

**PUTNAM COUNTY PARKS, RECREATION  
AND CONSERVATION BOARD  
JUNE 30, 2009**

**TAMARA L. BECKMAN  
CERTIFIED PUBLIC ACCOUNTANT**

**PUTNAM COUNTY PARKS, RECREATION AND CONSERVATION BOARD**  
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**JUNE 30, 2009**

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**TAMARA L. BECKMAN**  
CERTIFIED PUBLIC ACCOUNTANT

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To the Board of Directors of the  
Putnam County Parks, Recreation and Conservation Board  
Cookeville, Tennessee

I have audited the accompanying government-wide financial statements and the major governmental fund financial statements of the Putnam County Parks, Recreation, and Conservation Board, (a special revenue fund of Putnam County, Tennessee) as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Putnam County Park, Recreation, and Conservation Board's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinions.

As discussed in Note 2, the financial statements present only the government-wide and governmental special revenue activities of the Putnam County Parks, Recreation, and Conservation Board and do not purport to, and do not, present fairly the financial position of Putnam County, Tennessee, as of June 30, 2009, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the government-wide and the major governmental fund of the Putnam County Parks, Recreation, and Conservation Board (a special revenue fund of Putnam County, Tennessee) as of June 30, 2009, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis 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. However, management has chosen to exclude this information.

The Schedule of Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual 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. I 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, I did not audit the information and express no opinion on it.

The Schedule of Insurance and Schedule of Board of Directors are presented for purposes of additional analysis and are not a required part of the basic financial statements. They have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 6, 2009 on my consideration of the Putnam County Parks, Recreation, and Conservation Board's internal control over financial reporting and my 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 my testing of internal control over financial reporting and the results of that testing and not to provide an opinion on financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of my audit.

November 6, 2009  
Cookeville, Tennessee

*Tamara L. Beckman, CPA*

**PUTNAM COUNTY PARKS, RECREATION AND CONSERVATION BOARD**  
**(A SPECIAL FUND REVENUE FUND OF PUTNAM COUNTY)**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

ASSETS

Current Assets

Cash in Bank	\$ 72,705.94	
Prepaid Expenses	<u>6,089.48</u>	
<u>Total Current Assets</u>		\$ 78,795.42

Capital Assets

Fixed Assets	595,832.71	
Less: Accumulated Depreciation	<u>(219,668.42)</u>	
<u>Total Capital Assets</u>		<u>376,164.29</u>

Total Assets		454,959.71
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 13,695.78	
Wages Payable	5,696.32	
Comp. Absences Payable-Current	<u>24,307.92</u>	
<u>Total Current Liabilities</u>		43,700.02

Long-term Liabilities

Comp. Absences Payable		<u>9,750.00</u>
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Total Liabilities		<u>53,450.02</u>
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Net Assets

Invested in Capital Assets	376,164.29	
Unrestricted Net Assets	<u>25,345.40</u>	
<u>Total Net Assets</u>		<u>\$ 401,509.69</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**PUTNAM COUNTY PARKS, RECREATION AND CONSERVATION BOARD**  
**(A SPECIAL REVENUE FUND OF PUTNAM COUNTY)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Expenses

Salaries & Wages	\$ 504,361.88	
Temporary Personnel	15,015.00	
Payroll Taxes	36,733.17	
Retirement Expense	41,225.02	
Unemployment Comp	1,332.63	
Life Insurance	-	
Medical Insurance	36,924.52	
Dental Insurance	987.80	
Audit Services	3,000.00	
Communication	12,889.05	
Memberships, Dues & Subscriptions	872.50	
Maintenance & Repairs - Buildings	31,869.68	
Maintenance & Repairs - Vehicles	2,947.84	
Gasoline	12,147.03	
Office Supplies	1,789.09	
Small Tools	3,136.71	
Utilities	137,214.52	
Other Supplies & Materials	60,782.86	
Workers' Comp Insurance	14,342.00	
Other Charges	10,436.57	
Depreciation	<u>45,680.94</u>	
Total Expenses		\$ 973,688.81

