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# ANNUAL FINANCIAL REPORT PUTNAM COUNTY, TENNESSEE



**FOR THE YEAR ENDED JUNE 30, 2010**



**ANNUAL FINANCIAL REPORT  
PUTNAM COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2010**

***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***

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TIM BRASHEARS, CGFM  
MELODIE HODGES, CFE  
JAMES HODGES, CFE  
RODNEY MALIN, CGFM  
GARY RAMSEY, CPA  
CHAD MARCUM, CPA  
KELLEY McNEAL, CPA, CGFM  
State Auditors***

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

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# ***Audit Highlights***

Annual Financial Report  
Putnam County, Tennessee  
For the Year Ended June 30, 2010

## ***Scope***

We have audited the basic financial statements of Putnam County as of and for the year ended June 30, 2010.

## ***Results***

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

Our audit resulted in 11 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 and Best Practices***

The following are summaries of the audit findings and best practices:

### **OFFICE OF COUNTY EXECUTIVE**

- ◆ Deficiencies were noted in the maintenance of capital asset records.
- ◆ The Industrial/Economic Development Fund had a deficit in unreserved fund balance at June 30, 2010.
- ◆ Appropriations exceeded estimated available funding.

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### **OFFICES OF COUNTY EXECUTIVE AND TRUSTEE**

- ◆ The self-insurance administrator authorized automatic withdrawals from the trustee's checking account without county approval.

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

- ◆ A cash shortage totaling \$6,564.98 existed at Parkview Elementary School cafeteria on September 24, 2010.
- ◆ The School Federal Projects Fund required material audit adjustments for proper financial statement presentation.
- ◆ Grant funds in the School Federal Projects Fund were improperly reclassified to a miscellaneous account.

- ◆ General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments monthly.
  - ◆ Appropriations exceeded estimated available funds in the Extended School Program Fund.
- 

## **OFFICE OF COUNTY CLERK**

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

## **OTHER FINDING**

- ◆ Duties were not segregated adequately in the Offices of County Executive; Road Supervisor; Director of Schools; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.
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## **BEST PRACTICES**

The Division of County Audit strongly believes that the items noted below are best practices that should be considered by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens in Putnam County.

- Putnam County should adopt a central system of accounting, budgeting, and purchasing.
- Putnam County should establish an Audit Committee.

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# INTRODUCTORY SECTION

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Putnam County Officials  
June 30, 2010

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**Officials**

Kim Blaylock, County Executive  
Randy Jones, 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**

March 1, 2011

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, 2010, 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 one 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 .44 percent and 3.5 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 1.5 percent and 1.4 percent, respectively, of the assets and revenues of the aggregate discretely presented component units or the Putnam County Agricultural and Industrial Fair, Inc., which represent .04 percent and .32 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 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 report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report 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, 2010, 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 March 1, 2011, 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 has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

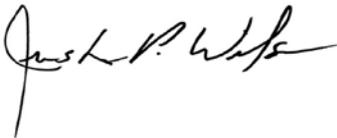
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 81 through 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational,

economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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, 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, 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 at 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, 2010

	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	\$ 168,541	\$ 1,079	\$ 1,369,179	\$ 65,750
Equity in Pooled Cash and Investments	27,409,878	28,273,168	0	0
Accounts Receivable	2,007,820	21,125	31,168	171
Allowance for Uncollectibles	(280,370)	0	0	0
Due from Other Governments	1,680,615	3,505,296	26,761	0
Property Taxes Receivable	23,593,503	12,252,982	0	0
Allowance for Uncollectible Property Taxes	(839,270)	(435,863)	0	0
Prepaid Items	15,830	0	26,491	569
Unamortized Issuance Costs on Investments	608,494	0	0	0
Notes Receivable - Current	156,327	0	0	0
Notes Receivable - Long-term	1,279,443	0	0	0
Assets Not Depreciated:				
Land	5,005,322	5,037,975	0	0
Intangible	4,680,499	0	0	0
Construction in Progress	686,037	37,065,357	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	25,675,966	75,936,564	169,625	0
Infrastructure	29,383,621	0	0	0
Other Capital Assets	4,888,579	2,521,378	807,596	0
<b>Total Assets</b>	<b>\$ 126,120,835</b>	<b>\$ 164,179,061</b>	<b>\$ 2,430,820</b>	<b>\$ 66,490</b>
<u>LIABILITIES</u>				
Accounts Payable	\$ 110,229	\$ 611,976	\$ 2,759	\$ 5,909
Accrued Payroll	17,132	848,181	0	0
Payroll Deductions Payable	5,464	630,659	0	0
Claims and Judgments Payable	1,239,380	0	0	0
Accrued Interest Payable	3,097,701	6,354	0	0
Retainage Payable	0	38,064	0	0
Due to State of Tennessee	216	1,912	0	0
Matured Bonds Payable	15,000	0	0	0
Deferred Revenue - Current Property Taxes	21,967,893	11,408,742	0	0
Unamortized Premiums on Debt	511,976	0	0	0
Noncurrent Liabilities:				
Due Within One Year	6,679,901	234,036	0	0
Due in More Than One Year	127,677,020	1,140,378	0	0
<b>Total Liabilities</b>	<b>\$ 161,321,912</b>	<b>\$ 14,920,302</b>	<b>\$ 2,759</b>	<b>\$ 5,909</b>

