

**ANNUAL FINANCIAL REPORT
PUTNAM COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2009



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ANNUAL FINANCIAL REPORT
PUTNAM COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2009

DEPARTMENT OF AUDIT
JUSTIN P. WILSON
Comptroller of the Treasury

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

JAMES R. ARNETTE
Director

CARL LOWE, CGFM
Audit Manager

ANITA SCARLETT, CPA
Auditor 4

TIM BRASHEARS
MELODIE HODGES, CFE
JAMES HODGES, CFE
RODNEY MALIN, CGFM
KELLEY McNEAL, CPA, CGFM
State Auditors

This financial report is available at www.tn.gov/comptroller

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Audit Highlights
Annual Financial Report
Putnam County, Tennessee
For the Year Ended June 30, 2009

Scope

We have audited the basic financial statements of Putnam County as of and for the year ended June 30, 2009.

Results

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

Our audit resulted in 12 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 county archives had collection deficiencies.
- ◆ Deficiencies were noted in the maintenance of capital assets records.
- ◆ The Industrial/Economic Development Fund had a deficit in unreserved fund balance at June 30, 2009.
- ◆ Amounts withheld from contractor payments were not deposited into an escrow account as required by state statute.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund required material audit adjustments for proper financial statement presentation.
- ◆ The School Federal Projects Fund had a deficit in unreserved fund balance at June 30, 2009.
- ◆ The Central Cafeteria Fund made an unauthorized transfer of \$330,000 to the General Purpose School Fund.
- ◆ The School Department failed to comply with state statutes when entering into a lease-purchase agreement.
- ◆ General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments monthly.

OFFICE OF COUNTY CLERK

- ◆ The office had internal control deficiencies related to collections.
-

OTHER FINDINGS

- ◆ Duties were not segregated adequately in the Offices of County Executive; Road Supervisor; Director of Schools; Trustee; County Clerk; Circuit, General Sessions, and Juvenile 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, 2009

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, General Sessions, and Juvenile Courts Clerk
Linda Reeder, Clerk and Master
Harold Burris, Register
David Andrews, Sheriff

Board of County Commissioners

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

Board of Education

David McCormick, Chairman	Robert Hargis
Eric Brown	Dr. Ray Jordan
Vernon Crabtree	Jerry Maynard

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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
PHONE (615) 401-7841**

INDEPENDENT AUDITOR'S REPORT

December 21, 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, 2009, 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 .8 percent and 4.7 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 .5 percent and 2.41 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 of the assets and revenues of the aggregate discretely presented component units or the Putnam County Agricultural and Industrial Fair, Inc., which represent .05 percent and .34 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, Sports and Recreation Fund, Putnam County Emergency Communications District, and 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 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.

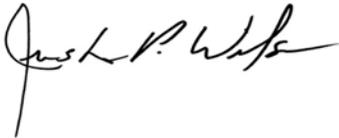
As described in Note V.B., Putnam County implemented the provisions of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (primary government only); Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

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 other postemployment benefits information on pages 91 through 99 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/sb

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BASIC FINANCIAL STATEMENTS

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Exhibit A

Putnam County, Tennessee
Statement of Net Assets
June 30, 2009

	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	\$ 187,605	\$ 4,508	\$ 1,132,480	\$ 83,018
Equity in Pooled Cash and Investments	30,049,713	50,057,137	0	0
Accounts Receivable	1,842,661	19,260	27,608	3,254
Allowance for Uncollectibles	(277,782)	0	0	0
Due from Other Governments	1,383,859	3,417,826	164,478	0
Due from Primary Government	0	165,604	0	0
Property Taxes Receivable	23,580,410	12,246,180	0	0
Allowance for Uncollectible Property Taxes	(779,641)	(404,896)	0	0
Prepaid Items	22,608	0	21,027	538
Unamortized Issuance Costs on Investments	653,699	0	0	0
Notes Receivable - Current	148,883	0	0	0
Notes Receivable - Long-term	1,410,897	0	0	0
Assets Not Depreciated:				
Land	9,609,169	5,037,975	0	0
Construction in Progress	12,115,420	19,370,867	534,448	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	13,239,524	72,534,450	4,548	0
Infrastructure	29,520,309	0	0	0
Other Capital Assets	5,331,908	2,284,687	31,717	0
Total Assets	<u>\$ 128,039,242</u>	<u>\$ 164,733,598</u>	<u>\$ 1,916,306</u>	<u>\$ 86,810</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 256,833	\$ 364,845	\$ 6,352	\$ 6,920
Accrued Payroll	14,115	1,002,144	0	0
Payroll Deductions Payable	7,399	605,361	0	0
Claims and Judgments Payable	913,941	0	0	0
Accrued Interest Payable	3,235,461	12,402	0	0
Contracts Payable	0	1,735,580	0	0
Retainage Payable	0	129,143	0	0
Due to Component Units	165,604	0	0	0
Due to State of Tennessee	228	0	0	0
Matured Bonds Payable	15,000	0	0	0
Deferred Revenue - Current Property Taxes	21,962,694	11,406,041	0	0
Unamortized Premiums on Debt	552,014	0	0	0
Noncurrent Liabilities:				
Due Within One Year	6,231,694	225,976	0	0
Due in More Than One Year	134,222,480	1,448,240	0	0
Total Liabilities	<u>\$ 167,577,463</u>	<u>\$ 16,929,732</u>	<u>\$ 6,352</u>	<u>\$ 6,920</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	\$ 57,088,902	\$ 0	\$ 0	\$ 0
Invested in Capital Assets	0	99,227,979	570,712	0
Restricted for:				
Public Library	88,165	0	0	0
Solid Waste/Sanitation	1,730,493	0	0	0
Special Purpose	14,633	0	0	0
Drug Control	75,726	0	0	0
Sports and Recreation	59,403	0	0	0
District Attorney General	14,329	0	0	0
Highway/Public Works	1,048,130	0	0	0
School Federal Projects	0	631,191	0	0
Central Cafeteria	0	554,315	0	0
Extended School Program	0	87,321	0	0
Basic Education Program	0	984,099	0	0
Debt Service	16,596,072	0	0	0
Capital Projects	8,587	43,615,671	0	0
Self-Insurance	2,936,010	0	0	0
Other Purposes	157,267	191,577	0	0
Unrestricted	(119,355,938)	2,511,713	1,339,242	79,890
Total Net Assets	<u>\$ (39,538,221)</u>	<u>\$ 147,803,866</u>	<u>\$ 1,909,954</u>	<u>\$ 79,890</u>

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

Exhibit B

Putnam County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Component Units				Net (Expense) Revenue and Changes in Net Assets	
	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.		
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes		\$	15,891,869		\$	11,689,914	\$	0	\$	0
Property Taxes Levied for Debt Service			6,598,487			0		0		0
Local Option Sales Taxes			2,881,988			14,815,424		0		0
Hotel/Motel Tax			917,069			0		0		0
Litigation Taxes			374,837			0		0		0
Business Tax			848,669			0		0		0
Mineral Severance Tax			179,178			0		0		0
Wholesale Beer Tax			228,300			0		0		0
Other Local Taxes			8,337			3,635		0		0
Grants and Contributions Not Restricted to Specific Programs			1,174,067			39,310,270		110,703		0
Unrestricted Investment Earnings			2,521,814			93,667		59,943		2,216
Miscellaneous			130,077			117,861		0		0
Gain on the Disposal of Capital Assets			9,159			2,185,017		0		0
Insurance Recovery			6,026			0		0		0
Total General Revenues			\$ 31,769,877			\$ 68,215,788		\$ 170,646		\$ 2,216
Extraordinary Item (1)			\$ 0			\$ 1,104,762		\$ 0		\$ 0
Change in Net Assets			\$ 5,771,928			\$ 2,008,377		\$ 256,647		\$ 4,014
Net Assets, July 1, 2008			(47,205,184)			146,240,546		1,653,307		75,876
Prior-period Adjustment			1,895,035			(445,057)		0		0
Net Assets, June 30, 2009			\$ (39,538,221)			\$ 147,803,866		\$ 1,909,954		\$ 79,890

(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.

Exhibit C-1

Putnam County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2009

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Industrial / Economic Development	General Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
<u>ASSETS</u>							
Cash	\$ 100	\$ 0	\$ 0	\$ 0	\$ 172,147	\$ 172,147	\$ 172,247
Equity in Pooled Cash and Investments	5,661,583	855,745	14,137,133	3,193,332	2,367,327	2,367,327	26,215,120
Accounts Receivable	1,646,539	0	35,833	0	160,289	160,289	1,842,661
Allowance for Uncollectibles	(276,988)	0	0	0	(794)	(794)	(277,782)
Due from Other Governments	449,687	0	534,645	0	399,527	399,527	1,383,859
Due from Other Funds	3,118	0	0	0	0	0	3,118
Property Taxes Receivable	12,115,901	390,835	6,911,559	260,557	3,901,558	3,901,558	23,580,410
Allowance for Uncollectible Property Taxes	(400,589)	(12,923)	(230,459)	(8,615)	(127,055)	(127,055)	(779,641)
Prepaid Items	0	0	0	0	22,608	22,608	22,608
Notes Receivable - Long-term	0	1,559,780	4,888,888	0	0	0	6,448,668
Total Assets	\$ 19,199,351	\$ 2,793,437	\$ 26,277,599	\$ 3,445,274	\$ 6,895,607	\$ 6,895,607	\$ 58,611,268
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 86,702	\$ 0	\$ 0	\$ 10,860	\$ 159,271	\$ 159,271	\$ 256,833
Accrued Payroll	0	0	0	0	14,115	14,115	14,115
Payroll Deductions Payable	2	0	0	0	7,397	7,397	7,399
Due to Other Funds	0	0	0	0	3,118	3,118	3,118
Due to Component Units	0	0	0	165,604	0	0	165,604
Due to State of Tennessee	0	0	0	0	228	228	228
Matured Bonds Payable	0	0	15,000	0	0	0	15,000
Deferred Revenue - Current Property Taxes	11,284,698	364,022	6,431,066	242,682	3,640,226	3,640,226	21,962,694
Deferred Revenue - Delinquent Property Taxes	399,310	12,881	232,212	8,587	124,189	124,189	777,179
Other Deferred Revenues	1,210,057	1,559,780	309,701	0	257,015	257,015	3,336,553
Capital Outlay Notes Payable - Long-term	1,555,556	3,333,332	0	0	0	0	4,888,888
Total Liabilities	\$ 14,536,325	\$ 5,270,015	\$ 6,987,979	\$ 427,733	\$ 4,205,559	\$ 4,205,559	\$ 31,427,611

(Continued)

Exhibit C-1

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	
\$	421,004	0	0	1,170,277	93,140	0	1,684,421
Reserved for Encumbrances	68,094	0	0	0	0	0	68,094
Reserved for Drug Court	8,930	0	0	0	0	0	8,930
Reserved for Sexual Offender Registration	46,831	0	0	0	0	0	46,831
Reserved for Computer System - Register	1,675	0	0	0	0	0	1,675
Reserved for Automation Purposes - Circuit Court	16,507	0	0	0	0	0	16,507
Reserved for Automation Purposes - General Sessions Court	6,130	0	0	0	0	0	6,130
Reserved for Automation Purposes - Juvenile Court	2,104	0	0	0	0	0	2,104
Reserved for Automation Purposes - Chancery Court	6,996	0	0	0	0	0	6,996
Reserved for Automation Purposes - County Clerk	0	0	4,888,888	0	0	0	4,888,888
Reserved for Long-term Notes Receivable	0	0	0	0	0	0	0
Reserved for Other General Purposes	0	0	0	0	28,886	0	28,886
Unreserved, Reported In:							
General Fund	4,084,755	0	0	0	0	0	4,084,755
Special Revenue Funds (Deficit)	0	(2,476,578)	0	0	0	2,568,022	91,444
Debt Service Funds	0	0	14,400,732	0	0	0	14,400,732
Capital Projects Funds	0	0	0	1,847,264	0	0	1,847,264
Total Fund Balances	4,663,026	(2,476,578)	19,289,620	3,017,541	2,690,048	0	27,183,657
Total Liabilities and Fund Balances	19,199,351	2,793,437	26,277,599	3,445,274	6,895,607	58,611,268	

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, 2009

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)		\$ 27,183,657
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 9,609,169	
Add: construction in progress	12,115,420	
Add: buildings and improvements net of accumulated depreciation	12,661,025	
Add: infrastructure net of accumulated depreciation	29,520,309	
Add: other capital assets net of accumulated depreciation	4,870,373	
Add: Putnam County Public Library:		
building improvements net of accumulated depreciation	414,254	
other capital assets net of accumulated depreciation	249,616	
Add: Parks, Recreation, and Conservation Board:		
buildings and improvements net of accumulated depreciation	164,245	
other capital assets net of accumulated depreciation	<u>211,919</u>	69,816,330
(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.		2,936,010
(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	\$ (139,745,000)	
Less: landfill postclosure care costs	(413,219)	
Add: deferred charges - debt issuance costs	661,786	
Less: compensated absences payable	(211,397)	
Less: accrued interest on bonds	(3,235,461)	
Less: other deferred revenue - premium on debt	(560,101)	
Less: other postemployment benefits liability	(50,500)	
Less: Parks, Recreation, and Conservation Board:		
compensated absences payable	<u>(34,058)</u>	(143,587,950)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>4,113,732</u>
Net assets of governmental activities (Exhibit A)		<u>\$ (39,538,221)</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, 2009

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Industrial/ Economic Development	General Debt Service	General Capital Projects	Other			
					Governmental Funds	Funds		
Revenues								
Local Taxes	\$ 13,181,611	\$ 371,409	\$ 9,944,406	\$ 247,610	\$ 4,011,111	\$ 27,756,147		
Licenses and Permits	245,380	0	0	0	0	245,380		
Fines, Forfeitures, and Penalties	652,286	0	0	0	54,012	706,298		
Charges for Current Services	2,988,814	0	0	0	953,639	3,942,453		
Other Local Revenues	866,603	201,999	2,119,149	101,928	316,515	3,606,194		
Fees Received from County Officials	3,644,231	0	0	0	0	3,644,231		
State of Tennessee	2,720,861	0	0	0	2,238,861	4,959,722		
Federal Government	219,540	0	0	0	0	219,540		
Other Governments and Citizens Groups	176,131	0	0	0	433,156	609,287		
Total Revenues	\$ 24,695,457	\$ 573,408	\$ 12,063,555	\$ 349,538	\$ 8,007,294	\$ 45,689,252		
Expenditures								
Current:								
General Government	\$ 3,630,469	\$ 0	\$ 0	\$ 144,969	\$ 59,740	\$ 3,835,178		
Finance	1,731,434	0	0	41,409	44	1,772,887		
Administration of Justice	2,259,979	0	0	0	376	2,260,355		
Public Safety	9,524,257	0	0	0	72,118	9,596,375		
Public Health and Welfare	4,929,351	0	0	11,356,604	3,724,582	20,010,537		
Social, Cultural, and Recreational Services	195,960	0	0	0	1,938,109	2,134,069		
Agriculture and Natural Resources	220,802	0	0	0	0	220,802		
Other Operations	2,227,637	169,908	0	4,962	59,616	2,462,123		
Highways	0	0	0	0	3,743,488	3,743,488		
Debt Service:								
Principal on Debt	0	0	5,495,000	0	0	5,495,000		
Interest on Debt	35,000	0	6,806,537	0	0	6,841,537		
Other Debt Service	0	0	194,014	0	0	194,014		
Capital Projects	0	0	0	46,500	0	46,500		
Capital Projects - Donated	0	0	0	306,274	0	306,274		
Total Expenditures	\$ 24,754,889	\$ 169,908	\$ 12,495,551	\$ 11,900,718	\$ 9,598,073	\$ 58,919,139		

(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	Other Govern- mental Funds		
Excess (Deficiency) of Revenues Over Expenditures	\$ (59,432)	\$ 403,500	\$ (431,996)	\$ (11,551,180)	\$ (1,590,779)	\$ (13,229,887)	
Other Financing Sources (Uses)							
Refunding Debt Issued	\$ 0	\$ 0	\$ 2,340,000	\$ 0	\$ 0	\$ 2,340,000	
Insurance Recovery	932	0	0	0	4,600	5,532	
Transfers In	175,000	0	0	0	1,209,793	1,384,793	
Transfers Out	(1,209,793)	0	(175,000)	0	0	(1,384,793)	
Payments to Refunded Debt Escrow Agent	0	0	(2,362,197)	0	0	(2,362,197)	
Total Other Financing Sources (Uses)	\$ (1,033,861)	\$ 0	\$ (197,197)	\$ 0	\$ 1,214,393	\$ (16,665)	
Net Change in Fund Balances	\$ (1,093,293)	\$ 403,500	\$ (629,193)	\$ (11,551,180)	\$ (376,386)	\$ (13,246,552)	
Fund Balance, July 1, 2008	5,756,319	(2,880,078)	19,918,813	14,568,721	3,066,434	40,430,209	
Fund Balance, June 30, 2009	\$ 4,663,026	\$ (2,476,578)	\$ 19,289,620	\$ 3,017,541	\$ 2,690,048	\$ 27,183,657	

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, 2009

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)	\$	(13,246,552)
<p>(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:</p>		
Add: capital assets purchased in the current period	\$	13,973,402
Less: current year depreciation expense		(2,011,872)
Putnam County Public Library:		
Add: capital assets purchased in the current period		178,689
Less: current year depreciation expense		(101,013)
Parks, Recreation, and Conservation Board:		
Add: capital assets purchased in the current period		106,109
Less: current year depreciation expense		(45,681)
		12,099,634
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.</p>		
Add: assets donated and capitalized	\$	2,010,153
Less: loss on disposal of capital assets		(841)
		2,009,312
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2009	\$	4,113,732
Less: deferred delinquent property taxes and other deferred June 30, 2008		(3,536,295)
		577,437
<p>(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:</p>		
Less: refunding bond proceeds	\$	(2,340,000)
Add: change in premium on debt issuances		42,030
Add: change in deferred debt issuance costs		(13,584)
Add: principal payments on bonds		5,495,000
Add: payments to refunding agent		2,313,087
		5,496,533
<p>(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.</p>		
Change in accrued interest payable	\$	(1,522,576)
Change in landfill postclosure care costs		132,490
Change in compensated absences payable		69,349
Change in other postemployment benefits liability		(50,500)
Parks, Recreation, and Conservation Board:		
Change in compensated absences payable		(1,308)
		(1,372,545)
<p>(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.</p>		
		208,109
Change in net assets of governmental activities (Exhibit B)	\$	5,771,928

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, 2009

	Governmental Activities - Internal Service Fund <hr/> Self-Insurance Fund <hr/>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 15,358
Equity in Pooled Cash and Investments	<u>3,834,593</u>
Total Assets	<u>\$ 3,849,951</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Claims and Judgments Payable	\$ 913,941
Total Liabilities	<u>\$ 913,941</u>
<u>NET ASSETS</u>	
Unrestricted	<u>\$ 2,936,010</u>
Total Net Assets	<u><u>\$ 2,936,010</u></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, 2009

	Governmental Activities - Internal Service Fund <hr/> Self-Insurance Fund <hr/>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 1,533,254
Refunds	131
Total Operating Revenues	<hr/> \$ 1,533,385 <hr/>
<u>Operating Expenses</u>	
General Government	\$ 173,377
Finance	25,611
Administration of Justice	24,744
Public Safety	108,149
Public Health and Welfare	152,026
Social, Cultural, and Recreational Services	1,679
Agriculture and Natural Resources	1,302
Other Operations	261,466
Highways	149,908
Education - Support Services	462,706
Total Operating Expenses	<hr/> \$ 1,360,968 <hr/>
Operating Income (Loss)	<hr/> \$ 172,417 <hr/>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 35,198
Insurance Recovery	494
Total Nonoperating Revenue	<hr/> \$ 35,692 <hr/>
Change in Net Assets	\$ 208,109
Net Assets, July 1, 2008	2,660,353
Prior-period Adjustment	<hr/> 67,548 <hr/>
Net Assets, June 30, 2009	<hr/> <hr/> \$ 2,936,010 <hr/> <hr/>

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, 2009

	Governmental Activities - Internal Service Fund <u>Self-Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-insurance Premiums	\$ 1,533,254
Receipts for Refunds	131
Payments for Administrative Costs and Premiums	(1,165,011)
Payments for Claims	(170,867)
Payments for Legal Costs	(32,932)
Payments for Other Charges	(1,542)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 163,033</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Insurance Recovery	\$ 494
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 494</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 35,198
Net Cash Provided By (Used In) Investing Activities	<u>\$ 35,198</u>
Net Increase (Decrease) in Cash	\$ 198,725
Cash, July 1, 2008	<u>3,651,226</u>
Cash, June 30, 2009	<u><u>\$ 3,849,951</u></u>
<u>Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 172,417
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>(9,384)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 163,033</u></u>
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Cash per Net Assets	\$ 15,358
Equity in Pooled Cash and Investments per Net Assets	<u>3,834,593</u>
Cash, June 30, 2009	<u><u>\$ 3,849,951</u></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, 2009

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,812,955
Equity in Pooled Cash and Investments	139,763
Accounts Receivable	7,425
Due from Other Governments	<u>1,960,806</u>
Total Assets	<u>\$ 3,920,949</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 1,939,977
Due to Litigants, Heirs, and Others	1,820,380
Due to Joint Venture	<u>160,592</u>
Total Liabilities	<u>\$ 3,920,949</u>

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

PUTNAM COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

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.

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 the 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.

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 major construction and renovation projects.

Additionally, Putnam County reports the following fund types:

Internal Service Fund – The Self-Insurance Fund accounts for the self-insured general liability, automobile liability, property, casualty, and workers’ compensation programs managed by the county for the primary government and the 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; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all Putnam County funds (excluding the Public Library and the Sports and Recreation funds, special revenue funds) and the Putnam County School Department. 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. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

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

All ambulance service and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.73 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 discretely presented Putnam County School Department's General Capital Projects 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 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 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, employees have 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 payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, and landfill postclosure care costs, 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, 2009, Putnam County had \$123,845,000 in outstanding debt for capital purposes for the Putnam County School Department. This debt is a liability of Putnam County, but the capital assets acquired are reported in the financial statements of the Putnam County School Department. Therefore, Putnam County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specified purpose.

7. Prior-period Adjustments

A prior-period adjustment of \$1,895,035 was recognized in the primary government's statement of activities. This prior-period adjustment resulted from: 1) an increase to the value of capital assets of \$179,470 at June 30, 2008. The historical values of capital assets estimated by the primary government were understated at June 30, 2008; 2) a total of \$67,548 was recognized in the Self-Insurance Fund to reduce outstanding claims liability as of July 1, 2008. Claims included in the estimate of outstanding claims liability at June 30, 2008, were settled without payments by the county; and 3) a total of \$1,648,017 was recognized for a change in the method of accumulating landfill postclosure care costs.

A prior-period adjustment was recognized in the discretely presented School Department's statement of activities (\$445,057) to decrease the value of capital assets at June 30, 2008. The historical values of capital assets estimated by the School Department were understated at June 30, 2008.

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 and the Constitutional Officers - Fees funds (special revenue funds), 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 had a deficit in unreserved fund balance of \$2,476,578 as of June 30, 2009. This deficit resulted from the recognition of a long-term liability of \$3,333,332 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 discretely presented School Department's School Federal Projects Fund had a deficit in unreserved fund balance of \$165,267 at June 30, 2009. This deficit resulted from expenditures exceeding grant funds requested and received. This deficit was liquidated subsequent to June 30, 2009, when federal grant revenues were received.

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; deposits at state and federal chartered banks and savings and loans associations; bonds of any

state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; 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, 2009, Putnam County had the following investments carried at cost. Investments were 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	Cost
State Treasurer's Investment Pool	Daily	\$ 60,212,712

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, 2009, Putnam County's investment in the State Treasurer's Investment pool was unrated.

B. Notes Receivable

Notes receivable in the Industrial/Economic Development Fund (\$1,559,780) 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 \$1,410,897.

Notes receivable in the General Debt Service Fund (\$4,888,888) resulted from the issuance of interfund loans to the Industrial/Development (\$3,333,332) and General (\$1,555,556) funds. The amount of the notes not expected to be collected within one year is \$4,138,888.