Program Revenues

Recreation Fees	73,785.88	
Vending Income	737.13	
Lease/Rental Income	42,608.75	
Contributions & Gifts - Algood, Baxter & Monterey	20,620.00	
Other Local Revenues	660.84	
Operating Grants & Contributions:		
Grant - Putnam County	64,500.00	
Operating Transfer - Putnam County	<u>845,037.75</u>	
Total Program Revenues		<u>1,047,950.35</u>

Net (Expense) Revenue \$ 74,261.54

General Revenue

Investment Income 199.60

Change in Net Assets 74,461.14

Beginning Net Assets, July 1, 2008 327,048.55

Ending Net Assets, June 30, 2009 \$ 401,509.69

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT

**PUTNAM COUNTY PARKS, RECREATION AND CONSERVATION BOARD  
(A SPECIAL REVENUE FUND OF PUTNAM COUNTY)  
BALANCE SHEET  
JUNE 30, 2009**

ASSETS

Current Assets

Cash in Bank	\$	72,705.94
Prepaid Expenses		<u>6,089.48</u>

<u>Total Assets</u>		<u>\$ 78,795.42</u>
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LIABILITIES AND FUND BALANCE

Liabilities

Accounts Payable	\$	13,695.78
Wages Payable		<u>5,696.32</u>

<u>Total Liabilities</u>		19,392.10
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Fund Balance

Unrestricted		<u>59,403.32</u>
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<u>Total Liabilities &amp; Fund Balance</u>		<u>\$ 78,795.42</u>
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT

**PUTNAM COUNTY PARKS, RECREATION AND CONSERVATION BOARD**  
**(A SPECIAL REVENUE FUND OF PUTNAM COUNTY)**  
**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

Fund Balance-Balance Sheet		\$ 59,403.32
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Amounts reported for governmental activities in the Statement of Net Assets are different because Capital Assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental Capital Assets	\$ 595,832.71	
Less: Accumulated Depreciation	(219,668.42)	
		376,164.29

Amounts are also recorded for Compensated Absences Payable in the Statement of Net Assets, but not reported in the governmental fund on the Balance Sheet because the amounts are not currently due or payable in the current period.

(34,057.92)

<u>Net Assets of Governmental Activities</u>	<u>\$ 401,509.69</u>
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**PUTNAM COUNTY PARKS, RECREATION AND CONSERVATION BOARD**  
**(A SPECIAL REVENUE FUND OF PUTNAM COUNTY)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Revenues & Other Services

Recreation Fees	\$ 73,785.88
Vending Income	737.13
Investment Income	199.60
Hotel/Motel Tax	92,300.00
Lease/Rental Income	42,608.75
Contributions & Gifts - Putnam County	817,237.75
Contributions & Gifts - Algood, Baxter & Monterey	20,620.00
Other Local Revenues	<u>660.84</u>

Total Revenues \$ 1,048,149.95

Expenditures

Salaries & Wages	503,053.61
Temporary Personnel	15,015.00
Payroll Taxes	36,733.17
Retirement Expense	41,225.02
Unemployment Comp	1,332.63
Life Insurance	-
Medical Insurance	36,924.52
Dental Insurance	987.80
Audit Services	3,000.00
Communication	12,889.05
Memberships, Dues & Suscriptions	872.50
Maintenance & Repairs - Buildings	31,869.68
Maintenance & Repairs - Vehicles	2,947.84
Gasoline	12,147.03
Office Supplies	1,789.09
Small Tools	3,136.71
Utilities	137,214.52
Other Supplies & Materials	60,782.86
Workers' Comp Insurance	8,487.95
Other Charges	16,290.62
Building Improvements	-
Small Equipment Purchases	12,365.00
Other Capital Outlay	<u>93,744.24</u>