(Continued)

Exhibit A

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

	Component Units			
	Primary Governmental Activities	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	\$ 55,933,909	\$ 120,561,274	\$ 0	\$ 0
Invested in Capital Assets	0	0	977,221	0
Restricted for:				
Public Library	108,869	0	0	0
Solid Waste/Sanitation	1,739,003	0	0	0
Special Purpose	76,876	0	0	0
Drug Control	71,138	0	0	0
Sports and Recreation	31,194	0	0	0
District Attorney General	11,291	0	0	0
Highway/Public Works	1,163,195	0	0	0
School Federal Projects	0	914,653	0	0
Central Cafeteria	0	1,092,159	0	0
Extended School Program	0	94,503	0	0
Basic Education Program	0	984,099	0	0
Debt Service	13,374,987	0	0	0
Capital Projects	7,832	19,138,139	0	0
Self-Insurance	2,940,780	0	0	0
Other Purposes	296,530	134,706	0	0
Unrestricted	(110,956,681)	6,339,926	1,450,840	60,581
Total Net Assets (Deficit)	<u>\$ (35,201,077)</u>	<u>\$ 149,259,459</u>	<u>\$ 2,428,061</u>	<u>\$ 60,581</u>

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

Exhibit B

Putnam County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2010

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Putnam County School Department	Putnam County Emergency Communications District	Putnam County Agricultural and Industrial Fair, Inc.	Putnam County	Putnam County
Primary Government:										
Governmental Activities:										
General Government	\$ 3,699,336	\$ 691,374	\$ 48,901	\$ 0	\$ (2,959,061)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	2,347,234	1,820,928	17,431	0	(508,875)	0	0	0	0	0
Administration of Justice	2,518,336	2,178,765	62,858	0	(276,713)	0	0	0	0	0
Public Safety	10,439,609	940,543	203,628	1,355,554	(7,939,884)	0	0	0	0	0
Public Health and Welfare	9,817,117	4,620,248	1,112,701	244,530	(3,839,638)	0	0	0	0	0
Social, Cultural, and Recreational Services	2,164,253	322,393	401,991	0	(1,439,869)	0	0	0	0	0
Agriculture and Natural Resources	229,122	33,320.00	0	0	(195,802)	0	0	0	0	0
Other Operations	1,490,315	0	0	0	(1,490,315)	0	0	0	0	0
Highways/Public Works	4,339,792	2,580	1,957,188	1,182,570	(1,197,454)	0	0	0	0	0
Education (Self-Insurance)	754,196	806,156	0	0	51,960	0	0	0	0	0
Interest on Long-term Debt	6,441,009	0	0	0	(6,441,009)	0	0	0	0	0
Other Debt Service	219,038	0	0	0	(219,038)	0	0	0	0	0
<b>Total Primary Government</b>	<b>\$ 44,459,357</b>	<b>\$ 11,416,307</b>	<b>\$ 3,804,698</b>	<b>\$ 2,782,654</b>	<b>\$ (26,455,698)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Component Units:										
Putnam County School Department	\$ 82,163,486	\$ 2,682,676	\$ 12,080,388	\$ 406,757	\$ 0	\$ (66,993,665)	\$ 0	\$ 0	\$ 0	\$ 0
Putnam County Emergency Communications District	636,151	676,163	0	0	0	0	40,012	0	0	0
Putnam County Agricultural and Industrial Fair, Inc.	299,015	271,310	0	0	0	0	0	(27,705)	0	0
<b>Total Component Units</b>	<b>\$ 83,098,652</b>	<b>\$ 3,630,149</b>	<b>\$ 12,080,388</b>	<b>\$ 406,757</b>	<b>\$ 0</b>	<b>\$ (66,993,665)</b>	<b>\$ 40,012</b>	<b>\$ (27,705)</b>	<b>\$ 0</b>	<b>\$ (27,705)</b>

