0	5,676,915	5,910,859	5,883,808	206,893
Maintenance of Plant	1,982,981	(119,601)	115,598	1,978,978	1,896,492	2,101,924	122,946
Transportation	2,619,766	(328,803)	800	2,291,763	2,204,776	2,352,353	60,590
Central and Other	717,885	(2,995)	0	714,890	703,961	717,506	2,616
<u>Operation of Non-Instructional Services</u>							
Food Service	184,464	0	0	184,464	183,371	184,464	0
Community Services	944,075	(7,729)	131,518	1,067,864	1,121,894	1,227,989	160,125
Early Childhood Education	1,367,090	(2,792)	54,614	1,418,912	1,430,834	1,430,834	11,922
Total Expenditures	\$ 68,049,575	\$ (630,303)	\$ 340,208	\$ 67,759,480	\$ 67,917,643	\$ 68,883,125	\$ 1,123,645
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (1,396,950)	\$ 630,303	\$ (340,208)	\$ (1,106,855)	\$ (595,994)	\$ (1,308,082)	\$ 201,227
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 150,000	\$ 0	\$ 0	\$ 150,000	\$ 0	\$ 150,000	\$ 0
Transfers In	1,132,438	0	0	1,132,438	556,000	1,118,088	14,350
Total Other Financing Sources (Uses)	\$ 1,282,438	\$ 0	\$ 0	\$ 1,282,438	\$ 556,000	\$ 1,268,088	\$ 14,350
Net Change in Fund Balance	\$ (114,512)	\$ 630,303	\$ (340,208)	\$ 175,583	\$ (39,994)	\$ (39,994)	\$ 215,577
Fund Balance, July 1, 2007	2,385,541	(630,303)	0	1,755,238	1,723,984	1,723,984	31,254
Fund Balance, June 30, 2008	\$ 2,271,029	\$ 0	\$ (340,208)	\$ 1,930,821	\$ 1,683,990	\$ 1,683,990	\$ 246,831

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive Negative
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 5,728,616	\$ 0	\$ 0	\$ 5,728,616	\$ 6,664,510	\$ 7,368,555	\$ (1,639,939)
Total Revenues	\$ 5,728,616	\$ 0	\$ 0	\$ 5,728,616	\$ 6,664,510	\$ 7,368,555	\$ (1,639,939)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,167,378	\$ (23,125)	\$ 1,478	\$ 2,145,731	\$ 2,783,777	\$ 2,821,526	\$ 675,795
Special Education Program	1,471,169	0	0	1,471,169	1,395,705	1,505,334	34,165
Vocational Education Program	103,391	(15,876)	311	87,826	85,959	91,040	3,214
<u>Support Services</u>							
Health Services	85,872	0	0	85,872	115,693	99,044	13,172
Other Student Support	74,202	(750)	0	73,452	100,025	77,276	3,824
Regular Instruction Program	1,212,879	(83,852)	13,905	1,142,932	1,542,589	1,860,365	717,433
Special Education Program	496,557	0	0	496,557	523,296	508,017	11,460
Vocational Education Program	5,323	0	0	5,323	6,000	5,716	393
Transportation	3,450	0	0	3,450	18,751	10,800	7,350
<u>Operation of Non-Instructional Services</u>							
Community Services	15,368	(14,590)	0	778	0	0	(778)
Total Expenditures	\$ 5,635,589	\$ (138,193)	\$ 15,694	\$ 5,513,090	\$ 6,571,795	\$ 6,979,118	\$ 1,466,028
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 93,027	\$ 138,193	\$ (15,694)	\$ 215,526	\$ 92,715	\$ 389,437	\$ (173,911)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (358,114)	\$ 0	\$ 0	\$ (358,114)	\$ (92,715)	\$ (389,437)	\$ 31,323
Total Other Financing Sources (Uses)	\$ (358,114)	\$ 0	\$ 0	\$ (358,114)	\$ (92,715)	\$ (389,437)	\$ 31,323
Net Change in Fund Balance							
Fund Balance, July 1, 2007	\$ (265,087)	\$ 138,193	\$ (15,694)	\$ (142,588)	\$ 0	\$ 0	\$ (142,588)
	370,671	(138,193)	0	232,478	0	0	232,478
Fund Balance, June 30, 2008	\$ 105,584	\$ 0	\$ (15,694)	\$ 89,890	\$ 0	\$ 0	\$ 89,890

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,724,575	\$ 0	\$ 0	\$ 1,724,575	\$ 1,801,723	\$ 1,901,723	\$ (177,148)
Other Local Revenues	21,473	0	0	21,473	26,200	26,200	(4,727)
State of Tennessee	52,966	0	0	52,966	54,000	54,000	(1,034)
Federal Government	2,457,502	0	0	2,457,502	2,215,700	2,215,700	241,802
Total Revenues	\$ 4,256,516	\$ 0	\$ 0	\$ 4,256,516	\$ 4,097,623	\$ 4,197,623	\$ 58,893
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 3,961,805	(111,705)	5,090	\$ 3,855,190	\$ 3,834,382	\$ 3,867,877	\$ 12,687
Total Expenditures	\$ 3,961,805	(111,705)	5,090	\$ 3,855,190	\$ 3,834,382	\$ 3,867,877	\$ 12,687
Excess (Deficiency) of Revenues Over Expenditures	\$ 294,711	\$ 111,705	\$ (5,090)	\$ 401,326	\$ 263,241	\$ 329,746	\$ 71,580
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (513,241)	0	0	\$ (513,241)	\$ (413,241)	\$ (513,241)	\$ 0
Total Other Financing Sources (Uses)	\$ (513,241)	0	0	\$ (513,241)	\$ (413,241)	\$ (513,241)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ (218,530)	\$ 111,705	\$ (5,090)	\$ (111,915)	\$ (150,000)	\$ (183,495)	\$ 71,580
	917,299	(111,705)	0	805,594	150,000	150,000	655,594
Fund Balance, June 30, 2008	\$ 698,769	\$ 0	\$ (5,090)	\$ 693,679	\$ 0	\$ (33,495)	\$ 727,174

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 810,027	\$ 0	\$ 0	\$ 810,027	\$ 838,629	\$ 839,997	\$ (29,970)
Other Local Revenues	543	0	0	543	0	0	543
Total Revenues	\$ 810,570	\$ 0	\$ 0	\$ 810,570	\$ 838,629	\$ 839,997	\$ (29,427)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 837,489	\$ (5,915)	\$ 7,344	\$ 838,918	\$ 838,629	\$ 870,344	\$ 31,426
Total Expenditures	\$ 837,489	\$ (5,915)	\$ 7,344	\$ 838,918	\$ 838,629	\$ 870,344	\$ 31,426
Excess (Deficiency) of Revenues Over Expenditures	\$ (26,919)	\$ 5,915	\$ (7,344)	\$ (28,348)	\$ 0	\$ (30,347)	\$ 1,999
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ (26,919)	\$ 5,915	\$ (7,344)	\$ (28,348)	\$ 0	\$ (30,347)	\$ 1,999
	91,398	(5,915)	0	85,483	73,076	73,076	12,407
Fund Balance, June 30, 2008	\$ 64,479	\$ 0	\$ (7,344)	\$ 57,135	\$ 73,076	\$ 42,729	\$ 14,406

MISCELLANEOUS SCHEDULES

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Exhibit K-1

Putnam County, Tennessee
Schedule of Changes in Long-term Bonds
For the Year Ended June 30, 2008

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-07	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-08
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
School Refunding	\$ 6,785,000	4 to 4.3	% 12-1-1998	4-1-13	\$ 3,360,000	\$ 0	\$ 515,000	\$ 2,845,000
School	35,100,000	4.85 to 5.5	5-18-00	8-1-10	1,200,000	0	300,000	900,000
School Refunding	35,280,000	4.85 to 5.5	8-1-01	4-1-20	34,070,000	0	65,000	34,005,000
School Refunding	30,105,000	3 to 5	12-1-02	6-30-12	20,160,000	0	3,580,000	16,580,000
School Refunding	7,970,000	2.125 to 4	8-13-04	4-1-19	7,860,000	0	55,000	7,805,000
School Refunding	9,545,000	4.5	10-11-06	10-11-18	9,545,000	0	175,000	9,370,000
Public Improvement	16,000,000	4.38	6-7-07	4-1-28	16,000,000	0	0	16,000,000
School Bonds, Series 2007	57,700,000	4 to 5	9-12-07	4-1-28	0	57,700,000	0	57,700,000
Total Bonds Payable					\$ 92,195,000	\$ 57,700,000	\$ 4,690,000	\$ 145,205,000

Exhibit K-2

Putnam County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2009	\$ 5,495,000	\$ 6,855,707	\$ 12,350,707
2010	6,005,000	6,611,757	12,616,757
2011	6,555,000	6,324,147	12,879,147
2012	7,075,000	6,014,145	13,089,145
2013	6,250,000	5,688,785	11,938,785
2014	6,550,000	5,401,938	11,951,938
2015	7,020,000	5,093,713	12,113,713
2016	7,735,000	4,759,518	12,494,518
2017	8,425,000	4,389,181	12,814,181
2018	8,705,000	3,993,056	12,698,056
2019	8,245,000	3,575,800	11,820,800
2020	8,745,000	3,168,541	11,913,541
2021	6,900,000	515,625	7,415,625
2022	7,000,000	448,125	7,448,125
2023	7,000,000	380,625	7,380,625
2024	7,500,000	318,750	7,818,750
2025	7,500,000	256,875	7,756,875
2026	7,500,000	193,125	7,693,125
2027	7,500,000	129,375	7,629,375
2028	7,500,000	65,625	7,565,625
Total	\$ 145,205,000	\$ 64,184,413	\$ 209,389,413

Exhibit K-3

Putnam County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2008

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-08
<u>Notes Receivable</u>						
<u>Industrial/Economic Development Fund</u>						
Land Purchase	City of Cookeville	\$ 2,452,685	7-28-06	4-1-19	5%	\$ 1,665,786
<u>Interfund Notes Receivable</u>						
<u>General Debt Service Fund</u>						
Land Purchase	Industrial/Economic Development Fund	5,000,000	6-29-07	6-29-15	0	3,888,888
Building	General Fund	1,750,000	6-24-08	6-24-17	2	1,750,000
Total Notes Receivable						<u>\$ 7,304,674</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, 2008

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Public Library	Operations	\$ 363,708
General	Sports and Recreation	Operations	756,490
Total Transfers Primary Government			<u>\$ 1,120,198</u>
<u>DISCRETELY PRESENTED PUTNAM COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 57,109
School Federal Projects	General Purpose School	IDEA Early Intervening Services	301,005
Central Cafeteria	General Purpose School	Indirect costs and salary reimbursements	513,241
General Capital Projects	General Purpose School	Insurance proceeds - Jere Whitson fire	261,083
Other Capital Projects	Education Capital Projects	Move projects between funds	19,776
Total Transfers Discretely Presented Putnam County School Department			<u>\$ 1,152,214</u>

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, 2008

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA and County Commission	\$ 80,789 (1) (6)	\$ 50,000	Western Surety Company
Road Supervisor	Section 8-24-102, TCA	75,732 (1)	100,000 (5)	"
Director of Schools	State Board of Education and Putnam County Board of Education	96,569 (4)		
Trustee	Section 8-24-102, TCA and County Commission	68,847 (1)	2,300,000	Ohio Casualty Insurance Company
Assessor of Property	Section 8-24-102, TCA and County Commission	68,847 (1)	10,000	Western Surety Company
County Clerk	Section 8-24-102, TCA and County Commission	68,847 (1)	50,000	Cincinnati Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA and County Commission	68,847 (1)	60,000	Western Surety Company
Clerk and Master	Section 8-24-102, TCA and Chancery Court Judge and County Commission	68,847 (1) (2)	85,000	"
Register	Section 8-24-102, TCA and County Commission	68,847 (1)	25,000	"
Sheriff	Section 8-24-102, TCA and County Commission	75,732 (1)(3)	25,000	"
Employee Blanket Bonds Public Employee Dishonesty - Primary Government and the Discretely Presented Putnam County School Department			500,000	Cincinnati Insurance Company

- (1) The County Commission approved paying officials one class above the salary classes established by state statute based upon the 2000 federal census.
- (2) Does not include special commissioners fees of \$74,064.
- (3) Does not include payment of \$1,200 for serving as superintendent of the workhouse and a law enforcement training supplement of \$600.
- (4) Includes chief executive officer training supplement of \$569 and executive development supplement of \$1,000.
- (5) The director of schools is covered by the \$500,000 employee blanket bond.
- (6) Includes additional appropriation of \$1,270.