C. Capital Assets

Capital assets activity for the year ended June 30, 2009, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	\$ 9,407,506	\$ 201,663	\$ 0	\$ 9,609,169
Construction in Progress	765,286	11,350,134	0	12,115,420
Total Capital Assets Not Depreciated	\$ 10,172,792	\$ 11,551,797	\$ 0	\$ 21,724,589
Capital Assets Depreciated:				
Buildings and Improvements	\$ 16,446,225	\$ 1,029,096	\$ 0	\$ 17,475,321
Roads and Bridges	44,395,268	2,568,237	0	46,963,505
Other Capital Assets	11,873,188	934,592	(16,826)	12,790,954
Total Capital Assets Depreciated	\$ 72,714,681	\$ 4,531,925	\$ (16,826)	\$ 77,229,780
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,544,088	\$ 270,208	\$ 0	\$ 4,814,296
Roads and Bridges	16,492,903	950,293	0	17,443,196
Other Capital Assets	7,223,896	712,670	(15,985)	7,920,581
Total Accumulated Depreciation	\$ 28,260,887	\$ 1,933,171	\$ (15,985)	\$ 30,178,073
Total Capital Assets Depreciated, Net	\$ 44,453,794	\$ 2,598,754	\$ (841)	\$ 47,051,707
Governmental Activities Capital Assets, Net	\$ 54,626,586	\$ 14,150,551	\$ (841)	\$ 68,776,296

Increases include prior-period adjustments of \$179,470 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	\$ 66,409
Administration of Justice	167,785
Public Safety	349,258
Public Health and Welfare	281,347
Social, Cultural, and Recreational Services	177,594
Agriculture and Natural Resources	5,620
Highways/Public Works	<u>1,110,553</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 2,158,566</u></u>

Discretely Presented Putnam County School Department

Governmental Activities:

	Restated			
	Balance			Balance
	7-1-08	Increases	Decreases	6-30-09
Capital Assets Not Depreciated:				
Land	\$ 5,236,257	\$ 80,562	\$ (278,844)	\$ 5,037,975
Construction in Progress	2,434,894	16,935,973	0	19,370,867
Total Capital Assets				
Not Depreciated	\$ 7,671,151	\$ 17,016,535	\$ (278,844)	\$ 24,408,842
Capital Assets Depreciated:				
Buildings and Improvements	\$ 97,677,485	\$ 0	\$ (2,064,302)	\$ 95,613,183
Other Capital Assets	4,736,269	439,378	(896,325)	4,279,322
Total Capital Assets				
Depreciated	\$ 102,413,754	\$ 439,378	\$ (2,960,627)	\$ 99,892,505

Governmental Activities: (Cont.)

	Restated			Balance
	Balance	Increases	Decreases	Balance
	7-1-08			6-30-09
Less Accumulated Depreciation For: Buildings and Improvements	\$ 22,631,056	\$ 1,731,209	\$ (1,283,532)	\$ 23,078,733
Other Capital Assets	2,751,801	290,663	(1,047,829)	1,994,635
Total Accumulated Depreciation	\$ 25,382,857	\$ 2,021,872	\$ (2,331,361)	\$ 25,073,368
Total Capital Assets Depreciated, Net	\$ 77,030,897	\$ (1,582,494)	\$ (629,266)	\$ 74,819,137
Governmental Activities Capital Assets, Net	\$ 84,702,048	\$ 15,434,041	\$ (908,110)	\$ 99,227,979

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

Governmental Activities:

Instruction	\$ 1,767,371
Support Services	<u>254,501</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,021,872</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 \$1,104,762 were received during the year to restore Jere Whitson Elementary School. This revenue is presented as an extraordinary item in the government-wide financial statements.

E. Construction Commitments

At June 30, 2009, the General Capital Projects Fund had uncompleted construction contracts of approximately \$856,664 for a new EMS Building and Health Department buildings. Funding has been received for these future expenditures.

At June 30, 2009, the discretely presented General Purpose School Fund had uncompleted tile contracts of approximately \$165,300 for Baxter Elementary School (\$81,700) and Cane Creek Elementary School (\$83,600). Funding will be received from the primary government's General Capital Projects Fund.

At June 30, 2009, the discretely presented Other Capital Projects Fund had uncompleted construction contracts of approximately \$31,065,883 for Algood Elementary (\$2,248,478), Renovations at the Old Algood School (\$373,629), Prescott South K-8 (\$28,079,944), and Jere Whitson (\$363,832). Funding has been received for these future expenditures.

At June 30, 2009, the discretely presented General Capital Projects Fund had uncompleted construction contracts of approximately \$87,151 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, 2009, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 3,118
Discretely Presented Putnam County School Department:		
General Purpose School	Nonmajor governmental	43,374

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.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Discretely Presented Putnam County School Department:		
General Purpose School	Primary Government: General Capital Projects	\$ 165,604

Interfund Transfers:

Interfund transfers for the year ended June 30, 2009, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Fund	Nonmajor Governmental Funds
General	\$ 0	\$ 1,209,793
General Debt Service	175,000	0
Total	\$ 175,000	\$ 1,209,793

Discretely Presented Putnam County School Department

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental funds	\$ 674,186

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

The county made a one-time transfer of \$175,000 from the General Debt Service Fund to the General Fund to purchase an extrication truck.

G. Operating Leases

During the year, the School Department sold Prescott Middle School to Tennessee Technological University. The sale included an option to lease the building back to the School Department for up to three years until the new school is completed. The rent expenditures for the year ended June 30, 2009, were \$81,875 for the governmental funds.

H. Capital Leases

Discretely Presented Putnam County School Department

On September 26, 2008, the School Department entered into a three-year lease-purchase agreement for 400 laptop computers. The terms of the agreement require total lease payments of \$506,606 plus interest of 5.02 percent. Title to the computers transfers to the School Department at

the end of the lease period. The lease payments are made from the General Purpose School Fund. This lease-purchase agreement was not entered into in compliance with state statutes.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

Year Ending June 30	Governmental Funds
2010	\$ 177,206
2011	177,206
Total Minimum Lease Payments	\$ 354,412
Less: Amount Representing Interest	(25,012)
Present Value of Minimum Lease Payments	<u>\$ 329,400</u>

I. 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, 2009, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds	4 to 5.5%	\$ 108,800,000	\$ 73,800,000
General Obligation Bonds - Refunding	2.125 to 5.5	92,025,000	65,945,000

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2009, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 6,025,000	\$ 6,578,770	\$ 12,603,770
2011	6,570,000	6,298,659	12,868,659
2012	7,080,000	6,000,501	13,080,501
2013	6,245,000	5,682,186	11,927,186
2014	6,550,000	5,401,938	11,951,938
2015-2019	40,130,000	21,811,268	61,941,268
2020-2024	37,145,000	12,151,716	49,296,716
2025-2028	30,000,000	3,547,500	33,547,500
Total	<u>\$ 139,745,000</u>	<u>\$ 67,472,538</u>	<u>\$ 207,217,538</u>

There is \$14,400,732 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$2,567, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

	Bonds	Compensated Absences
Balance, July 1, 2008	\$ 145,205,000	\$ 280,836
Additions	2,340,000	219,529
Deductions	(7,800,000)	(288,968)
Balance, June 30, 2009	<u>\$ 139,745,000</u>	<u>\$ 211,397</u>
Balance Due Within One Year	<u>\$ 6,025,000</u>	<u>\$ 49,895</u>

	Other Postemployment Benefits	Landfill Postclosure Care Costs
Balance, July 1, 2008	\$ 0	\$ 2,193,726
Additions	70,400	0
Deductions	(19,900)	(132,490)
Prior-period Adjustments	0	(1,648,017)
Balance, June 30, 2009	\$ 50,500	\$ 413,219
Balance Due Within One Year	\$ 0	\$ 132,490

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 140,454,174
Less: Balance Due Within One Year	<u>(6,231,694)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 134,222,480</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.

Advance or Current Refunding

On March 31, 2009, Putnam County advance refunded a general obligation bond issue. The county issued \$2,340,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next four years will be reduced by \$48,504, and the economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$45,571 will be obtained.

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, 2009, 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	13,300,000

Discretely Presented Putnam County School Department

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2008	\$ 0	\$ 185,913	\$ 525,354
Additions	506,606	112,741	1,166,794
Deductions	(177,206)	(130,669)	(515,317)
Balance, June 30, 2009	<u>\$ 329,400</u>	<u>\$ 167,985</u>	<u>\$ 1,176,831</u>
Balance Due Within One Year	<u>\$ 160,670</u>	<u>\$ 65,306</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 1,674,216
Less: Balance Due Within One Year	<u>(225,976)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,448,240</u>

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

J. 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, 2009, were \$183,438 and \$57,000, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

K. 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 subsequently will 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
Land	\$ 195,000	0 %	6-19-06	6-19-09
Extrication Truck	175,000	0	6-30-09	6-30-12
			Paid and/or Issued During	Matured During
	Outstanding 7-1-08	During Period	During Period	Outstanding 6-30-09
Land	\$ 65,000	\$ 0	\$ (65,000)	\$ 0
Extrication Truck	0	175,000	0	175,000
Total	\$ 65,000	\$ 175,000	\$ (65,000)	\$ 175,000

Internally reported notes receivable from idle funds loaned from the General Debt Service Fund will be paid by the Industrial/Economic Development Fund (\$3,333,332) and the General Fund (\$1,555,556). Amounts financed are presented as a long-term liability in the governmental funds. Internally reported notes receivable at June 30, 2009, 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
			Paid and/or Matured	
		Outstanding	During	Outstanding
		7-1-08	Period	6-30-09
General Debt Service Fund:				
Land	\$ 3,888,888	\$ (555,556)	\$	3,333,332
Building	1,750,000	(194,444)		1,555,556
Total	\$ 5,638,888	\$ (750,000)	\$	4,888,888

L. Short-term Debt

During the year, Putnam County issued tax anticipation notes of \$2,000,000 in advance of property tax collections and deposited the proceeds in the General Purpose School Fund. The School Department issued revenue anticipation notes of \$500,000 in advance of grant revenues and deposited the proceeds in the School Federal Projects Fund. These funds were necessary because funds were not available to meet the current expenditures of the funds. These notes were properly retired by June 30, 2009.

	Balance 7-1-08	Issued	Redeemed	Balance 6-30-09
Tax and Revenue				
Anticipation Notes	\$ 0	\$ 2,500,000	\$ (2,500,000)	\$ 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 and the discretely presented Putnam County School Department’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
2007-2008	\$ 1,188,248	\$ 185,295	\$ (382,670)	\$ 990,873
2008-2009	990,873	93,935	(170,867)	913,941

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 (primary government only); Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

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 were 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, Putnam County 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. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Putnam County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Putnam County could have pollution remediation liabilities in subsequent years.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income (loss). GASB Statement No. 52 had no effect on the financial statements of Putnam County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Putnam County could have endowment investments in subsequent years.

C. Subsequent Event

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.

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 2007-08 fiscal year. A final determination is pending.

E. Landfill Postclosure Care Costs

Putnam County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Putnam County closed its sanitary landfill in 2000. The \$413,219 reported as postclosure care liability at June 30, 2009, represents amounts based on what it would cost to perform all postclosure care in 2009. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. A prior-period adjustment of \$1,648,017 was recognized in the financial statements of this report due to a change in the method of acquiring postclosure care costs information.

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 \$298,376 to the Cookeville - Putnam County Emergency Management Agency for the year ended June 30, 2009.

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 serves a one-year term and rotates among the four participating governments in a prescribed order. Each participant retains a 25 percent ownership in the airport. Putnam County contributed \$28,000 to the Upper Cumberland Regional Airport for the year ended June 30, 2009.

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, 2009.

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, 2009.

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 \$20,000 to the operations of the authority during the year ended June 30, 2009.

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 administrative offices at the following addresses:

Administrative Offices:

Cookeville - Putnam County Emergency Management Agency
700 County Services Drive
Cookeville, TN 38501

Upper Cumberland Regional Airport
700 Airport Road
Sparta, TN 38583

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 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, 2009, was 9.77 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, 2009, Putnam County's annual pension cost of \$2,371,343 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Putnam County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 12 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
6-30-09	\$2,371,343	100%	\$0
6-30-08	2,234,723	100	0
6-30-07	2,022,341	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 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 SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at 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, 2009, was 6.42 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, 2009, 2008, and 2007, were \$2,324,699, \$2,175,089, and \$1,979,998, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Primary Government

Plan Description

Putnam County participates in a commercial postemployment benefits plan administered by Blue Cross/Blue Shield of Tennessee for medical benefits for retirees. For accounting purposes, the plan is a single employer defined benefit OPEB plan. Benefits are established and amended by the County Commission.

Funding Policy

The plan is purchased commercially and financed on a pay-as-you-go basis. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums. Eligibility is based upon age and years of service. Full-time employees with 30 years service are eligible regardless of age, and full-time employees with 20 year service are eligible at age 60. Retirees are responsible for 100 percent of the premium for either single or family coverage.

Annual OPEB Cost and Net OPEB Obligation

	<u>Commercial Plan</u>
ARC	\$ 70,400
Interest on the NPO	0
Adjustment to the ARC	<u>0</u>
Annual OPEB cost	\$ 70,400
Amount of contribution	<u>(19,900)</u>
Increase/decrease in NPO	\$ 50,500
Net OPEB obligation, 7-1-08	<u>0</u>
Net OPEB obligation, 6-30-09	<u><u>\$ 50,500</u></u>

Fiscal Year Ended*	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Primary Government Plan	\$ 70,400	28%	\$ 50,500

* Data only available for one year.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

	<u>Commercial Plan</u>
Actuarial valuation date	6-30-09
Actuarial accrued liability (AAL)	\$ 603,300
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 603,300
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 9,618,200
UAAL as a % of covered payroll	6%

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, 2009, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a four percent investment rate of return and an annual healthcare cost trend rate of 15.2 percent for pre-Medicare coverage and Medicare Supplement in 2009 and ten percent in 2010. This rate decreases .5 percent annually until an ultimate rate of 5.5 percent is reached. The unfunded actuarial accrued liability is being amortized over a 30-year period beginning July 1, 2008.

Discretely Presented Putnam County School Department

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://tn.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, expenditures totaling \$515,317 were recognized for postemployment health care by the Putnam County School Department.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 1,120,144
Interest on the NPO	23,641
Adjustment to the ARC	23,009
	<hr/>
Annual OPEB cost	\$ 1,166,794
Amount of contribution	(515,317)
	<hr/>
Increase/decrease in NPO	\$ 651,477
Net OPEB obligation, 7-1-08	525,354
	<hr/>
Net OPEB obligation, 6-30-09	<u>\$ 1,176,831</u>

Fiscal 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
6-30-09 "	1,166,794	44	1,176,831

* Data only available for two years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-07
Actuarial accrued liability (AAL)	\$ 13,905,834
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 13,905,834
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 33,863,415
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 July 1, 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 \$10,000 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, 2009, 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, 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.

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, 2009, 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 \$250,000.

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 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 fund 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, 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 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, 2009:

Checking - Operating Account	\$ 57,244
Checking - Payroll Account	3,287
Checking - Soccer Account	<u>12,175</u>
Total	<u><u>\$ 72,706</u></u>

At June 30, 2009, the carrying amount of the Putnam County Parks, Recreation, and Conservation Board's cash deposits was \$72,706. 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, 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, 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.

H. Capital Assets

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

<u>Assets</u>	<u>Balance</u> <u>7-1-08</u>	<u>Additions</u>	<u>Balance</u> <u>6-30-09</u>
Improvements	\$ 94,067	\$ 93,744	\$ 187,811
Equipment	181,030	12,365	193,395
Park Fixtures	79,093	0	79,093
Vehicles	119,948	0	119,948
Office Equipment	15,585	0	15,585
Total	<u>\$ 489,723</u>	<u>\$ 106,109</u>	<u>\$ 595,832</u>

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

Assets	Balance 7-1-08	Depreciation Expense	Balance 6-30-09
Improvements	\$ 10,367	\$ 13,201	\$ 23,568
Equipment	95,675	15,409	111,084
Park Fixtures	11,445	5,559	17,004
Vehicles	44,468	10,372	54,840
Office Equipment	12,033	1,139	13,172
Total	\$ 173,988	\$ 45,680	\$ 219,668

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	2009 Depreciation
Building/Improvements	S/L	5	\$ 7,441
Office Equipment	S/L	5	769
Communications Equipment	S/L	4-7	36,687
Vehicle	S/L	5	<u>30,919</u>
Total			<u><u>\$ 75,816</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, 2009:

Checking - Bank of Putnam County	\$ 20,000
Money Market - Bank of Putnam County	387,480
Certificates of Deposit - Bank of Putnam County	<u>725,000</u>
Total	<u><u>\$ 1,132,480</u></u>

At June 30, 2009, the carrying amount of the Putnam County Emergency Communications District’s cash deposits was \$1,132,480. The district’s deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 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, 2009. 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, 2009:

Assets	Cost	Accumulated Depreciation	Net
<u>Depreciable Assets</u>			
Building/Improvements	\$ 77,659	\$ 73,111	\$ 4,548
Office Equipment	3,844	1,474	2,370
Communications Equipment	737,512	708,165	29,347
Vehicle	51,742	51,742	0
Total Depreciable	<u>\$ 870,757</u>	<u>\$ 834,492</u>	<u>\$ 36,265</u>
<u>Non-Depreciable</u>			
Construction in Progress	\$ 534,448	\$ 0	\$ 534,448
Total	<u>\$ 1,405,205</u>	<u>\$ 834,492</u>	<u>\$ 570,713</u>

Assets	Balance 7-1-08	Additions	Balance 6-30-09
<u>Depreciable Assets</u>			
Building/Improvements	\$ 77,659	\$ 0	\$ 77,659
Office Equipment	3,844	0	3,844
Communications Equipment	737,512	0	737,512
Vehicle	51,742	0	51,742
Total Depreciable	<u>\$ 870,757</u>	<u>\$ 0</u>	<u>\$ 870,757</u>
<u>Non-Depreciable</u>			
Construction in Progress	\$ 0	\$ 534,448	\$ 534,448
Total	<u>\$ 870,757</u>	<u>\$ 534,448</u>	<u>\$ 1,405,205</u>

Putnam County Emergency Communications District purchased equipment for some county agencies that assist 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 \$44,861 for the radios, which comprises 49 percent of small equipment purchases expense, \$18,475 for the sheriff a recorder, which comprises 20 percent of small equipment purchases expense, and

\$14,574 for computers, which comprises 16 percent of small equipment purchases expense, and other small equipment, which comprises the remaining 15 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	\$ 22,888
Miscellaneous Wireless Charges	<u>4,720</u>
Subtotal	\$ 27,608
State Emergency Communications Board	<u>164,478</u>
Total	<u><u>\$ 192,086</u></u>

G. Compensated Absences

There were no employees at June 30, 2009, 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	\$ 570,712
Current and Non-Current Debt	<u>0</u>
Invested in Capital Assets	<u><u>\$ 570,712</u></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, 2009, 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, 2009, deposits of Putnam County Agricultural and Industrial Fair, Inc., consisted of the following:

Checking - operating	\$ 24,985
Checking - special events	1,962
Checking - premiums	(3,273)
Checking - farmer for a day	1,695
Certificate of deposit	11,769
Certificate of deposit	11,214
Certificate of deposit	11,663
Certificate of deposit	<u>23,003</u>
Total	<u>\$ 83,018</u>

At June 30, 2009, the carrying amount of the Putnam County Agricultural and Industrial Fair, Inc.'s, cash deposits was \$83,018. The fair's deposit accounts are covered up to \$250,000 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 2008.

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, 2009.

**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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 13,181,611	\$ 0	\$ 0	\$ 13,181,611	\$ 13,249,896	\$ 13,249,896	\$ (68,285)
Licenses and Permits	245,380	0	0	245,380	304,000	304,000	(58,620)
Fines, Forfeitures, and Penalties	652,286	0	0	652,286	607,500	607,500	44,786
Charges for Current Services	2,988,814	0	0	2,988,814	2,812,000	2,943,829	44,985
Other Local Revenues	866,603	0	0	866,603	1,311,000	1,328,969	(462,366)
Fees Received from County Officials	3,644,231	0	0	3,644,231	3,722,000	3,722,000	(77,769)
State of Tennessee	2,720,861	0	0	2,720,861	2,796,486	2,809,835	(88,974)
Federal Government	219,540	0	0	219,540	181,580	243,880	(24,340)
Other Governments and Citizens Groups	176,131	0	0	176,131	430,000	231,352	(55,221)
Total Revenues	\$ 24,695,457	\$ 0	\$ 0	\$ 24,695,457	\$ 25,414,462	\$ 25,441,261	\$ (745,804)

Expenditures

General Government							
County Commission	\$ 154,583	\$ 0	\$ 0	\$ 154,583	\$ 146,395	\$ 155,688	\$ 1,105
Beer Board	1,990	0	0	1,990	2,000	2,000	10
County Mayor/Executive	350,315	(1,740)	1,368	349,943	283,518	354,852	4,909
County Attorney	124,710	0	0	124,710	131,000	131,000	6,290
Election Commission	398,841	(8,870)	6,305	396,276	337,977	400,249	3,973
Register of Deeds	247,216	(442)	8,979	255,753	251,553	299,970	44,217
Development	22,750	0	0	22,750	25,800	25,800	3,050
Codes Compliance	157,927	(114)	0	157,813	133,800	170,585	12,772
Geographical Information Systems	28,559	(630)	3,783	31,712	42,700	43,715	12,003
County Buildings	1,926,860	(13,431)	69,893	1,983,322	1,751,054	2,048,663	65,341
Other Facilities	216,217	(1,413)	12,096	226,900	193,500	331,648	104,748
Preservation of Records	501	(501)	0	0	0	0	0

(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 7/1/2008	Add: Encumbrances 6/30/2009	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	\$ 479,371	\$ 0	\$ 0	\$ 479,371	\$ 385,638	\$ 490,284	\$ 10,913
County Trustee's Office	363,806	(304)	0	363,502	290,289	367,625	4,123
County Clerk's Office	777,295	(647)	3,419	780,067	635,757	802,235	22,168
Other Finance	110,962	0	0	110,962	89,014	112,476	1,514
<u>Administration of Justice</u>							
Circuit Court	1,161,142	(11,614)	3,420	1,152,948	894,509	1,157,680	4,732
General Sessions Court	415,603	(168)	450	415,885	344,093	417,048	1,163
Drug Court	58,979	0	0	58,979	70,000	86,749	27,770
Chancery Court	304,121	(1,050)	0	303,071	255,464	334,569	31,498
Juvenile Court	226,382	(1,343)	92	225,131	184,710	228,100	2,969
District Attorney General	0	0	0	0	198,648	0	0
Judicial Commissioners	67,688	0	445	68,133	53,600	68,579	446
Other Administration of Justice	26,064	0	631	26,695	31,456	33,451	6,756
<u>Public Safety</u>							
Sheriff's Department	4,524,700	(19,710)	58,067	4,563,057	3,432,086	4,609,591	46,534
Jail	3,038,312	(41,775)	51,331	3,047,868	2,849,250	3,274,139	226,271
Workhouse	67,448	(695)	1,654	68,407	56,270	72,099	3,692
Juvenile Services	699,024	(2,388)	1,855	698,491	533,650	705,604	7,113
Commissary	101,921	(3,359)	1,436	99,998	100,000	100,000	2
Fire Prevention and Control	554,433	(291,249)	17,473	280,657	376,835	440,857	160,200
Civil Defense	351,345	0	0	351,345	337,841	360,824	9,479
Other Emergency Management	118,794	0	2,516	121,310	142,580	151,080	29,770
County Coroner/Medical Examiner	68,280	(2,094)	6,850	73,036	65,250	73,750	714

(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 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare</u>							
Local Health Center	\$ 172,718	\$ (15,731)	\$ 97,179	\$ 254,166	\$ 279,004	\$ 283,500	\$ 29,334
Ambulance/Emergency Medical Services	3,659,787	(16,856)	63,412	3,706,343	3,058,400	3,944,260	237,917
Other Local Health Services	34,476	0	7,753	42,229	37,800	44,741	2,512
Regional Mental Health Center	15,000	0	0	15,000	15,000	15,000	0
General Welfare Assistance	11,000	0	0	11,000	11,000	11,000	0
Aid to Dependent Children	7,953	0	0	7,953	8,000	8,000	47
Sanitation Management	0	0	0	0	0	32,500	32,500
Other Public Health and Welfare	1,028,417	(1,165)	222	1,027,474	1,029,500	1,242,315	214,841
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	75,332	0	0	75,332	74,917	95,332	20,000
Libraries	0	0	0	0	388,450	0	0
Parks and Fair Boards	115,628	0	0	115,628	861,500	116,775	1,147
Other Social, Cultural, and Recreational	5,000	0	0	5,000	105,000	105,000	100,000
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	170,169	0	0	170,169	166,686	171,495	1,326
Forest Service	1,500	0	0	1,500	1,500	1,500	0
Soil Conservation	49,133	0	0	49,133	50,900	62,989	13,856
<u>Other Operations</u>							
Tourism	121,362	0	0	121,362	157,708	157,708	36,346
Industrial Development	25,000	0	0	25,000	25,000	25,000	0
Airport	28,000	0	0	28,000	28,000	28,000	0
Veterans' Services	31,648	0	75	31,723	31,850	36,655	4,932
Contributions to Other Agencies	1,353,883	(1,115,625)	0	238,258	211,857	246,302	8,044
Employee Benefits	14,416	0	0	14,416	4,249,650	380,304	365,888

(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 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Miscellaneous	\$ 653,328	\$ 0	\$ 300	\$ 653,628	\$ 1,498,584	\$ 1,001,397	\$ 347,769
Interest on Debt	35,000	0	0	35,000	0	35,000	0
General Government							
Total Expenditures	\$ 24,754,889	\$ (1,552,914)	\$ 421,004	\$ 23,622,979	\$ 26,916,543	\$ 25,895,683	\$ 2,272,704
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ (59,432)	\$ 1,552,914	\$ (421,004)	\$ 1,072,478	\$ (1,502,081)	\$ (454,422)	\$ 1,526,900
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 335,000	\$ 335,000	\$ (335,000)
Insurance Recovery	932	0	0	932	0	0	932
Transfers In	175,000	0	0	175,000	65,000	65,000	110,000
Transfers Out	(1,209,793)	0	0	(1,209,793)	(229,444)	(1,404,237)	194,444
Total Other Financing Sources (Uses)	\$ (1,033,861)	\$ 0	\$ 0	\$ (1,033,861)	\$ 170,556	\$ (1,004,237)	\$ (29,624)
Net Change in Fund Balance	\$ (1,093,293)	\$ 1,552,914	\$ (421,004)	\$ 38,617	\$ (1,331,525)	\$ (1,458,659)	\$ 1,497,276
Fund Balance, July 1, 2008	5,756,319	(1,552,914)	0	4,203,405	6,044,849	6,044,849	(1,841,444)
Fund Balance, June 30, 2009	\$ 4,663,026	\$ 0	\$ (421,004)	\$ 4,242,022	\$ 4,713,324	\$ 4,586,190	\$ (344,168)

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 371,409	\$ 374,701	\$ 374,701	\$ (3,292)
Other Local Revenues	201,999	0	225,083	(23,084)
Other Governments and Citizens Groups	0	225,083	0	0
Total Revenues	<u>\$ 573,408</u>	<u>\$ 599,784</u>	<u>\$ 599,784</u>	<u>\$ (26,376)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 162,464	\$ 110,000	\$ 202,466	\$ 40,002
Miscellaneous	7,444	8,250	8,250	806
<u>Capital Projects</u>				
Other General Government Projects	0	48,310	48,310	48,310
Total Expenditures	<u>\$ 169,908</u>	<u>\$ 166,560</u>	<u>\$ 259,026</u>	<u>\$ 89,118</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 403,500</u>	<u>\$ 433,224</u>	<u>\$ 340,758</u>	<u>\$ 62,742</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	\$ 403,500	\$ (122,332)	\$ (214,798)	\$ 618,298
Fund Balance, July 1, 2008	<u>(2,880,078)</u>	<u>3,436,294</u>	<u>3,436,294</u>	<u>(6,316,372)</u>
Fund Balance, June 30, 2009	<u>\$ (2,476,578)</u>	<u>\$ 3,313,962</u>	<u>\$ 3,221,496</u>	<u>\$ (5,698,074)</u>

Exhibit F-3

Putnam County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Putnam County School Department
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-09	7-1-07	\$ 43,011	\$ 52,044	\$ 9,033	82.64 %	\$ 21,066	42.88 %
6-30-08	7-1-07	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 2007-08 year; therefore, data is only presented for two years.