(Continued)

Exhibit B

Putnam County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets				
	Component Units				
	Expenses	Program Revenues	Putnam County School Department	Putnam County Emergency Communications District	Putnam County Agricultural and Industrial Fair, Inc.
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 16,258,675	\$ 0
Property Taxes Levied for Debt Service				6,894,144	0
Local Option Sales Taxes				2,359,280	0
Hotel/Motel Tax				852,918	0
Litigation Taxes				309,973	0
Business Tax				903,026	0
Mineral Severance Tax				161,994	0
Wholesale Beer Tax				233,012	0
Other Local Taxes				4,733	1,916
Grants and Contributions Not Restricted to Specific Programs				1,127,675	449,786
Unrestricted Investment Earnings				562,582	14,531
Miscellaneous				449,377	84,470
Total General Revenues				\$ 30,117,389	\$ 68,449,258
Change in Net Assets				\$ 3,661,691	\$ 518,107
Net Assets (Deficit), July 1, 2009				(39,538,221)	1,909,954
Prior-period Adjustment				675,453	0
Net Assets (Deficit), June 30, 2010				\$ (35,201,077)	\$ 2,428,061

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, 2010

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Industrial / Economic Development	General Debt Service	Other Governmental Funds	Governmental Funds	
\$	100	0	0	165,054	\$	165,154
Cash	7,287,817	726,211	11,567,915	3,651,162		23,233,105
Equity in Pooled Cash and Investments	1,797,846	0	26,124	183,850		2,007,820
Accounts Receivable	(278,314)	0	0	(2,056)		(280,370)
Allowance for Uncollectibles	745,202	0	520,163	415,250		1,680,615
Due from Other Governments	4,505	0	0	0		4,505
Due from Other Funds	12,122,629	391,052	7,038,946	4,040,876		23,593,503
Property Taxes Receivable	(431,227)	(13,910)	(250,390)	(143,743)		(839,270)
Allowance for Uncollectible Property Taxes	0	0	0	15,830		15,830
Prepaid Items	0	1,435,770	4,138,888	0		5,574,658
Notes Receivable - Long-term						
Total Assets	\$ 21,248,558	\$ 2,539,123	\$ 23,041,646	\$ 8,326,223	\$	55,155,550

ASSETS

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

LIABILITIES AND FUND BALANCES

Liabilities	Amount
Accounts Payable	\$ 95,959
Accrued Payroll	0
Payroll Deductions Payable	0
Due to Other Funds	0
Due to State of Tennessee	0
Matured Bonds Payable	0
Deferred Revenue - Current Property Taxes	11,287,370
Deferred Revenue - Delinquent Property Taxes	364,194
Other Deferred Revenues	1,124,764
Capital Outlay Notes Payable - Long-term	1,361,112
Total Liabilities	\$ 14,233,399
Accounts Payable	\$ 14,270
Accrued Payroll	17,132
Payroll Deductions Payable	5,464
Due to Other Funds	4,505
Due to State of Tennessee	216
Matured Bonds Payable	0
Deferred Revenue - Current Property Taxes	3,762,456
Deferred Revenue - Delinquent Property Taxes	121,397
Other Deferred Revenues	251,729
Capital Outlay Notes Payable - Long-term	0
Total Liabilities	\$ 4,177,169
Accounts Payable	\$ 110,229
Accrued Payroll	17,132
Payroll Deductions Payable	5,464
Due to Other Funds	4,505
Due to State of Tennessee	216
Matured Bonds Payable	15,000
Deferred Revenue - Current Property Taxes	21,967,893
Deferred Revenue - Delinquent Property Taxes	708,805
Other Deferred Revenues	3,155,579
Capital Outlay Notes Payable - Long-term	4,138,888
Total Liabilities	\$ 30,123,711