Putnam County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2008

	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	\$ 9,597,236	\$ 0	\$ 2,457,827	\$ 351,062	\$ 0	\$ 0
Trustee's Collections - Prior Year	206,198	0	60,141	8,643	0	0
Circuit/Clerk & Master Collections - Prior Years	101,356	0	29,103	4,158	0	0
Interest and Penalty	48,860	0	13,686	1,955	0	0
Payments in-Lieu-of Taxes - T.V.A.	1,070	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	586	0	150	21	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	275,526	0	0	0	0	48,350
Litigation Tax - General	322,921	0	0	0	0	0
Litigation Tax - Special Purpose	77,870	0	0	0	0	0
Business Tax	932,638	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	66,738	0	17,091	2,442	0	0
Wholesale Beer Tax	236,845	0	0	0	0	0
Interstate Telecommunications Tax	7,966	0	0	0	0	0
Total Local Taxes	\$ 11,875,810	\$ 0	\$ 2,577,998	\$ 368,281	\$ 0	\$ 48,350
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 194,555	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Building Permits	157,292	0	0	0	0	0
Electrical Permits	12,281	0	0	0	0	0
Plumbing Permits	15,958	0	0	0	0	0
Other Permits	5,500	0	0	0	0	0
Total Licenses and Permits	\$ 385,586	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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</u>							
<u>Circuit Court</u>							
Fines	\$ 70,298	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	26,002	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	3,688	0	0
Drug Court Fees	3,040	0	0	0	0	0	0
Jail Fees	46,882	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0
Judicial Commissioner Fees	2,090	0	0	0	0	0	0
DUI Treatment Fines	15,761	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,729	0	0	0	0	0	0
Courtroom Security Fee	1,554	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	88,532	0	0	0	0	0	0
Officers Costs	139,598	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	4,062	0	0
Drug Court Fees	11,381	0	0	0	0	0	0
Jail Fees	176,394	0	0	0	0	0	0
Interpreter Fees	4,227	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0
Judicial Commissioner Fees	3,809	0	0	0	0	0	0
DUI Treatment Fines	10,428	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	29,050	0	0	0	0	0	0
Courtroom Security Fee	5,589	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	3,674	0	0	0	0	0	0
Officers Costs	20,736	0	0	0	0	0	0
Jail Fees	19,735	0	0	0	0	0	0
Interpreter Fees	92	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	2,304	0	0	0	0	0	0
Courtroom Security Fee	184	0	0	0	0	0	0

(Continued)

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>Chancery Court</u>						
Officers Costs	\$ 52,939	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	1,108	0	0	0	0	0
<u>Courts in Other District Counties</u>						
District Attorney General Fees	385	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	2,500	0
Courtroom Security Fee	79	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	23,898	0
Other Fines, Forfeitures, and Penalties	880	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 738,480	\$ 0	\$ 0	\$ 0	\$ 34,148	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 0	\$ 809,384	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fees	0	0	40,000	0	0	0
Patient Charges	2,725,669	0	0	0	0	0
Other General Service Charges	20,855	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	2,185	0	0	0	0	0
Recreation Fees	38,175	0	0	0	0	110,856
Library Fees	0	36,797	0	0	0	0
Telephone Commissions	72,592	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0	989
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	28,594	0	0	0	0	0
Data Processing Fee - Sheriff	14,411	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	2,090	0	0	0	0	0
Total Charges for Current Services	\$ 2,904,571	\$ 36,797	\$ 849,384	\$ 0	\$ 0	\$ 111,845

(Continued)

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</u>							
<u>Recurring Items</u>							
Investment Income	\$ 400,000	\$ 1,582	\$ 0	\$ 90,042	\$ 0	\$ 614	
Lease/Rentals	30,645	0	0	0	0	41,132	
Sale of Materials and Supplies	7,688	0	0	0	0	0	
Commissary Sales	252,489	0	0	0	0	0	
Sale of Gasoline	82,990	0	0	0	0	0	
Sale of Recycled Materials	0	0	414,384	0	0	0	
Miscellaneous Refunds	17,057	2,114	33	0	39	0	
<u>Nonrecurring Items</u>							
Sale of Equipment	8,125	0	0	0	0	0	
Damages Recovered from Individuals	58,918	0	0	0	0	0	
Contributions and Gifts	13,721	0	0	135,042	75	0	
Performance Bond Forfeitures	37,577	0	0	0	0	0	
<u>Other Local Revenues</u>							
Other Local Revenues	5,684	0	0	0	0	565	
Total Other Local Revenues	\$ 914,894	\$ 3,696	\$ 414,417	\$ 225,084	\$ 114	\$ 42,311	
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of-Salary</u>							
County Clerk	\$ 918,006	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Circuit Court Clerk	289,861	0	0	0	0	0	
General Sessions Court Clerk	935,154	0	0	0	0	0	
Clerk and Master	212,040	0	0	0	0	0	
Register	364,819	0	0	0	0	0	
Sheriff	34,228	0	0	0	0	0	
Trustee	1,159,385	0	0	0	0	0	
Total Fees Received from County Officials	\$ 3,913,493	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
<u>State of Tennessee</u>							
General Government Grants	\$ 102,246	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Juvenile Services Program							

(Continued)

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>General Government Grants (Cont.)</u>							
State Reappraisal Grant	\$ 21,214	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	39,333	0	0	0	0
Other General Government Grants	1,773	0	0	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	30,000	0	0	0	0	0	0
Drug Control Grants	68,648	0	0	0	0	0	0
Other Public Safety Grants	4,200	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	963,370	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	0
Litter Program	41,601	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	215,132	0	0	0	0	0	0
Beer Tax	19,312	0	0	0	0	0	0
Alcoholic Beverage Tax	75,536	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	644,214	0	0	0	0	0	0
Board of Jurors	64	0	0	0	0	0	0
Prisoner Transportation	1,567	0	0	0	0	0	0
Contracted Prisoner Boarding	800,192	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0	0	0
Other State Grants	47,291	0	0	0	0	0	0
Other State Revenues	8,605	0	0	0	18,207	0	0
Total State of Tennessee	\$ 3,061,345	\$ 0	\$ 39,333	\$ 0	\$ 18,207	\$ 0	\$ 0
<u>Federal Government</u>							
Federal Through State	6,128	0	0	0	0	0	0
Civil Defense Reimbursement							

(Continued)

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>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Homeland Security Grants	\$ 283,933	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	20,558	0	0	0	0	0
<u>Direct Federal Revenue</u>	7,000	0	0	0	0	0
Other Direct Federal Revenue						
Total Federal Government	\$ 317,619	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 165,634	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	342,497	0	0	500	20,620
<u>Citizens Groups</u>						
Donations	0	94,541	0	0	0	0
Other						
Other	371,775	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 537,409	\$ 437,038	\$ 0	\$ 0	\$ 500	\$ 20,620
Total	\$ 24,649,207	\$ 477,531	\$ 3,881,132	\$ 593,365	\$ 52,969	\$ 223,126

(Continued)

Exhibit K-6

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	District Attorney General	Constitutional Officers Fees	Highway / Public Works	General Debt Service			
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 0	\$ 1,039,263	\$ 6,238,942	\$ 234,072	\$ 19,918,402	
Trustee's Collections - Prior Year	0	0	25,928	131,737	4,668	437,315	
Circuit/Clerk & Master Collections - Prior Years	0	0	14,011	64,851	2,772	216,251	
Interest and Penalty	0	0	5,439	31,334	1,304	102,578	
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	1,070	
Payments in-Lieu-of Taxes - Other	0	0	64	379	14	1,214	
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	2,937,438	0	2,937,438	
Hotel/Motel Tax	0	0	0	554,845	0	878,721	
Litigation Tax - General	0	0	0	0	0	322,921	
Litigation Tax - Special Purpose	0	0	0	0	0	77,870	
Business Tax	0	0	0	0	0	932,638	
Mineral Severance Tax	0	0	217,692	0	0	217,692	
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	7,325	43,135	1,628	138,359	
Wholesale Beer Tax	0	0	0	0	0	236,845	
Interstate Telecommunications Tax	0	0	0	0	0	7,966	
Total Local Taxes	\$ 0	\$ 0	\$ 1,309,722	\$ 10,002,661	\$ 244,458	\$ 26,427,280	
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 194,555	
<u>Permits</u>							
Building Permits	0	0	0	0	0	157,292	
Electrical Permits	0	0	0	0	0	12,281	
Plumbing Permits	0	0	0	0	0	15,958	
Other Permits	0	0	0	0	0	5,500	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 385,586	

(Continued)

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

	Special Revenue Funds				Highway / Public Works	General Debt Service	Capital Projects Fund	Total
	Constitutional		Officers - Fees					
	District Attorney General	0 \$	0 \$	0 \$				
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines		0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	70,298
Officers Costs		0	0	0	0	0	0	26,002
Drug Control Fines		0	0	0	0	0	0	3,688
Drug Court Fees		0	0	0	0	0	0	3,040
Jail Fees		0	0	0	0	0	0	46,882
District Attorney General Fees		2,327	0	0	0	0	0	2,327
Judicial Commissioner Fees		0	0	0	0	0	0	2,090
DUI Treatment Fines		0	0	0	0	0	0	15,761
Data Entry Fee - Circuit Court		0	0	0	0	0	0	1,729
Courtroom Security Fee		0	0	0	0	0	0	1,554
<u>General Sessions Court</u>								
Fines		0	0	0	0	0	0	88,532
Officers Costs		0	0	0	0	0	0	139,598
Drug Control Fines		0	0	0	0	0	0	4,062
Drug Court Fees		0	0	0	0	0	0	11,381
Jail Fees		0	0	0	0	0	0	176,394
Interpreter Fees		0	0	0	0	0	0	4,227
District Attorney General Fees		7,174	0	0	0	0	0	7,174
Judicial Commissioner Fees		0	0	0	0	0	0	3,809
DUI Treatment Fines		0	0	0	0	0	0	10,428
Data Entry Fee - General Sessions Court		0	0	0	0	0	0	29,050
Courtroom Security Fee		0	0	0	0	0	0	5,589
<u>Juvenile Court</u>								
Fines		0	0	0	0	0	0	3,674
Officers Costs		0	0	0	0	0	0	20,736
Jail Fees		0	0	0	0	0	0	19,735
Interpreter Fees		0	0	0	0	0	0	92
Data Entry Fee - Juvenile Court		0	0	0	0	0	0	2,304
Courtroom Security Fee		0	0	0	0	0	0	184

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Chancery Court</u>							
Officers Costs	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	52,939
Data Entry Fee - Chancery Court	0	0	0	0	0	0	1,108
Courts in Other District Counties							
District Attorney General Fees	11,108	0	0	0	0	0	11,493
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	2,500
Courtroom Security Fee	0	0	0	0	0	0	79
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	23,898
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	880
Total Fines, Forfeitures, and Penalties	\$ 20,609 \$	0 \$	0 \$	0 \$	0 \$	0 \$	793,237
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Tippling Fees	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	809,384
Solid Waste Disposal Fees	0	0	0	0	0	0	40,000
Patient Charges	0	0	0	0	0	0	2,725,669
Other General Service Charges	0	0	0	0	0	0	20,855
<u>Fees</u>							
Subdivision Lot Fees	0	0	0	0	0	0	2,185
Recreation Fees	0	0	0	0	0	0	149,031
Library Fees	0	0	0	0	0	0	36,797
Telephone Commissions	0	0	0	0	0	0	72,592
Vending Machine Collections	0	0	0	0	0	0	989
Constitutional Officers' Fees and Commissions	0	304	0	0	0	0	304
Data Processing Fee - Register	0	0	0	0	0	0	28,594
Data Processing Fee - Sheriff	0	0	0	0	0	0	14,411
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	2,090
Total Charges for Current Services	\$ 0 \$	304 \$	0 \$	0 \$	0 \$	0 \$	3,902,901

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	District Attorney General	Constitutional Officers Fees	Highway / Public Works	General Debt Service			
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 0	\$ 2,497,025	\$ 458,647	\$ 3,447,910	
Lease/Rentals	0	0	0	0	0	71,777	
Sale of Materials and Supplies	0	0	977	0	0	8,665	
Commissary Sales	0	0	0	0	0	252,489	
Sale of Gasoline	0	0	0	0	0	82,990	
Sale of Recycled Materials	0	0	0	0	0	414,384	
Miscellaneous Refunds	0	0	486	113,257	0	132,986	
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	25,125	0	0	33,250	
Damages Recovered from Individuals	0	0	6,159	0	0	65,077	
Contributions and Gifts	0	0	0	0	0	148,838	
Performance Bond Forfeitures	0	0	0	0	0	37,577	
<u>Other Local Revenues</u>							
Other Local Revenues	0	0	0	0	0	6,249	
Total Other Local Revenues	\$ 0	\$ 0	\$ 32,747	\$ 2,610,282	\$ 458,647	\$ 4,702,192	
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 918,006	
Circuit Court Clerk	0	0	0	0	0	289,861	
General Sessions Court Clerk	0	0	0	0	0	935,154	
Clerk and Master	0	0	0	0	0	212,040	
Register	0	0	0	0	0	364,819	
Sheriff	0	0	0	0	0	34,228	
Trustee	0	0	0	0	0	1,159,385	
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,913,493	
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 102,246	

(Continued)

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

	Special Revenue Funds			Highway / Public Works	General Debt Service	Capital Projects Fund	Total
	District Attorney General	Constitu- tional Officers - Fees					
<u>State of Tennessee (Cont.)</u>							
<u>General Government Grants (Cont.)</u>							
State Reappraisal Grant	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	21,214
Solid Waste Grants	0	0	0	0	0	0	39,333
Other General Government Grants	0	0	0	0	0	0	1,773
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	30,000
Drug Control Grants	0	0	0	0	0	0	68,648
Other Public Safety Grants	0	0	0	0	0	0	4,200
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	390,000	1,353,370
<u>Public Works Grants</u>							
State Aid Program	0	0	176,370	0	0	0	176,370
Litter Program	0	0	0	0	0	0	41,601
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	0	215,132
Beer Tax	0	0	0	0	0	0	19,312
Alcoholic Beverage Tax	0	0	0	0	0	0	75,536
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	644,214
Board of Jurors	0	0	0	0	0	0	64
Prisoner Transportation	0	0	0	0	0	0	1,567
Contracted Prisoner Boarding	0	0	0	0	0	0	800,192
Gasoline and Motor Fuel Tax	0	0	1,985,420	0	0	0	1,985,420
Petroleum Special Tax	0	0	50,046	0	0	0	50,046
Registrar's Salary Supplement	0	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	0	47,291
Other State Revenues	0	0	0	0	0	0	26,812
Total State of Tennessee	\$ 0 \$	0 \$	2,211,836 \$	0 \$	0 \$	390,000 \$	5,720,721
<u>Federal Government</u>							
<u>Federal Through State</u>							
Civil Defense Reimbursement	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	6,128