Exhibit F-4

Putnam County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Putnam County School Department
June 30, 2009

(Dollar amounts in thousands)

Plan	Fiscal Year End	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Government Group*	6-30-09	6-30-09	\$ 0	\$ 603	603	0 %	\$ 9,618	6 %
Local Education Group**	6-30-08	7-1-07	0	14,878	14,878	0	36,097	41
"	6-30-09	7-1-07	0	14,878	14,878	0	36,097	41

* Data only available for one year.

**Data only available for two years.

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PUTNAM COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2009

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 \$2,476,578 as of June 30, 2009. This deficit resulted from the recognition of a long-term liability of \$3,333,332 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.

Special Purpose Fund – The Special Purpose Fund is used to account for transactions of the Putnam County Archive and Veterans' Hall.

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

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

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

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

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

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Exhibit G-1

Putnam County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2009

	Special Revenue Funds				
	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Sports and Recreation
<u>ASSETS</u>					
Cash	\$ 96,323	\$ 0	\$ 0	\$ 0	72,706
Equity in Pooled Cash and Investments	0	1,606,319	14,633	75,726	0
Accounts Receivable	0	160,289	0	0	0
Allowance for Uncollectibles	0	(794)	0	0	0
Due from Other Governments	0	7,947	0	0	0
Property Taxes Receivable	0	2,729,051	0	0	0
Allowance for Uncollectible Property Taxes	0	(88,288)	0	0	0
Prepaid Items	16,519	0	0	0	6,089
Total Assets	\$ 112,842	\$ 4,414,524	\$ 14,633	\$ 75,726	\$ 78,795
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 9,702	\$ 135,873	\$ 0	\$ 0	13,696
Accrued Payroll	8,419	0	0	0	5,696
Payroll Deductions Payable	6,328	0	0	0	0
Due to Other Funds	0	0	0	0	0
Due to State of Tennessee	228	0	0	0	0
Deferred Revenue - Current Property Taxes	0	2,548,158	0	0	0
Deferred Revenue - Delinquent Property Taxes	0	85,543	0	0	0
Other Deferred Revenues	0	85,397	0	0	0
Total Liabilities	\$ 24,677	\$ 2,854,971	\$ 0	\$ 0	19,392
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 0	\$ 93,140	\$ 0	\$ 0	0
Reserved for Other General Purposes	28,886	0	0	0	0
Unreserved	59,279	1,466,413	14,633	75,726	59,403
Total Fund Balances	\$ 88,165	\$ 1,559,553	\$ 14,633	\$ 75,726	\$ 59,403
Total Liabilities and Fund Balances	\$ 112,842	\$ 4,414,524	\$ 14,633	\$ 75,726	\$ 78,795

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds (Cont.)</u>			Total Nonmajor Governmental Funds
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	
<u>ASSETS</u>				
Cash	\$ 0	\$ 3,118	\$ 0	\$ 172,147
Equity in Pooled Cash and Investments	14,329	0	656,320	2,367,327
Accounts Receivable	0	0	0	160,289
Allowance for Uncollectibles	0	0	0	(794)
Due from Other Governments	0	0	391,580	399,527
Property Taxes Receivable	0	0	1,172,507	3,901,558
Allowance for Uncollectible Property Taxes	0	0	(38,767)	(127,055)
Prepaid Items	0	0	0	22,608
Total Assets	<u>\$ 14,329</u>	<u>\$ 3,118</u>	<u>\$ 2,181,640</u>	<u>\$ 6,895,607</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 159,271
Accrued Payroll	0	0	0	14,115
Payroll Deductions Payable	0	0	1,069	7,397
Due to Other Funds	0	3,118	0	3,118
Due to State of Tennessee	0	0	0	228
Deferred Revenue - Current Property Taxes	0	0	1,092,068	3,640,226
Deferred Revenue - Delinquent Property Taxes	0	0	38,646	124,189
Other Deferred Revenues	0	0	171,618	257,015
Total Liabilities	<u>\$ 0</u>	<u>\$ 3,118</u>	<u>\$ 1,303,401</u>	<u>\$ 4,205,559</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 93,140
Reserved for Other General Purposes	0	0	0	28,886
Unreserved	14,329	0	878,239	2,568,022
Total Fund Balances	<u>\$ 14,329</u>	<u>\$ 0</u>	<u>\$ 878,239</u>	<u>\$ 2,690,048</u>
Total Liabilities and Fund Balances	<u>\$ 14,329</u>	<u>\$ 3,118</u>	<u>\$ 2,181,640</u>	<u>\$ 6,895,607</u>

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, 2009

	Special Revenue Funds				
	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Sports and Recreation
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 2,606,752	\$ 0	\$ 0	\$ 92,300
Fines, Forfeitures, and Penalties	0	0	0	15,493	0
Charges for Current Services	38,056	788,344	52,200	0	74,523
Other Local Revenues	1,451	228,434	18,036	13,000	43,470
State of Tennessee	0	24,436	0	15,718	0
Other Governments and Citizens Groups	410,998	0	0	0	20,620
Total Revenues	\$ 450,505	\$ 3,647,966	\$ 70,236	\$ 44,211	\$ 230,913
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 59,708	\$ 0	\$ 0
Finance	0	0	0	0	0
Administration of Justice	0	0	0	0	0
Public Safety	0	0	0	40,228	0
Public Health and Welfare	0	3,724,582	0	0	0
Social, Cultural, and Recreational Services	905,299	0	0	0	1,032,810
Other Operations	0	59,616	0	0	0
Highways	0	0	0	0	0
Total Expenditures	\$ 905,299	\$ 3,784,198	\$ 59,708	\$ 40,228	\$ 1,032,810
Excess (Deficiency) of Revenues Over Expenditures	\$ (454,794)	\$ (136,232)	\$ 10,528	\$ 3,983	\$ (801,897)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	388,450	0	4,105	0	817,238
Total Other Financing Sources (Uses)	\$ 388,450	\$ 0	\$ 4,105	\$ 0	\$ 817,238
Net Change in Fund Balances	\$ (66,344)	\$ (136,232)	\$ 14,633	\$ 3,983	\$ 15,341
Fund Balance, July 1, 2008	154,509	1,695,785	0	71,743	44,062
Fund Balance, June 30, 2009	\$ 88,165	\$ 1,559,553	\$ 14,633	\$ 75,726	\$ 59,403

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)			Total Nonmajor Governmental Funds
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 0	\$ 1,312,059	\$ 4,011,111
Fines, Forfeitures, and Penalties	38,519	0	0	54,012
Charges for Current Services	0	516	0	953,639
Other Local Revenues	0	0	12,124	316,515
State of Tennessee	0	0	2,198,707	2,238,861
Other Governments and Citizens Groups	1,538	0	0	433,156
Total Revenues	<u>\$ 40,057</u>	<u>\$ 516</u>	<u>\$ 3,522,890</u>	<u>\$ 8,007,294</u>
<u>Expenditures</u>				
Current:				
General Government	\$ 0	\$ 32	\$ 0	\$ 59,740
Finance	0	44	0	44
Administration of Justice	0	376	0	376
Public Safety	31,826	64	0	72,118
Public Health and Welfare	0	0	0	3,724,582
Social, Cultural, and Recreational Services	0	0	0	1,938,109
Other Operations	0	0	0	59,616
Highways	0	0	3,743,488	3,743,488
Total Expenditures	<u>\$ 31,826</u>	<u>\$ 516</u>	<u>\$ 3,743,488</u>	<u>\$ 9,598,073</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 8,231</u>	<u>\$ 0</u>	<u>\$ (220,598)</u>	<u>\$ (1,590,779)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 4,600	\$ 4,600
Transfers In	0	0	0	1,209,793
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,600</u>	<u>\$ 1,214,393</u>
Net Change in Fund Balances	\$ 8,231	\$ 0	\$ (215,998)	\$ (376,386)
Fund Balance, July 1, 2008	<u>6,098</u>	<u>0</u>	<u>1,094,237</u>	<u>3,066,434</u>
Fund Balance, June 30, 2009	<u>\$ 14,329</u>	<u>\$ 0</u>	<u>\$ 878,239</u>	<u>\$ 2,690,048</u>

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 38,056	\$ 39,010	\$ 39,010	\$ (954)
Other Local Revenues	1,451	1,451	1,451	0
Other Governments and Citizens Groups	410,998	343,347	408,347	2,651
Total Revenues	<u>\$ 450,505</u>	<u>\$ 383,808</u>	<u>\$ 448,808</u>	<u>\$ 1,697</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 905,299	\$ 756,230	\$ 906,980	\$ 1,681
Total Expenditures	<u>\$ 905,299</u>	<u>\$ 756,230</u>	<u>\$ 906,980</u>	<u>\$ 1,681</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (454,794)</u>	<u>\$ (372,422)</u>	<u>\$ (458,172)</u>	<u>\$ 3,378</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 388,450	\$ 388,450	\$ 388,450	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 388,450</u>	<u>\$ 388,450</u>	<u>\$ 388,450</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (66,344)	\$ 16,028	\$ (69,722)	\$ 3,378
Fund Balance, July 1, 2008	154,509	154,509	154,509	0
Fund Balance, June 30, 2009	<u>\$ 88,165</u>	<u>\$ 170,537</u>	<u>\$ 84,787</u>	<u>\$ 3,378</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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,606,752	\$ 0	\$ 0	\$ 2,606,752	\$ 2,602,662	\$ 2,602,662	\$ 4,090
Charges for Current Services	788,344	0	0	788,344	725,000	725,000	63,344
Other Local Revenues	228,434	0	0	228,434	340,000	340,000	(111,566)
State of Tennessee	24,436	0	0	24,436	40,000	40,000	(15,564)
Total Revenues	\$ 3,647,966	\$ 0	\$ 0	\$ 3,647,966	\$ 3,707,662	\$ 3,707,662	\$ (59,696)
<u>Expenditures</u>							
Public Health and Welfare	\$ 3,095,463	\$ (158,123)	\$ 89,870	\$ 3,027,210	\$ 3,295,342	\$ 3,295,342	\$ 268,132
Sanitation Management	64,504	0	0	64,504	108,600	108,600	44,096
Landfill Operation and Maintenance	432,125	0	3,270	435,395	518,535	518,535	83,140
Other Waste Disposal	132,490	0	0	132,490	154,050	154,050	21,560
Postclosure Care Costs	59,616	0	0	59,616	62,000	62,000	2,384
Miscellaneous	3,784,198	(158,123)	93,140	3,719,215	4,138,527	4,138,527	419,312
Total Expenditures	\$ (136,232)	\$ 158,123	\$ (93,140)	\$ (71,249)	\$ (430,865)	\$ (430,865)	\$ 359,616
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (136,232)	\$ 158,123	\$ (93,140)	\$ (71,249)	\$ (430,865)	\$ (430,865)	\$ 359,616
Net Change in Fund Balance	1,695,785	(158,123)	0	1,537,662	1,884,165	1,884,165	(346,503)
Fund Balance, July 1, 2008	\$ 1,559,553	\$ 0	\$ (93,140)	\$ 1,466,413	\$ 1,453,300	\$ 1,453,300	\$ 13,113
Fund Balance, June 30, 2009							

Exhibit G-5

Putnam County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 52,200	\$ 50,000	\$ 50,000	\$ 2,200
Other Local Revenues	18,036	10,000	10,000	8,036
Total Revenues	<u>\$ 70,236</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 10,236</u>
<u>Expenditures</u>				
<u>General Government</u>				
Preservation of Records	\$ 59,708	\$ 41,600	\$ 60,583	\$ 875
Total Expenditures	<u>\$ 59,708</u>	<u>\$ 41,600</u>	<u>\$ 60,583</u>	<u>\$ 875</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 10,528</u>	<u>\$ 18,400</u>	<u>\$ (583)</u>	<u>\$ 11,111</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 4,105	\$ 0	\$ 4,105	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 4,105</u>	<u>\$ 0</u>	<u>\$ 4,105</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 14,633	\$ 18,400	\$ 3,522	\$ 11,111
Fund Balance, July 1, 2008	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30, 2009	<u><u>\$ 14,633</u></u>	<u><u>\$ 18,400</u></u>	<u><u>\$ 3,522</u></u>	<u><u>\$ 11,111</u></u>

Exhibit G-6

Putnam County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 15,493	\$ 22,500	\$ 22,500	\$ (7,007)
Other Local Revenues	13,000	0	0	13,000
State of Tennessee	15,718	0	0	15,718
Total Revenues	<u>\$ 44,211</u>	<u>\$ 22,500</u>	<u>\$ 22,500</u>	<u>\$ 21,711</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 40,228	\$ 70,500	\$ 70,500	\$ 30,272
Total Expenditures	<u>\$ 40,228</u>	<u>\$ 70,500</u>	<u>\$ 70,500</u>	<u>\$ 30,272</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,983</u>	<u>\$ (48,000)</u>	<u>\$ (48,000)</u>	<u>\$ 51,983</u>
Net Change in Fund Balance	\$ 3,983	\$ (48,000)	\$ (48,000)	\$ 51,983
Fund Balance, July 1, 2008	71,743	70,893	70,893	850
Fund Balance, June 30, 2009	<u>\$ 75,726</u>	<u>\$ 22,893</u>	<u>\$ 22,893</u>	<u>\$ 52,833</u>

Exhibit G-7

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 92,300	\$ 96,500	\$ 96,500	\$ (4,200)
Charges for Current Services	74,523	110,500	108,517	(33,994)
Other Local Revenues	43,470	52,750	55,524	(12,054)
Other Governments and Citizens Groups	20,620	20,600	20,620	0
Total Revenues	<u>\$ 230,913</u>	<u>\$ 280,350</u>	<u>\$ 281,161</u>	<u>\$ (50,248)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Parks and Fair Boards	\$ 1,032,810	\$ 1,063,150	\$ 1,035,185	\$ 2,375
Total Expenditures	<u>\$ 1,032,810</u>	<u>\$ 1,063,150</u>	<u>\$ 1,035,185</u>	<u>\$ 2,375</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (801,897)</u>	<u>\$ (782,800)</u>	<u>\$ (754,024)</u>	<u>\$ (47,873)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 817,238	\$ 720,500	\$ 720,738	\$ 96,500
Total Other Financing Sources (Uses)	<u>\$ 817,238</u>	<u>\$ 720,500</u>	<u>\$ 720,738</u>	<u>\$ 96,500</u>
Net Change in Fund Balance	\$ 15,341	\$ (62,300)	\$ (33,286)	\$ 48,627
Fund Balance, July 1, 2008	<u>44,062</u>	<u>44,062</u>	<u>44,062</u>	<u>0</u>
Fund Balance, June 30, 2009	<u>\$ 59,403</u>	<u>\$ (18,238)</u>	<u>\$ 10,776</u>	<u>\$ 48,627</u>

Exhibit G-8

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,312,059	\$ 0	\$ 1,312,059	\$ 1,342,099	\$ 1,342,099	\$ (30,040)
Other Local Revenues	12,124	0	12,124	1,000	1,000	11,124
State of Tennessee	2,198,707	0	2,198,707	2,978,151	2,978,151	(779,444)
Total Revenues	\$ 3,522,890	\$ 0	\$ 3,522,890	\$ 4,321,250	\$ 4,321,250	\$ (798,360)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 289,611	\$ 0	\$ 289,611	\$ 299,321	\$ 299,321	\$ 9,710
Highway and Bridge Maintenance	2,403,874	0	2,403,874	2,549,080	2,549,080	145,206
Operation and Maintenance of Equipment	250,037	0	250,037	319,933	319,933	69,896
Other Charges	178,615	0	178,615	190,008	190,008	11,393
Capital Outlay	621,351	(164,377)	456,974	1,218,222	1,218,222	761,248
Total Expenditures	\$ 3,743,488	\$ (164,377)	\$ 3,579,111	\$ 4,576,564	\$ 4,576,564	\$ 997,453
Excess (Deficiency) of Revenues Over Expenditures	\$ (220,598)	\$ 164,377	\$ (56,221)	\$ (255,314)	\$ (255,314)	\$ 199,093
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 4,600	\$ 0	\$ 4,600	\$ 0	\$ 0	\$ 4,600
Total Other Financing Sources (Uses)	\$ 4,600	\$ 0	\$ 4,600	\$ 0	\$ 0	\$ 4,600
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (215,998)	\$ 164,377	\$ (51,621)	\$ (255,314)	\$ (255,314)	\$ 203,693
Fund Balance, July 1, 2008	1,094,237	(164,377)	929,860	1,114,325	1,114,325	(184,465)
Fund Balance, June 30, 2009	\$ 878,239	\$ 0	\$ 878,239	\$ 859,011	\$ 859,011	\$ 19,228

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 Fund

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 9,944,406	\$ 9,592,766	\$ 9,592,766	\$ 351,640
Other Local Revenues	2,119,149	1,065,000	1,065,120	1,054,029
Total Revenues	<u>\$ 12,063,555</u>	<u>\$ 10,657,766</u>	<u>\$ 10,657,886</u>	<u>\$ 1,405,669</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 100,000	\$ 0	\$ 100,000	\$ 0
Education	5,395,000	11,568,962	5,395,060	60
<u>Interest on Debt</u>				
General Government	681,625	0	681,625	0
Education	6,124,912	0	6,124,912	0
<u>Other Debt Service</u>				
Education	194,014	180,000	206,913	12,899
<u>Capital Projects</u>				
Public Safety Projects	0	781,625	0	0
Total Expenditures	<u>\$ 12,495,551</u>	<u>\$ 12,530,587</u>	<u>\$ 12,508,510</u>	<u>\$ 12,959</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (431,996)</u>	<u>\$ (1,872,821)</u>	<u>\$ (1,850,624)</u>	<u>\$ 1,418,628</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 2,340,000	\$ 0	\$ 2,340,000	\$ 0
Transfers In	0	785,000	785,000	(785,000)
Transfers Out	(175,000)	(400,000)	(400,000)	225,000
Payments to Refunded Debt Escrow Agent	(2,362,197)	0	(2,362,197)	0
Total Other Financing Sources (Uses)	<u>\$ (197,197)</u>	<u>\$ 385,000</u>	<u>\$ 362,803</u>	<u>\$ (560,000)</u>
Net Change in Fund Balance	\$ (629,193)	\$ (1,487,821)	\$ (1,487,821)	\$ 858,628
Fund Balance, July 1, 2008	<u>19,918,813</u>	<u>18,839,324</u>	<u>18,839,324</u>	<u>1,079,489</u>
Fund Balance, June 30, 2009	<u>\$ 19,289,620</u>	<u>\$ 17,351,503</u>	<u>\$ 17,351,503</u>	<u>\$ 1,938,117</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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 247,610	\$ 0	\$ 0	\$ 247,610	\$ 247,114	\$ 247,114	\$ 496
Other Local Revenues	101,928	0	0	101,928	250,000	250,000	(148,072)
Total Revenues	\$ 349,538	\$ 0	\$ 0	\$ 349,538	\$ 497,114	\$ 497,114	\$ (147,576)
<u>Expenditures</u>							
<u>General Government</u>							
County Buildings	\$ 144,969	\$ 0	\$ 313,633	\$ 458,602	\$ 0	\$ 644,840	\$ 186,238
Finance	41,409	0	0	41,409	0	900,000	858,591
County Clerk's Office							
Public Health and Welfare	4,640,003	(936,799)	351,224	4,054,428	2,500,000	5,100,000	1,045,572
Local Health Center	6,716,601	(1,372,258)	505,420	5,849,763	3,650,000	6,818,000	968,237
Ambulance/Emergency Medical Services							
Other Operations	4,962	0	0	4,962	8,000	8,000	3,038
Miscellaneous							
Capital Projects	46,500	0	0	46,500	0	46,500	0
Social, Cultural, and Recreation Projects							
Capital Projects - Donated							
Capital Projects Donated to School Department	306,274	(192,990)	0	113,284	0	165,604	52,320
Total Expenditures	\$ 11,900,718	\$ (2,502,047)	\$ 1,170,277	\$ 10,568,948	\$ 6,158,000	\$ 13,682,944	\$ 3,113,996
Excess (Deficiency) of Revenues Over Expenditures	\$ (11,551,180)	\$ 2,502,047	\$ (1,170,277)	\$ (10,219,410)	\$ (5,660,886)	\$ (13,185,830)	\$ 2,966,420
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (11,551,180)	\$ 2,502,047	\$ (1,170,277)	\$ (10,219,410)	\$ (5,660,886)	\$ (13,185,830)	\$ 2,966,420
	14,568,721	(2,502,047)	0	12,066,674	14,402,002	14,402,002	(2,335,328)
Fund Balance, June 30, 2009	\$ 3,017,541	\$ 0	\$ (1,170,277)	\$ 1,847,264	\$ 8,741,116	\$ 1,216,172	\$ 631,092

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, 2009

	Agency Funds					Total
	Cities - Sales Tax	Constituti- onal Officers - Agency	Other Agency	Judicial District Drug		
<u>ASSETS</u>						
Cash	\$ 0	\$ 1,812,955	\$ 0	\$ 0	\$ 0	\$ 1,812,955
Equity in Pooled Cash and Investments	0	0	17,979	121,784		139,763
Accounts Receivable	0	7,425	0	0	0	7,425
Due from Other Governments	1,939,977	0	0	20,829		1,960,806
Total Assets	<u>\$ 1,939,977</u>	<u>\$ 1,820,380</u>	<u>\$ 17,979</u>	<u>\$ 142,613</u>	<u>\$ 0</u>	<u>\$ 3,920,949</u>
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 1,939,977	0	0	0	0	\$ 1,939,977
Due to Litigants, Heirs, and Others	0	1,820,380	0	0	0	1,820,380
Due to Joint Ventures	0	0	17,979	142,613		160,592
Total Liabilities	<u>\$ 1,939,977</u>	<u>\$ 1,820,380</u>	<u>\$ 17,979</u>	<u>\$ 142,613</u>	<u>\$ 0</u>	<u>\$ 3,920,949</u>

Exhibit I-2

Putnam County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 11,721,649	\$ 11,721,649	\$ 0
Due from Other Governments	2,052,105	1,939,977	2,052,105	1,939,977
Total Assets	\$ 2,052,105	\$ 13,661,626	\$ 13,773,754	\$ 1,939,977
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,052,105	\$ 13,661,626	\$ 13,773,754	\$ 1,939,977
Total Liabilities	\$ 2,052,105	\$ 13,661,626	\$ 13,773,754	\$ 1,939,977
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,092,161	\$ 23,315,694	\$ 23,594,900	\$ 1,812,955
Accounts Receivable	1,020	7,425	1,020	7,425
Total Assets	\$ 2,093,181	\$ 23,323,119	\$ 23,595,920	\$ 1,820,380
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,093,181	\$ 23,323,119	\$ 23,595,920	\$ 1,820,380
Total Liabilities	\$ 2,093,181	\$ 23,323,119	\$ 23,595,920	\$ 1,820,380
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 10,517	\$ 121,121	\$ 113,659	\$ 17,979
Total Assets	\$ 10,517	\$ 121,121	\$ 113,659	\$ 17,979
<u>Liabilities</u>				
Due to Joint Ventures	\$ 10,517	\$ 121,121	\$ 113,659	\$ 17,979
Total Liabilities	\$ 10,517	\$ 121,121	\$ 113,659	\$ 17,979
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 63,311	\$ 385,576	\$ 327,103	\$ 121,784
Due from Other Governments	9,250	20,829	9,250	20,829
Total Assets	\$ 72,561	\$ 406,405	\$ 336,353	\$ 142,613
<u>Liabilities</u>				
Due to Joint Ventures	\$ 72,561	\$ 406,405	\$ 336,353	\$ 142,613
Total Liabilities	\$ 72,561	\$ 406,405	\$ 336,353	\$ 142,613

(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>				
Cash	\$ 2,092,161	\$ 23,315,694	\$ 23,594,900	\$ 1,812,955
Equity in Pooled Cash and Investments	73,828	12,228,346	12,162,411	139,763
Accounts Receivable	1,020	7,425	1,020	7,425
Due from Other Governments	2,061,355	1,960,806	2,061,355	1,960,806
Total Assets	<u>\$ 4,228,364</u>	<u>\$ 37,512,271</u>	<u>\$ 37,819,686</u>	<u>\$ 3,920,949</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,052,105	\$ 13,661,626	\$ 13,773,754	\$ 1,939,977
Due to Litigants, Heirs, and Others	2,093,181	23,323,119	23,595,920	1,820,380
Due to Joint Ventures	83,078	527,526	450,012	160,592
Total Liabilities	<u>\$ 4,228,364</u>	<u>\$ 37,512,271</u>	<u>\$ 37,819,686</u>	<u>\$ 3,920,949</u>

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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 four 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.