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Industrial / Economic Development	General Debt Service	Other	Governmental Funds	
\$	543,821	0	0	263,373	0	807,194
Reserved for Encumbrances	49,222	0	0	0	0	49,222
Reserved for Sexual Offender Registration	11,500	0	0	0	0	11,500
Reserved for Computer System - Register	42,458	0	0	0	0	42,458
Reserved for Automation Purposes - Circuit Court	3,402	0	0	0	0	3,402
Reserved for Automation Purposes - General Sessions Court	30,222	0	0	0	0	30,222
Reserved for Automation Purposes - Juvenile Court	8,120	0	0	0	0	8,120
Reserved for Automation Purposes - Chancery Court	2,615	0	0	0	0	2,615
Reserved for Automation Purposes - County Clerk	11,992	0	0	0	0	11,992
Reserved for Long-term Notes Receivable	0	0	4,138,888	0	0	4,138,888
Reserved for Capital Outlay	137,000	0	0	0	0	137,000
Reserved for Other General Purposes	0	0	0	39,342	0	39,342
Unreserved, Reported In:						
General Fund	6,174,807	0	0	0	0	6,174,807
Special Revenue Funds (Deficit)	0	(2,050,280)	0	2,834,454	0	784,174
Debt Service Funds	0	0	11,779,018	0	0	11,779,018
Capital Projects Funds	0	0	0	1,011,885	0	1,011,885
Total Fund Balances	<u>\$ 7,015,159</u>	<u>\$ (2,050,280)</u>	<u>\$ 15,917,906</u>	<u>\$ 4,149,054</u>	<u>\$ 25,031,839</u>	
Total Liabilities and Fund Balances	<u>\$ 21,248,558</u>	<u>\$ 2,539,123</u>	<u>\$ 23,041,646</u>	<u>\$ 8,326,223</u>	<u>\$ 55,155,550</u>	

LIABILITIES AND FUND BALANCES (CONT.)

<u>Fund Balances</u>
Reserved for Encumbrances
Reserved for Drug Court
Reserved for Sexual Offender Registration
Reserved for Computer System - Register
Reserved for Automation Purposes - Circuit Court
Reserved for Automation Purposes - General Sessions Court
Reserved for Automation Purposes - Juvenile Court
Reserved for Automation Purposes - Chancery Court
Reserved for Automation Purposes - County Clerk
Reserved for Long-term Notes Receivable
Reserved for Capital Outlay
Reserved for Other General Purposes
Unreserved, Reported In:
General Fund
Special Revenue Funds (Deficit)
Debt Service Funds
Capital Projects Funds
Total Fund Balances

Total Liabilities and Fund Balances

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, 2010

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)		\$ 25,031,839
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 5,005,322	
Add: intangible assets	4,680,499	
Add: construction in progress	686,037	
Add: buildings and improvements net of accumulated depreciation	25,060,523	
Add: infrastructure net of accumulated depreciation	29,383,621	
Add: other capital assets net of accumulated depreciation	4,469,588	
Add: Putnam County Public Library:		
building improvements net of accumulated depreciation	401,555	
other capital assets net of accumulated depreciation	228,455	
Add: Parks, Recreation, and Conservation Board:		
buildings and improvements net of accumulated depreciation	213,888	
other capital assets net of accumulated depreciation	<u>190,536</u>	70,320,024
(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.		2,940,780
(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	\$ (133,720,000)	
Less: landfill postclosure care costs	(265,252)	
Add: deferred charges - debt issuance costs	608,494	
Add: deferred amount on refunding	6,095	
Less: compensated absences payable	(226,720)	
Less: accrued interest on bonds	(3,097,701)	
Less: other deferred revenue - premium on debt	(518,071)	
Less: other postemployment benefits liability	(108,300)	
Less: Parks, Recreation, and Conservation Board:		
compensated absences payable	<u>(36,649)</u>	(137,358,104)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,864,384</u>
Net assets (deficit) of governmental activities (Exhibit A)		<u>\$ (35,201,077)</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, 2010