(Continued)

Exhibit K-6

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service			
<u>Federal Government (Cont.)</u>							
Federal Through State (Cont.)							
Homeland Security Grants	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	283,933
Other Federal through State	0	0	0	0	0	0	20,558
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	0	0	0	0	0	7,000
Total Federal Government	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	317,619
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	165,634
Contributions	0	0	0	0	0	0	363,617
<u>Citizens Groups</u>							
Donations	0	0	0	0	0	0	94,541
<u>Other</u>							
Other	0	0	0	0	0	0	371,775
Total Other Governments and Citizens Groups	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	995,567
Total	\$ 20,609 \$	304 \$	3,554,305 \$	12,612,943 \$	1,093,105 \$	47,158,596	

Putnam County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Putnam County School Department
 For the Year Ended June 30, 2008

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Other Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 10,182,308	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,182,308
Trustee's Collections - Prior Year	263,596	0	0	0	0	263,596
Circuit/Clerk & Master Collections - Prior Years	126,713	0	0	0	0	126,713
Interest and Penalty	54,927	0	0	0	0	54,927
Payments in-Lieu-of Taxes - Other	621	0	0	0	0	621
<u>County Local Option Taxes</u>						
Local Option Sales Tax	15,467,534	0	0	0	0	15,467,534
Other County Local Option Taxes	1,261	0	0	0	0	1,261
<u>Statutory Local Taxes</u>						
Bank Excise Tax	70,807	0	0	0	0	70,807
Interstate Telecommunications Tax	2,421	0	0	0	0	2,421
Total Local Taxes	\$ 26,170,188	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,170,188
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 5,653	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,653
Total Licenses and Permits	\$ 5,653	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,653
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$ 568	\$ 0	\$ 0	\$ 0	\$ 0	\$ 568
<u>Education Charges</u>						
Tuition - Summer School	22,083	0	0	0	0	22,083
Lunch Payments - Children	0	0	922,511	0	0	922,511
Lunch Payments - Adults	0	0	82,552	0	0	82,552
Income from Breakfast	0	0	532,212	0	0	532,212
A la carte Sales	0	0	187,300	0	0	187,300
Transportation - Other State Systems	8,432	0	0	0	0	8,432
Transportation from Individuals	3,342	0	0	0	0	3,342
Contract for Instructional Staff Support with Other LEAs	3,015	0	0	0	0	3,015
Receipts from Individual Schools	198,119	0	0	0	0	198,119
Community Service Fees - Children	0	0	0	810,027	0	810,027
TBI Criminal Background Fees	16,464	0	0	0	0	16,464
Total Charges for Current Services	\$ 252,023	\$ 0	\$ 1,724,575	\$ 810,027	\$ 0	\$ 2,786,625

(Continued)

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

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Other Capital Projects	Total
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 3,483	\$ 0	\$ 51,633	\$ 55,116
Sale of Materials and Supplies	1,224	0	0	0	0	1,224
Refund of Telecommunication & Internet Fees (E-Rate)	43,498	0	0	0	0	43,498
Miscellaneous Refunds	54,714	0	17,990	543	0	73,247
Expenditure Credits	1,805	0	0	0	0	1,805
<u>Nonrecurring Items</u>						
Sale of Equipment	17,414	0	0	0	0	17,414
Sale of Property	822	0	0	0	0	822
Damages Recovered from Individuals	830	0	0	0	0	830
Contributions and Gifts	3,170	0	0	0	0	3,170
<u>Other Local Revenues</u>						
Other Local Revenues	3,411	0	0	0	0	3,411
Total Other Local Revenues	\$ 126,888	\$ 0	\$ 21,473	\$ 543	\$ 51,633	\$ 200,537
<u>State of Tennessee</u>						
General Government Grants						
On-Behalf Contributions for OPEB	\$ 230,129	\$ 0	\$ 0	\$ 0	\$ 0	\$ 230,129
<u>State Education Funds</u>						
Basic Education Program	35,998,001	0	0	0	0	35,998,001
School Food Service	0	0	52,966	0	0	52,966
Other State Education Funds	860,005	0	0	0	0	860,005
Career Ladder Program	510,292	0	0	0	0	510,292
Career Ladder - Extended Contract	251,188	0	0	0	0	251,188
<u>Other State Revenues</u>						
Mixed Drink Tax	122,726	0	0	0	0	122,726
Other State Grants	1,433,721	0	0	0	0	1,433,721
Other State Revenues	86,151	0	0	0	0	86,151
Total State of Tennessee	\$ 39,492,213	\$ 0	\$ 52,966	\$ 0	\$ 0	\$ 39,545,179
<u>Federal Government</u>						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,815,027	\$ 0	\$ 0	\$ 1,815,027
Breakfast	0	0	617,998	0	0	617,998

(Continued)

Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Other Capital Projects	Total
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
USDA - Other	\$ 0	\$ 0	\$ 24,477	\$ 0	\$ 0	\$ 24,477
Adult Education State Grant Program	231,236	0	0	0	0	231,236
Vocational Education - Basic Grants to States	0	161,675	0	0	0	161,675
Other Vocational	12,608	0	0	0	0	12,608
Title I Grants to Local Education Agencies	0	1,997,690	0	0	0	1,997,690
Special Education - Grants to States	166,370	2,227,204	0	0	0	2,393,574
Special Education Preschool Grants	0	35,806	0	0	0	35,806
Eisenhower Professional Development State Grants	0	705,949	0	0	0	705,949
Job Training Partnership Act	20,000	0	0	0	0	20,000
Other Federal through State	32,194	600,292	0	0	0	632,486
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	52,005	0	0	0	0	52,005
Total Federal Government	\$ 514,413	\$ 5,728,616	\$ 2,457,502	\$ 0	\$ 0	\$ 8,700,531
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 80,677	\$ 0	\$ 0	\$ 0	\$ 57,648,367	\$ 57,729,044
<u>Citizens Groups</u>						
Donations	10,570	0	0	0	0	10,570
Total Other Governments and Citizens Groups	\$ 91,247	\$ 0	\$ 0	\$ 0	\$ 57,648,367	\$ 57,739,614
Total	\$ 66,652,625	\$ 5,728,616	\$ 4,256,516	\$ 810,570	\$ 57,700,000	\$ 135,148,327

Exhibit K-8

Putnam County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2008

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	119,100	
Social Security		9,111	
Audit Services		14,165	
Dues and Memberships		1,850	
Matching Share		10,000	
Travel		809	
Other Charges		1,891	
Total County Commission			\$ 156,926

Beer Board

Board and Committee Members Fees	\$	1,916	
Total Beer Board			1,916

County Mayor/Executive

County Official/Administrative Officer	\$	80,789	
Temporary Personnel		8,742	
Longevity Pay		1,750	
Other Salaries and Wages		148,200	
Social Security		17,544	
State Retirement		21,920	
Employee and Dependent Insurance		1,788	
Life Insurance		173	
Medical Insurance		20,332	
Dental Insurance		343	
Unemployment Compensation		289	
Communication		5,707	
Data Processing Services		7,317	
Dues and Memberships		1,650	
Maintenance and Repair Services - Equipment		297	
Travel		1,231	
Office Supplies		10,136	
Premiums on Corporate Surety Bonds		175	
Workers' Compensation Insurance		4,018	
Other Charges		1,533	
Data Processing Equipment		1,279	
Office Equipment		3,402	
Total County Mayor/Executive			338,615

County Attorney

County Official/Administrative Officer	\$	124,813	
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(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	\$ 130,813	

Election Commission

County Official/Administrative Officer	\$ 61,963	
Longevity Pay	1,850	
Overtime Pay	2,701	
Other Salaries and Wages	106,782	
Election Commission	4,440	
Election Workers	40,392	
Social Security	13,989	
State Retirement	15,680	
Life Insurance	138	
Medical Insurance	9,498	
Dental Insurance	38	
Unemployment Compensation	402	
Communication	4,694	
Data Processing Services	9,000	
Dues and Memberships	300	
Freight Expenses	1,125	
Legal Notices, Recording, and Court Costs	4,026	
Maintenance and Repair Services - Equipment	394	
Printing, Stationery, and Forms	5,924	
Travel	3,926	
Other Contracted Services	3,900	
Office Supplies	8,174	
Workers' Compensation Insurance	3,216	
Office Equipment	6,618	
Total Election Commission	309,170	

Register of Deeds

County Official/Administrative Officer	\$ 68,847
Part-time Personnel	6,516
Longevity Pay	2,000
Other Salaries and Wages	118,893
Social Security	14,298
State Retirement	17,681
Life Insurance	173
Medical Insurance	17,452

(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.)

Unemployment Compensation	\$	344	
Communication		2,161	
Dues and Memberships		619	
Maintenance Agreements		34,000	
Maintenance and Repair Services - Equipment		45	
Travel		384	
Data Processing Supplies		5,399	
Office Supplies		4,707	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		4,019	
Total Register of Deeds			\$ 297,638

Development

Other Salaries and Wages	\$	11,250	
Engineering Services		2,410	
Other Contracted Services		5,850	
Total Development			19,510

Codes Compliance

Assistant(s)	\$	28,350	
Supervisor/Director		42,600	
Longevity Pay		500	
Other Salaries and Wages		30,550	
In-Service Training		1,527	
Social Security		7,383	
State Retirement		9,690	
Life Insurance		104	
Medical Insurance		11,354	
Dental Insurance		362	
Unemployment Compensation		168	
Communication		5,028	
Printing, Stationery, and Forms		1,508	
Gasoline		5,258	
Office Supplies		2,453	
Periodicals		972	
Uniforms		1,513	
Utilities		1,849	
Workers' Compensation Insurance		2,412	
Office Equipment		1,693	
Total Codes Compliance			155,274

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Geographical Information Systems

In-Service Training	\$	393	
Maintenance Agreements		22,796	
Travel		147	
Other Contracted Services		9,122	
Office Supplies		3,880	
Other Equipment		7,794	
Total Geographical Information Systems			\$ 44,132

County Buildings

Supervisor/Director	\$	42,833	
Secretary(ies)		36,750	
Custodial Personnel		115,372	
Part-time Personnel		17,578	
Longevity Pay		7,900	
Overtime Pay		10,848	
Other Salaries and Wages		501,622	
In-Service Training		2,658	
Social Security		52,411	
State Retirement		66,925	
Life Insurance		807	
Medical Insurance		100,903	
Dental Insurance		960	
Unemployment Compensation		1,636	
Communication		9,632	
Maintenance Agreements		24,504	
Maintenance and Repair Services - Buildings		229,721	
Maintenance and Repair Services - Equipment		3,833	
Maintenance and Repair Services - Vehicles		203,951	
Rentals		174	
Custodial Supplies		22,175	
Gasoline		23,094	
Office Supplies		2,871	
Small Tools		1,947	
Uniforms		13,275	
Utilities		396,209	
Workers' Compensation Insurance		18,757	
Other Charges		2,676	
Communication Equipment		44,839	
Other Equipment		6,550	
Total County Buildings			1,963,411

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities

Computer Programmer(s)	\$	108,100	
Longevity Pay		950	
Overtime Pay		15,559	
In-Service Training		1,804	
Social Security		8,835	
State Retirement		10,360	
Life Insurance		104	
Medical Insurance		13,446	
Unemployment Compensation		168	
Communication		3,763	
Maintenance and Repair Services - Office Equipment		44,614	
Rentals		7,200	
Office Supplies		754	
Small Tools		532	
Utilities		3,040	
Workers' Compensation Insurance		2,412	
Other Charges		232	
Data Processing Equipment		4,928	
Other Equipment		942	
Total Other Facilities			\$ 227,743

Preservation of Records

Other Salaries and Wages	\$	6,050	
Social Security		463	
State Retirement		575	
Medical Insurance		547	
Unemployment Compensation		48	
Other Supplies and Materials		6,823	
Office Equipment		4,969	
Total Preservation of Records			19,475

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	68,847	
Part-time Personnel		12,924	
Longevity Pay		1,400	
Other Salaries and Wages		218,146	
Board and Committee Members Fees		580	
In-Service Training		340	
Social Security		21,585	

(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.)

State Retirement	\$	27,341	
Life Insurance		311	
Medical Insurance		37,228	
Dental Insurance		693	
Unemployment Compensation		539	
Audit Services		36,371	
Communication		6,418	
Data Processing Services		9,700	
Dues and Memberships		1,383	
Travel		1,003	
Office Supplies		7,547	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		7,235	
Office Equipment		1,200	
Total Property Assessor's Office			\$ 460,891

County Trustee's Office

County Official/Administrative Officer	\$	68,847	
Longevity Pay		3,700	
Other Salaries and Wages		172,375	
Social Security		17,889	
State Retirement		19,881	
Life Insurance		242	
Medical Insurance		21,581	
Dental Insurance		436	
Unemployment Compensation		336	
Communication		3,110	
Data Processing Services		16,057	
Dues and Memberships		644	
Legal Notices, Recording, and Court Costs		226	
Travel		1,005	
Office Supplies		18,688	
Premiums on Corporate Surety Bonds		3,488	
Workers' Compensation Insurance		5,627	
Office Equipment		4,624	
Total County Trustee's Office			358,756

County Clerk's Office

County Official/Administrative Officer	\$	68,847
Part-time Personnel		4,118

(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.)