Prescott Capital Projects Fund – The Prescott Capital Projects Fund is used to account for proceeds from the sale of Prescott Central Middle School.

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, 2009

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total Governmental Activities	
Governmental Activities:						
Instruction	\$ 48,184,394	\$ 0	\$ 5,595,938	\$ 153,759	\$ (42,434,697)	
Support Services	25,458,050	211,380	1,445,304	224,547	(23,576,819)	
Operation of Non-Instructional Services	7,785,989	2,417,079	3,707,333	373,322	(1,288,255)	
Interest on Long-term Debt	12,402	0	0	0	(12,402)	
Total Governmental Activities	\$ 81,440,835	\$ 2,628,459	\$ 10,748,575	\$ 751,628	\$ (67,312,173)	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 11,689,914	
Local Option Sales Tax					14,815,424	
Other Local Taxes					3,635	
Grants and Contributions Not Restricted to Specific Programs					39,310,270	
Unrestricted Investment Earnings					93,667	
Miscellaneous					117,861	
Gain on the Disposal of Capital Assets					2,185,017	
Total General Revenues					\$ 68,215,788	
Extraordinary Item (1)					\$ 1,104,762	
Change in Net Assets					\$ 2,008,377	
Net Assets, July 1, 2008					146,240,546	
Prior-period Adjustment					(445,057)	
Net Assets, June 30, 2009					\$ 147,803,866	

(1) Proceeds from the insurance carrier for relocating students and resuming operations at Jere Whitson Elementary School following a fire on March 17, 2008.

Exhibit J-2

Putnam County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Putnam County School Department
June 30, 2009

	Major Funds		Nonmajor Funds	Total Govern- mental Funds
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 4,508	\$ 4,508
Equity in Pooled Cash and Investments	3,285,785	42,759,524	4,011,828	50,057,137
Accounts Receivable	17,032	0	2,228	19,260
Due from Other Governments	2,839,289	0	578,537	3,417,826
Due from Other Funds	43,374	0	0	43,374
Due from Primary Government	165,604	0	0	165,604
Property Taxes Receivable	12,246,180	0	0	12,246,180
Allowance for Uncollectible Property Taxes	(404,896)	0	0	(404,896)
Total Assets	\$ 18,192,368	\$ 42,759,524	\$ 4,597,101	\$ 65,548,993
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 143,555	\$ 55,963	\$ 165,327	\$ 364,845
Accrued Payroll	749,735	0	252,409	1,002,144
Payroll Deductions Payable	518,030	878	86,453	605,361
Contracts Payable	1,000	1,552,544	182,036	1,735,580
Retainage Payable	0	119,777	9,366	129,143
Due to Other Funds	0	0	43,374	43,374
Deferred Revenue - Current Property Taxes	11,406,041	0	0	11,406,041
Deferred Revenue - Delinquent Property Taxes	403,614	0	0	403,614
Other Deferred Revenues	1,509,751	0	148,567	1,658,318
Total Liabilities	\$ 14,731,726	\$ 1,729,162	\$ 887,532	\$ 17,348,420
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 263,782	\$ 31,375,550	\$ 265,357	\$ 31,904,689
Reserved for Driver Education	55,477	0	0	55,477
Reserved for Career Ladder - Extended Contract	102,916	0	0	102,916
Reserved for Career Ladder Program	33,184	0	0	33,184
Reserved for Basic Education Program	984,099	0	0	984,099
Reserved for Title I Grants to Local Education Agencies	0	0	325,497	325,497
Reserved for Innovative Education Program Strategies	0	0	83,401	83,401
Reserved for Special Education - Grants to States	0	0	38,397	38,397
Other Federal Reserves	0	0	153,182	153,182
Unreserved, Reported In:				
General Fund	2,021,184	0	0	2,021,184
Special Revenue Funds	0	0	405,970	405,970
Capital Projects Funds	0	9,654,812	2,437,765	12,092,577
Total Fund Balances	\$ 3,460,642	\$ 41,030,362	\$ 3,709,569	\$ 48,200,573
Total Liabilities and Fund Balances	\$ 18,192,368	\$ 42,759,524	\$ 4,597,101	\$ 65,548,993

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, 2009

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)		\$	48,200,573
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	5,037,975	
Add: construction in progress		19,370,867	
Add: buildings and improvements net of accumulated depreciation		72,534,450	
Add: other capital assets net of accumulated depreciation		<u>2,284,687</u>	99,227,979
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: capital leases payable	\$	(329,400)	
Less: compensated absences payable		(167,985)	
Less: accrued interest on capital leases		(12,402)	
Less: other postemployment benefits liability		<u>(1,176,831)</u>	(1,686,618)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>2,061,932</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>147,803,866</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, 2009

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 26,496,288	\$ 0	\$ 0	\$ 26,496,288
Licenses and Permits	5,700	0	0	5,700
Charges for Current Services	211,380	0	2,414,954	2,626,334
Other Local Revenues	285,790	0	25,654	311,444
State of Tennessee	40,674,580	0	50,017	40,724,597
Federal Government	489,507	0	9,042,133	9,531,640
Other Governments and Citizens Groups	169,768	0	0	169,768
Total Revenues	<u>\$ 68,333,013</u>	<u>\$ 0</u>	<u>\$ 11,532,758</u>	<u>\$ 79,865,771</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 42,392,693	\$ 0	\$ 3,420,090	\$ 45,812,783
Support Services	23,424,969	0	2,145,775	25,570,744
Operation of Non-Instructional Services	2,329,324	0	5,146,272	7,475,596
Debt Service:				
Principal on Debt	177,206	0	0	177,206
Capital Projects	0	13,866,901	3,175,871	17,042,772
Total Expenditures	<u>\$ 68,324,192</u>	<u>\$ 13,866,901</u>	<u>\$ 13,888,008</u>	<u>\$ 96,079,101</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 8,821	\$ (13,866,901)	\$ (2,355,250)	\$ (16,213,330)
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 506,606	\$ 0	\$ 0	\$ 506,606
Proceeds from Sale of Capital Assets	0	0	2,620,000	2,620,000
Insurance Recovery	0	0	1,104,762	1,104,762
Transfers In	674,186	0	0	674,186
Transfers Out	0	0	(674,186)	(674,186)
Total Other Financing Sources (Uses)	<u>\$ 1,180,792</u>	<u>\$ 0</u>	<u>\$ 3,050,576</u>	<u>\$ 4,231,368</u>
Net Change in Fund Balances	\$ 1,189,613	\$ (13,866,901)	\$ 695,326	\$ (11,981,962)
Fund Balance, July 1, 2008	2,271,029	54,897,263	3,014,243	60,182,535
Fund Balance, June 30, 2009	<u>\$ 3,460,642</u>	<u>\$ 41,030,362</u>	<u>\$ 3,709,569</u>	<u>\$ 48,200,573</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, 2009

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)		\$ (11,981,962)
(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	\$ 17,441,188	
Less: current year depreciation expense	<u>(2,021,872)</u>	15,419,316
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: gain on disposal of capital assets	\$ 2,185,017	
Less: decrease in revenue for the sale of disposed assets	<u>(2,633,345)</u>	(448,328)
(3) 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, 2009	\$ 2,061,932	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(2,067,230)</u>	(5,298)
(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: capital lease proceeds	\$ (506,606)	
Add: principal payments on capital leases	<u>177,206</u>	(329,400)
(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	\$ (12,402)	
Change in compensated absences payable	17,928	
Change in other postemployment benefits liability	<u>(651,477)</u>	<u>(645,951)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 2,008,377</u>

Exhibit J-6

Putnam County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Putnam County School Department
 June 30, 2009

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	General Capital Projects	Education Capital Projects	Prescott Capital Projects	
\$	0 \$	4,508 \$	0 \$	4,508 \$	0 \$	0 \$	0 \$
	590,177	535,078	89,026	1,214,281	55,154	2,430,095	2,797,547
	2,136	0	92	2,228	0	0	0
	517,035	54,975	6,527	578,537	0	0	0
	\$ 1,109,348	\$ 594,561	\$ 95,645	\$ 1,799,554	\$ 55,154	\$ 2,430,095	\$ 2,797,547

ASSETS

Cash							
Equity in Pooled Cash and Investments							4,508
Accounts Receivable				312,298			4,011,828
Due from Other Governments							2,228
							578,537
Total Assets				\$ 312,298	\$ 55,154	\$ 2,430,095	\$ 4,597,101

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>							
Accounts Payable	122,160	21,029	1,302	144,491	0	20,836	165,327
Accrued Payroll	252,409	0	0	252,409	0	0	252,409
Payroll Deductions Payable	65,916	13,515	7,022	86,453	0	0	86,453
Contracts Payable	0	0	0	182,036	0	0	182,036
Retainage Payable	0	0	0	9,366	0	0	9,366
Due to Other Funds	37,672	5,702	0	43,374	0	0	43,374
Other Deferred Revenues	148,567	0	0	148,567	0	0	148,567
Total Liabilities	\$ 626,724	\$ 40,246	\$ 8,324	\$ 675,294	\$ 191,402	\$ 20,836	\$ 887,532

Fund Balances

Reserved for Encumbrances	47,414	69,983	416	117,813	0	26,648	265,357
Reserved for Title I Grants to Local Education Agencies	325,497	0	0	325,497	0	0	325,497
Reserved for Innovative Education Program Strategies	83,401	0	0	83,401	0	0	83,401
Reserved for Special Education - Grants to States	38,397	0	0	38,397	0	0	38,397
Other Federal Reserves	153,182	0	0	153,182	0	0	153,182
Unreserved (Deficit)	(165,267)	484,332	86,905	405,970	0	2,382,611	2,843,735
Total Fund Balances	\$ 482,624	\$ 554,315	\$ 87,321	\$ 1,124,260	\$ 120,896	\$ 55,154	\$ 2,585,309
Total Liabilities and Fund Balances	\$ 1,109,348	\$ 594,561	\$ 95,645	\$ 1,799,554	\$ 312,298	\$ 2,430,095	\$ 4,597,101

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, 2009

	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	Prescott Capital Projects	
<u>Revenues</u>								
Charges for Current Services	\$ 0	\$ 1,688,565	\$ 726,389	\$ 2,414,954	\$ 0	\$ 0	\$ 0	\$ 2,414,954
Other Local Revenues	0	24,171	1,483	25,654	0	0	0	25,654
State of Tennessee	0	50,017	0	50,017	0	0	0	50,017
Federal Government	6,404,044	2,638,089	0	9,042,133	0	0	0	9,042,133
Total Revenues	\$ 6,404,044	\$ 4,400,842	\$ 727,872	\$ 11,532,758	\$ 0	\$ 0	\$ 0	\$ 11,532,758
<u>Expenditures</u>								
Current:								
Instruction	\$ 3,420,090	\$ 0	\$ 0	\$ 3,420,090	\$ 0	\$ 0	\$ 0	\$ 3,420,090
Support Services	2,145,775	0	0	2,145,775	0	0	0	2,145,775
Operation of Non-Instructional Services	385,962	4,028,162	705,030	5,119,154	0	0	27,118	5,146,272
Capital Projects	0	0	0	0	3,074,123	0	101,748	3,175,871
Total Expenditures	\$ 5,951,827	\$ 4,028,162	\$ 705,030	\$ 10,685,019	\$ 3,074,123	\$ 0	\$ 128,866	\$ 3,202,989
Excess (Deficiency) of Revenues Over Expenditures	\$ 452,217	\$ 372,680	\$ 22,842	\$ 847,739	\$ (3,074,123)	\$ 0	\$ (128,866)	\$ (2,355,250)
<u>Other Financing Sources (Uses)</u>								
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,620,000	\$ 0	\$ 2,620,000
Insurance Recovery	0	0	0	0	1,104,762	0	0	1,104,762
Transfers Out	(75,177)	(517,134)	0	(592,311)	0	0	(81,875)	(674,186)
Total Other Financing Sources (Uses)	\$ (75,177)	\$ (517,134)	\$ 0	\$ (592,311)	\$ 1,104,762	\$ 0	\$ 2,538,125	\$ 3,642,887
Net Change in Fund Balances Fund Balance, July 1, 2008	\$ 377,040	\$ (144,454)	\$ 22,842	\$ 255,428	\$ (1,969,361)	\$ 0	\$ 2,409,259	\$ 695,326
Fund Balance, July 1, 2008	105,584	698,769	64,479	868,832	2,090,257	55,154	0	3,014,243
Fund Balance, June 30, 2009	\$ 482,624	\$ 554,315	\$ 87,321	\$ 1,124,260	\$ 120,896	\$ 55,154	\$ 2,409,259	\$ 3,709,569

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 26,496,288	\$ 0	0	\$ 26,496,288	\$ 27,449,667	\$ 27,449,667	\$ (953,379)
Licenses and Permits	5,700	0	0	5,700	6,000	6,000	(300)
Charges for Current Services	211,380	0	0	211,380	252,500	252,500	(41,120)
Other Local Revenues	285,790	0	0	285,790	128,000	160,458	125,332
State of Tennessee	40,674,580	0	0	40,674,580	39,183,038	40,404,550	270,030
Federal Government	489,507	0	0	489,507	362,672	609,700	(120,193)
Other Governments and Citizens Groups	169,768	0	0	169,768	9,000	367,594	(197,826)
Total Revenues	\$ 68,333,013	\$ 0	0	\$ 68,333,013	\$ 67,390,877	\$ 69,250,469	\$ (917,456)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 34,463,186	(24,463)	8,185	\$ 34,446,908	\$ 34,497,660	\$ 34,413,710	\$ (33,198)
Alternative Instruction Program	365,567	0	0	365,567	433,665	433,665	68,098
Special Education Program	6,316,022	0	714	6,316,736	5,860,201	6,355,132	38,396
Vocational Education Program	1,141,744	0	0	1,141,744	1,219,624	1,219,624	77,880
Adult Education Program	106,174	0	1,649	107,823	117,847	135,890	28,067
<u>Support Services</u>							
Attendance	182,442	0	0	182,442	189,612	189,612	7,170
Health Services	808,249	(7,896)	0	800,353	798,217	857,256	56,903
Other Student Support	2,178,726	(2,556)	0	2,176,170	2,234,225	2,218,186	42,016
Regular Instruction Program	1,959,720	(1,037)	0	1,958,683	2,130,757	2,117,980	159,297
Alternative Instruction Program	115,787	0	0	115,787	111,038	116,238	451
Special Education Program	448,559	0	57	448,616	443,326	452,724	4,108
Vocational Education Program	67,865	0	0	67,865	106,855	106,855	38,990
Adult Programs	126,938	(1,519)	0	125,419	138,369	138,369	12,950
Other Programs	240,438	0	0	240,438	0	240,438	0

(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 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Board of Education	\$ 1,422,821	\$ 0	\$ 0	\$ 1,422,821	\$ 1,495,773	\$ 1,443,199	\$ 20,378
Director of Schools	277,589	0	0	277,589	283,588	283,588	5,999
Office of the Principal	4,014,764	0	14,772	4,029,536	3,994,599	4,034,599	5,063
Fiscal Services	570,792	(207)	0	570,585	596,834	603,500	32,915
Human Services/Personnel	79,935	0	0	79,935	79,963	79,963	28
Operation of Plant	5,981,027	0	0	5,981,027	6,414,253	6,341,779	360,752
Maintenance of Plant	1,939,992	(115,598)	214,102	2,038,496	1,965,073	2,314,680	276,184
Transportation	2,311,778	(800)	62	2,311,040	2,532,105	2,541,772	230,732
Central and Other	697,547	0	8,448	705,995	650,244	723,017	17,022
<u>Operation of Non-Instructional Services</u>							
Food Service	188,043	0	0	188,043	187,117	188,067	24
Community Services	611,420	(131,518)	15,793	495,695	50,000	693,173	197,478
Early Childhood Education	1,529,861	(54,614)	0	1,475,247	1,426,432	1,478,622	3,375
<u>Principal on Debt</u>							
Education	177,206	0	0	177,206	0	177,206	0
Total Expenditures	\$ 68,324,192	\$ (340,208)	\$ 263,782	\$ 68,247,766	\$ 67,957,377	\$ 69,898,844	\$ 1,651,078
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,821	\$ 340,208	\$ (263,782)	\$ 85,247	\$ (566,500)	\$ (648,375)	\$ 733,622
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 506,606	\$ 0	\$ 0	\$ 506,606	\$ 0	\$ 0	\$ 506,606
Transfers In	674,186	0	0	674,186	566,500	648,375	25,811
Total Other Financing Sources (Uses)	\$ 1,180,792	\$ 0	\$ 0	\$ 1,180,792	\$ 566,500	\$ 648,375	\$ 532,417
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 1,189,613	\$ 340,208	\$ (263,782)	\$ 1,266,039	\$ 0	\$ 0	\$ 1,266,039
	2,271,029	(340,208)	0	1,930,821	2,214,740	2,214,740	(283,919)
Fund Balance, June 30, 2009	\$ 3,460,642	\$ 0	\$ (263,782)	\$ 3,196,860	\$ 2,214,740	\$ 2,214,740	\$ 982,120

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 6,404,044	\$ 0	\$ 0	\$ 6,404,044	\$ 7,452,432	\$ 7,609,379	\$ (1,205,335)
Total Revenues	\$ 6,404,044	\$ 0	\$ 0	\$ 6,404,044	\$ 7,452,432	\$ 7,609,379	\$ (1,205,335)
Expenditures							
Instruction							
Regular Instruction Program	\$ 1,941,212	\$ (1,478)	\$ 478	\$ 1,940,212	\$ 2,665,359	\$ 2,392,370	\$ 452,158
Alternative Instruction Program	51,444	0	0	51,444	0	58,513	7,069
Special Education Program	1,355,874	0	288	1,356,162	1,351,867	1,514,585	158,423
Vocational Education Program	71,560	(311)	2,761	74,010	81,660	76,910	2,900
Support Services							
Health Services	77,907	0	0	77,907	106,257	103,992	26,085
Other Student Support	137,788	0	0	137,788	133,590	139,388	1,600
Regular Instruction Program	1,327,744	(13,905)	43,887	1,357,726	1,736,028	2,029,646	671,920
Special Education Program	600,592	0	0	600,592	640,519	604,189	3,597
Vocational Education Program	1,744	0	0	1,744	4,000	1,750	6
Transportation	0	0	0	0	12,150	7,850	7,850
Operation of Non-Instructional Services							
Community Services	385,962	0	0	385,962	522,070	522,070	136,108
Total Expenditures	\$ 5,951,827	\$ (15,694)	\$ 47,414	\$ 5,983,547	\$ 7,253,500	\$ 7,451,263	\$ 1,467,716
Excess (Deficiency) of Revenues Over Expenditures	\$ 452,217	\$ 15,694	\$ (47,414)	\$ 420,497	\$ 198,932	\$ 158,116	\$ 262,381

(Continued)

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 (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 344,229	\$ 0	\$ 0
Transfers Out	(75,177)	0	0	(75,177)	(543,161)	(121,992)	46,815
Total Other Financing Sources (Uses)	\$ (75,177)	\$ 0	\$ 0	\$ (75,177)	\$ (198,932)	\$ (121,992)	\$ 46,815
Net Change in Fund Balance	\$ 377,040	\$ 15,694	\$ (47,414)	\$ 345,320	\$ 0	\$ 36,124	\$ 309,196
Fund Balance, July 1, 2008	105,584	(15,694)	0	89,890	0	0	89,890
Fund Balance, June 30, 2009	\$ 482,624	\$ 0	\$ (47,414)	\$ 435,210	\$ 0	\$ 36,124	\$ 399,086

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
						Original	Final	
<u>Revenues</u>								
Charges for Current Services	\$ 1,688,565	\$ 0	\$ 0	\$ 1,688,565	\$ 1,793,300	\$ 1,793,300	\$ (104,735)	
Other Local Revenues	24,171	0	0	24,171	23,600	23,600	571	
State of Tennessee	50,017	0	0	50,017	53,000	53,000	(2,983)	
Federal Government	2,638,089	0	0	2,638,089	2,523,459	2,523,459	114,630	
Total Revenues	\$ 4,400,842	\$ 0	\$ 0	\$ 4,400,842	\$ 4,393,359	\$ 4,393,359	\$ 7,483	
<u>Expenditures</u>								
<u>Operation of Non-Instructional Services</u>								
Food Service	\$ 4,028,162	\$ (5,090)	\$ 69,983	\$ 4,093,055	\$ 4,130,266	\$ 4,130,266	\$ 37,211	
Total Expenditures	\$ 4,028,162	\$ (5,090)	\$ 69,983	\$ 4,093,055	\$ 4,130,266	\$ 4,130,266	\$ 37,211	
Excess (Deficiency) of Revenues Over Expenditures	\$ 372,680	\$ 5,090	\$ (69,983)	\$ 307,787	\$ 263,093	\$ 263,093	\$ 44,694	
<u>Other Financing Sources (Uses)</u>								
Transfers Out	\$ (517,134)	\$ 0	\$ 0	\$ (517,134)	\$ (511,432)	\$ (511,432)	\$ (5,702)	
Total Other Financing Sources (Uses)	\$ (517,134)	\$ 0	\$ 0	\$ (517,134)	\$ (511,432)	\$ (511,432)	\$ (5,702)	
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (144,454)	\$ 5,090	\$ (69,983)	\$ (209,347)	\$ (248,339)	\$ (248,339)	\$ 38,992	
	698,769	(5,090)	0	693,679	622,099	622,099	71,580	
Fund Balance, June 30, 2009	\$ 554,315	\$ 0	\$ (69,983)	\$ 484,332	\$ 373,760	\$ 373,760	\$ 110,572	

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 726,389	\$ 0	\$ 0	\$ 726,389	\$ 852,162	\$ 852,162	\$ (125,773)
Other Local Revenues	1,483	0	0	1,483	0	0	1,483
Total Revenues	\$ 727,872	\$ 0	\$ 0	\$ 727,872	\$ 852,162	\$ 852,162	\$ (124,290)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 705,030	\$ (7,344)	\$ 416	\$ 698,102	\$ 852,162	\$ 852,162	\$ 154,060
Total Expenditures	\$ 705,030	\$ (7,344)	\$ 416	\$ 698,102	\$ 852,162	\$ 852,162	\$ 154,060
Excess (Deficiency) of Revenues Over Expenditures	\$ 22,842	\$ 7,344	\$ (416)	\$ 29,770	\$ 0	\$ 0	\$ 29,770
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 22,842	\$ 7,344	\$ (416)	\$ 29,770	\$ 0	\$ 0	\$ 29,770
Fund Balance, June 30, 2009	\$ 64,479	\$ (7,344)	\$ 0	\$ 57,135	\$ 49,397	\$ 49,397	\$ 7,738
	\$ 87,321	\$ 0	\$ (416)	\$ 86,905	\$ 49,397	\$ 49,397	\$ 37,508