Total Expenditures 1,032,808.84

Excess Revenue over Expenditures	15,341.11
Fund Balance Beginning of Year	<u>44,062.21</u>
Fund Balance at End of Year	<u>\$ 59,403.32</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT

**PUTNAM COUNTY PARKS, RECREATION AND CONSERVATION BOARD  
(A SPECIAL REVENUE FUND OF PUTNAM COUNTY)  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

Net Change in Fund Balance – Statement of Revenues, Expenditures & Changes in Fund Balance	\$ 15,341.11
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives

Expenditures for Capital Assets	\$ 106,109.24	
Less: Current Year Depreciation	<u>(45,680.94)</u>	
		60,428.30

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:

Compensated Absences	<u>(1,308.27)</u>
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Change in Net Assets - Statement of Activities	<u>\$ 74,461.14</u>
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**PUTNAM COUNTY PARKS, RECREATION AND CONSERVATION BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

Note 1 – Organization

The Putnam County Parks, Recreation and Conservation Board (“the 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.

Note 2 – Summary of Significant Accounting Policies

The Putnam County Parks, Recreation and Conservation Board 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 financial statements present only the government-wide and governmental special revenue activities of the Putnam County Parks, Recreation and Conservation Board and do not purport to, and do not, present fairly the financial position of Putnam County, Tennessee. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Government-wide Financial Statements

The Government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These statements report 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.

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 is accounted for in a single governmental account which is the general fund. 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 Park, Recreation and Conservation Board's policy to use restricted resources first, then unrestricted resources as needed.

Note 3 – Pension Plans

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

Note 4 – 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, 2009:

Checking – Operating Account	\$ 57,243.88
Checking – Payroll Account	3,286.87
Checking – Soccer Account	<u>12,175.19</u>
Total	<u>\$ 72,705.94</u>

At June 30, 2009, the carrying amount of the Putnam County Parks, Recreation and Conservation Board's cash deposits was \$72,705.94. The Board's deposit accounts are covered up to \$250,000 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 of the Tennessee Code Annotated. [Acts 1992, ch. 891, sct 10].

Note 5 – Prepaid Expenses

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

Note 6 – Concentration of Credit Risk

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

Note 7 – Compensated Absences

Annual leave and retirement sick leave are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to service already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The amount shown as compensated absence payable in current liabilities in the Statement of Net Assets represents the amount owed to employees for annual leave as of June 30, 2009 and is also the leave expected to be taken within one year. Retirement sick leave accrued at June 30, 2009 is presented as a long-term liability since it will not be taken within one year.

Note 8 – Capital Assets

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

<u>Assets</u>	<u>Balance</u> <u>6/30/2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/2009</u>
Improvements	\$ 94,067.68	\$ 93,744.24	\$ -	\$187,811.92
Equipment	181,030.55	12,365.00	-	193,395.55
Park Fixtures	79,092.50	-	-	79,092.50
Vehicles	119,948.00	-	-	119,948.00
Office Equipment	15,584.74	-	-	15,584.74
Totals	<u>\$489,723.47</u>	<u>\$106,109.24</u>	<u>\$ -</u>	<u>\$595,832.71</u>

The following table provides a summary of changes to accumulated depreciation at June 30, 2009:

<u>Assets</u>	<u>Balance</u> <u>6/30/2008</u>	<u>Depreciation</u> <u>Expense</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/2009</u>
Improvements	\$ 10,366.78	\$ 13,200.56	\$ -	\$ 23,567.34
Equipment	95,675.37	15,409.01	-	111,084.38
Park Fixtures	11,444.64	5,559.85	-	17,004.49
Vehicles	44,468.03	10,372.32	-	54,840.35
Office Equipment	12,032.66	1,139.20	-	13,171.86
Totals	<u>\$173,987.48</u>	<u>\$ 45,680.94</u>	<u>\$ -</u>	<u>\$219,668.42</u>

Note 9 – 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 general 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 greater than \$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: improvements, 10 years; office equipment, 5 years; fixtures, 5-7 years; vehicles, 5-10 years and other general equipment, 10 years.