Longevity Pay	\$	6,050	
Overtime Pay		181	
Other Salaries and Wages		584,798	
Other Per Diem and Fees		200	
Social Security		48,372	
State Retirement		62,671	
Life Insurance		738	
Medical Insurance		64,655	
Dental Insurance		1,968	
Unemployment Compensation		1,318	
Communication		6,109	
Data Processing Services		4,490	
Dues and Memberships		684	
Maintenance Agreements		11,742	
Travel		1,223	
Office Supplies		36,528	
Utilities		7,782	
Premiums on Corporate Surety Bonds		150	
Workers' Compensation Insurance		17,150	
Other Charges		779	
Office Equipment		17,674	
Total County Clerk's Office			\$ 948,227

Other Finance

Part-time Personnel	\$	12,546
Overtime Pay		1,993
Other Salaries and Wages		51,200
Social Security		4,398
State Retirement		4,921
Life Insurance		69
Medical Insurance		9,833
Dental Insurance		90
Unemployment Compensation		215
Communication		913
Data Processing Services		7,300
Gasoline		3,570
Office Supplies		5,000
Workers' Compensation Insurance		1,608
Other Charges		70
Motor Vehicles		4,999

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Other Finance (Cont.)

Office Equipment	\$ 2,480	
Total Other Finance		\$ 111,205

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 68,847	
Part-time Personnel	4,471	
Longevity Pay	6,550	
Other Salaries and Wages	518,550	
Jury and Witness Fees	22,441	
Other Per Diem and Fees	25,040	
Social Security	44,330	
State Retirement	49,884	
Life Insurance	692	
Medical Insurance	70,314	
Dental Insurance	1,056	
Unemployment Compensation	1,231	
Communication	7,150	
Data Processing Services	6,420	
Dues and Memberships	624	
Maintenance Agreements	7,029	
Maintenance and Repair Services - Equipment	9,942	
Travel	1,269	
Data Processing Supplies	3,643	
Office Supplies	37,003	
Premiums on Corporate Surety Bonds	350	
Workers' Compensation Insurance	16,078	
Data Processing Equipment	79,526	
Office Equipment	6,982	
Total Circuit Court		989,422

General Sessions Court

Judge(s)	\$ 273,636
Longevity Pay	700
Other Salaries and Wages	65,677
Social Security	21,028
State Retirement	32,301
Life Insurance	104
Medical Insurance	14,840
Dental Insurance	619

(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.)

Unemployment Compensation	\$	103	
Data Processing Services		2,293	
Dues and Memberships		588	
Travel		3,631	
Office Supplies		2,933	
Workers' Compensation Insurance		2,412	
Office Equipment		1,647	
Total General Sessions Court			\$ 422,512

Drug Court

Contracts with Government Agencies	\$	15,000	
Other Contracted Services		61,011	
Total Drug Court			76,011

Chancery Court

County Official/Administrative Officer	\$	68,847	
Longevity Pay		1,300	
Other Salaries and Wages		148,800	
Other Per Diem and Fees		7,520	
Social Security		15,907	
State Retirement		20,800	
Life Insurance		207	
Medical Insurance		28,590	
Dental Insurance		673	
Unemployment Compensation		328	
Communication		2,576	
Dues and Memberships		604	
Legal Notices, Recording, and Court Costs		418	
Maintenance and Repair Services - Equipment		45	
Travel		50	
Office Supplies		11,002	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		4,823	
Office Equipment		1,319	
Total Chancery Court			314,159

Juvenile Court

Youth Service Officer(s)	\$	87,654	
Longevity Pay		300	
Other Salaries and Wages		18,882	

(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.)

In-Service Training	\$	5,094	
Social Security		8,337	
State Retirement		10,006	
Life Insurance		173	
Medical Insurance		7,251	
Dental Insurance		152	
Unemployment Compensation		271	
Communication		5,892	
Data Processing Services		621	
Dues and Memberships		450	
Travel		2,385	
Other Contracted Services		21,133	
Office Supplies		2,805	
Workers' Compensation Insurance		4,019	
Office Equipment		2,810	
Total Juvenile Court			\$ 178,235

Judicial Commissioners

Part-time Personnel	\$	1,320	
Longevity Pay		350	
Other Salaries and Wages		48,000	
In-Service Training		205	
Social Security		3,747	
State Retirement		4,613	
Life Insurance		69	
Medical Insurance		3,219	
Dental Insurance		152	
Unemployment Compensation		123	
Workers' Compensation Insurance		1,608	
Other Charges		611	
Total Judicial Commissioners			64,017

Other Administration of Justice

Probation Officer(s)	\$	56,886	
Social Security		4,074	
State Retirement		3,390	
Life Insurance		35	
Medical Insurance		4,916	
Dental Insurance		168	
Unemployment Compensation		234	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

Travel	\$	1,759	
Office Supplies		825	
Workers' Compensation Insurance		804	
Total Other Administration of Justice			\$ 73,091

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	75,732	
Deputy(ies)		1,749,571	
Investigator(s)		313,842	
Salary Supplements		30,000	
Dispatchers/Radio Operators		228,538	
Secretary(ies)		138,673	
Longevity Pay		25,100	
Overtime Pay		194,437	
Other Salaries and Wages		76,784	
In-Service Training		37,584	
Social Security		207,768	
State Retirement		248,638	
Life Insurance		2,132	
Medical Insurance		272,429	
Dental Insurance		2,723	
Unemployment Compensation		4,559	
Communication		41,543	
Contributions		16,006	
Data Processing Services		16,702	
Maintenance and Repair Services - Equipment		2,895	
Transportation - Other than Students		12,948	
Travel		2,219	
Animal Food and Supplies		6,110	
Gasoline		246,139	
Instructional Supplies and Materials		2,029	
Uniforms		38,234	
Other Supplies and Materials		11,738	
Premiums on Corporate Surety Bonds		7,250	
Workers' Compensation Insurance		49,573	
Communication Equipment		77,554	
Motor Vehicles		152,473	
Traffic Control Equipment		4,734	
Other Equipment		9,290	
Total Sheriff's Department			4,305,947

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols

In-Service Training	\$	950	
Travel		2,364	
Office Supplies		1,025	
Other Supplies and Materials		1,875	
Total Special Patrols			\$ 6,214

Drug Enforcement

Office Supplies	\$	1,000	
Other Supplies and Materials		244	
Total Drug Enforcement			1,244

Jail

Medical Personnel	\$	96,048	
Guards		1,267,959	
Cafeteria Personnel		64,518	
Part-time Personnel		26,318	
Longevity Pay		5,300	
Social Security		108,300	
State Retirement		135,716	
Life Insurance		1,395	
Medical Insurance		150,328	
Dental Insurance		769	
Unemployment Compensation		3,191	
Contracts with Government Agencies		70,974	
Medical and Dental Services		529,108	
Custodial Supplies		34,938	
Food Supplies		232,989	
Office Supplies		24,274	
Other Supplies and Materials		2,856	
Workers' Compensation Insurance		32,423	
Other Charges		23,843	
Data Processing Equipment		22,939	
Office Equipment		13,033	
Other Equipment		39,621	
Total Jail			2,886,840

Workhouse

Supervisor/Director	\$	1,200	
Guards		39,000	
Part-time Personnel		6,999	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Longevity Pay	\$	1,000	
Social Security		3,623	
State Retirement		3,914	
Life Insurance		35	
Medical Insurance		3,330	
Dental Insurance		95	
Unemployment Compensation		112	
Uniforms		608	
Workers' Compensation Insurance		804	
Other Charges		2,794	
Motor Vehicles		9,600	
Total Workhouse			\$ 73,114

Juvenile Services

Supervisor/Director	\$	48,750	
Guards		385,689	
Secretary(ies)		28,350	
Longevity Pay		4,650	
Overtime Pay		13,338	
In-Service Training		435	
Social Security		34,926	
State Retirement		44,407	
Life Insurance		530	
Medical Insurance		49,947	
Dental Insurance		1,084	
Unemployment Compensation		824	
Communication		3,731	
Laundry Service		1,283	
Medical and Dental Services		290	
Travel		514	
Food Supplies		3,092	
Gasoline		356	
Office Supplies		5,016	
Uniforms		2,699	
Utilities		7,794	
Other Supplies and Materials		3,218	
Workers' Compensation Insurance		12,326	
Other Charges		8,448	
Office Equipment		748	
Total Juvenile Services			662,445

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Commissary

Food Supplies	\$	100,929	
Other Supplies and Materials		35,484	
Total Commissary			\$ 136,413

Fire Prevention and Control

Supervisor/Director	\$	38,284	
Other Salaries and Wages		39,811	
In-Service Training		13,619	
Social Security		2,929	
Handling Charges and Administrative Costs		14,500	
State Retirement		3,637	
Life Insurance		104	
Unemployment Compensation		170	
Communication		2,934	
Maintenance and Repair Services - Equipment		973	
Gasoline		27,986	
Office Supplies		521	
Uniforms		2,466	
Utilities		17,671	
Workers' Compensation Insurance		2,412	
Other Charges		1,067	
Communication Equipment		1,076	
Motor Vehicles		271,343	
Other Equipment		77,991	
Total Fire Prevention and Control			519,494

Civil Defense

Contributions	\$	121,641	
Gasoline		11,724	
Refunds		6,128	
Total Civil Defense			139,493

Other Emergency Management

Communication Equipment	\$	19,158	
Other Equipment		306,346	
Total Other Emergency Management			325,504

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	6,750	
Other Contracted Services		57,535	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner (Cont.)

Premiums on Corporate Surety Bonds	\$	200	
Other Charges		675	
Total County Coroner/Medical Examiner			\$ 65,160

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	20,350	
Social Security		1,557	
State Retirement		1,933	
Life Insurance		34	
Medical Insurance		1,850	
Dental Insurance		281	
Unemployment Compensation		56	
Communication		13,568	
Contracts with Government Agencies		130,973	
Rentals		19,200	
Other Contracted Services		8,708	
Custodial Supplies		7,570	
Drugs and Medical Supplies		5,608	
Office Supplies		5,721	
Utilities		29,048	
Workers' Compensation Insurance		804	
Other Charges		13,899	
Total Local Health Center			261,160

Ambulance/Emergency Medical Services

Supervisor/Director	\$	55,000	
Deputy(ies)		54,000	
Accountants/Bookkeepers		36,750	
Paraprofessionals		1,571,391	
Secretary(ies)		29,550	
Part-time Personnel		267,255	
Longevity Pay		17,850	
Overtime Pay		127,106	
In-Service Training		14,396	
Social Security		156,890	
State Retirement		181,594	
Life Insurance		1,683	
Medical Insurance		185,136	
Unemployment Compensation		2,465	

(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.)

Communication	\$	12,349	
Data Processing Services		5,829	
Maintenance and Repair Services - Equipment		4,997	
Medical and Dental Services		7,651	
Travel		1,928	
Permits		1,738	
Drugs and Medical Supplies		115,221	
Gasoline		130,933	
Office Supplies		12,700	
Uniforms		22,553	
Utilities		60,687	
Other Supplies and Materials		6,323	
Workers' Compensation Insurance		39,122	
Other Charges		618	
Communication Equipment		12,777	
Motor Vehicles		187,220	
Office Equipment		13,613	
Other Equipment		181,325	
Total Ambulance/Emergency Medical Services			\$ 3,518,650

Other Local Health Services

Supervisor/Director	\$	600	
Social Security		41	
State Retirement		57	
Life Insurance		34	
Medical Insurance		77	
Unemployment Compensation		1	
Drugs and Medical Supplies		16,352	
Other Supplies and Materials		7,151	
Workers' Compensation Insurance		804	
Total Other Local Health Services			25,117

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

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Aid to Dependent Children

Contributions	\$ 8,000	
Total Aid to Dependent Children		\$ 8,000

Other Public Health and Welfare

Longevity Pay	\$ 600	
Other Salaries and Wages	730,835	
Social Security	54,067	
State Retirement	59,982	
Life Insurance	738	
Medical Insurance	57,928	
Dental Insurance	2,240	
Unemployment Compensation	1,894	
Travel	17,164	
Other Contracted Services	15,789	
Drugs and Medical Supplies	4,040	
Office Supplies	2,598	
Workers' Compensation Insurance	17,150	
Total Other Public Health and Welfare		965,025

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 74,917	
Gasoline	534	
Total Senior Citizens Assistance		75,451

Libraries

Contributions	\$ 25,741	
Total Libraries		25,741

Parks and Fair Boards

Contracts with Government Agencies	\$ 63,135	
Gasoline	15,815	
Utilities	8,787	
Total Parks and Fair Boards		87,737

Other Social, Cultural, and Recreational

Contributions	\$ 5,000	
Total Other Social, Cultural, and Recreational		5,000

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	92,490	
Other Salaries and Wages		21,550	
Social Security		1,615	
State Retirement		2,047	
Employee and Dependent Insurance		555	
Life Insurance		34	
Dental Insurance		115	
Unemployment Compensation		56	
Other Fringe Benefits		16,577	
Communication		5,187	
Matching Share		1,260	
Travel		2,675	
Utilities		11,301	
Workers' Compensation Insurance		804	
Other Charges		1,000	
Office Equipment		6,939	
Total Agriculture Extension Service			\$ 164,205