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MISCELLANEOUS SCHEDULES

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Exhibit K-1

Putnam County, Tennessee
 Schedule of Changes in Long-term Capital Leases and Bonds
Primary Government and Discretely Presented Putnam County School Department
 For the Year Ended June 30, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-09
PRIMARY GOVERNMENT									
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
School Refunding School	\$ 6,785,000	4 to 4.3	12-1-1998	4-1-13	\$ 2,845,000	0	\$ 540,000	\$ 2,305,000	0
	35,100,000	4.85 to 5.5	5-18-00	8-1-10	900,000	0	400,000	0	500,000
School Refunding School	35,280,000	4.85 to 5.5	8-1-01	4-1-20	34,005,000	0	65,000	0	33,940,000
School Refunding School	30,105,000	3 to 5	12-1-02	6-30-12	16,580,000	0	3,855,000	0	12,725,000
School Refunding School	7,970,000	2.125 to 4	8-13-04	4-1-19	7,805,000	0	60,000	0	7,745,000
School Refunding School	9,545,000	4.5	10-11-06	10-11-18	9,370,000	0	175,000	0	9,195,000
Public Improvement	16,000,000	4.38	6-7-07	4-1-28	16,000,000	0	100,000	0	15,900,000
School Bonds, Series 2007	57,700,000	4 to 5	9-12-07	4-1-28	57,700,000	0	300,000	0	57,400,000
School Refunding, Series 2009	2,340,000	2.78	3-31-09	4-1-13	0	2,340,000	0	0	2,340,000
Total Bonds Payable					\$ 145,205,000	\$ 2,340,000	\$ 5,495,000	\$ 2,305,000	\$ 139,745,000

DISCRETELY PRESENTED PUTNAM COUNTY SCHOOL DEPARTMENT

CAPITAL LEASES PAYABLE

Payable through General Purpose School Fund
 Laptop Computers

	506,606	5.02	9-26-08	10-10-10	\$ 0	\$ 506,606	\$ 177,206	\$ 0	\$ 329,400
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Exhibit K-2

Putnam County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Putnam County School Department

PRIMARY GOVERNMENT

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	\$ 6,025,000	\$ 6,578,770	\$ 12,603,770
2011	6,570,000	6,298,659	12,868,659
2012	7,080,000	6,000,501	13,080,501
2013	6,245,000	5,682,186	11,927,186
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	2,731,925	9,631,925
2022	7,000,000	2,410,625	9,410,625
2023	7,000,000	2,081,875	9,081,875
2024	7,500,000	1,758,750	9,258,750
2025	7,500,000	1,411,875	8,911,875
2026	7,500,000	1,063,125	8,563,125
2027	7,500,000	714,375	8,214,375
2028	7,500,000	358,125	7,858,125
Total	\$ 139,745,000	\$ 67,472,538	\$ 207,217,538

DISCRETELY PRESENTED PUTNAM
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Capital Lease Principal	Capital Lease Interest	Total Capital Lease Requirements
2010	\$ 160,670	\$ 16,536	\$ 177,206
2011	168,730	8,476	177,206
Total	\$ 329,400	\$ 25,012	\$ 354,412

Exhibit K-3

Putnam County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2009

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance 6-30-09</u>
<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%	\$ 1,559,780
<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	3,333,332
Building	General Fund	1,750,000	6-24-08	6-24-17	2	1,555,556
Total Notes Receivable						<u>\$ 6,448,668</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, 2009

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Public Library	Operations	\$ 388,450
General	Sports and Recreation	Operations	817,238
General	Special Purpose	Transfer archives balance to new fund	4,105
General Debt Service	General	Capital outlay	175,000
Total Transfers Primary Government			<u>\$ 1,384,793</u>
<u>DISCRETELY PRESENTED PUTNAM</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 75,177
Central Cafeteria	General Purpose School	Indirect costs and salary reimbursements	330,000
Central Cafeteria	General Purpose School	Salary reimbursements	187,134
Prescott Capital Projects	General Purpose School	Prescott lease expenditures reimbursed from proceeds from the sale of the school	81,875
Total Transfers Discretely Presented Putnam County School Department			<u>\$ 674,186</u>

Exhibit K-5

Putnam County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Putnam County School Department
For the Year Ended June 30, 2009

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <u>TCA</u> and County Commission	\$ 84,668 (1), (6)	\$ 50,000	Western Surety Company
Road Supervisor	Section 8-24-102, <u>TCA</u> and County Commission	79,436 (1)	100,000	"
Director of Schools	State Board of Education and Putnam County Board of Education	97,951 (4)	(5)	
Trustee	Section 8-24-102, <u>TCA</u> and County Commission	72,214 (1)	2,300,000	Ohio Casualty Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u> and County Commission	72,214 (1)	10,000	Western Surety Company
County Clerk	Section 8-24-102, <u>TCA</u> and County Commission	72,214 (1)	50,000	Cincinnati Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, <u>TCA</u> and County Commission	72,214 (1)	60,000	Western Surety Company
Clerk and Master	Section 8-24-102, <u>TCA</u> and Chancery Court Judge and County Commission	72,214 (1), (2)	85,000	"
Register	Section 8-24-102, <u>TCA</u> and County Commission	72,214 (1)	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u> and County Commission	79,436 (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 \$11,875.
- (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 \$1,000.
- (5) The director of schools is covered by the \$500,000 employee blanket bond.
- (6) Includes additional appropriation of \$1,261.

Putnam County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2009

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 10,848,969	\$ 0	\$ 2,473,681	\$ 363,104	\$ 0	\$ 0
Trustee's Collections - Prior Year	361,435	0	74,928	0	0	0
Circuit/Clerk & Master Collections - Prior Years	93,734	0	24,005	3,429	0	0
Interest and Penalty	31,686	0	8,066	1,152	0	0
Payments in-Lieu-of Taxes - T.V.A.	341	0	87	12	0	0
Payments in-Lieu-of Taxes - Other	1,720	0	388	55	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	270,227	0	0	0	0	0
Litigation Tax - General	300,484	0	0	0	0	0
Litigation Tax - Special Purpose	74,353	0	0	0	0	0
Business Tax	848,669	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	113,356	0	25,597	3,657	0	0
Wholesale Beer Tax	228,300	0	0	0	0	0
Interstate Telecommunications Tax	8,337	0	0	0	0	0
Total Local Taxes	\$ 13,181,611	\$ 0	\$ 2,606,752	\$ 371,409	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise Permits	\$ 112,655	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	106,812	0	0	0	0	0
Electrical Permits	10,634	0	0	0	0	0
Plumbing Permits	11,479	0	0	0	0	0
Other Permits	3,800	0	0	0	0	0
Total Licenses and Permits	\$ 245,380	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds							Drug Control
	General	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose			
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 66,805	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	24,022	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0	5,343
Drug Court Fees	3,468	0	0	0	0	0	0	0
Jail Fees	47,489	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0
Judicial Commissioner Fees	2,195	0	0	0	0	0	0	0
DUI Treatment Fines	21,939	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,675	0	0	0	0	0	0	0
Courtroom Security Fee	1,596	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	83,774	0	0	0	0	0	0	0
Officers Costs	122,929	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0	3,234
Drug Court Fees	8,235	0	0	0	0	0	0	0
Jail Fees	168,456	0	0	0	0	0	0	0
Interpreter Fees	4,920	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0
Judicial Commissioner Fees	3,087	0	0	0	0	0	0	0
DUI Treatment Fines	10,901	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	27,709	0	0	0	0	0	0	0
Courtroom Security Fee	5,834	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Fines	2,495	0	0	0	0	0	0	0
Officers Costs	16,235	0	0	0	0	0	0	0
Jail Fees	17,166	0	0	0	0	0	0	0
Interpreter Fees	115	0	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	2,114	0	0	0	0	0	0	0
Courtroom Security Fee	155	0	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	Special Purpose	Drug Control	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Chancery Court</u>							
Officers Costs	5,460	0	0	0	0	0	0
Data Entry Fee - Chancery Court	996	0	0	0	0	0	0
<u>Courts in Other District Counties</u>							
District Attorney General Fees	0	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Courtroom Security Fee	223	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	6,916
Other Fines, Forfeitures, and Penalties	2,293	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	652,286	0	0	0	0	0	15,493
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Tipping Fees	0	0	748,344	0	0	0	0
Solid Waste Disposal Fees	0	0	40,000	0	0	0	0
Patient Charges	2,824,394	0	0	0	0	0	0
Other General Service Charges	22,733	0	0	0	0	0	0
<u>Fees</u>							
Subdivision Lot Fees	13,071	0	0	0	0	0	0
Recreation Fees	28,400	0	0	0	0	0	0
Library Fees	0	38,056	0	0	0	0	0
Archives and Records Management Fee - County Clerk	0	0	0	0	52,200	0	0
Telephone Commissions	51,024	0	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0
Data Processing Fee - Register	26,672	0	0	0	0	0	0
Data Processing Fee - Sheriff	13,309	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	2,215	0	0	0	0	0	0
Data Processing Fee - County Clerk	6,996	0	0	0	0	0	0
Total Charges for Current Services	2,988,814	38,056	788,344	0	52,200	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	Special Purpose	Drug Control	
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 170,265	\$ 866	\$ 0	\$ 95,993	\$ 0	\$ 0	\$ 0
Lease/Rentals	194,107	0	0	0	0	0	0
Sale of Materials and Supplies	4,379	0	0	0	18	0	0
Commissary Sales	196,582	0	0	0	0	0	0
Sale of Gasoline	93,281	0	0	0	0	0	0
Sale of Recycled Materials	0	0	227,732	0	0	0	0
Miscellaneous Refunds	17,216	585	702	0	0	0	2,000
<u>Nonrecurring Items</u>							
Sale of Property	10,000	0	0	0	0	0	0
Damages Recovered from Individuals	65,628	0	0	0	0	0	0
Contributions and Gifts	4,005	0	0	106,006	17,868	11,000	0
Performance Bond Forfeitures	68,639	0	0	0	0	0	0
<u>Other Local Revenues</u>							
Other Local Revenues	42,501	0	0	0	150	0	0
Total Other Local Revenues	\$ 866,603	\$ 1,451	\$ 228,434	\$ 201,999	\$ 18,036	\$ 13,000	\$ 0
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 603,176	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	309,277	0	0	0	0	0	0
General Sessions Court Clerk	927,282	0	0	0	0	0	0
Clerk and Master	165,280	0	0	0	0	0	0
Juvenile Court Clerk	105,040	0	0	0	0	0	0
Registrar	319,260	0	0	0	0	0	0
Sheriff	33,564	0	0	0	0	0	0
Trustee	1,181,352	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 3,644,231	\$ 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	Special Purpose	Drug Control	
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 60,969	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
State Reappraisal Grant	21,725	0	0	0	0	0	0
Solid Waste Grants	0	0	24,436	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	33,000	0	0	0	0	0	0
Drug Control Grants	33,663	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	1,057,176	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	0
Litter Program	52,230	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	143,838	0	0	0	0	0	0
Beer Tax	18,701	0	0	0	0	0	0
Alcoholic Beverage Tax	78,281	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	675,703	0	0	0	0	0	0
Board of Jurors	3,202	0	0	0	0	0	0
Contracted Prisoner Boarding	528,570	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	10,817	0	0	0	0	0	0
Other State Grants	2,754	0	0	0	0	0	0
Other State Revenues	232	0	0	0	0	0	15,718
Total State of Tennessee	\$ 2,720,861	\$ 0	\$ 24,436	\$ 0	\$ 0	\$ 0	\$ 15,718
<u>Federal Government</u>							
<u>Federal Through State</u>							
Civil Defense Reimbursement	\$ 76,986	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Disaster Relief	7,000	0	0	0	0	0	0
Homeland Security Grants	100,014	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	Special Purpose	Drug Control
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Law Enforcement Grants	\$ 25,940	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	8,400	0	0	0	0	0
Direct Federal Revenue	1,200	0	0	0	0	0
Other Direct Federal Revenue	219,540	0	0	0	0	0
Total Federal Government	\$ 259,080	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 89,761	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	343,347	0	0	0	0
Citizens Groups	0	67,651	0	0	0	0
Donations						
Other	86,370	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 176,131	\$ 410,998	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 24,695,457	\$ 450,505	\$ 3,647,966	\$ 573,408	\$ 70,236	\$ 44,211

(Continued)

Exhibit K-6

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

	Special Revenue Funds				Debt Service		Capital	
	Sports and Recreation	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	General Capital Projects	Total
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 1,071,434	\$ 6,230,001	\$ 235,085	\$ 21,222,274	
Trustee's Collections - Prior Year	0	0	0	35,612	183,730	6,988	662,693	
Circuit/Clerk & Master Collections - Prior Years	0	0	0	10,828	60,584	2,286	194,866	
Interest and Penalty	0	0	0	3,834	20,358	768	65,864	
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	37	221	8	706	
Payments in-Lieu-of Taxes - Other	0	0	0	166	980	37	3,346	
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	0	0	2,829,389	0	2,829,389	
Hotel/Motel Tax	92,300	0	0	0	554,542	0	917,069	
Litigation Tax - General	0	0	0	0	0	0	300,484	
Litigation Tax - Special Purpose	0	0	0	0	0	0	74,353	
Business Tax	0	0	0	0	0	0	848,669	
Mineral Severance Tax	0	0	0	179,178	0	0	179,178	
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	0	10,970	64,601	2,438	220,619	
Wholesale Beer Tax	0	0	0	0	0	0	228,300	
Interstate Telecommunications Tax	0	0	0	0	0	0	8,337	
Total Local Taxes	\$ 92,300	\$ 0	\$ 0	\$ 1,312,059	\$ 9,944,406	\$ 247,610	\$ 27,756,147	
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 112,655	
<u>Permits</u>								
Building Permits	0	0	0	0	0	0	106,812	
Electrical Permits	0	0	0	0	0	0	10,634	
Plumbing Permits	0	0	0	0	0	0	11,479	
Other Permits	0	0	0	0	0	0	3,800	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 245,380	

(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
	Sports and Recreation	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects			
<u>Circuit Court</u>									
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 66,805	
Officers Costs	0	0	0	0	0	0	0	24,022	
Drug Control Fines	0	0	0	0	0	0	0	5,343	
Drug Court Fees	0	0	0	0	0	0	0	3,468	
Jail Fees	0	0	0	0	0	0	0	47,489	
District Attorney General Fees	0	5,749	0	0	0	0	0	5,749	
Judicial Commissioner Fees	0	0	0	0	0	0	0	2,195	
DUI Treatment Fines	0	0	0	0	0	0	0	21,939	
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	1,675	
Courtroom Security Fee	0	0	0	0	0	0	0	1,596	
<u>General Sessions Court</u>									
Fines	0	0	0	0	0	0	0	83,774	
Officers Costs	0	0	0	0	0	0	0	122,929	
Drug Control Fines	0	0	0	0	0	0	0	3,234	
Drug Court Fees	0	0	0	0	0	0	0	8,235	
Jail Fees	0	0	0	0	0	0	0	168,456	
Interpreter Fees	0	0	0	0	0	0	0	4,920	
District Attorney General Fees	0	8,994	0	0	0	0	0	8,994	
Judicial Commissioner Fees	0	0	0	0	0	0	0	3,087	
DUI Treatment Fines	0	0	0	0	0	0	0	10,901	
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	27,709	
Courtroom Security Fee	0	0	0	0	0	0	0	5,834	
<u>Juvenile Court</u>									
Fines	0	0	0	0	0	0	0	2,495	
Officers Costs	0	0	0	0	0	0	0	16,235	
Jail Fees	0	0	0	0	0	0	0	17,166	
Interpreter Fees	0	0	0	0	0	0	0	115	
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	2,114	
Courtroom Security Fee	0	0	0	0	0	0	0	155	

(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
	Sports and Recreation	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	General Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Chancery Court</u>								
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,460
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	996
<u>Courts in Other District Counties</u>								
District Attorney General Fees	0	23,776	0	0	0	0	0	23,776
<u>Judicial District Drug Program</u>								
Courtroom Security Fee	0	0	0	0	0	0	0	223
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	0	0	0	6,916
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	2,293
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 38,519	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 706,298
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 748,344
Solid Waste Disposal Fees	0	0	0	0	0	0	0	40,000
Patient Charges	0	0	0	0	0	0	0	2,824,394
Other General Service Charges	0	0	0	0	0	0	0	22,733
<u>Fees</u>								
Subdivision Lot Fees	0	0	0	0	0	0	0	13,071
Recreation Fees	73,786	0	0	0	0	0	0	102,186
Library Fees	0	0	0	0	0	0	0	38,056
Archives and Records Management Fee - County Clerk	0	0	0	0	0	0	0	52,200
Telephone Commissions	0	0	0	0	0	0	0	51,024
Vending Machine Collections	737	0	0	0	0	0	0	737
Constitutional Officers' Fees and Commissions	0	0	516	0	0	0	0	516
Data Processing Fee - Register	0	0	0	0	0	0	0	26,672
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	13,309
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	2,215
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	6,996
Total Charges for Current Services	\$ 74,523	\$ 0	\$ 516	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,942,453

(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
	Sports and Recreation	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	200 \$	0 \$	0 \$	0 \$	2,117,364 \$	101,928 \$	2,486,616
Lease/Rentals	42,609	0	0	0	0	0	236,716
Sale of Materials and Supplies	0	0	0	12,124	0	0	16,521
Commissary Sales	0	0	0	0	0	0	196,582
Sale of Gasoline	0	0	0	0	0	0	93,281
Sale of Recycled Materials	0	0	0	0	0	0	227,732
Miscellaneous Refunds	0	0	0	0	1,785	0	22,288
<u>Nonrecurring Items</u>							
Sale of Property	0	0	0	0	0	0	10,000
Damages Recovered from Individuals	0	0	0	0	0	0	65,628
Contributions and Gifts	0	0	0	0	0	0	138,879
Performance Bond Forfeitures	0	0	0	0	0	0	68,639
<u>Other Local Revenues</u>	661	0	0	0	0	0	43,312
Total Other Local Revenues	\$ 43,470	\$ 0	\$ 0	\$ 12,124	\$ 2,119,149	\$ 101,928	\$ 3,606,194
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	603,176
Circuit Court Clerk	0	0	0	0	0	0	309,277
General Sessions Court Clerk	0	0	0	0	0	0	927,282
Clerk and Master	0	0	0	0	0	0	165,280
Juvenile Court Clerk	0	0	0	0	0	0	105,040
Register	0	0	0	0	0	0	319,260
Sheriff	0	0	0	0	0	0	33,564
Trustee	0	0	0	0	0	0	1,181,352
Total Fees Received from County Officials	\$ 0 \$	\$ 0 \$	\$ 0 \$	\$ 0 \$	\$ 0 \$	\$ 0 \$	\$ 3,644,231

(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
	Sports and Recreation	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	General Capital Projects		
<u>State of Tennessee</u>									
<u>General Government Grants</u>									
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	60,969
State Reappraisal Grant	0	0	0	0	0	0	0	0	21,725
Solid Waste Grants	0	0	0	0	0	0	0	0	24,436
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	0	0	0	0	0	0	0	0	33,000
Drug Control Grants	0	0	0	0	0	0	0	0	33,663
<u>Health and Welfare Grants</u>									
Health Department Programs	0	0	0	0	0	0	0	0	1,057,176
<u>Public Works Grants</u>									
State Aid Program	0	0	0	279,872	0	0	0	0	279,872
Litter Program	0	0	0	0	0	0	0	0	52,230
<u>Other State Revenues</u>									
Income Tax	0	0	0	0	0	0	0	0	143,838
Beer Tax	0	0	0	0	0	0	0	0	18,701
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	78,281
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	0	675,703
Board of Jurors	0	0	0	0	0	0	0	0	3,202
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	528,570
Gasoline and Motor Fuel Tax	0	0	0	1,868,789	0	0	0	0	1,868,789
Petroleum Special Tax	0	0	0	50,046	0	0	0	0	50,046
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	10,817
Other State Grants	0	0	0	0	0	0	0	0	2,754
Other State Revenues	0	0	0	0	0	0	0	0	15,950
<u>Total State of Tennessee</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>2,198,707 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>4,959,722</u>
<u>Federal Government</u>									
<u>Federal Through State</u>									
Civil Defense Reimbursement	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	76,986
Disaster Relief	0	0	0	0	0	0	0	0	7,000
Homeland Security Grants	0	0	0	0	0	0	0	0	100,014

(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	
	Sports and Recreation	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Federal Government (Cont.)</u>							
<u>Federal Through State (Cont.)</u>							
Law Enforcement Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,940
Other Federal through State	0	0	0	0	0	0	8,400
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	0	0	0	0	0	1,200
<u>Total Federal Government</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 219,540
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 89,761
Contributions	20,620	0	0	0	0	0	363,967
<u>Citizens Groups</u>							
Donations	0	0	0	0	0	0	67,651
<u>Other</u>							
Other	0	1,538	0	0	0	0	87,908
<u>Total Other Governments and Citizens Groups</u>	\$ 20,620	\$ 1,538	\$ 0	\$ 0	\$ 0	\$ 0	\$ 609,287
<u>Total</u>	\$ 230,913	\$ 40,057	\$ 516	\$ 3,522,890	\$ 12,063,555	\$ 349,538	\$ 45,689,252

Exhibit K-7

Putnam County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Putnam County School Department
 For the Year Ended June 30, 2009

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 11,017,429	\$ 0	\$ 0	\$ 0	\$ 11,017,429
Trustee's Collections - Prior Year	341,028	0	0	0	341,028
Circuit/Clerk & Master Collections - Prior Years	99,450	0	0	0	99,450
Interest and Penalty	37,057	0	0	0	37,057
Payments in-Lieu-of Taxes - T.V.A.	362	0	0	0	362
Payments in-Lieu-of Taxes - Other	1,739	0	0	0	1,739
<u>County Local Option Taxes</u>					
Local Option Sales Tax	14,881,013	0	0	0	14,881,013
<u>Statutory Local Taxes</u>					
Bank Excise Tax	114,575	0	0	0	114,575
Interstate Telecommunications Tax	3,635	0	0	0	3,635
Total Local Taxes	\$ 26,496,288	\$ 0	\$ 0	\$ 0	\$ 26,496,288
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 5,700	\$ 0	\$ 0	\$ 0	\$ 5,700
Total Licenses and Permits	\$ 5,700	\$ 0	\$ 0	\$ 0	\$ 5,700
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 919,969	\$ 0	\$ 919,969
Lunch Payments - Adults	0	0	83,484	0	83,484
Income from Breakfast	0	0	499,393	0	499,393
A la carte Sales	0	0	185,719	0	185,719
Transportation - Other State Systems	9,847	0	0	0	9,847
Transportation from Individuals	1,168	0	0	0	1,168
Receipts from Individual Schools	187,909	0	0	0	187,909
Community Service Fees - Children	0	0	0	726,389	726,389
TBI Criminal Background Fees	12,456	0	0	0	12,456
Total Charges for Current Services	\$ 211,380	\$ 0	\$ 1,688,565	\$ 726,389	\$ 2,626,334
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 91,344	\$ 0	\$ 2,323	\$ 0	\$ 93,667
Sale of Materials and Supplies	712	0	0	0	712
Refund of Telecommunication and Internet Fees (E-Rate)	92,448	0	0	0	92,448
Cobra Insurance Payments	117	0	0	0	117
Miscellaneous Refunds	72,997	0	21,848	0	94,845
<u>Nonrecurring Items</u>					
Sale of Equipment	13,344	0	0	0	13,344
Sale of Property	5,615	0	0	0	5,615
Damages Recovered from Individuals	2,125	0	0	0	2,125
Contributions and Gifts	3,200	0	0	1,483	4,683
<u>Other Local Revenues</u>					
Other Local Revenues	3,888	0	0	0	3,888
Total Other Local Revenues	\$ 285,790	\$ 0	\$ 24,171	\$ 1,483	\$ 311,444

(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	Total
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 240,438	\$ 0	\$ 0	\$ 0	\$ 240,438
<u>State Education Funds</u>					
Basic Education Program	36,562,000	0	0	0	36,562,000
Early Childhood Education	1,475,247	0	0	0	1,475,247
School Food Service	0	0	50,017	0	50,017
Other State Education Funds	604,564	0	0	0	604,564
Career Ladder Program	486,582	0	0	0	486,582
Career Ladder - Extended Contract	218,600	0	0	0	218,600
<u>Other State Revenues</u>					
Mixed Drink Tax	136,538	0	0	0	136,538
T.B.I. - Equipment Reimbursement	258	0	0	0	258
Other State Grants	950,353	0	0	0	950,353
Total State of Tennessee	\$ 40,674,580	\$ 0	\$ 50,017	\$ 0	\$ 40,724,597
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,900,947	\$ 0	\$ 1,900,947
Breakfast	0	0	668,287	0	668,287
USDA - Other	0	0	68,855	0	68,855
Adult Education State Grant Program	143,924	0	0	0	143,924
Vocational Education - Basic Grants to States	0	159,004	0	0	159,004
Other Vocational	9,538	0	0	0	9,538
Title I Grants to Local Education Agencies	0	2,475,918	0	0	2,475,918
Special Education - Grants to States	232,610	2,001,193	0	0	2,233,803
Special Education Preschool Grants	1,540	224,012	0	0	225,552
English Language Acquisition Grants	0	99,834	0	0	99,834
Safe and Drug-free Schools - State Grants	0	113,672	0	0	113,672
Eisenhower Professional Development State Grants	0	334,700	0	0	334,700
Job Training Partnership Act	17,000	0	0	0	17,000
Other Federal through State	30,537	995,711	0	0	1,026,248
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	54,358	0	0	0	54,358
Total Federal Government	\$ 489,507	\$ 6,404,044	\$ 2,638,089	\$ 0	\$ 9,531,640
<u>Other Governments and Citizens Groups</u>					
<u>Citizens Groups</u>					
Donations	\$ 29,098	\$ 0	\$ 0	\$ 0	\$ 29,098
<u>Other</u>					
Other	140,670	0	0	0	140,670
Total Other Governments and Citizens Groups	\$ 169,768	\$ 0	\$ 0	\$ 0	\$ 169,768
Total	\$ 68,333,013	\$ 6,404,044	\$ 4,400,842	\$ 727,872	\$ 79,865,771

Exhibit K-8

Putnam County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2009

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	120,000	
Social Security		9,293	
Audit Services		18,695	
Dues and Memberships		3,078	
Printing, Stationery, and Forms		376	
Travel		1,490	
Other Charges		1,651	
Total County Commission			\$ 154,583

Beer Board

Board and Committee Members Fees	\$	1,990	
Total Beer Board			1,990

County Mayor/Executive

County Official/Administrative Officer	\$	84,668	
Temporary Personnel		9,931	
Longevity Pay		3,600	
Other Salaries and Wages		150,000	
Social Security		18,173	
State Retirement		23,279	
Life Insurance		191	
Medical Insurance		21,095	
Dental Insurance		348	
Unemployment Compensation		303	
Communication		5,896	
Data Processing Services		6,437	
Dues and Memberships		1,650	
Maintenance and Repair Services - Equipment		377	
Travel		950	
Office Supplies		11,409	
Premiums on Corporate Surety Bonds		175	
Workers' Compensation Insurance		3,968	
Other Charges		868	
Data Processing Equipment		4,738	
Office Equipment		2,259	
Total County Mayor/Executive			350,315

County Attorney

County Official/Administrative Officer	\$	118,710	
Legal Services		5,000	

(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.)