Note 10 – 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.

Note 11 – 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.

Additional information can be found in the Comprehensive Annual Financial Report of Putnam County, Tennessee, copies of which are available through the County Executive office.

Note 12 – 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.

Note 13 – Commitments and Contingencies

Approximately 85% 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.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PUTNAM COUNTY PARKS, RECREATION AND CONSERVATION BOARD**  
**(A SPECIAL REVENUE FUND OF PUTNAM COUNTY)**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b><u>Revenues</u></b>			
Recreation Fees	\$ 110,000.00	\$ 107,985.88	\$ 73,785.88
Vending Income	500.00	532.00	737.13
Investment Income	750.00	199.60	199.60
Hotel/Motel Tax	96,500.00	96,500.00	92,300.00
Lease/Rental Income	40,000.00	41,058.75	42,608.75
Contributions & Gifts - Putnam County	720,500.00	720,737.75	817,237.75
Contributions & Gifts - Algood	20,600.00	20,620.00	20,620.00
Other Local Revenues	<u>12,000.00</u>	<u>14,264.94</u>	<u>660.84</u>
Total Revenue	1,000,850.00	1,001,898.92	1,048,149.95
<b><u>Expenditures</u></b>			
Salaries, Wages & Temp. Personnel	457,500.00	503,294.34	503,053.61
Temporary Personnel	58,000.00	15,606.70	15,015.00
Social Security	36,900.00	36,822.06	36,733.17
Retirement Expense	43,000.00	41,229.64	41,225.02
Unemployment Compensation	2,700.00	1,332.63	1,332.63
Life Insurance	2,050.00	-	-
Medical Insurance	46,000.00	37,002.70	36,924.52
Dental Insurance	3,500.00	987.80	987.80
Audit Services	4,400.00	3,460.50	3,000.00
Communication	8,200.00	12,948.11	12,889.05
Memberships, Dues & Subscriptions	-	900.00	872.50
Maintenance & Repairs - Buildings	29,500.00	31,903.82	31,869.68
Maintenance & Repairs - Vehicles	4,000.00	2,974.76	2,947.84
Gasoline	19,000.00	12,147.03	12,147.03
Office Supplies	2,000.00	2,069.31	1,789.09
Small Tools	5,500.00	3,160.83	3,136.71
Utilities	155,000.00	137,308.10	137,214.52
Other Supplies & Materials	49,400.00	60,795.06	60,782.86
Workers' Comp Insurance	16,000.00	8,842.00	8,487.95
Small Equipment Purchases	8,500.00	12,365.00	12,365.00
Other Charges	15,500.00	16,290.61	16,290.62
Building Improvements	-	-	-
Other Capital Outlay	<u>96,500.00</u>	<u>93,744.24</u>	<u>93,744.24</u>
Total Expenditures	<u>1,063,150.00</u>	<u>1,035,185.24</u>	<u>1,032,808.84</u>
Excess of Revenues & Other Sources	(62,300.00)	(33,286.32)	15,341.11
Fund Balance, beginning of year	<u>44,062.21</u>	<u>44,062.21</u>	<u>44,062.21</u>
Fund Balance, end of year	<u>\$ (18,237.79)</u>	<u>\$ 10,775.89</u>	<u>\$ 59,403.32</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT

**PUTNAM COUNTY PARKS, RECREATION AND CONSERVATION BOARD**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2009**

NOTE A - Budgeting, Budgetary Control, and Budgetary Reporting

An annual budget using the same basis of accounting used for governmental fund financial statement presentation is prepared and adopted each year. The budget for the year ended June 30, 2009 was approved by the board and the Putnam County Commission before the fiscal year began. Additional expenditures which alter the total budgeted expenditures must be approved by the Board of Trustees and adopted through an amended budget. Revenues are considered to be available for unrestricted use unless specifically restricted by the donor or grantor, thus the Board of Trustees may reapply budgeted resources from one use to another without special approval for unrestricted funds.