Forest Service

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

Soil Conservation

Secretary(ies)	\$	26,550	
Social Security		2,004	
State Retirement		2,522	
Employee and Dependent Insurance		306	
Life Insurance		34	
Unemployment Compensation		56	
Workers' Compensation Insurance		804	
Total Soil Conservation			32,276

Other Operations

Tourism

Contributions	\$	154,229	
Total Tourism			154,229

Industrial Development

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

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Airport

Contributions	\$	10,000	
Matching Share		28,000	
Total Airport			\$ 38,000

Veterans' Services

Supervisor/Director	\$	22,350	
Social Security		1,629	
State Retirement		2,123	
Life Insurance		34	
Unemployment Compensation		56	
Communication		1,800	
Maintenance Agreements		450	
Maintenance and Repair Services - Equipment		50	
Office Supplies		912	
Workers' Compensation Insurance		804	
Other Charges		571	
Total Veterans' Services			30,779

Contributions to Other Agencies

Contributions	\$	181,820	
Gasoline		86,793	
Other Construction		886,082	
Total Contributions to Other Agencies			1,154,695

Miscellaneous

Dues and Memberships	\$	7,602	
Legal Notices, Recording, and Court Costs		1,775	
Other Contracted Services		49,169	
Library Books/Media		16,000	
Building and Contents Insurance		33,616	
Excess Risk Insurance		48,298	
Liability Insurance		78,750	
Refunds		1,390	
Trustee's Commission		295,475	
Tax Relief Program		75,594	
Other Charges		40,824	
Land		200	
Total Miscellaneous			648,693

Total General Fund \$ 24,030,275

(Continued)

Exhibit K-8

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

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Other Salaries and Wages	\$	525,224	
Legal Services		2,570	
Maintenance and Repair Services - Equipment		26,533	
Travel		6,655	
Library Books/Media		101,999	
Utilities		40,493	
Other Supplies and Materials		44,972	
Liability Insurance		2,029	
Other Charges		2,051	
Building Construction		24,054	
Other Equipment		73,546	
Total Libraries			\$ 850,126

Total Public Library Fund \$ 850,126

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	49,601
Attendants		125,612
Part-time Personnel		18,349
Overtime Pay		39,729
Other Salaries and Wages		413,796
Other Fringe Benefits		164,729
Communication		14,771
Engineering Services		6,216
Legal Services		1,744
Maintenance and Repair Services - Buildings		38,408
Maintenance and Repair Services - Equipment		73,141
Maintenance and Repair Services - Vehicles		89,756
Travel		1,852
Disposal Fees		1,527,283
Permits		150
Other Contracted Services		48,305
Crushed Stone		17,288
Gasoline		82,748
Office Supplies		3,694
Uniforms		7,659
Utilities		42,119
Other Charges		6,823

(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.)

Office Equipment	\$	897	
Solid Waste Equipment		<u>63,297</u>	
Total Sanitation Management	\$		2,837,967

Landfill Operation and Maintenance

Engineering Services	\$	8,504	
Other Charges		1,500	
Other Construction		<u>43,000</u>	
Total Landfill Operation and Maintenance			53,004

Other Waste Disposal

Engineering Services	\$	32,432	
Contracts for Landfill Facilities		52,500	
Other Contracted Services		238,802	
Other Construction		<u>85,000</u>	
Total Other Waste Disposal			408,734

Postclosure Care Costs

Engineering Services	\$	13,574	
Other Contracted Services		28,000	
Other Supplies and Materials		24,100	
Other Construction		<u>55,000</u>	
Total Postclosure Care Costs			120,674

Other Operations

Miscellaneous

Trustee's Commission	\$	<u>59,704</u>	
Total Miscellaneous			<u>59,704</u>

Total Solid Waste/Sanitation Fund \$ 3,480,083

Industrial/Economic Development Fund

Other Operations

Industrial Development

Contributions	\$	<u>80,000</u>	
Total Industrial Development	\$		80,000

Miscellaneous

Trustee's Commission	\$	<u>7,316</u>	
Total Miscellaneous			7,316

(Continued)

Exhibit K-8

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

Industrial/Economic Development Fund (Cont.)

Capital Projects

Other General Government Projects

Land	\$ 296,320	
Total Other General Government Projects		\$ 296,320

Total Industrial/Economic Development Fund \$ 383,636

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$ 150	
Confidential Drug Enforcement Payments	25,000	
Rentals	8,295	
Other Supplies and Materials	891	
Law Enforcement Equipment	8,000	
Motor Vehicles	2,850	
Total Drug Enforcement		\$ 45,186

Total Drug Control Fund 45,186

Sports and Recreation Fund

Social, Cultural, and Recreational Services

Parks and Fair Boards

Temporary Personnel	\$ 19,358
Other Salaries and Wages	479,284
Social Security	35,626
State Retirement	39,600
Life Insurance	50
Medical Insurance	37,503
Dental Insurance	3,500
Unemployment Compensation	1,892
Audit Services	3,000
Communication	12,690
Dues and Memberships	1,647
Maintenance and Repair Services - Buildings	36,181
Maintenance and Repair Services - Vehicles	4,527
Gasoline	17,500
Office Supplies	3,767
Small Tools	5,911
Utilities	134,688
Other Supplies and Materials	56,885
Workers' Compensation Insurance	19,400

(Continued)

Exhibit K-8

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

Sports and Recreation Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Other Charges	\$	26,051	
Building Improvements		10,000	
Other Equipment		8,047	
Other Capital Outlay		32,000	
Total Parks and Fair Boards			\$ 989,107

Total Sports and Recreation Fund \$ 989,107

District Attorney General Fund

Public Safety

Other Public Safety

Salary Supplements	\$	2,191	
Communication		3,935	
Dues and Memberships		600	
Maintenance and Repair Services - Office Equipment		325	
Travel		7,657	
Other Contracted Services		2,092	
Other Charges		105	
Total Other Public Safety			\$ 16,905

Total District Attorney General Fund 16,905

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	26	
Total Register of Deeds			\$ 26

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	120	
Total County Clerk's Office			120

Administration of Justice

Circuit Court Clerk

Constitutional Officers' Operating Expenses	\$	51	
Total Circuit Court Clerk			51

General Sessions Court Clerk

Constitutional Officers' Operating Expenses	\$	38	
Total General Sessions Court Clerk			38

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund (Cont.)

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 69	
Total Sheriff's Department	<u>69</u>	\$ 69

Total Constitutional Officers - Fees Fund \$ 304

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 75,732	
Assistant(s)	46,001	
Accountants/Bookkeepers	38,701	
Longevity Pay	1,600	
Overtime Pay	312	
Other Salaries and Wages	28,350	
Social Security	11,694	
Employee and Dependent Insurance	3,732	
Life Insurance	121	
Medical Insurance	715	
Dental Insurance	100	
Unemployment Compensation	250	
Local Retirement	18,086	
Employer Medicare	2,735	
Data Processing Services	4,414	
Dues and Memberships	3,493	
Legal Services	15,000	
Legal Notices, Recording, and Court Costs	298	
Maintenance and Repair Services - Office Equipment	1,102	
Postal Charges	700	
Printing, Stationery, and Forms	500	
Data Processing Supplies	783	
Drugs and Medical Supplies	486	
Office Supplies	500	
Workers' Compensation Insurance	16,309	
Other Charges	980	
Communication Equipment	605	
Data Processing Equipment	<u>169</u>	
Total Administration		\$ 273,468

Highway and Bridge Maintenance

Foremen	\$ 38,000
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(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.)

Equipment Operators	\$	400,929	
Truck Drivers		211,729	
Laborers		65,021	
Longevity Pay		11,750	
Overtime Pay		4,993	
Other Salaries and Wages		35,149	
Social Security		45,629	
Employee and Dependent Insurance		81,000	
Life Insurance		867	
Medical Insurance		2,021	
Dental Insurance		1,697	
Unemployment Compensation		2,000	
Local Retirement		70,724	
Employer Medicare		10,636	
Other Contracted Services		1,000,000	
Asphalt - Hot Mix		2,090	
Asphalt - Liquid		117,382	
Crushed Stone		59,428	
Electricity		988	
Pipe - Metal		7,959	
Road Signs		44,961	
Salt		16,466	
Small Tools		2,335	
Wood Products		994	
Other Supplies and Materials		4,947	
Workers' Compensation Insurance		114,161	
Total Highway and Bridge Maintenance			\$ 2,353,856

Operation and Maintenance of Equipment

Mechanic(s)	\$	69,705
Longevity Pay		1,500
Overtime Pay		333
Social Security		4,162
Employee and Dependent Insurance		4,714
Life Insurance		78
Medical Insurance		282
Unemployment Compensation		168
Local Retirement		6,764
Employer Medicare		973
Laundry Service		2,711

(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.)

Licenses	\$	76	
Maintenance and Repair Services - Equipment		5,090	
Diesel Fuel		64,802	
Equipment and Machinery Parts		41,703	
Garage Supplies		5,548	
Gasoline		36,890	
Lubricants		5,992	
Small Tools		1,991	
Tires and Tubes		9,800	
Other Supplies and Materials		1,951	
Workers' Compensation Insurance		12,232	
Other Charges		2,425	
Total Operation and Maintenance of Equipment			\$ 279,890

Other Charges

Communication	\$	4,779	
Contributions		8,000	
Evaluation and Testing		915	
Electricity		6,795	
Natural Gas		4,931	
Water and Sewer		190	
Building and Contents Insurance		898	
Excess Risk Insurance		21,098	
Liability Insurance		78,750	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		44,558	
Other Charges		11,933	
Total Other Charges			183,197

Capital Outlay

Engineering Services	\$	8,600	
Bridge Construction		124,526	
Highway Equipment		231,036	
Motor Vehicles		19,399	
State Aid Projects		168,556	
Total Capital Outlay			552,117

Total Highway/Public Works Fund \$ 3,642,528

(Continued)

Exhibit K-8

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

General Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 4,690,000	
Total Education		\$ 4,690,000

Interest on Debt

General Government

Interest on Bonds	\$ 556,660	
Total General Government		556,660

Education

Interest on Bonds	\$ 5,159,121	
Total Education		5,159,121

Other Debt Service

Education

Trustee's Commission	\$ 161,748	
Other Debt Service	4,270	
Total Education		<u>166,018</u>

Total General Debt Service Fund		\$ 10,571,799
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General Capital Projects Fund

General Government

County Buildings

Land	\$ 1,582,159	
Total County Buildings		\$ 1,582,159

Public Health and Welfare

Local Health Center

Building Construction	\$ 297,964	
Total Local Health Center		297,964

Ambulance/Emergency Medical Services

Building Construction	\$ 489,499	
Total Ambulance/Emergency Medical Services		489,499

Other Operations

Miscellaneous

Trustee's Commission	\$ 4,894	
Total Miscellaneous		4,894

(Continued)

Exhibit K-8

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

<u>General Capital Projects Fund (Cont.)</u>		
<u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Contributions	\$ 80,678	
Total Capital Projects Donated to School Department		\$ 80,678
Total General Capital Projects Fund		\$ 2,455,194
<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Other General Government Projects</u>		
Underwriter's Discount	\$ 50,969	
Other Debt Issuance Charges	303,693	
Total Other General Government Projects		\$ 354,662
<u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Contributions	\$ 57,648,367	
Total Capital Projects Donated to School Department		57,648,367
Total Education Capital Projects Fund		58,003,029
Total Governmental Funds - Primary Government		<u>\$ 104,468,172</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, 2008

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 22,248,290	
Career Ladder Program	295,569	
Career Ladder Extended Contracts	96,678	
Educational Assistants	1,035,878	
Certified Substitute Teachers	160,176	
Non-certified Substitute Teachers	251,987	
Social Security	1,442,538	
State Retirement	1,502,049	
Life Insurance	16,971	
Medical Insurance	4,572,788	
Dental Insurance	41,562	
Unemployment Compensation	23,711	
Employer Medicare	338,814	
Maintenance and Repair Services - Equipment	8,792	
Other Contracted Services	6,339	
Instructional Supplies and Materials	339,872	
Textbooks	924,265	
Other Supplies and Materials	104,528	
Fee Waivers	72,538	
Other Charges	4,066	
Regular Instruction Equipment	600,872	
Total Regular Instruction Program		\$ 34,088,283

Alternative Instruction Program

Teachers	\$ 264,035	
Career Ladder Program	3,100	
Educational Assistants	24,489	
Social Security	17,576	
State Retirement	18,996	
Life Insurance	197	
Medical Insurance	45,337	
Dental Insurance	1,314	
Unemployment Compensation	263	
Employer Medicare	4,110	
Other Contracted Services	637	
Instructional Supplies and Materials	481	
Other Supplies and Materials	1,254	
Other Charges	1,684	
Other Equipment	3,148	
Total Alternative Instruction Program		386,621

(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	\$ 2,883,328	
Career Ladder Program	39,933	
Career Ladder Extended Contracts	6,900	
Homebound Teachers	68,707	
Educational Assistants	783,177	
Speech Pathologist	239,890	
Other Salaries and Wages	146,150	
Certified Substitute Teachers	3,299	
Non-certified Substitute Teachers	8,329	
Social Security	248,537	
State Retirement	280,998	
Life Insurance	3,878	
Medical Insurance	842,278	
Dental Insurance	9,290	
Unemployment Compensation	5,776	
Employer Medicare	58,227	
Contracts with Private Agencies	10,371	
Other Contracted Services	6,003	
Instructional Supplies and Materials	86,943	
Other Supplies and Materials	13,801	
Other Charges	417	
Special Education Equipment	38,521	
Total Special Education Program		\$ 5,784,753

Vocational Education Program

Teachers	\$ 865,894	
Career Ladder Program	9,916	
Certified Substitute Teachers	585	
Non-certified Substitute Teachers	2,365	
Social Security	53,080	
State Retirement	54,575	
Life Insurance	508	
Medical Insurance	149,547	
Dental Insurance	1,075	
Unemployment Compensation	834	
Employer Medicare	12,425	
Maintenance and Repair Services - Equipment	3,744	
Instructional Supplies and Materials	19,826	
Vocational Instruction Equipment	1,158	
Total Vocational Education Program		1,175,532

(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.)