Other Charges	\$ 1,000	
Total County Attorney		\$ 124,710

Election Commission

County Official/Administrative Officer	\$ 63,448	
Longevity Pay	4,000	
Overtime Pay	10,086	
Other Salaries and Wages	112,894	
Election Commission	5,220	
Election Workers	78,880	
Social Security	17,254	
State Retirement	18,059	
Life Insurance	153	
Medical Insurance	13,596	
Dental Insurance	624	
Unemployment Compensation	553	
Other Fringe Benefits	4,500	
Communication	5,517	
Data Processing Services	3,500	
Dues and Memberships	300	
Freight Expenses	2,340	
Legal Notices, Recording, and Court Costs	6,391	
Maintenance and Repair Services - Equipment	359	
Printing, Stationery, and Forms	19,266	
Travel	6,382	
Other Contracted Services	7,910	
Office Supplies	12,491	
Workers' Compensation Insurance	3,174	
Office Equipment	1,944	
Total Election Commission		398,841

Register of Deeds

County Official/Administrative Officer	\$ 72,214
Part-time Personnel	6,926
Longevity Pay	2,000
Other Salaries and Wages	77,180
Social Security	11,769
State Retirement	14,485
Life Insurance	191
Medical Insurance	15,657

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Dental Insurance	\$	68	
Unemployment Compensation		281	
Communication		2,209	
Dues and Memberships		516	
Maintenance Agreements		26,740	
Travel		370	
Data Processing Supplies		8,999	
Office Supplies		3,543	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		3,968	
Total Register of Deeds			\$ 247,216

Development

Other Salaries and Wages	\$	11,250	
Engineering Services		3,700	
Other Contracted Services		7,800	
Total Development			22,750

Codes Compliance

Assistant(s)	\$	32,950	
Supervisor/Director		41,400	
Longevity Pay		1,200	
Other Salaries and Wages		28,950	
In-Service Training		2,280	
Social Security		7,549	
State Retirement		10,209	
Life Insurance		115	
Medical Insurance		12,151	
Dental Insurance		65	
Unemployment Compensation		168	
Communication		4,887	
Printing, Stationery, and Forms		773	
Gasoline		2,947	
Office Supplies		2,554	
Periodicals		929	
Uniforms		1,391	
Utilities		2,043	
Refunds		408	
Workers' Compensation Insurance		2,381	
Office Equipment		2,577	
Total Codes Compliance			157,927

(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	\$	652	
Maintenance Agreements		17,417	
Maintenance and Repair Services - Equipment		1,014	
Travel		896	
Office Supplies		4,100	
Other Equipment		4,480	
Total Geographical Information Systems			\$ 28,559

County Buildings

Supervisor/Director	\$	52,000	
Secretary(ies)		31,650	
Custodial Personnel		99,081	
Part-time Personnel		31,395	
Longevity Pay		16,100	
Overtime Pay		8,289	
Other Salaries and Wages		520,020	
In-Service Training		2,963	
Social Security		54,122	
State Retirement		70,262	
Life Insurance		892	
Medical Insurance		108,611	
Dental Insurance		1,566	
Unemployment Compensation		1,663	
Communication		9,273	
Maintenance Agreements		29,227	
Maintenance and Repair Services - Buildings		205,967	
Maintenance and Repair Services - Vehicles		183,269	
Custodial Supplies		20,534	
Gasoline		25,877	
Office Supplies		1,574	
Small Tools		439	
Uniforms		12,249	
Utilities		408,853	
Workers' Compensation Insurance		18,516	
Other Charges		3,672	
Total County Buildings			1,926,860

Interest on Debt

General Government

Interest on Notes	\$	35,000	
Total General Government			35,000

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government

County Buildings

Other Equipment	\$ 8,796	
Total County Buildings		\$ 1,926,860

Other Facilities

Computer Programmer(s)	\$ 109,900	
Longevity Pay	2,600	
Overtime Pay	19,345	
In-Service Training	2,320	
Social Security	9,073	
State Retirement	10,991	
Life Insurance	115	
Medical Insurance	14,333	
Dental Insurance	486	
Unemployment Compensation	168	
Communication	4,058	
Maintenance and Repair Services - Office Equipment	26,873	
Rentals	7,738	
Custodial Supplies	67	
Office Supplies	504	
Small Tools	418	
Utilities	2,824	
Workers' Compensation Insurance	2,381	
Other Charges	120	
Data Processing Equipment	1,496	
Other Equipment	407	
Total Other Facilities		216,217

Preservation of Records

Other Supplies and Materials	\$ 501	
Total Preservation of Records		501

Finance

Property Assessor's Office

County Official/Administrative Officer	\$ 72,214
Part-time Personnel	11,662
Longevity Pay	3,200
Other Salaries and Wages	221,000
Board and Committee Members Fees	620
In-Service Training	600
Social Security	21,767

(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	\$	29,836	
Life Insurance		344	
Medical Insurance		39,346	
Dental Insurance		310	
Unemployment Compensation		520	
Audit Services		42,225	
Communication		4,815	
Data Processing Services		9,315	
Dues and Memberships		1,383	
Maintenance and Repair Services - Equipment		45	
Travel		1,491	
Gasoline		2,136	
Office Supplies		7,800	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		7,142	
Office Equipment		1,500	
Total Property Assessor's Office	\$		479,371

County Trustee's Office

County Official/Administrative Officer	\$	72,214	
Longevity Pay		7,900	
Other Salaries and Wages		174,244	
Social Security		18,552	
State Retirement		21,270	
Life Insurance		268	
Medical Insurance		23,040	
Dental Insurance		415	
Unemployment Compensation		336	
Communication		3,119	
Data Processing Services		16,006	
Dues and Memberships		676	
Legal Notices, Recording, and Court Costs		198	
Travel		759	
Office Supplies		15,266	
Premiums on Corporate Surety Bonds		3,488	
Workers' Compensation Insurance		5,555	
Office Equipment		500	
Total County Trustee's Office			363,806

(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

County Official/Administrative Officer	\$	72,214	
Part-time Personnel		6,670	
Longevity Pay		11,100	
Overtime Pay		429	
Other Salaries and Wages		449,177	
Social Security		38,521	
State Retirement		52,024	
Life Insurance		815	
Medical Insurance		59,895	
Dental Insurance		1,282	
Unemployment Compensation		1,023	
Communication		5,793	
Data Processing Services		6,907	
Dues and Memberships		716	
Maintenance Agreements		11,742	
Travel		962	
Office Supplies		25,899	
Utilities		8,500	
Premiums on Corporate Surety Bonds		150	
Workers' Compensation Insurance		16,929	
Other Charges		467	
Office Equipment		6,080	
Total County Clerk's Office			\$ 777,295

Other Finance

Part-time Personnel	\$	12,547
Longevity Pay		500
Overtime Pay		2,966
Other Salaries and Wages		53,000
In-Service Training		115
Social Security		4,466
State Retirement		5,227
Life Insurance		77
Medical Insurance		10,686
Dental Insurance		750
Unemployment Compensation		169
Communication		1,014
Data Processing Services		9,015
Travel		663
Office Supplies		3,750

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Other Finance (Cont.)

Workers' Compensation Insurance	\$	1,587	
Other Charges		36	
Office Equipment		4,394	
Total Other Finance			\$ 110,962

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	72,214	
Part-time Personnel		6,790	
Longevity Pay		19,300	
Other Salaries and Wages		670,017	
Jury and Witness Fees		28,188	
Other Per Diem and Fees		33,300	
Social Security		57,042	
State Retirement		67,457	
Life Insurance		765	
Medical Insurance		84,408	
Dental Insurance		949	
Unemployment Compensation		1,565	
Communication		8,632	
Data Processing Services		11,594	
Dues and Memberships		656	
Maintenance Agreements		15,755	
Maintenance and Repair Services - Equipment		704	
Travel		370	
Data Processing Supplies		4,597	
Office Supplies		45,810	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		15,871	
Data Processing Equipment		9,510	
Office Equipment		5,298	
Total Circuit Court			1,161,142

General Sessions Court

Judge(s)	\$	281,298
Longevity Pay		1,500
Other Salaries and Wages		51,574
Social Security		20,566
State Retirement		32,668
Life Insurance		115

(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.)

Medical Insurance	\$	14,929	
Dental Insurance		746	
Unemployment Compensation		52	
Data Processing Services		1,938	
Dues and Memberships		600	
Travel		3,264	
Office Supplies		2,705	
Workers' Compensation Insurance		2,381	
Office Equipment		1,267	
Total General Sessions Court			\$ 415,603

Drug Court

Social Workers	\$	2,267	
Social Security		173	
State Retirement		221	
Unemployment Compensation		18	
Contracts with Government Agencies		15,000	
Other Contracted Services		41,300	
Total Drug Court			58,979

Chancery Court

County Official/Administrative Officer	\$	72,214	
Longevity Pay		2,900	
Other Salaries and Wages		128,338	
Other Per Diem and Fees		10,000	
Social Security		16,086	
State Retirement		21,685	
Life Insurance		229	
Medical Insurance		31,870	
Dental Insurance		691	
Unemployment Compensation		360	
Communication		2,660	
Dues and Memberships		636	
Legal Notices, Recording, and Court Costs		199	
Maintenance Agreements		1,082	
Maintenance and Repair Services - Equipment		524	
Travel		50	
Office Supplies		8,761	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		4,761	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Office Equipment	\$ 725	
Total Chancery Court		\$ 304,121

Juvenile Court

Probation Officer(s)	\$ 24,000	
Youth Service Officer(s)	91,200	
Longevity Pay	1,200	
Other Salaries and Wages	20,250	
In-Service Training	4,469	
Social Security	10,180	
State Retirement	13,849	
Life Insurance	191	
Medical Insurance	13,653	
Unemployment Compensation	349	
Communication	5,813	
Data Processing Services	3,198	
Dues and Memberships	490	
Travel	987	
Other Contracted Services	26,715	
Office Supplies	2,991	
Workers' Compensation Insurance	3,968	
Office Equipment	2,879	
Total Juvenile Court		226,382

Judicial Commissioners

Part-time Personnel	\$ 2,000	
Longevity Pay	800	
Other Salaries and Wages	49,200	
In-Service Training	765	
Social Security	3,943	
State Retirement	4,885	
Life Insurance	76	
Medical Insurance	3,444	
Dental Insurance	112	
Unemployment Compensation	132	
Workers' Compensation Insurance	1,587	
Other Charges	700	
Communication Equipment	44	
Total Judicial Commissioners		67,688

(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

Probation Officer(s)	\$	14,375	
Social Security		1,100	
Life Insurance		38	
Unemployment Compensation		64	
Travel		2,986	
Other Contracted Services		128	
Office Supplies		5,124	
Workers' Compensation Insurance		793	
Office Equipment		1,456	
Total Other Administration of Justice			\$ 26,064

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	79,436
Deputy(ies)		1,760,228
Investigator(s)		317,039
Salary Supplements		38,412
Dispatchers/Radio Operators		233,014
Secretary(ies)		143,913
Longevity Pay		52,800
Overtime Pay		218,035
Other Salaries and Wages		89,073
In-Service Training		32,992
Social Security		212,602
State Retirement		264,924
Employee and Dependent Insurance		480
Life Insurance		2,357
Medical Insurance		294,825
Dental Insurance		3,452
Unemployment Compensation		4,129
Communication		38,337
Contributions		11,170
Data Processing Services		12,814
Maintenance and Repair Services - Equipment		5,274
Transportation - Other than Students		9,490
Travel		1,980
Animal Food and Supplies		3,477
Gasoline		194,992
Instructional Supplies and Materials		3,743
Uniforms		38,233

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Other Supplies and Materials	\$	11,779	
Premiums on Corporate Surety Bonds		6,750	
Workers' Compensation Insurance		49,120	
Communication Equipment		54,241	
Law Enforcement Equipment		30,299	
Motor Vehicles		293,417	
Traffic Control Equipment		2,523	
Other Equipment		9,350	
Total Sheriff's Department			\$ 4,524,700

Jail

Medical Personnel	\$	98,800	
Guards		1,285,865	
Cafeteria Personnel		68,975	
Part-time Personnel		26,071	
Longevity Pay		8,400	
Social Security		109,233	
State Retirement		142,692	
Life Insurance		1,542	
Medical Insurance		168,439	
Dental Insurance		695	
Unemployment Compensation		3,359	
Contracts with Government Agencies		212,095	
Medical and Dental Services		485,742	
Custodial Supplies		38,804	
Food Supplies		239,275	
Office Supplies		20,204	
Other Supplies and Materials		15,600	
Workers' Compensation Insurance		32,006	
Other Charges		30,419	
Data Processing Equipment		18,973	
Office Equipment		17,168	
Other Equipment		13,955	
Total Jail			3,038,312

Workhouse

Supervisor/Director	\$	1,200	
Guards		39,000	
Part-time Personnel		8,323	
Longevity Pay		2,000	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Social Security	\$	3,696	
State Retirement		4,123	
Life Insurance		38	
Medical Insurance		4,653	
Dental Insurance		404	
Unemployment Compensation		123	
Uniforms		634	
Workers' Compensation Insurance		793	
Other Charges		2,461	
Total Workhouse			\$ 67,448

Juvenile Services

Supervisor/Director	\$	58,145	
Guards		394,110	
Secretary(ies)		27,187	
Longevity Pay		11,300	
Overtime Pay		13,762	
In-Service Training		185	
Social Security		36,357	
State Retirement		47,945	
Life Insurance		587	
Medical Insurance		57,469	
Dental Insurance		737	
Unemployment Compensation		783	
Communication		4,262	
Laundry Service		1,260	
Medical and Dental Services		483	
Travel		548	
Food Supplies		2,214	
Gasoline		4,609	
Office Supplies		4,982	
Uniforms		2,643	
Utilities		7,402	
Other Supplies and Materials		1,769	
Workers' Compensation Insurance		12,168	
Other Charges		7,106	
Office Equipment		1,011	
Total Juvenile Services			699,024

(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	\$	71,785	
Other Supplies and Materials		30,136	
Total Commissary			\$ 101,921

Fire Prevention and Control

Supervisor/Director	\$	38,284	
Other Salaries and Wages		39,998	
In-Service Training		11,311	
Social Security		2,929	
State Retirement		3,740	
Life Insurance		115	
Unemployment Compensation		168	
Communication		3,998	
Maintenance and Repair Services - Equipment		931	
Gasoline		21,312	
Office Supplies		2,469	
Uniforms		4,619	
Utilities		26,409	
Other Supplies and Materials		2,200	
Workers' Compensation Insurance		2,381	
Building Construction		34,457	
Communication Equipment		159	
Motor Vehicles		269,984	
Other Equipment		88,969	
Total Fire Prevention and Control			554,433

Civil Defense

Contributions	\$	298,376	
Other Contracted Services		37,986	
Gasoline		7,983	
Refunds		7,000	
Total Civil Defense			351,345

Other Emergency Management

Health Equipment	\$	49,285	
Other Equipment		69,509	
Total Other Emergency Management			118,794

County Coroner/Medical Examiner

Other Contracted Services	\$	62,049	
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(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		6,031	
Total County Coroner/Medical Examiner			\$ 68,280

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	13,067	
Social Security		1,000	
State Retirement		1,277	
Life Insurance		38	
Medical Insurance		542	
Unemployment Compensation		46	
Communication		16,027	
Contracts with Government Agencies		13,194	
Contributions		2,481	
Rentals		19,200	
Other Contracted Services		14,739	
Custodial Supplies		4,303	
Drugs and Medical Supplies		7,096	
Office Supplies		16,562	
Periodicals		92	
Utilities		35,231	
Workers' Compensation Insurance		793	
Other Charges		17,282	
Other Equipment		9,748	
Total Local Health Center			172,718

Ambulance/Emergency Medical Services

Supervisor/Director	\$	55,000	
Deputy(ies)		54,000	
Accountants/Bookkeepers		36,750	
Paraprofessionals		1,679,363	
Secretary(ies)		30,150	
Part-time Personnel		295,830	
Longevity Pay		39,300	
Overtime Pay		137,255	
In-Service Training		12,979	
Social Security		183,497	
State Retirement		188,783	
Employee and Dependent Insurance		672	

(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.)

Life Insurance	\$	1,860	
Medical Insurance		210,358	
Dental Insurance		2,572	
Unemployment Compensation		3,901	
Communication		12,993	
Data Processing Services		5,782	
Maintenance and Repair Services - Equipment		6,384	
Medical and Dental Services		9,500	
Travel		1,490	
Permits		3,500	
Drugs and Medical Supplies		116,246	
Gasoline		124,608	
Office Supplies		11,122	
Uniforms		25,268	
Utilities		71,520	
Other Supplies and Materials		3,634	
Workers' Compensation Insurance		38,619	
Other Charges		1,925	
Communication Equipment		9,662	
Motor Vehicles		216,556	
Office Equipment		3,964	
Other Equipment		64,744	
Total Ambulance/Emergency Medical Services			\$ 3,659,787

Other Local Health Services

Supervisor/Director	\$	600	
In-Service Training		13,273	
Social Security		41	
State Retirement		59	
Life Insurance		38	
Medical Insurance		80	
Unemployment Compensation		1	
Drugs and Medical Supplies		19,591	
Workers' Compensation Insurance		793	
Total Other Local Health Services			34,476

Regional Mental Health Center

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

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

General Welfare Assistance

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

Aid to Dependent Children

Contributions	\$ 7,953	
Total Aid to Dependent Children		7,953

Other Public Health and Welfare

Longevity Pay	\$ 1,300	
Other Salaries and Wages	789,092	
Social Security	57,018	
State Retirement	67,194	
Employee and Dependent Insurance	1,407	
Life Insurance	816	
Medical Insurance	65,544	
Dental Insurance	1,883	
Unemployment Compensation	1,704	
Travel	20,538	
Drugs and Medical Supplies	3,915	
Office Supplies	1,259	
Workers' Compensation Insurance	16,747	
Total Other Public Health and Welfare		1,028,417

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 74,917	
Gasoline	415	
Total Senior Citizens Assistance		75,332

Parks and Fair Boards

Contracts with Government Agencies	\$ 92,300	
Other Contracted Services	3,000	
Gasoline	12,275	
Utilities	8,053	
Total Parks and Fair Boards		115,628

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	\$	100,501	
Other Salaries and Wages		22,150	
Social Security		1,633	
State Retirement		2,164	
Life Insurance		38	
Unemployment Compensation		56	
Other Fringe Benefits		18,159	
Communication		5,200	
Maintenance and Repair Services - Equipment		125	
Matching Share		1,497	
Travel		2,853	
Utilities		13,000	
Workers' Compensation Insurance		793	
Other Charges		1,000	
Office Equipment		1,000	
Total Agriculture Extension Service			\$ 170,169

Forest Service

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

Soil Conservation

Secretary(ies)	\$	27,150	
Other Salaries and Wages		9,896	
Social Security		2,780	
State Retirement		3,619	
Life Insurance		38	
Medical Insurance		4,284	
Dental Insurance		461	
Unemployment Compensation		112	
Workers' Compensation Insurance		793	
Total Soil Conservation			49,133

Other Operations

Tourism

Contributions	\$	121,362	
Total Tourism			121,362

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	\$ 28,000	
Total Airport		\$ 28,000

Veterans' Services

Supervisor/Director	\$ 22,950	
Social Security	1,675	
State Retirement	2,242	
Life Insurance	38	
Unemployment Compensation	56	
Communication	1,800	
Maintenance Agreements	450	
Travel	786	
Office Supplies	711	
Workers' Compensation Insurance	793	
Other Charges	147	
Total Veterans' Services		31,648

Contributions to Other Agencies

Contracts with Government Agencies	\$ 15,175	
Contributions	209,857	
Gasoline	13,226	
Other Construction	1,115,625	
Total Contributions to Other Agencies		1,353,883

Employee Benefits

Life Insurance	\$ 662	
Workers' Compensation Insurance	13,754	
Total Employee Benefits		14,416

Miscellaneous

Dues and Memberships	\$ 8,231	
Legal Notices, Recording, and Court Costs	687	
Other Contracted Services	9,878	
Library Books/Media	17,500	
Building and Contents Insurance	32,814	
Excess Risk Insurance	45,471	
Liability Insurance	78,750	
Refunds	1,537	
Trustee's Commission	319,484	
Tax Relief Program	88,777	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Other Charges	\$	46,199	
Disabilities Act Improvements		4,000	
Total Miscellaneous			\$ 653,328

Total General Fund \$ 24,754,889

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Other Salaries and Wages	\$	547,047	
Legal Services		2,817	
Maintenance and Repair Services - Equipment		30,766	
Travel		5,200	
Library Books/Media		110,742	
Utilities		42,462	
Other Supplies and Materials		48,939	
Liability Insurance		2,125	
Other Charges		8,516	
Building Construction		95,594	
Other Equipment		11,091	
Total Libraries			\$ 905,299

Total Public Library Fund 905,299

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	50,200	
Attendants		154,000	
Part-time Personnel		37,332	
Overtime Pay		35,000	
Other Salaries and Wages		418,228	
Other Fringe Benefits		179,900	
Communication		17,495	
Engineering Services		8,345	
Legal Services		4,826	
Maintenance and Repair Services - Buildings		24,150	
Maintenance and Repair Services - Equipment		88,975	
Maintenance and Repair Services - Vehicles		112,579	
Travel		2,454	

(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.)

Disposal Fees	\$ 1,437,034	
Permits	150	
Other Contracted Services	53,863	
Crushed Stone	17,406	
Gasoline	89,000	
Office Supplies	3,798	
Uniforms	7,766	
Utilities	46,870	
Other Charges	20,406	
Building Improvements	48,907	
Motor Vehicles	42	
Office Equipment	1,025	
Solid Waste Equipment	235,712	
Total Sanitation Management		\$ 3,095,463

Landfill Operation and Maintenance

Engineering Services	\$ 6,941	
Other Charges	563	
Other Construction	57,000	
Total Landfill Operation and Maintenance		64,504

Other Waste Disposal

Engineering Services	\$ 53,515	
Contracts for Landfill Facilities	63,900	
Other Contracted Services	213,066	
Building Construction	10,644	
Other Construction	91,000	
Total Other Waste Disposal		432,125

Postclosure Care Costs

Engineering Services	\$ 10,190	
Other Contracted Services	30,000	
Other Supplies and Materials	13,000	
Other Construction	79,300	
Total Postclosure Care Costs		132,490

Other Operations

Miscellaneous

Trustee's Commission	\$ 59,616	
Total Miscellaneous		59,616

Total Solid Waste/Sanitation Fund \$ 3,784,198

(Continued)

Exhibit K-8

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

<u>Industrial/Economic Development Fund</u>		
<u>Other Operations</u>		
<u>Industrial Development</u>		
Contributions	\$ 70,000	
Other Charges	92,464	
Total Industrial Development		\$ 162,464
<u>Miscellaneous</u>		
Trustee's Commission	\$ 7,444	
Total Miscellaneous		7,444
Total Industrial/Economic Development Fund		\$ 169,908
<u>Special Purpose Fund</u>		
<u>General Government</u>		
<u>Preservation of Records</u>		
Supervisor/Director	\$ 24,200	
Other Fringe Benefits	7,677	
Communication	877	
Office Supplies	2,877	
Other Supplies and Materials	24,077	
Total Preservation of Records		\$ 59,708
Total Special Purpose Fund		59,708
<u>Drug Control Fund</u>		
<u>Public Safety</u>		
<u>Drug Enforcement</u>		
In-Service Training	\$ 6	
Confidential Drug Enforcement Payments	20,000	
Rentals	8,735	
Other Supplies and Materials	596	
Law Enforcement Equipment	5,991	
Motor Vehicles	4,900	
Total Drug Enforcement		\$ 40,228
Total Drug Control Fund		40,228
<u>Sports and Recreation Fund</u>		
<u>Social, Cultural, and Recreational Services</u>		
<u>Parks and Fair Boards</u>		
Temporary Personnel	\$ 15,015	
Other Salaries and Wages	503,052	

(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.)