**OTHER SUPPLEMENTARY INFORMATION**

**PUTNAM COUNTY PARKS, RECREATION AND CONSERVATION  
 (A SPECIAL REVENUE FUND OF PUTNAM COUNTY)  
 SCHEDULE OF INSURANCE  
 JUNE 30, 2009**

<u>Insurer</u>	<u>Type</u>	<u>Coverage</u>
-	General liability	Provided by Putnam County
-	Real property	Provided by Putnam County
-	Auto	Provided by Putnam County
-	Employee dishonesty bond	Provided by Putnam County
Putnam County Self-Insurance Fund	Workers' compensation	Statutory

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT

**PUTNAM COUNTY PARKS, RECREATION AND CONSERVATION  
(A SPECIAL REVENUE FUND OF PUTNAM COUNTY)  
SCHEDULE OF BOARD OF DIRECTORS  
JUNE 30, 2009**

<u>NAME</u>	<u>POSITION</u>
Herbert Allison 5864 Window Cliff Rd. Baxter, TN 38544 (H) 858-4354 (C) 260-8652	Board Chairman
Danny Frye 7995 S. Willow Ave. Cookeville, TN 38501 (H) 372-2560 (W) 520-1399	Board Member
Eris Bryant 308 E. Spring St. RM 8 Cookeville, TN 38501 (H) 526-2161	Board Member
Chris Buckner 3122 Hanging Limb Rd. Monterey, TN 38574 (H) 839-2028 (W) 839-7641	Board Member
Doyle Harris 170 Elm Street Algood, TN 38506 (H) 537-2202	Board Member

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT

**TAMARA L. BECKMAN**  
CERTIFIED PUBLIC ACCOUNTANT

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

To the Board of Directors of the  
Putnam County Parks, Recreation and Conservation Board  
Cookeville, Tennessee

I have audited the government-wide and major fund financial statements of The Putnam County Parks, Recreation and Conservation Board, a joint venture of the City of Cookeville and Putnam County, as of and for the year ended June 30, 2009, and have issued my report thereon dated November 6, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered The Putnam County Parks, Recreation and Conservation Board's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control over financial reporting.

My 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, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation 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 agency'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 agency's financial statements that is more than inconsequential

will not be prevented or detected by the agency's internal control. I consider the deficiencies described in the accompanying schedule of findings and recommendations as items 09-1 to be significant deficiencies in internal control over financial reporting.

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 the agency's internal control.

My 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, I believe that none of the significant deficiencies described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Putnam County Parks, Recreation and Conservation Board's financial statements are free of material misstatement, I 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 on my audit and, accordingly I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and recommendations as items 09-1.

The Putnam County Parks, Recreation and Conservation Board's response to the findings identified in my audit is described in the accompanying schedule of findings and recommendations. I did not audit the agency's response and, accordingly, I express no opinion on it.

This report is intended solely for the information of the management of The Putnam County Parks, Recreation and Conservation Board and the Comptroller of the Treasurer, State of Tennessee and is not intended to be used and should not be used by anyone other than these specified parties.

November 6, 2009  
Cookeville, Tennessee

*Tamara L. Beckman, CPA*

**PUTNAM COUNTY PARKS, RECREATION AND CONSERVATION BOARD**  
**AUDIT FINDINGS AND RECOMMENDATIONS**  
**JUNE 30, 2009**

Finding 09-1

A lack of segregation of duties was noted.

Recommendation

The functions of custody, authorization and recording must be segregated. This requires separate employees to receive and deposit cash, write checks, and reconcile the bank statement at the end of the month.

Management Comment

We believe the cost of employing additional personnel would exceed the benefits to be derived from doing so. However, the Board of Directors maintains oversight of all functions.

Auditor's Note:

Due to the small size and lack of personnel, total segregation of duties is not feasible. However, the Putnam County Parks, Recreation and Conservation Board segregates the duties to the extent possible.