Adult Education Program

Teachers	\$	67,415	
Other Salaries and Wages		26,235	
Social Security		5,589	
State Retirement		4,771	
Life Insurance		28	
Dental Insurance		103	
Unemployment Compensation		234	
Employer Medicare		1,307	
Travel		393	
Instructional Supplies and Materials		10,907	
Other Equipment		18,170	
Total Adult Education Program			\$ 135,152

Support Services

Attendance

Supervisor/Director	\$	67,133	
Career Ladder Program		2,000	
Career Ladder Extended Contracts		2,000	
Social Security		4,408	
State Retirement		4,439	
Life Insurance		28	
Medical Insurance		11,903	
Dental Insurance		189	
Unemployment Compensation		31	
Employer Medicare		1,031	
Other Contracted Services		32,500	
Other Supplies and Materials		1,181	
Attendance Equipment		8,433	
Total Attendance			135,276

Health Services

Medical Personnel	\$	403,938
Secretary(ies)		15,902
Other Salaries and Wages		109,725
Social Security		30,882
State Retirement		46,832
Life Insurance		626
Medical Insurance		112,450
Dental Insurance		715

(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.)

Unemployment Compensation	\$	1,201	
Employer Medicare		7,231	
Travel		5,535	
Drugs and Medical Supplies		229	
Other Supplies and Materials		5,946	
Other Charges		300	
Total Health Services			\$ 741,512

Other Student Support

Career Ladder Program	\$	25,000	
Guidance Personnel		1,134,376	
Psychological Personnel		121,014	
Career Ladder Extended Contracts		5,675	
Social Workers		91,360	
Assessment Personnel		25,430	
Attendants		134,200	
Social Security		92,822	
State Retirement		102,340	
Life Insurance		975	
Medical Insurance		243,572	
Dental Insurance		2,939	
Unemployment Compensation		1,573	
Employer Medicare		21,700	
Contracts with Government Agencies		170,000	
Evaluation and Testing		21,782	
Travel		12,376	
Other Contracted Services		6,619	
Other Supplies and Materials		106,805	
In Service/Staff Development		299	
Other Charges		2,374	
Other Equipment		12,463	
Total Other Student Support			2,335,694

Regular Instruction Program

Supervisor/Director	\$	161,316
Career Ladder Program		21,778
Career Ladder Extended Contracts		14,238
Librarians		802,125
Materials Supervisor		24,867

(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.)

Instructional Computer Personnel	\$	90,185	
Secretary(ies)		102,657	
Clerical Personnel		37,529	
Educational Assistants		11,441	
Other Salaries and Wages		167,023	
Social Security		85,820	
State Retirement		91,882	
Life Insurance		1,446	
Medical Insurance		234,260	
Dental Insurance		4,671	
Unemployment Compensation		1,566	
Employer Medicare		20,071	
Travel		5,857	
Other Contracted Services		28,057	
Library Books/Media		77,395	
Periodicals		6,985	
Other Supplies and Materials		10,239	
In Service/Staff Development		85,259	
Other Charges		26,643	
Other Equipment		11,564	
Total Regular Instruction Program			\$ 2,124,874

Alternative Instruction Program

Supervisor/Director	\$	48,541	
Career Ladder Program		310	
Secretary(ies)		23,844	
Other Salaries and Wages		99,146	
Social Security		8,329	
State Retirement		9,807	
Life Insurance		84	
Medical Insurance		21,078	
Dental Insurance		505	
Unemployment Compensation		124	
Employer Medicare		2,508	
Total Alternative Instruction Program			214,276

Special Education Program

Supervisor/Director	\$	64,411
Career Ladder Program		11,916

(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 (Cont.)

Secretary(ies)	\$	27,828	
Other Salaries and Wages		93,107	
Social Security		12,210	
State Retirement		13,320	
Life Insurance		90	
Medical Insurance		17,438	
Dental Insurance		337	
Unemployment Compensation		162	
Employer Medicare		2,856	
Travel		30,432	
Other Contracted Services		75,714	
Other Supplies and Materials		24,587	
In Service/Staff Development		14,816	
Other Charges		29,239	
Other Equipment		28,733	
Total Special Education Program			\$ 447,196

Vocational Education Program

Supervisor/Director	\$	62,791	
Career Ladder Program		2,070	
Secretary(ies)		13,013	
Social Security		4,713	
State Retirement		5,284	
Life Insurance		59	
Medical Insurance		11,168	
Dental Insurance		88	
Unemployment Compensation		53	
Employer Medicare		1,102	
Travel		519	
Other Contracted Services		161	
Other Supplies and Materials		182	
Total Vocational Education Program			101,203

Adult Programs

Supervisor/Director	\$	52,226
Career Ladder Program		1,000
Clerical Personnel		25,571
Social Security		4,727
State Retirement		5,750

(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.)

Life Insurance	\$	84	
Medical Insurance		25,760	
Dental Insurance		53	
Unemployment Compensation		73	
Employer Medicare		1,105	
Travel		2,101	
Other Supplies and Materials		4,953	
Other Charges		4,829	
Other Equipment		7,645	
Total Adult Programs			\$ 135,877

Other Programs

On-Behalf Payments to OPEB	\$	230,129	
Total Other Programs			230,129

Board of Education

Secretary to Board	\$	46,675	
Other Salaries and Wages		3,844	
Board and Committee Members Fees		22,350	
Social Security		4,301	
State Retirement		4,674	
Life Insurance		28	
Medical Insurance		9,989	
Dental Insurance		500	
Unemployment Compensation		36	
Employer Medicare		1,006	
Audit Services		9,975	
Dues and Memberships		11,971	
Legal Services		69,841	
Travel		7,370	
Other Contracted Services		387,154	
Office Supplies		1,450	
Other Supplies and Materials		2,699	
Liability Insurance		157,500	
Trustee's Commission		464,963	
Workers' Compensation Insurance		372,329	
In Service/Staff Development		2,712	
Fines, Assessments, and Penalties		13,272	
Criminal Investigation of Applicants - TBI		17,292	

(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.)

Board of Education (Cont.)

Refund to Applicant for Criminal Investigation	\$ 7,968	
Other Charges	120,593	
Total Board of Education		\$ 1,740,492

Director of Schools

County Official/Administrative Officer	\$ 96,569	
Assistant(s)	86,109	
Career Ladder Program	917	
Secretary(ies)	21,478	
Other Salaries and Wages	509	
Social Security	12,491	
State Retirement	13,591	
Life Insurance	81	
Medical Insurance	37,424	
Dental Insurance	1,042	
Unemployment Compensation	155	
Employer Medicare	2,921	
Communication	33,850	
Travel	4,247	
Other Contracted Services	10,878	
Office Supplies	3,155	
Other Charges	899	
Administration Equipment	1,548	
Total Director of Schools		327,864

Office of the Principal

Principals	\$ 1,068,921
Career Ladder Program	32,257
Accountants/Bookkeepers	383,508
Career Ladder Extended Contracts	10,756
Assistant Principals	760,538
Secretary(ies)	648,392
Social Security	172,878
State Retirement	212,957
Life Insurance	1,913
Medical Insurance	426,646
Dental Insurance	5,198
Unemployment Compensation	3,414
Employer Medicare	40,509

(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.)

Communication	\$	133,133	
Dues and Memberships		8,925	
Postal Charges		8,500	
Other Contracted Services		51	
Office Supplies		4,367	
Other Supplies and Materials		196	
Other Charges		9,724	
Other Equipment		795	
Total Office of the Principal			\$ 3,933,578

Fiscal Services

Supervisor/Director	\$	65,287	
Accountants/Bookkeepers		154,244	
Purchasing Personnel		30,531	
Clerical Personnel		36,968	
Social Security		16,838	
State Retirement		27,268	
Life Insurance		263	
Medical Insurance		42,600	
Dental Insurance		1,000	
Unemployment Compensation		402	
Employer Medicare		3,938	
Travel		764	
Other Contracted Services		97,294	
Office Supplies		18,726	
In Service/Staff Development		512	
Other Charges		8,014	
Administration Equipment		13,438	
Total Fiscal Services			518,087

Operation of Plant

Custodial Personnel	\$	672,620	
Social Security		38,047	
State Retirement		55,714	
Life Insurance		967	
Medical Insurance		198,562	
Dental Insurance		2,500	
Unemployment Compensation		1,621	
Employer Medicare		8,898	

(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.)

Janitorial Services	\$	1,014,327	
Other Contracted Services		41,170	
Custodial Supplies		81,203	
Electricity		2,171,612	
Natural Gas		868,424	
Water and Sewer		295,480	
Other Supplies and Materials		49,690	
Building and Contents Insurance		176,080	
Total Operation of Plant			\$ 5,676,915

Maintenance of Plant

Supervisor/Director	\$	66,425	
Secretary(ies)		29,965	
Maintenance Personnel		533,229	
Social Security		36,865	
State Retirement		59,741	
Life Insurance		508	
Medical Insurance		112,071	
Dental Insurance		1,030	
Unemployment Compensation		753	
Employer Medicare		8,622	
Laundry Service		11,954	
Other Contracted Services		561,171	
Other Supplies and Materials		493,154	
Other Charges		8,687	
Maintenance Equipment		58,806	
Total Maintenance of Plant			1,982,981

Transportation

Supervisor/Director	\$	54,814
Mechanic(s)		118,774
Bus Drivers		825,662
Clerical Personnel		63,614
Other Salaries and Wages		645
In-Service Training		54
Social Security		58,803
State Retirement		95,423
Life Insurance		1,512
Medical Insurance		195,055

(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.)

Dental Insurance	\$	3,545	
Unemployment Compensation		2,690	
Employer Medicare		14,547	
Contracts with Parents		2,245	
Laundry Service		4,726	
Rentals		22,567	
Other Contracted Services		35,083	
Diesel Fuel		330,594	
Gasoline		61,025	
Lubricants		6,841	
Tires and Tubes		27,880	
Vehicle Parts		75,080	
Other Supplies and Materials		4,938	
Other Charges		5,297	
Transportation Equipment		608,352	
Total Transportation			\$ 2,619,766

Central and Other

Supervisor/Director	\$	63,179	
Career Ladder Program		3,250	
Computer Programmer(s)		300,666	
Clerical Personnel		31,526	
Other Salaries and Wages		69,245	
Social Security		28,217	
State Retirement		33,659	
Life Insurance		225	
Medical Insurance		61,860	
Dental Insurance		758	
Unemployment Compensation		347	
Employer Medicare		6,599	
Maintenance and Repair Services - Equipment		16,849	
Travel		614	
Other Contracted Services		16,600	
Office Supplies		580	
Other Supplies and Materials		51,465	
Data Processing Equipment		32,246	
Total Central and Other			717,885

(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

Food Service

Supervisor/Director	\$	67,794	
Career Ladder Program		1,000	
Accountants/Bookkeepers		33,185	
Clerical Personnel		56,143	
Social Security		9,645	
State Retirement		12,775	
Life Insurance		1,259	
Dental Insurance		261	
Unemployment Compensation		146	
Employer Medicare		2,256	
Total Food Service			\$ 184,464

Community Services

Supervisor/Director	\$	2,448	
Teachers		288,335	
Bus Drivers		16	
Clerical Personnel		11,269	
Educational Assistants		35,631	
Other Salaries and Wages		111,611	
Social Security		26,813	
State Retirement		30,579	
Life Insurance		28	
Medical Insurance		12,558	
Dental Insurance		166	
Unemployment Compensation		118	
Employer Medicare		6,288	
Travel		3,100	
Other Contracted Services		4,742	
Other Supplies and Materials		66,488	
In Service/Staff Development		483	
Other Charges		34,981	
Other Equipment		308,421	
Total Community Services			944,075

Early Childhood Education

Supervisor/Director	\$	23,630
Teachers		677,388
Clerical Personnel		9,357
Other Salaries and Wages		266,600

(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.)

Certified Substitute Teachers	\$	1,433	
Non-certified Substitute Teachers		3,691	
Social Security		57,033	
State Retirement		64,628	
Life Insurance		774	
Medical Insurance		195,876	
Dental Insurance		745	
Unemployment Compensation		1,660	
Employer Medicare		13,572	
Other Contracted Services		2,415	
Food Supplies		914	
Other Supplies and Materials		13,704	
Other Charges		18,981	
Other Equipment		14,689	
Total Early Childhood Education			\$ 1,367,090

Total General Purpose School Fund \$ 68,049,575

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	845,449	
Educational Assistants		181,711	
Certified Substitute Teachers		3,750	
Non-certified Substitute Teachers		7,792	
Social Security		61,981	
State Retirement		69,257	
Life Insurance		689	
Medical Insurance		200,099	
Dental Insurance		1,171	
Unemployment Compensation		1,426	
Employer Medicare		14,551	
Instructional Supplies and Materials		240,851	
Other Supplies and Materials		168,044	
Regular Instruction Equipment		370,607	
Total Regular Instruction Program			\$ 2,167,378

Special Education Program

Educational Assistants	\$	988,059	
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(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.)