Social Security	\$	36,733	
State Retirement		41,225	
Medical Insurance		36,925	
Dental Insurance		988	
Unemployment Compensation		1,333	
Audit Services		3,000	
Communication		12,889	
Dues and Memberships		873	
Maintenance and Repair Services - Buildings		31,870	
Maintenance and Repair Services - Vehicles		2,948	
Gasoline		12,147	
Office Supplies		1,789	
Small Tools		3,137	
Utilities		137,215	
Other Supplies and Materials		60,783	
Workers' Compensation Insurance		8,488	
Other Charges		16,291	
Other Equipment		12,365	
Other Capital Outlay		93,744	
Total Parks and Fair Boards			\$ 1,032,810

Total Sports and Recreation Fund \$ 1,032,810

District Attorney General Fund

Public Safety

Other Public Safety

In-Service Training	\$	13,344	
Communication		2,679	
Maintenance and Repair Services - Buildings		209	
Travel		6,974	
Other Contracted Services		2,965	
Office Supplies		320	
Uniforms		66	
Other Supplies and Materials		325	
Other Charges		2,443	
Office Equipment		2,272	
Other Equipment		229	
Total Other Public Safety			\$ 31,826

Total District Attorney General Fund 31,826

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 32	
Total Register of Deeds		\$ 32

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 44	
Total County Clerk's Office		44

Administration of Justice

Circuit Court Clerk

Constitutional Officers' Operating Expenses	\$ 55	
Total Circuit Court Clerk		55

General Sessions Court Clerk

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

Juvenile Court

Constitutional Officers' Operating Expenses	\$ 283	
Total Juvenile Court		283

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 64	
Total Sheriff's Department		<u>64</u>

Total Constitutional Officers - Fees Fund		\$ 516
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 79,436
Assistant(s)	46,000
Accountants/Bookkeepers	39,300
Longevity Pay	3,900
Other Salaries and Wages	28,950
Social Security	12,177
Employee and Dependent Insurance	4,338
Life Insurance	109
Medical Insurance	2,392

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Dental Insurance	\$	983	
Unemployment Compensation		300	
Local Retirement		19,200	
Employer Medicare		2,820	
Data Processing Services		4,556	
Dues and Memberships		3,423	
Legal Services		17,754	
Legal Notices, Recording, and Court Costs		100	
Maintenance and Repair Services - Office Equipment		714	
Postal Charges		655	
Printing, Stationery, and Forms		499	
Data Processing Supplies		1,000	
Drugs and Medical Supplies		498	
Office Supplies		483	
Workers' Compensation Insurance		16,955	
Other Charges		1,070	
Communication Equipment		999	
Data Processing Equipment		1,000	
Total Administration			\$ 289,611

Highway and Bridge Maintenance

Foremen	\$	38,000
Equipment Operators		414,454
Truck Drivers		219,994
Laborers		51,306
Longevity Pay		26,700
Overtime Pay		6,011
Other Salaries and Wages		35,750
Social Security		47,940
Employee and Dependent Insurance		90,358
Life Insurance		826
Dental Insurance		1,362
Unemployment Compensation		2,800
Local Retirement		76,427
Employer Medicare		10,978
Other Contracted Services		999,997
Asphalt - Hot Mix		3,316
Asphalt - Liquid		118,118
Crushed Stone		59,999
Electricity		921

(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.)

Pipe - Metal	\$	9,945	
Road Signs		49,996	
Salt		10,000	
Small Tools		2,581	
Wood Products		452	
Other Supplies and Materials		4,990	
Workers' Compensation Insurance		118,679	
Other Charges		1,974	
Total Highway and Bridge Maintenance	\$		2,403,874

Operation and Maintenance of Equipment

Mechanic(s)	\$	70,299	
Longevity Pay		3,200	
Overtime Pay		467	
Social Security		4,342	
Employee and Dependent Insurance		5,600	
Life Insurance		72	
Unemployment Compensation		250	
Local Retirement		7,285	
Employer Medicare		997	
Laundry Service		2,792	
Licenses		52	
Maintenance and Repair Services - Equipment		7,430	
Diesel Fuel		38,070	
Equipment and Machinery Parts		43,842	
Garage Supplies		5,972	
Gasoline		28,842	
Lubricants		6,450	
Small Tools		1,892	
Tires and Tubes		9,268	
Other Supplies and Materials		1,992	
Workers' Compensation Insurance		8,477	
Other Charges		2,446	
Total Operation and Maintenance of Equipment			250,037

Other Charges

Communication	\$	4,674	
Contributions		8,000	
Evaluation and Testing		1,015	
Electricity		6,974	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Natural Gas	\$	6,153	
Water and Sewer		176	
Building and Contents Insurance		864	
Excess Risk Insurance		21,244	
Liability Insurance		78,750	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		41,170	
Other Charges		<u>9,245</u>	
Total Other Charges	\$		178,615

Capital Outlay

Engineering Services	\$	41,900	
Bridge Construction		31,988	
Highway Equipment		271,934	
Motor Vehicles		8,000	
State Aid Projects		<u>267,529</u>	
Total Capital Outlay			<u>621,351</u>

Total Highway/Public Works Fund \$ 3,743,488

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	<u>100,000</u>	
Total General Government	\$		100,000

Education

Principal on Bonds	\$	<u>5,395,000</u>	
Total Education			5,395,000

Interest on Debt

General Government

Interest on Bonds	\$	<u>681,625</u>	
Total General Government			681,625

Education

Interest on Bonds	\$	<u>6,124,912</u>	
Total Education			6,124,912

(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)

Other Debt Service

Education

Trustee's Commission	\$ 162,739	
Other Debt Issuance Charges	26,913	
Other Debt Service	4,362	
Total Education	<u>194,014</u>	\$ 194,014

Total General Debt Service Fund \$ 12,495,551

General Capital Projects Fund

General Government

County Buildings

Building Construction	\$ 2,000	
Furniture and Fixtures	127,686	
Land	15,283	
Total County Buildings	<u>144,969</u>	\$ 144,969

Finance

County Clerk's Office

Building Construction	\$ 41,409	
Total County Clerk's Office		41,409

Public Health and Welfare

Local Health Center

Building Construction	\$ 4,640,003	
Total Local Health Center		4,640,003

Ambulance/Emergency Medical Services

Building Construction	\$ 6,716,601	
Total Ambulance/Emergency Medical Services		6,716,601

Other Operations

Miscellaneous

Trustee's Commission	\$ 4,962	
Total Miscellaneous		4,962

Capital Projects

Social, Cultural, and Recreation Projects

Other Construction	\$ 46,500	
Total Social, Cultural, and Recreation Projects		46,500

Capital Projects - Donated

Capital Projects Donated to School Department

Contributions	\$ 306,274	
Total Capital Projects Donated to School Department		<u>306,274</u>

Total General Capital Projects Fund 11,900,718

Total Governmental Funds - Primary Government \$ 58,919,139

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, 2009

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 22,705,122	
Career Ladder Program	284,180	
Career Ladder Extended Contracts	119,513	
Salary Supplements	221,973	
Educational Assistants	1,020,659	
Other Salaries and Wages	8,655	
Certified Substitute Teachers	195,176	
Non-certified Substitute Teachers	233,044	
Social Security	1,469,627	
State Retirement	1,583,361	
Life Insurance	15,809	
Medical Insurance	4,601,577	
Dental Insurance	75,258	
Unemployment Compensation	24,120	
Employer Medicare	345,604	
Maintenance and Repair Services - Equipment	5,099	
Other Contracted Services	3,179	
Instructional Supplies and Materials	239,780	
Textbooks	570,421	
Fee Waivers	46,694	
Other Charges	4,789	
Regular Instruction Equipment	674,420	
Other Equipment	15,126	
Total Regular Instruction Program		\$ 34,463,186

Alternative Instruction Program

Teachers	\$ 262,639	
Career Ladder Program	2,750	
Educational Assistants	19,028	
Social Security	17,252	
State Retirement	18,885	
Life Insurance	113	
Medical Insurance	39,787	
Dental Insurance	524	
Unemployment Compensation	246	
Employer Medicare	4,035	
Other Charges	308	
Total Alternative Instruction Program		365,567

(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	\$	3,145,397	
Career Ladder Program		38,797	
Career Ladder Extended Contracts		41,106	
Homebound Teachers		72,913	
Educational Assistants		949,901	
Speech Pathologist		217,147	
Other Salaries and Wages		139,079	
Certified Substitute Teachers		3,283	
Non-certified Substitute Teachers		8,466	
Social Security		271,996	
State Retirement		321,703	
Life Insurance		3,865	
Medical Insurance		864,381	
Dental Insurance		16,454	
Unemployment Compensation		5,624	
Employer Medicare		63,630	
Contracts with Private Agencies		7,500	
Other Contracted Services		3,535	
Instructional Supplies and Materials		77,402	
Special Education Equipment		63,843	
Total Special Education Program			\$ 6,316,022

Vocational Education Program

Teachers	\$	849,719	
Career Ladder Program		8,333	
Certified Substitute Teachers		1,072	
Non-certified Substitute Teachers		2,750	
Social Security		51,184	
State Retirement		55,087	
Life Insurance		486	
Medical Insurance		145,032	
Dental Insurance		2,225	
Unemployment Compensation		694	
Employer Medicare		12,007	
Maintenance and Repair Services - Equipment		403	
Instructional Supplies and Materials		12,752	
Total Vocational Education Program			1,141,744

(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	\$	59,440	
Other Salaries and Wages		26,994	
Social Security		5,179	
State Retirement		4,437	
Life Insurance		56	
Dental Insurance		128	
Unemployment Compensation		224	
Employer Medicare		1,200	
Travel		642	
Instructional Supplies and Materials		7,874	
Total Adult Education Program			\$ 106,174

Support Services

Attendance

Supervisor/Director	\$	68,422	
Career Ladder Program		2,667	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		12,336	
Other Salaries and Wages		55,390	
Social Security		8,734	
State Retirement		9,453	
Life Insurance		28	
Medical Insurance		16,585	
Dental Insurance		128	
Unemployment Compensation		56	
Employer Medicare		2,043	
Other Supplies and Materials		828	
Attendance Equipment		3,772	
Total Attendance			182,442

Health Services

Medical Personnel	\$	422,124	
Secretary(ies)		18,073	
Other Salaries and Wages		131,058	
Social Security		31,670	
State Retirement		52,988	
Life Insurance		694	
Medical Insurance		118,408	
Dental Insurance		2,590	

(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	\$	1,036	
Employer Medicare		7,625	
Travel		3,500	
Drugs and Medical Supplies		3,822	
Other Supplies and Materials		13,358	
Other Charges		1,303	
Total Health Services			\$ 808,249

Other Student Support

Career Ladder Program	\$	24,416	
Guidance Personnel		1,180,229	
Psychological Personnel		26,519	
Career Ladder Extended Contracts		14,269	
Social Workers		93,825	
Attendants		152,514	
Social Security		89,418	
State Retirement		102,432	
Life Insurance		1,016	
Medical Insurance		248,194	
Dental Insurance		4,162	
Unemployment Compensation		1,411	
Employer Medicare		20,892	
Contracts with Government Agencies		85,000	
Evaluation and Testing		104,955	
Travel		8,319	
Other Supplies and Materials		20,960	
In Service/Staff Development		195	
Total Other Student Support			2,178,726

Regular Instruction Program

Supervisor/Director	\$	164,955	
Career Ladder Program		22,980	
Career Ladder Extended Contracts		18,912	
Librarians		841,851	
Materials Supervisor		25,341	
Instructional Computer Personnel		66,356	
Secretary(ies)		84,998	
Clerical Personnel		50,878	
Other Salaries and Wages		152,151	

(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.)

Social Security	\$	85,112	
State Retirement		94,140	
Life Insurance		913	
Medical Insurance		218,253	
Dental Insurance		3,883	
Unemployment Compensation		1,422	
Employer Medicare		19,916	
Travel		9,255	
Other Contracted Services		17,743	
Library Books/Media		32,289	
Periodicals		3,588	
Other Supplies and Materials		6,071	
In Service/Staff Development		18,828	
Other Charges		19,885	
Total Regular Instruction Program			\$ 1,959,720

Alternative Instruction Program

Supervisor/Director	\$	73,949	
Career Ladder Program		667	
Secretary(ies)		26,499	
Social Security		5,845	
State Retirement		6,948	
Life Insurance		56	
Dental Insurance		256	
Unemployment Compensation		103	
Employer Medicare		1,464	
Total Alternative Instruction Program			115,787

Special Education Program

Supervisor/Director	\$	66,345	
Career Ladder Program		10,962	
Secretary(ies)		29,017	
Other Salaries and Wages		118,401	
Social Security		13,675	
State Retirement		15,582	
Life Insurance		112	
Medical Insurance		15,780	
Dental Insurance		512	
Unemployment Compensation		195	

(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.)

Employer Medicare	\$	3,198	
Travel		21,774	
Other Contracted Services		75,228	
Other Supplies and Materials		22,475	
In Service/Staff Development		14,898	
Other Charges		32,103	
Other Equipment		8,176	
Other Capital Outlay		126	
Total Special Education Program			\$ 448,559

Vocational Education Program

Supervisor/Director	\$	37,021	
Career Ladder Program		583	
Secretary(ies)		10,679	
Social Security		2,939	
State Retirement		3,457	
Life Insurance		45	
Medical Insurance		11,772	
Dental Insurance		128	
Unemployment Compensation		51	
Employer Medicare		687	
Travel		439	
Other Supplies and Materials		64	
Total Vocational Education Program			67,865

Adult Programs

Supervisor/Director	\$	54,135	
Career Ladder Program		1,000	
Clerical Personnel		27,253	
Social Security		4,870	
State Retirement		6,202	
Life Insurance		56	
Medical Insurance		25,581	
Dental Insurance		256	
Unemployment Compensation		69	
Employer Medicare		1,139	
Travel		1,748	
Other Supplies and Materials		1,823	
Other Charges		2,806	
Total Adult Programs			126,938

(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.)

Other Programs

On-Behalf Payments to OPEB	\$ 240,438	
Total Other Programs		\$ 240,438

Board of Education

Secretary to Board	\$ 47,720	
Other Salaries and Wages	3,614	
Board and Committee Members Fees	25,950	
Social Security	4,661	
State Retirement	4,894	
Life Insurance	49	
Medical Insurance	10,314	
Dental Insurance	128	
Unemployment Compensation	41	
Employer Medicare	1,090	
Audit Services	9,500	
Dues and Memberships	17,082	
Legal Services	73,010	
Travel	2,361	
Other Contracted Services	17,502	
Office Supplies	1,342	
Liability Insurance	157,500	
Trustee's Commission	467,803	
Workers' Compensation Insurance	368,037	
In Service/Staff Development	2,220	
Criminal Investigation of Applicants - TBI	13,767	
Refund to Applicant for Criminal Investigation	3,196	
Other Charges	191,040	
Total Board of Education		1,422,821

Director of Schools

County Official/Administrative Officer	\$ 97,951
Assistant(s)	85,411
Career Ladder Program	1,000
Social Security	11,359
State Retirement	11,821
Life Insurance	56
Medical Insurance	19,406
Dental Insurance	256
Unemployment Compensation	69

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Employer Medicare	\$	2,657	
Communication		38,583	
Travel		4,062	
Other Contracted Services		376	
Office Supplies		3,405	
Other Charges		902	
Other Equipment		275	
Total Director of Schools			\$ 277,589

Office of the Principal

Principals	\$	1,079,282	
Career Ladder Program		29,583	
Accountants/Bookkeepers		413,269	
Career Ladder Extended Contracts		27,525	
Assistant Principals		779,247	
Secretary(ies)		613,828	
Social Security		172,168	
State Retirement		221,019	
Life Insurance		1,988	
Medical Insurance		477,301	
Dental Insurance		8,736	
Unemployment Compensation		2,707	
Employer Medicare		40,265	
Communication		127,630	
Dues and Memberships		8,925	
Postal Charges		4,250	
Other Contracted Services		51	
Office Supplies		2,407	
Other Supplies and Materials		178	
Other Charges		4,405	
Total Office of the Principal			4,014,764

Fiscal Services

Supervisor/Director	\$	68,865	
Accountants/Bookkeepers		220,965	
Purchasing Personnel		29,389	
Clerical Personnel		35,790	
Social Security		20,824	
State Retirement		34,684	

(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.)

Fiscal Services (Cont.)

Life Insurance	\$	246	
Medical Insurance		37,281	
Dental Insurance		1,151	
Unemployment Compensation		309	
Employer Medicare		4,870	
Travel		768	
Other Contracted Services		94,131	
Office Supplies		10,369	
In Service/Staff Development		970	
Other Charges		9,613	
Administration Equipment		567	
Total Fiscal Services			\$ 570,792

Human Services/Personnel

Other Salaries and Wages	\$	59,597	
Social Security		3,326	
State Retirement		5,823	
Life Insurance		56	
Medical Insurance		8,399	
Dental Insurance		256	
Unemployment Compensation		68	
Employer Medicare		778	
Office Supplies		818	
Administration Equipment		814	
Total Human Services/Personnel			79,935

Operation of Plant

Custodial Personnel	\$	578,629	
Social Security		32,610	
State Retirement		50,821	
Life Insurance		594	
Medical Insurance		147,748	
Dental Insurance		3,399	
Unemployment Compensation		1,471	
Employer Medicare		7,627	
Janitorial Services		1,272,507	
Operating Lease Payments		81,875	
Other Contracted Services		37,681	
Custodial Supplies		47,378	

(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.)

Electricity	\$	2,255,586	
Natural Gas		935,089	
Water and Sewer		304,229	
Other Supplies and Materials		46,842	
Building and Contents Insurance		176,941	
Total Operation of Plant			\$ 5,981,027

Maintenance of Plant

Supervisor/Director	\$	54,716	
Secretary(ies)		68,896	
Maintenance Personnel		546,870	
Social Security		39,253	
State Retirement		65,506	
Life Insurance		568	
Medical Insurance		117,347	
Dental Insurance		1,947	
Unemployment Compensation		739	
Employer Medicare		9,180	
Architects		10,645	
Laundry Service		7,530	
Other Contracted Services		612,362	
Other Supplies and Materials		375,028	
Maintenance Equipment		29,405	
Total Maintenance of Plant			1,939,992

Transportation

Supervisor/Director	\$	52,604	
Mechanic(s)		122,186	
Bus Drivers		834,396	
Clerical Personnel		62,453	
Attendants		132	
Other Salaries and Wages		2,051	
Social Security		61,497	
State Retirement		103,001	
Life Insurance		1,591	
Medical Insurance		226,544	
Dental Insurance		6,385	
Unemployment Compensation		2,317	
Employer Medicare		14,382	

(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.)

Contracts with Parents	\$	1,702	
Laundry Service		3,298	
Rentals		26,896	
Other Contracted Services		22,881	
Diesel Fuel		234,056	
Gasoline		63,281	
Lubricants		8,047	
Tires and Tubes		30,064	
Vehicle Parts		83,560	
Other Supplies and Materials		3,129	
Other Charges		2,867	
Transportation Equipment		342,458	
Total Transportation			\$ 2,311,778

Central and Other

Supervisor/Director	\$	65,400	
Career Ladder Program		3,000	
Computer Programmer(s)		311,941	
Clerical Personnel		29,241	
Other Salaries and Wages		745	
Social Security		24,567	
State Retirement		28,523	
Life Insurance		246	
Medical Insurance		57,913	
Dental Insurance		1,266	
Unemployment Compensation		295	
Employer Medicare		5,746	
Maintenance and Repair Services - Equipment		13,135	
Travel		687	
Other Contracted Services		33,475	
Office Supplies		388	
Other Supplies and Materials		55,724	
Data Processing Equipment		65,255	
Total Central and Other			697,547

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	69,758	
Career Ladder Program		1,000	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Accountants/Bookkeepers	\$	34,294	
Clerical Personnel		55,710	
Social Security		9,734	
State Retirement		13,352	
Life Insurance		1,237	
Dental Insurance		512	
Unemployment Compensation		170	
Employer Medicare		2,276	
Total Food Service			\$ 188,043

Community Services

Supervisor/Director	\$	616	
Teachers		274,360	
Clerical Personnel		1,596	
Educational Assistants		36,335	
Other Salaries and Wages		37,904	
Social Security		19,898	
State Retirement		23,885	
Life Insurance		28	
Medical Insurance		9,353	
Dental Insurance		128	
Unemployment Compensation		64	
Employer Medicare		4,879	
Travel		5,559	
Other Contracted Services		19,975	
Other Supplies and Materials		32,520	
In Service/Staff Development		355	
Other Charges		11,031	
Other Equipment		132,934	
Total Community Services			611,420

Early Childhood Education

Supervisor/Director	\$	34,900
Teachers		723,034
Clerical Personnel		20,516
Educational Assistants		275,472
Certified Substitute Teachers		3,385
Non-certified Substitute Teachers		709
Social Security		55,777

(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.)

State Retirement	\$	75,505	
Life Insurance		974	
Medical Insurance		223,073	
Dental Insurance		4,549	
Unemployment Compensation		1,652	
Employer Medicare		14,187	
Travel		1,147	
Other Contracted Services		18,197	
Food Supplies		689	
Instructional Supplies and Materials		3,254	
Other Supplies and Materials		64,131	
In Service/Staff Development		2,232	
Other Charges		1,713	
Other Equipment		4,765	
Total Early Childhood Education			\$ 1,529,861

Principal on Debt

Education

Principal on Capital Leases	\$	177,206	
Total Education			177,206

Total General Purpose School Fund \$ 68,324,192

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,145,176	
Educational Assistants		204,745	
Certified Substitute Teachers		4,432	
Non-certified Substitute Teachers		9,784	
Social Security		80,208	
State Retirement		91,439	
Life Insurance		970	
Medical Insurance		245,488	
Dental Insurance		5,106	
Unemployment Compensation		1,721	
Employer Medicare		18,845	
Other Contracted Services		3,794	
Instructional Supplies and Materials		71,743	

(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.)

Regular Instruction Program (Cont.)

Regular Instruction Equipment	\$ 57,761	
Total Regular Instruction Program		\$ 1,941,212

Alternative Instruction Program

Supervisor/Director	\$ 1,750	
Teachers	28,700	
Social Security	1,852	
State Retirement	1,955	
Unemployment Compensation	22	
Employer Medicare	433	
Travel	4,958	
Other Supplies and Materials	6,425	
In Service/Staff Development	2,838	
Other Equipment	2,511	
Total Alternative Instruction Program		51,444

Special Education Program

Teachers	\$ 8,525	
Educational Assistants	868,402	
Speech Pathologist	47,164	
Social Security	52,723	
State Retirement	84,733	
Life Insurance	1,301	
Medical Insurance	187,306	
Dental Insurance	5,709	
Unemployment Compensation	1,990	
Employer Medicare	12,306	
Contracts with Private Agencies	8,235	
Maintenance and Repair Services - Equipment	268	
Other Contracted Services	73,038	
Instructional Supplies and Materials	4,174	
Total Special Education Program		1,355,874

Vocational Education Program

Other Salaries and Wages	\$ 1,610	
Instructional Supplies and Materials	15,546	
Other Supplies and Materials	4,767	
Vocational Instruction Equipment	49,637	
Total Vocational Education Program		71,560

(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

Health Services

Other Salaries and Wages	\$	51,137	
Social Security		2,853	
State Retirement		4,996	
Life Insurance		28	
Medical Insurance		12,184	
Dental Insurance		128	
Unemployment Compensation		72	
Employer Medicare		668	
Travel		500	
Other Contracted Services		5,341	
Total Health Services			\$ 77,907

Other Student Support

Guidance Personnel	\$	47,066	
Social Workers		47,195	
Social Security		5,801	
State Retirement		7,630	
Life Insurance		28	
Medical Insurance		5,760	
Dental Insurance		256	
Unemployment Compensation		78	
Employer Medicare		1,357	
Travel		12,720	
In Service/Staff Development		8,897	
Other Charges		1,000	
Total Other Student Support			137,788

Regular Instruction Program

Supervisor/Director	\$	77,456	
Secretary(ies)		45,370	
Clerical Personnel		39	
Other Salaries and Wages		209,746	
Social Security		19,956	
State Retirement		22,563	
Life Insurance		84	
Medical Insurance		35,120	
Dental Insurance		409	
Unemployment Compensation		596	
Employer Medicare		4,666	

(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.)

Regular Instruction Program (Cont.)