Speech Pathologist	\$	48,448	
Social Security		60,335	
State Retirement		95,192	
Life Insurance		1,261	
Medical Insurance		173,373	
Dental Insurance		3,055	
Unemployment Compensation		2,554	
Employer Medicare		14,111	
Contracts with Private Agencies		1,440	
Maintenance and Repair Services - Equipment		114	
Other Contracted Services		80,163	
Instructional Supplies and Materials		1,607	
Other Supplies and Materials		1,457	
Total Special Education Program			\$ 1,471,169

Vocational Education Program

Other Salaries and Wages	\$	3,707	
Social Security		31	
State Retirement		15	
Unemployment Compensation		4	
Employer Medicare		7	
Instructional Supplies and Materials		22,752	
Other Supplies and Materials		4,793	
Vocational Instruction Equipment		72,082	
Total Vocational Education Program			103,391

Support Services

Health Services

Other Salaries and Wages	\$	55,589	
Social Security		3,337	
State Retirement		5,297	
Life Insurance		28	
Medical Insurance		5,881	
Dental Insurance		7	
Unemployment Compensation		76	
Employer Medicare		780	
Travel		907	
Other Contracted Services		13,970	
Total Health Services			85,872

(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

Guidance Personnel	\$	46,068	
Social Workers		1,374	
Social Security		2,927	
State Retirement		3,005	
Life Insurance		28	
Medical Insurance		4,415	
Dental Insurance		130	
Unemployment Compensation		35	
Employer Medicare		685	
In Service/Staff Development		15,535	
Total Other Student Support			\$ 74,202

Regular Instruction Program

Supervisor/Director	\$	73,550	
Secretary(ies)		52,958	
Other Salaries and Wages		209,584	
Social Security		20,208	
State Retirement		23,253	
Life Insurance		112	
Medical Insurance		42,469	
Dental Insurance		564	
Unemployment Compensation		414	
Employer Medicare		4,726	
Travel		8,514	
Other Contracted Services		214,804	
Other Supplies and Materials		72,697	
In Service/Staff Development		269,375	
Other Charges		26,658	
Other Equipment		192,993	
Total Regular Instruction Program			1,212,879

Special Education Program

Psychological Personnel	\$	180,284
Assessment Personnel		50,831
Clerical Personnel		42,053
Other Salaries and Wages		82,825
Social Security		21,465
State Retirement		23,585
Life Insurance		306

(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	\$	68,138	
Dental Insurance		879	
Unemployment Compensation		306	
Employer Medicare		5,020	
Travel		3,497	
Other Contracted Services		10,594	
Other Supplies and Materials		49	
In Service/Staff Development		6,657	
Other Charges		68	
Total Special Education Program			\$ 496,557

Vocational Education Program

Travel	\$	2,607	
Other Charges		1,500	
Other Equipment		1,216	
Total Vocational Education Program			5,323

Transportation

Contracts with Parents	\$	5	
Rentals		3,445	
Total Transportation			3,450

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	102	
Certified Substitute Teachers		676	
Other Supplies and Materials		6,397	
Other Equipment		8,193	
Total Community Services			15,368

Total School Federal Projects Fund \$ 5,635,589

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,353,556	
Social Security		77,325	
State Retirement		99,968	
Medical Insurance		265,560	

(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 (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Dental Insurance	\$	2,822	
Unemployment Compensation		4,458	
Employer Medicare		18,084	
Communication		9,780	
Maintenance and Repair Services - Equipment		46,788	
Travel		2,789	
Other Contracted Services		28,477	
Food Preparation Supplies		93,155	
Food Supplies		1,815,605	
Office Supplies		11,786	
Other Supplies and Materials		1,633	
In Service/Staff Development		4,035	
Other Charges		22,198	
Food Service Equipment		103,786	
Total Food Service			\$ 3,961,805

Total Central Cafeteria Fund \$ 3,961,805

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	593,042	
Social Security		35,837	
State Retirement		30,088	
Life Insurance		295	
Medical Insurance		50,861	
Dental Insurance		203	
Unemployment Compensation		1,790	
Employer Medicare		8,381	
Travel		2,401	
Other Contracted Services		1,443	
Food Supplies		30,514	
Other Supplies and Materials		747	
Refunds		1,454	
Other Charges		41,947	
Other Equipment		38,486	
Total Community Services			\$ 837,489

Total Extended School Program Fund 837,489

(Continued)

Exhibit K-9

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

<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Architects	\$	13,124	
Other Charges		<u>10,000</u>	
Total Education Capital Projects			<u>\$ 23,124</u>
Total General Capital Projects Fund			\$ 23,124
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Other Salaries and Wages	\$	21,185	
Social Security		1,256	
State Retirement		2,013	
Medical Insurance		3,770	
Employer Medicare		294	
Architects		1,062,255	
Consultants		43,058	
Legal Services		1,200	
Contracts for Development Costs		409,990	
Other Contracted Services		20,180	
Other Charges		190	
Land		<u>1,247,319</u>	
Total Education Capital Projects			<u>\$ 2,812,710</u>
Total Other Capital Projects Fund			<u>2,812,710</u>
Total Governmental Funds - School Department			<u><u>\$ 81,320,292</u></u>

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, 2008

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 12,045,477
Total Cash Receipts	<u>\$ 12,045,477</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 11,922,864
Trustee's Commission	122,613
Total Cash Disbursements	<u>\$ 12,045,477</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2007	<u>0</u>
Cash Balance, June 30, 2008	<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 37243-1402
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

May 19, 2009

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, 2008, which collectively comprise Putnam County's basic financial statements and have issued our report thereon dated May 19, 2009. 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 and the Sports and Recreation funds, 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 auditor's 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: 08.01, 08.02, 08.03, 08.04, 08.05, 08.06, 08.07, 08.08, 08.10, 08.12, 08.13, and 08.14.

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 items 08.01, 08.06, and 08.07 to be material weaknesses.

Compliance and Other Matters

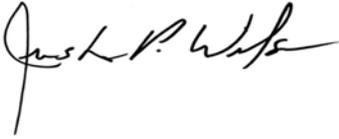
As part of obtaining reasonable assurance about whether Putnam County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 08.09 and 08.11.

We consider item 08.15 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 Putnam County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the county executive, director of schools, road supervisor, Board of County Commissioners, Board of Education, others within Putnam County, 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,

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Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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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 37243-1402
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

May 19, 2009

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, 2008. 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 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, 2008.

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

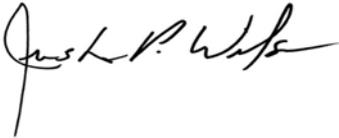
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Putnam County as of and for the year ended June 30, 2008, and have issued our reports thereon dated May 19, 2009. 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 Putnam County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the county executive, director of schools, road supervisor, Board of County Commissioners, 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, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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Putnam County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2008

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Secondary and Two-year Postsecondary Agriculture Education Challenge Grants	10.226	N/A	\$ 32,194
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	215,289 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	617,998
National School Lunch Program	10.555	N/A	1,839,504 (3)
Total U.S. Department of Agriculture			<u>\$ 2,704,985</u>
U.S. Department of Justice:			
Direct Program:			
Drug Court Discretionary Grant Program	16.585	N/A	\$ 68,648
Total U.S. Department of Justice			<u>\$ 68,648</u>
U.S. Department of Labor:			
Passed through Upper Cumberland Human Resource Agency:			
WIA Youth Activities	17.259	(2)	\$ 20,000
Total U.S. Department of Labor			<u>\$ 20,000</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,884,758
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,475,566
Special Education - Preschool Grants	84.173	N/A	56,957
Vocational Education - Basic Grants to States	84.048	N/A	183,683
Safe and Drug Free Schools and Communities - State Grant	84.186	(2)	70,373
Twenty-First Century Community Learning Centers	84.287	(2)	15,368
State Grants for Innovative Programs	84.298	N/A	140,064
Education Technology State Grants	84.318	(2)	46,134
Reading First State Grants	84.357	(2)	502,867
English Language Acquisition Grants	84.365	(2)	100,549
Mathematics and Science Partnerships	84.366	(2)	298,441
Improving Teacher Quality State Grants	84.367	N/A	385,315
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(4)	231,236
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	GG-08-22045-00	12,608
Total U.S. Department of Education			<u>\$ 6,403,919</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Labor and Workforce Development:			
Public Health and Social Services Emergency Fund	93.003	GG-07-12868-00	\$ 19,158
Total U.S. Department of Health and Human Services			<u>\$ 19,158</u>
U.S. Department of Homeland Security:			
Direct Program:			
Assistance to Firefighters Grant	97.044	(2)	\$ 77,173
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	GG-07-20322-00	206,760
Total U.S. Department of Homeland Security			<u>\$ 283,933</u>
Total Expenditures of Federal Awards			<u>\$ 9,500,643</u>

(Continued)

Putnam County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Courtroom Security Grant - Administrative Office of Courts	N/A	(2)	\$ 27,800
Community Enhancement Grant - Tennessee Secretary of State	N/A	(2)	7,200
Computer Grant - State Election Commission	N/A	(2)	1,773
Library Grant - State Library and Archives	N/A	(2)	19,491
Hispanic - Prenatal, Postpartum and Newborn Grant - State Department of Health	N/A	GG-08-20555-00	86,706
Rural Local Health Services - State Department of Health	N/A	Z-08-020380-00	860,875
Coordinated School Health - State Department of Education	N/A	(2)	160,000
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	21,214
Youth Services Program - State Children's Services Commission	N/A	GG-08-21912-00	81,780
Juvenile Services Program - State Children's Services Commission	N/A	Z-08-020280-00	6,750
Special Needs Endowment Grant - State Department of Health	N/A	GG-08-24035-00	200,000
Parenting Plan - Administrative Office of the Courts	N/A	(2)	13,716
Tobacco Use Prevention and Cessation Grant - State Department of Health	N/A	GG-08-23388-00	15,789
Rural Local Health Services - State Department of Health	N/A	(2)	190,000
Litter Program - State Department of Transportation	N/A	(2)	41,601
Law Enforcement Training Program - State Department of Safety	N/A	(2)	30,000
Waste Tire Storage and Disposal - State Department of Environment and Conservation	N/A	(2)	39,333
Safe Schools Act - State Department of Education	N/A	(2)	50,300
Voluntary Lottery Funded Classroom Grants - State Department of Education	N/A	(2)	1,416,621
Lottery for Education - Afterschool Programs (LEAPS) - State Department of Education	N/A	(2)	561,737
Family Resource - State Department of Education	N/A	(2)	33,000
Touching the Lives of Children - State Commission on Children and Youth	N/A	(2)	<u>14,100</u>
Total State Grants			<u>\$ 3,879,786</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 for CFDA No. 10.555 is \$2,054,793.

(4) - Z-08-021218-00: \$21,229; Z-07-03425-00: \$3,977; Z-08-201243-00: \$25,038; Z-07-033726-00: \$13,476; Z-08-020815-00: \$167,516.

Putnam County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2008

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, 2007, which have not been corrected.

OFFICE OF COUNTY EXECUTIVE

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
07.01	210	Deficiencies were noted in the administration of the Self-Insurance Fund
07.02(B)	211	Deficiencies were noted in the maintenance of capital assets records

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
07.03(B,C)	212	Deficiencies were noted in the maintenance of capital assets records
07.07	214	Deficiencies were noted in the maintenance of accounting records

OFFICE OF COUNTY CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
07.09	216	The office did not report and remit juvenile fines in accordance with state statutes
07.10	216	The office had internal control deficiencies related to collections

OTHER FINDINGS

Finding Number	Page Number	Subject
07.11	217	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
07.12	218	A central system of accounting, budgeting, and purchasing had not been adopted

PUTNAM COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2008

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Putnam County is unqualified.
2. The audit of the financial statements of Putnam County disclosed significant deficiencies in internal control. Three of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that were material to the financial statements.
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 no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), Reading First State Grants (CFDA No. 84.357), and Improving Teacher Quality State Grants (CFDA No. 84.367) 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, director of schools, and clerk and master 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 08.01 **THE GENERAL, INDUSTRIAL/ECONOMIC DEVELOPMENT, GENERAL DEBT SERVICE, AND GENERAL CAPITAL PROJECTS FUNDS AND THE CAPITAL ASSETS RECORDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2008, certain general ledger account balances in the General, Industrial/Economic Development, General Debt Service, and General Capital Projects funds, as well as the capital assets records were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Putnam County to have adequate controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Putnam County should have appropriate processes in place to ensure that its general ledgers and capital assets records are materially correct.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

The majority of the material audit adjustments made were dealing with a long-term note payable and taxes receivable. For over 20 years the Division of County Audit has been calculating taxes receivable for all counties and making the necessary adjustment. Had we known that it would now be the responsibility of the county to do so, we would have. This will be corrected in the next audit.

REBUTTAL

The American Institute of Certified Public Accountants issued the Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit.

This new standard focuses on internal controls and what auditors must communicate to county governments and report as findings in their annual audit reports. As a result of this new standard, The Division of County Audit distributed a memorandum dated January 1, 2008, to all county mayors/executives, highway superintendents, directors of schools, and finance directors to inform them of the effects of SAS No. 112 on their annual audit. One of the items discussed in this memorandum was that the discovery, by the auditor, of material audit adjustments would result in a material weakness or significant deficiency. In addition, taxes receivable and interfund loans were not the only material audit adjustments required to properly present the financial statements in this report. The findings in the General and General Capital Projects funds and the adjustments to the capital assets records were not based upon taxes receivable or interfund loans.

FINDING 08.02 **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. These deficiencies exist because management failed to correct this finding noted in the prior audit report.

- A. Documentation was not on file in the Office of County Executive to support many of the disbursements from the Self-Insurance Fund. Documentation for these payments was maintained by a local insurance agency, which serves as the program's administrator.

- B. Expenditures were coded to accounts that did not reflect the true nature of the transactions. Expenditures for insurance coverage and related costs totaling \$400,812 were posted to the Other General Administration major appropriation category, rather than the major categories applicable to the governmental function being served. 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. We presented audit adjustments to management that they approved and posted to properly present the financial statements in 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

I concur with this finding. This was a finding from last year, and we were already into the current audit year when it was brought to our attention. This finding has already been corrected.

FINDING 08.03 **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. These deficiencies resulted from the failure of management to adequately monitor and review capital assets procedures.

- A. Land purchased during the year for a new Health Department and Emergency Management Services (EMS) building (\$1,576,702) was not included in the county's capital assets records. We presented audit adjustments to management for this asset that they approved and posted to properly present the financial statements in this report.
- B. Capital assets records included construction in progress of \$123,433 for the new Health Department and EMS building; however, officials could not provide supporting documentation for this amount. During the year, disbursements for the Health Department totaled \$289,447 and disbursements for the EMS building totaled \$475,839. The difference between the amounts disbursed for construction expenditures and the amount capitalized as construction in progress was \$641,853. It appears that a portion of the architectural fees for the projects was not included in the construction in progress as required by the county's capital assets policy. We presented audit adjustments to management for this asset that they approved and posted to properly present the financial statements in this report.
- C. 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.
- D. Numerous posting and documentation errors were noted in our review of the capital assets records, such as assets sold at auction in prior years are still listed on the capital assets records, depreciable assets not being depreciated, assets included on the capital assets records twice, and assets without proper supporting documentation. 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

All capital assets should be included on the capital assets records of the county in accordance with the county's capital assets policy. Furthermore, officials should take steps to ensure that sufficient documentation is on hand to support the capital assets value, and that these assets are accurately recorded on the capital assets records.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

I concur with this finding. We are still in the process of getting the capital assets records exactly right and learning the requirements of GASB 34. We have problems with the software and continue to work toward getting the bugs out of the system.

FINDING 08.04 **PAYROLL EXPENDITURES/APPROPRIATIONS AND REVENUES/ ESTIMATED REVENUES WERE OVERSTATED** (Internal Control — Significant Deficiency Under Government Auditing Standards)

The General Fund processed the payrolls for the Solid Waste/Sanitation (\$811,251) and District Attorney General (\$251,682) funds as a matter of convenience. The following deficiencies were noted in this process:

- A. Payrolls for the Solid Waste/Sanitation and District Attorney General funds were budgeted and expensed in salary expenditure accounts in the General Fund. These same payrolls were also budgeted and expensed in salary expenditure accounts in the Solid Waste/Sanitation and District Attorney General funds. Therefore, the budget document of Putnam County and total salaries expenditures were overstated by appropriating and expensing the same payrolls (\$1,062,938) in multiple funds.
- B. Reimbursements from the Solid Waste/Sanitation and District Attorney General funds to the General Fund for processing their payrolls were budgeted and coded as other revenues in the General Fund instead of reductions of expenditures.
- C. The General Fund was not currently reimbursed as each payroll was processed; therefore, the accounting records for the Solid Waste/Sanitation and District Attorney General funds did not accurately reflect the financial position of the funds until the reimbursements were made, thereby, diminishing the usefulness of the accounting records as a management tool.

The presentation of the same payrolls in multiple funds has been a management decision resulting in the duplication of budgeted and actual payroll expenditures/refunds. We presented audit adjustments to management to eliminate the Solid Waste/Sanitation and District Attorney General payroll expenditures and the other revenues in the General Fund. Management approved the adjustments, and the expenditures are properly

presented the financial statements of the Solid Waste/Sanitation and District Attorney General funds in this report.

RECOMMENDATION

The county's budget document should not budget the payroll of the Solid Waste/Sanitation and District Attorney General funds as revenues and expenditures in the General Fund. The General Fund should not record reimbursements as revenues from the Solid Waste/Sanitation and District Attorney General funds for processing their payrolls as a matter of convenience, but should record the reimbursements as reductions of expenditures. Furthermore, accounting records should be maintained on a current basis to provide management with accurate and timely information.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

I concur with this finding. However, the County Commission has prepared the budget this way in an effort to reduce the number of separate payrolls that have to be run. In the future, year-end adjustments will be made to offset this budget practice.

FINDING 08.05 **THE INDUSTRIAL/ECONOMIC DEVELOPMENT FUND HAD A DEFICIT IN UNRESERVED FUND BALANCE AT JUNE 30, 2008**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Industrial/Economic Development Fund had a deficit in unreserved fund balance of \$2,880,078 at June 30, 2008. This deficit resulted from the recognition of a long-term liability of \$3,888,888 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.

RECOMMENDATION

County officials should liquidate the deficit in unreserved fund balance.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 08.06 **THE GENERAL PURPOSE SCHOOL, SCHOOL FEDERAL PROJECTS, AND OTHER CAPITAL PROJECTS FUNDS AND THE CAPITAL ASSETS RECORDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2008, certain general ledger account balances in the General Purpose School, School Federal Projects, and Other Capital Projects funds, as well as the capital assets records were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the School Department to have adequate controls over the maintenance of its accounting records. Material audit adjustments were required because the School Department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the School Department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The School Department should have appropriate processes in place to ensure that its general ledgers and capital assets records are materially correct.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding. Several of the material audit adjustments were a result of the year-end closing process in which a large amount of purchase orders were still open. Procedures have been established to ensure that the closing process for future years is handled in an appropriate manner to reduce the number of open purchase orders at year-end.

There was a miscommunication regarding the accrual of Federal Project employees paid on an equalized payment plan, which resulted in a material audit adjustment. Procedures have been established to ensure this accrual is handled correctly in the future.

Several large receivables from state and federal grants were established based on funds requested and due to the Putnam County Board of Education prior to June 30, 2008. These funds were not received within the 60 days allotted for receivables based on the modified accrual basis of accounting, which resulted in a material audit adjustment. At June 30, 2008, every indication, based on the knowledge we had from prior experiences, indicated the funds would be received in the allotted 60-day time frame. We will continue to establish receivables when funds are due to the Putnam County Board of Education. To the best of our ability we will try to ensure the funds are received within the 60-day time allotment.

FINDING 08.07 THE SCHOOL FEDERAL PROJECTS FUND HAD A DEFICIT IN UNRESERVED FUND BALANCE
(Internal Control – Material Weakness Under Government Auditing Standards)

The School Federal Projects Fund had a deficit in unreserved fund balance of \$234,271 at June 30, 2008. This deficit resulted from expenditures exceeding grant funds requested and received. The deficit was liquidated subsequent to June 30, 2008, when additional federal grant revenues were received.

RECOMMENDATION

The School Department should monitor the financial activity of the School Federal Projects Fund to ensure that adequate funding is available to prevent the recurrence of a deficit in unreserved fund balance.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding. While the School Federal Projects Fund in total did not have a deficit in undesignated fund balance, several of the sub-funds did have a deficit. Four of the five sub-funds with a deficit were a result of the material audit adjustments mentioned in finding 08.06. Prior to the audit adjustments, the undesignated fund balance was not a deficit in any of these four sub-funds.

FINDING 08.08 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. These deficiencies can be attributed to the failure of management to correct the findings noted in the prior-audit report.

- A. School Department personnel attempted to reconcile the General Purpose School and School Federal Projects funds’ general ledger cash balances with the trustee’s reports monthly. At June 30, 2008, 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 balances were reflected in the financial statements of the School Federal Projects Fund at June 30, 2008; 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 and School Federal Projects funds at June 30, 2008; however, the School Department could not provide us with detailed listings to support the amounts. We recreated these detailed listings by reviewing receipts and disbursements subsequent to June 30 and determined the general ledger balances were correct.
- 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.
- E. Interfund transfers were reflected in the accounting records of the General Purpose School and School Federal Projects funds at June 30, 2008; however, these transfers did not balance by \$301,005. We performed additional audit procedures to determine interfund transfers at June 30. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

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. Also, general ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and errors should be corrected promptly. Interfund transfers should be recorded as transfers in both the disbursing and receiving funds.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

- A. I concur. Procedures have been established to prevent cash reconciliation items from become a reconciling difference over several months so corrections can be made in a timely manner.
- B. I concur.
- C. I concur. Procedures have been established to ensure all receivables and payables are tracked to ensure proper accounting.
- D. I concur. Procedures have been established to ensure payroll liability accounts are reconciled on a monthly basis, and any reconciling items are corrected in a timely manner.
- E. I concur. All interfund transfers should be shown as transfers by both funds.

FINDING 08.09 DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSETS RECORDS
(Noncompliance Under Government Auditing Standards)

Our examination of capital assets revealed the following deficiencies. These deficiencies can be attributed to the failure of management to correct findings noted in the prior-year audit report.

- A. The School Department did not maintain adequate documentation for the historical value recorded for some buildings.

- B. Supporting documentation for capital assets did not agree with the historical costs on the School Department’s capital assets records by \$401,360 for buildings and improvements, \$186,505 for other capital assets, and \$277,099 for land.

RECOMMENDATION

Officials should take steps to ensure that sufficient documentation is on hand to support the department’s capital assets.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur. Organized documentation will be on file and reconciled to the capital assets records to ensure accuracy. Capital assets records will be adjusted to agree with historical cost based on the historical cost index chart.

FINDING 08.10 THE CENTRAL CAFETERIA FUND HAD DEFICIENCIES IN BUDGET OPERATIONS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination revealed the following deficiencies in budget operations for the Central Cafeteria Fund. These deficiencies result from the failure of management to adequately monitor and review budget operations.

- A. The Central Cafeteria Fund’s actual fund balance at July 1, 2007, was \$917,299; however, the estimated fund balance reflected in the county’s budget was \$150,000. Therefore, the actual fund balance exceeded the estimated fund balance presented to the County Commission by \$767,299. Sound business practices dictate that realistic estimates of beginning fund balances should be presented to the County Commission during the budget process.

- B. The budget and subsequent amendments approved by the County Commission for the Central Cafeteria Fund resulted in appropriations exceeding estimated available funding causing a budgeted fund deficit of

\$33,495. Sound business practices dictate that appropriations be held within estimated available funding.

RECOMMENDATION

The estimated beginning fund balance should be made on a more realistic basis to provide county officials with accurate information to base funding decisions. Furthermore, appropriations that exceed estimated available funds should not be submitted to the County Commission, and the County Commission should not approve such appropriations.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur. By using the budgeting package with the Local Government Data Processing Corporation, the estimated beginning fund balance is calculated automatically. All school funds, including the Central Cafeteria Fund, use this budgeting software.

OFFICE OF COUNTY CLERK

FINDING 08.11 **THE OFFICE DID NOT REPORT AND REMIT JUVENILE FINES IN ACCORDANCE WITH STATE STATUTES** (Noncompliance Under Government Auditing Standards)

At June 30, 2008, the office had not reported and remitted juvenile fines of \$14,914 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. This deficiency can be attributed to the failure of management to correct the finding noted in the prior-audit report. The juvenile court records were transferred from the Office of County Clerk to the Office of Circuit and General Sessions Courts Clerk on July 1, 2008.

FINDING 08.12 **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. These deficiencies can be attributed to the failure of management to correct findings noted in the prior-audit report.

- A. The county clerk maintains satellite offices in the cities of Baxter and Monterey. The Monterey office is open Monday through Friday for two 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.

FINDING 08.13 THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated a daily log that displayed changes made by users. Since this log provided the only audit trail of these changes, it should be reviewed daily for inappropriate activity. Because they did not know of the existence of the log, management did not begin reviewing this log until after the interim exit conference on December 19, 2007. Procedures for reviewing this log are currently in place.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 08.14 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. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the

effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur. Procedures have been established to provide better segregation of duties in the Food Service and Payroll departments.

MANAGEMENT'S RESPONSE – CLERK AND MASTER

I concur with the finding regarding segregation of duties in my office. As always, we strive to operate our office as efficiently as possible with the number of deputy clerks that we have.

FINDING 08.15 **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. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort.

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.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

PUTNAM COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2008

There were no audit findings relative to federal awards presented in the current-year's Schedule of Findings and Questioned Costs. There were audit findings relative to federal awards presented in the prior-year's Schedule of Findings and Questioned Costs.

Director of Schools – Summary Schedule of Prior-Year's Findings

FINDINGS 07.06 and 07.13

Unused special education grant funds received by the School Department to replace equipment lost in the Jere Whitson fire were returned to the State Department of Education on April 17, 2008, because the equipment was replaced by the School Department's insurance company.