Travel	\$	7,602	
Other Contracted Services		283,304	
Other Supplies and Materials		110,747	
In Service/Staff Development		232,333	
Other Charges		30,930	
Other Equipment		246,823	
Total Regular Instruction Program			\$ 1,327,744

Special Education Program

Psychological Personnel	\$	236,277	
Assessment Personnel		71,821	
Clerical Personnel		42,130	
Other Salaries and Wages		92,311	
Social Security		26,275	
State Retirement		29,822	
Life Insurance		262	
Medical Insurance		80,992	
Dental Insurance		1,126	
Unemployment Compensation		343	
Employer Medicare		6,145	
Travel		3,613	
Other Contracted Services		4,353	
Other Supplies and Materials		391	
In Service/Staff Development		2,850	
Other Charges		1,881	
Total Special Education Program			600,592

Vocational Education Program

Travel	\$	744	
Other Contracted Services		1,000	
Total Vocational Education Program			1,744

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	1,993	
Teachers		221,139	
Bus Drivers		13,176	
Clerical Personnel		6,217	
Educational Assistants		19,926	

(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.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Other Salaries and Wages	\$	13,615	
Social Security		15,132	
State Retirement		17,401	
Medical Insurance		191	
Unemployment Compensation		269	
Employer Medicare		3,871	
Travel		3,480	
Other Contracted Services		14,494	
Other Supplies and Materials		30,431	
In Service/Staff Development		406	
Other Charges		17,097	
Other Equipment		7,124	
Total Community Services			\$ 385,962

Total School Federal Projects Fund \$ 5,951,827

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,326,896	
Social Security		74,991	
State Retirement		102,369	
Medical Insurance		254,435	
Dental Insurance		6,918	
Unemployment Compensation		3,896	
Employer Medicare		17,538	
Communication		11,200	
Maintenance and Repair Services - Equipment		37,652	
Travel		4,071	
Other Contracted Services		30,981	
Food Preparation Supplies		138,139	
Food Supplies		1,883,839	
Office Supplies		6,120	
Other Supplies and Materials		3,650	
In Service/Staff Development		2,929	
Other Charges		41,539	
Food Service Equipment		80,999	
Total Food Service			\$ 4,028,162

Total Central Cafeteria Fund 4,028,162

(Continued)

Exhibit K-9

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

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	529,410	
Social Security		32,018	
State Retirement		30,213	
Life Insurance		298	
Medical Insurance		48,973	
Dental Insurance		1,273	
Unemployment Compensation		1,499	
Employer Medicare		7,488	
Travel		1,543	
Other Contracted Services		7	
Food Supplies		22,326	
Other Supplies and Materials		2,776	
Refunds		816	
Other Charges		21,658	
Other Equipment		4,732	
Total Community Services			\$ 705,030

Total Extended School Program Fund \$ 705,030

General Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	212,693	
Consultants		6,022	
Permits		6,290	
Other Contracted Services		19,776	
Building Construction		2,828,376	
Other Equipment		966	
Total Education Capital Projects			\$ 3,074,123

Total General Capital Projects Fund 3,074,123

Prescott Capital Projects Fund

Operation of Non-Instructional Services

Food Service

Food Service Equipment	\$	27,118	
Total Food Service			\$ 27,118

(Continued)

Exhibit K-9

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

Prescott Capital Projects Fund (Cont.)

Capital Projects

Education Capital Projects

Other Contracted Services	\$ 21,186	
Land	80,562	
Total Education Capital Projects		\$ 101,748

Total Prescott Capital Projects Fund \$ 128,866

Other Capital Projects Fund

Capital Projects

Education Capital Projects

Other Salaries and Wages	\$ 52,392	
Social Security	3,142	
State Retirement	5,119	
Medical Insurance	7,163	
Dental Insurance	119	
Unemployment Compensation	31	
Employer Medicare	735	
Architects	1,489,428	
Consultants	72,210	
Legal Services	27,428	
Permits	36,250	
Contracts for Development Costs	347,173	
Other Contracted Services	76,800	
Other Charges	6,754	
Building Construction	11,225,050	
Land	107	
Site Development	517,000	
Total Education Capital Projects		\$ 13,866,901

Total Other Capital Projects Fund 13,866,901

Total Governmental Funds - Putnam County School Department \$ 96,079,101

Exhibit K-10

Putnam County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2009

	Internal Service Fund
	Self- Insurance Fund
	<hr/>
<u>Operating Revenues</u>	
<u>Charges of Current Services</u>	
Self-Insurance Premiums/Contributions	\$ 1,533,254
Miscellaneous Refunds	131
Total Operating Revenues	<hr/> \$ 1,533,385 <hr/>
 Total Operating Revenues	 <hr/> \$ 1,533,385 <hr/>
 <u>Operating Expenses</u>	
<u>General Government</u>	
<u>County Mayor/Executive</u>	
Building and Contents Insurance	\$ 269
Excess Risk Insurance	2,541
Workers' Compensation Insurance	145,606
<u>Election Commission</u>	
Building and Contents Insurance	215
Excess Risk Insurance	2,033
Workers' Compensation Insurance	357
<u>Register of Deeds</u>	
Building and Contents Insurance	269
Excess Risk Insurance	2,541
Workers' Compensation Insurance	447
<u>Codes Compliance</u>	
Building and Contents Insurance	161
Excess Risk Insurance	1,524
Workers' Compensation Insurance	268
<u>County Buildings</u>	
Building and Contents Insurance	1,253
Excess Risk Insurance	11,856
Workers' Compensation Insurance	2,084
<u>Other Facilities</u>	
Building and Contents Insurance	161
Excess Risk Insurance	1,524
Workers' Compensation Insurance	268
Total General Government	<hr/> \$ 173,377 <hr/>

(Continued)

Exhibit K-10

Putnam County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund (Cont.)

	Internal Service Fund
	<u>Self- Insurance Fund</u>
<u>Operating Expenses (Cont.)</u>	
<u>Finance</u>	
<u>Property Assessor's Office</u>	
Building and Contents Insurance	\$ 483
Excess Risk Insurance	4,573
Workers' Compensation Insurance	804
<u>County Trustee's Office</u>	
Building and Contents Insurance	376
Excess Risk Insurance	3,557
Workers' Compensation Insurance	625
<u>County Clerk's Office</u>	
Building and Contents Insurance	1,146
Excess Risk Insurance	10,840
Workers' Compensation Insurance	1,905
<u>Other Finance</u>	
Building and Contents Insurance	107
Excess Risk Insurance	1,016
Workers' Compensation Insurance	179
Total Finance	<u>\$ 25,611</u>
<u>Administration of Justice</u>	
<u>Circuit Court</u>	
Building and Contents Insurance	\$ 1,074
Excess Risk Insurance	10,163
Workers' Compensation Insurance	1,786
<u>General Sessions Court</u>	
Building and Contents Insurance	161
Excess Risk Insurance	1,524
Workers' Compensation Insurance	268
<u>Chancery Court</u>	
Building and Contents Insurance	322
Excess Risk Insurance	3,049
Workers' Compensation Insurance	536
<u>Juvenile Court</u>	
Building and Contents Insurance	269
Excess Risk Insurance	2,541
Workers' Compensation Insurance	447
<u>District Attorney General</u>	
Building and Contents Insurance	54
Excess Risk Insurance	508
Workers' Compensation Insurance	89

(Continued)

Exhibit K-10

Putnam County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund (Cont.)

	Internal Service Fund
	<u>Self- Insurance Fund</u>
<u>Operating Expenses (Cont.)</u>	
<u>Administration of Justice (Cont.)</u>	
<u>Judicial Commissioners</u>	
Building and Contents Insurance	\$ 107
Excess Risk Insurance	1,016
Workers' Compensation Insurance	179
<u>Other Administration of Justice</u>	
Building and Contents Insurance	54
Excess Risk Insurance	508
Workers' Compensation Insurance	89
Total Administration of Justice	<u>\$ 24,744</u>
<u>Public Safety</u>	
<u>Sheriff's Department</u>	
Legal Services	\$ 21,468
Building and Contents Insurance	3,312
Excess Risk Insurance	31,335
Workers' Compensation Insurance	5,507
Liability Claims	1,216
Other Charges	656
<u>Jail</u>	
Other Contracted Services	197
Building and Contents Insurance	2,166
Excess Risk Insurance	20,495
Workers' Compensation Insurance	3,602
<u>Workhouse</u>	
Building and Contents Insurance	54
Excess Risk Insurance	508
Workers' Compensation Insurance	89
<u>Juvenile Services</u>	
Building and Contents Insurance	824
Excess Risk Insurance	7,791
Workers' Compensation Insurance	1,369
<u>Fire Prevention and Control</u>	
Building and Contents Insurance	161
Excess Risk Insurance	6,778
Workers' Compensation Insurance	268
<u>Civil Defense</u>	
Workers' Compensation Insurance	353
Total Public Safety	<u>\$ 108,149</u>

(Continued)

Exhibit K-10

Putnam County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund (Cont.)

	Internal Service Fund
	<u>Self- Insurance Fund</u>
<u>Operating Expenses (Cont.)</u>	
<u>Public Health and Welfare</u>	
<u>Local Health Center</u>	
Building and Contents Insurance	\$ 54
Excess Risk Insurance	508
Workers' Compensation Insurance	89
<u>Ambulance/Emergency Medical Services</u>	
Other Contracted Services	291
Building and Contents Insurance	2,554
Excess Risk Insurance	46,433
Workers' Compensation Insurance	74,306
Liability Claims	1,528
<u>Other Local Health Services</u>	
Building and Contents Insurance	54
Excess Risk Insurance	508
Workers' Compensation Insurance	89
<u>Sanitation Management</u>	
Building and Contents Insurance	877
Excess Risk Insurance	8,300
Workers' Compensation Insurance	1,459
Liability Claims	1,085
<u>Other Public Health and Welfare</u>	
Building and Contents Insurance	1,146
Excess Risk Insurance	10,840
Workers' Compensation Insurance	1,905
Total Public Health and Welfare	<u>\$ 152,026</u>
 <u>Social Cultural and Recreational Services</u>	
<u>Libraries</u>	
Workers' Compensation Insurance	\$ 177
<u>Parks and Fair Boards</u>	
Workers' Compensation Insurance	1,502
Total Social Cultural and Recreational Services	<u>\$ 1,679</u>
 <u>Agriculture and Natural Resources</u>	
<u>Agriculture Extension Service</u>	
Building and Contents Insurance	\$ 54
Excess Risk Insurance	508
Workers' Compensation Insurance	89
<u>Soil Conservation</u>	
Building and Contents Insurance	54
Excess Risk Insurance	508
Workers' Compensation Insurance	89
Total Agriculture and Natural Resources	<u>\$ 1,302</u>

(Continued)

Exhibit K-10

Putnam County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund (Cont.)

	Internal Service Fund
	<u>Self- Insurance Fund</u>
<u>Operating Expenses (Cont.)</u>	
<u>Other Operations</u>	
<u>Veterans' Services</u>	
Building and Contents Insurance	\$ 54
Excess Risk Insurance	508
Workers' Compensation Insurance	89
<u>Other Charges</u>	
Handling Charges and Administrative Costs	9,180
Building and Contents Insurance	53,708
Excess Risk Insurance	25,377
Workers' Compensation Insurance	172,550
Total Other Operations	<u>\$ 261,466</u>
<u>Highways</u>	
<u>Other Charges</u>	
Handling Charges and Administrative Costs	\$ 5,400
Building and Contents Insurance	42,124
Excess Risk Insurance	15,981
Workers' Compensation Insurance	31,840
Liability Claims	54,563
Total Highways	<u>\$ 149,908</u>
<u>Education</u>	
<u>Transportation</u>	
Other Contracted Services	\$ 306
Liability Claims	4,248
<u>Central and Other</u>	
Handling Charges and Administrative Costs	12,420
Legal Services	11,464
Building and Contents Insurance	96,884
Excess Risk Insurance	29,534
Workers' Compensation Insurance	245,561
Liability Claims	62,197
Other Charges	92
Total Education	<u>\$ 462,706</u>
Total Expenses	<u>\$ 1,360,968</u>

Exhibit K-11

Putnam County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2009

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 11,721,649
Total Cash Receipts	<u>\$ 11,721,649</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 11,604,431
Trustee's Commission	117,218
Total Cash Disbursements	<u>\$ 11,721,649</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2008	<u>0</u>
Cash Balance, June 30, 2009	<u><u>\$ 0</u></u>

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

December 21, 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, 2009, which collectively comprise Putnam County's basic financial statements and have issued our report thereon dated December 21, 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 auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 09.02, 09.03, 09.05, 09.06, 09.09, 09.10, and 09.11.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Putnam County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 09.05 and 09.06 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

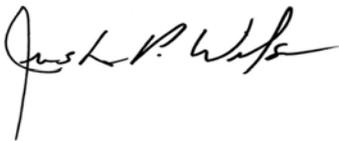
to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 09.01, 09.04, 09.07, and 09.08.

We consider item 09.12 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations. We also noted certain matters that we reported to management of Putnam County in separate communications.

Putnam County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit 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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a long vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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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

December 21, 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, 2009. 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, 2009.

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

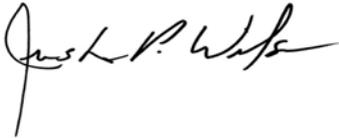
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Putnam County as of and for the year ended June 30, 2009, and have issued our reports thereon dated December 21, 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, 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 fluid and cursive, with a prominent vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury

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Putnam County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2009

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	\$ 17,747
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	312,305 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	668,287
National School Lunch Program	10.555	N/A	1,941,566 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	28,236
Total U.S. Department of Agriculture			<u>\$ 2,968,141</u>
U.S. Department of Labor:			
Passed through Upper Cumberland Human Resource Agency:			
WIA Youth Activities	17.259	(2)	\$ 17,000
Total U.S. Department of Labor			<u>\$ 17,000</u>
U.S. Department of Transportation:			
Passed through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	\$ 25,940
Passed through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	GG-08-24736-00	7,000
Total U.S. Department of Transportation			<u>\$ 32,940</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 2,095,979
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,263,305
Special Education - Preschool Grants	84.173	N/A	60,553
Vocational Education - Basic Grants to States	84.048	N/A	156,562
Safe and Drug Free Schools and Communities - State Grant	84.186	(2)	108,830
Twenty-first Century Community Learning Centers	84.287	(2)	395,585
State Grants for Innovative Programs	84.298	N/A	101,922
Education Technology State Grants	84.318	(2)	37,114
Reading First State Grants	84.357	(2)	335,787
English Language Acquisition Grants	84.365	(2)	84,683
Mathematics and Science Partnerships	84.366	(2)	399,659
Improving Teacher Quality State Grants	84.367	N/A	217,378
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(4)	143,924
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	GG-08-22045-00	9,538
Total U.S. Department of Education			<u>\$ 6,410,819</u>
U.S. Corporation for National and Community Service:			
Passed-through State Department Education:			
Learn and Serve America - School and Community Based Programs	94.004	N/A	\$ 12,790
Total U.S. Corporation for National and Community Service			<u>\$ 12,790</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(5)	\$ 100,014
Total U.S. Department of Homeland Security			<u>\$ 100,014</u>
Total Expenditures of Federal Awards			<u>\$ 9,541,704</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 - State Administrative Office of the Courts	N/A	(2)	\$ 2,754
Adult Drug Court - State Administrative Office of the Courts	N/A	(2)	33,663
Hispanic - Prenatal, Postpartum, and Newborn Grant - State Department of Health	N/A	(2)	86,864
Rural Local Health Services - State Department of Health	N/A	(2)	970,312
Coordinated School Health - State Department of Education	N/A	(2)	160,000
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	21,725
Youth Services Program - State Children's Services Commission	N/A	(2)	51,969
Juvenile Services Program - State Children's Services Commission	N/A	(2)	9,000
Litter Program - State Department of Transportation	N/A	(2)	52,230
Law Enforcement Training Program - State Department of Safety	N/A	(2)	33,000
Waste Tire Storage and Disposal - State Department of Environment and Conservation	N/A	(2)	24,436
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	53,572
Safe Schools Act - State Department of Education	N/A	(2)	50,400
Voluntary Lottery Funded Classroom Grants - State Department of Education	N/A	(2)	1,475,247
Lottery for Education - Afterschool Programs (LEAPS) - State Department of Education	N/A	(2)	944,353
Family Resource - State Department of Education	N/A	(2)	24,718
Model Dropout Prevention Grant - State Department of Education	N/A	(2)	6,000
Total State Grants			\$ 4,000,243

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 \$2,253,871.
- (4) Z-09-213498-00: \$116,799; Z-09-213240-00: \$24,440; Z-08-021218-00: \$1,703; Z-08-020815-00: \$982.
- (5) GG-08-22454-00: \$49,285; GG-08-24129-00: \$50,729.

Putnam County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2009

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, 2008, which have not been corrected.

OFFICE OF COUNTY EXECUTIVE

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.03(C,D)	226	Deficiencies were noted in the maintenance of capital assets records
08.05	228	The Industrial/Economic Development Fund had a deficit in unreserved fund balance

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.06	229	The School Federal Projects Fund required material audit adjustments for proper financial statement presentation
08.07	230	The School Federal Projects Fund had a deficit in unreserved fund balance
08.08(D)	230	General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments monthly

OFFICE OF COUNTY CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.12	233	The office had internal control deficiencies related to collections

OTHER FINDINGS

Finding Number	Page Number	Subject
08.14	234	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
08.15	235	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, 2009

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. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed one instance of noncompliance that was 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), Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), Twenty-first Century Community Learning Centers (CFDA No. 84.287), and Mathematics and Science Partnerships (CFDA No. 84.366) 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 and director of schools are paraphrased in this report.

OFFICE OF COUNTY EXECUTIVE

FINDING 09.01 **THE COUNTY ARCHIVES HAD COLLECTION DEFICIENCIES** (Noncompliance Under Government Auditing Standards)

Putnam County operates an archive for storing documents that is funded by fees collected from the County Clerk's Office, citizens' donations, and various fund-raising events. Our examination revealed the following deficiencies in the collection process at the archives:

- A. Official prenumbered receipts were not issued for collections. Section 9-2-103, Tennessee Code Annotated (TCA), requires that official prenumbered receipts be issued for all collections. In-lieu-of receipts, the archivist lists collections and donations in a ledger; however, we could not trace these amounts listed to deposits with the county trustee. During the year, we noted deposits with the county trustee totaling \$17,369 from the archives; however, we could not determine if this amount was the total collections received by the archives.
- B. Since receipts were not issued for collections, we could not determine if funds were deposited with the county trustee within three days of collection as required by Section 5-8-207, TCA. For example, on October 26, 2009, we noted a \$500 cash collection on hand that was recorded into the archivist's ledger on October 9, 2009. The failure to deposit funds currently increases the risk of fraud and abuse.
- C. The county archivist is collecting \$35 from individuals on behalf of a private framing shop for framing a veteran's picture to include in the Veteran's Hall. The ledger maintained by the archivist noted that \$12,615 had been collected from individuals for the framing of veteran's pictures. Individuals were instructed to make checks payable to a local frame shop for the framing charges. During our examination, we noted several of these checks on hand dated back to December 2008.

RECOMMENDATION

Official prenumbered receipts should be issued for all collections, and collections should be deposited within three days. The county archivist should not be collecting funds on behalf of a private framing shop. Individuals interested in having veteran's pictures framed for inclusion in the Veteran's Hall should deal directly with the private framing shop.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

Management concurs with this finding and steps will be taken to correct these deficiencies.

FINDING 09.02 **DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSETS RECORDS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination revealed the following deficiencies in the maintenance of capital assets records. These deficiencies resulted from the failure of management to adequately monitor and review capital assets procedures and correct certain deficiencies noted in the prior-year audit report.

- A. 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.

- B. Numerous posting and documentation errors were noted in our review of the capital assets records, such as, depreciable assets not being depreciated, and, assets included on the capital assets records twice. 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

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

Management concurs with this finding. We continue to work toward improving the maintenance of the capital assets.

FINDING 09.03 **THE INDUSTRIAL/ECONOMIC DEVELOPMENT FUND HAD A DEFICIT IN UNRESERVED FUND BALANCE AT JUNE 30, 2009**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Industrial/Economic Development Fund had a deficit in unreserved fund balance of \$2,476,578 at June 30, 2009. This deficit resulted from the recognition of a long-term liability of \$3,333,332 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.

FINDING 09.04 **AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT**
(Noncompliance Under Government Auditing Standards)

The office did not deposit amounts withheld (\$97,639) from contractor payments into an escrow account. Section 66-34-104, Tennessee Code Annotated requires that funds withheld from contractor payments be deposited into an escrow account for contracts of \$500,000 or more. Management advised that they were not aware that amounts withheld from contractor payments had to be deposited into an escrow account. This noncompliance could result in the loss of interest earnings for the contractor.

RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into an escrow account in compliance with state statute.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

Management concurs with this finding. It is common practice for the contractor to set up an escrow account on behalf of the county. The architect and the county's legal counsel generally see that this is accomplished. However, in this case we had problems with the architect's performance. The contractor never set up the account, and we were not made aware of that fact.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 09.05 **THE SCHOOL FEDERAL PROJECTS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2009, certain general ledger account balances in the School Federal Projects Fund 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. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to present the financial statements in this report properly.

RECOMMENDATION

The School Department should have appropriate processes in place to ensure that general ledgers are materially correct.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Proper procedures will be established to track end-of-year receivables to ensure money received after the end of the year will be booked against the receivable and not booked towards additional revenue.

FINDING 09.06 **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 \$165,266 at June 30, 2009. This deficit resulted from expenditures exceeding grant funds requested and received. The deficit was liquidated subsequent to June 30, 2009, when additional federal grant revenues were received. This finding exists because management failed to correct the finding noted in the prior-year audit report.

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

The deficit resulted from receivables that we established as of June 30 that were not received within the 60-day recognition period, which resulted in the deferral of the receivable. The School Department will try to request money sooner and do a better job in encouraging the state to reimburse funds more timely.

FINDING 09.07 THE CENTRAL CAFETERIA FUND MADE AN UNAUTHORIZED TRANSFER OF \$330,000 TO THE GENERAL PURPOSE SCHOOL FUND
(Material Noncompliance Under Government Auditing Standards)

During the year, the Central Cafeteria Fund transferred \$330,000 to the General Purpose School Fund. School Department officials advised that this transfer was to reimburse the General Purpose School Fund for direct costs related to utility usage; however, the School Department could not provide documentation to support the transfer. School Departments are authorized to make transfers from the Central Cafeteria Fund for direct costs, but only if the costs are properly documented. In the absence of adequate documentation, this transfer is considered an indirect cost. Section 49-6-2305, Tennessee Code Annotated requires the food service program to have an excess balance that exceeds three months expenditures to disburse funds for indirect costs. The Central Cafeteria Fund did not have the excess balance that would allow them to transfer funds to the General Purpose School Fund under the indirect cost method. The failure to meet requirements for transfers from the Central Cafeteria Fund to the General Purpose School Fund for both direct and indirect costs could lead to the abuse of program funds.

RECOMMENDATION

The School Department should not transfer funds from the Central Cafeteria Fund to the General Purpose School Fund without an adequate excess balance for indirect costs or proper documentation of direct costs.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

While it is not permissible to use an indirect rate to charge the Central Cafeteria Fund from the General Purpose School Fund because the Central Cafeteria Fund does not have an excess fund balance, it is permissible to charge direct charges to the Central Cafeteria Fund. The Board of Education is contracting with a firm to conduct an energy assessment audit of cafeteria usage to support the budgeted transfer.

FINDING 09.08 THE SCHOOL DEPARTMENT FAILED TO COMPLY WITH STATE STATUTES WHEN ENTERING INTO A LEASE-PURCHASE AGREEMENT
(Noncompliance Under Government Auditing Standards)

On September 28, 2008, the School Department entered into a \$506,606 three-year lease-purchase agreement for 400 laptop computers without prior approval of the County Commission. Section 7-51-904, Tennessee Code Annotated (TCA), requires lease-purchase agreements to be approved by the County Commission. Additionally, the School Department did not file a Report on Debt Obligation with the state director of Local Finance. Section 9-21-151, TCA, requires that within 45 days following the issuance of debt, the School Department must provide the director of Local Finance certain information, such as a description of the purchase for which the debt was issued, and a description of the debt obligation.

RECOMMENDATION

Lease-purchase agreements should be approved by the County Commission, and the School Department should file a Report on Debt Obligation with the state director of Local Finance within 45 days of the issuance of the debt.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Since the lease-purchase agreement is a capital lease it will be brought before the County Commission for approval. The School Department will file a Report on Debt Obligation with the state director of Local Finance.

FINDING 09.09 **GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

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. This finding exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and errors should be corrected promptly.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Liability account reconciliations have been established to ensure proper reconciliations at the end of each month, and errors will be corrected promptly.

OFFICE OF COUNTY CLERK

FINDING 09.10 **THE OFFICE HAD INTERNAL CONTROL DEFICIENCIES RELATED TO COLLECTIONS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our audit revealed the following deficiencies in controls over collections. These deficiencies can be attributed to the failure of management to correct findings noted in the prior-year 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.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 09.11 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF COUNTY EXECUTIVE; ROAD SUPERVISOR; DIRECTOR OF SCHOOLS; TRUSTEE; COUNTY CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE 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, General Sessions, and Juvenile 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. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

FINDING 09.12 **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED**
(Internal Control – Control Deficiency Under Government Auditing Standards)

County officials had not adopted a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. 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, 2009**

There were no audit findings relative to federal awards presented in the prior- or current-years' Schedules of Findings and Questioned Costs.