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Industrial / Economic Development	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 13,859,777	\$ 387,633	\$ 9,744,874	\$ 4,301,882	\$ 28,294,166
Licenses and Permits	374,846	0	0	0	374,846
Fines, Forfeitures, and Penalties	647,103	0	0	93,819	740,922
Charges for Current Services	3,410,577	0	0	1,042,852	4,453,429
Other Local Revenues	1,065,653	498,319	181,023	383,440	2,128,435
Fees Received from County Officials	3,500,611	0	0	0	3,500,611
State of Tennessee	2,685,833	0	0	2,252,540	4,938,373
Federal Government	1,475,732	0	0	0	1,475,732
Other Governments and Citizens Groups	101,812	0	0	570,991	672,803
<b>Total Revenues</b>	<b>\$ 27,121,944</b>	<b>\$ 885,952</b>	<b>\$ 9,925,897</b>	<b>\$ 8,645,524</b>	<b>\$ 46,579,317</b>
<u>Expenditures</u>					
Current:					
General Government	\$ 3,868,164	\$ 0	\$ 0	\$ 546,050	\$ 4,414,214
Finance	1,674,797	0	0	642,242	2,317,039
Administration of Justice	2,316,877	0	0	396	2,317,273
Public Safety	9,823,204	0	0	119,690	9,942,894
Public Health and Welfare	4,876,793	0	0	4,436,467	9,313,260
Social, Cultural, and Recreational Services	260,299	0	0	1,820,039	2,080,338
Agriculture and Natural Resources	221,753	0	0	0	221,753
Other Operations	1,153,055	459,654	0	64,660	1,677,369
Highways	0	0	0	3,423,965	3,423,965
Debt Service:					
Principal on Debt	0	0	6,025,000	0	6,025,000
Interest on Debt	0	0	6,578,770	0	6,578,770
Other Debt Service	0	0	171,841	0	171,841
Capital Projects	0	0	0	248,960	248,960
<b>Total Expenditures</b>	<b>\$ 24,194,942</b>	<b>\$ 459,654</b>	<b>\$ 12,775,611</b>	<b>\$ 11,302,469</b>	<b>\$ 48,732,676</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,927,002	\$ 426,298	\$ (2,849,714)	\$ (2,656,945)	\$ (2,153,359)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 1,541	\$ 0	\$ 0	\$ 0	\$ 1,541
Transfers In	522,000	0	0	1,098,410	1,620,410
Transfers Out	(1,098,410)	0	(522,000)	0	(1,620,410)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (574,869)</b>	<b>\$ 0</b>	<b>\$ (522,000)</b>	<b>\$ 1,098,410</b>	<b>\$ 1,541</b>
Net Change in Fund Balances	\$ 2,352,133	\$ 426,298	\$ (3,371,714)	\$ (1,558,535)	\$ (2,151,818)
Fund Balance, July 1, 2009	4,663,026	(2,476,578)	19,289,620	5,707,589	27,183,657
<b>Fund Balance, June 30, 2010</b>	<b>\$ 7,015,159</b>	<b>\$ (2,050,280)</b>	<b>\$ 15,917,906</b>	<b>\$ 4,149,054</b>	<b>\$ 25,031,839</b>

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, 2010

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)		\$ (2,151,818)
(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	\$ 1,205,424	
Less: current-year depreciation expense	(2,264,065)	
Putnam County Public Library:		
Add: capital assets purchased in the current period	66,817	
Less: current-year depreciation expense	(100,677)	
Parks, Recreation, and Conservation Board:		
Add: capital assets purchased in the current period	80,891	
Less: current-year depreciation expense	<u>(52,632)</u>	(1,064,242)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: assets donated and capitalized	\$ 911,057	
Less: loss on disposal of capital assets	<u>(18,575)</u>	892,482
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$ 3,864,384	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(4,113,732)</u>	(249,348)
(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:		
Add: change in premium on debt issuances	\$ 42,030	
Less: change in deferred debt issuance costs	(45,205)	
Less: change in deferred amount on refunding debt	(1,992)	
Add: principal payments on bonds	<u>6,025,000</u>	6,019,833
(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	\$ 137,761	
Change in landfill postclosure care costs	147,967	
Change in compensated absences payable	(15,323)	
Change in other postemployment benefits liability	(57,800)	
Parks, Recreation, and Conservation Board:		
Change in compensated absences payable	<u>(2,591)</u>	210,014
(6) The internal service fund is used by management to charge the cost of liability and workers' compensation insurance to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>4,770</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 3,661,691</u>

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

Exhibit D-1

Putnam County, Tennessee  
Statement of Net Assets  
Proprietary Fund  
June 30, 2010

	Governmental Activities - Internal Service Fund <hr/> Self-Insurance Fund <hr/>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 3,387
Equity in Pooled Cash and Investments	4,176,773
Total Assets	<hr/> \$ 4,180,160 <hr/>
<u>LIABILITIES</u>	
Current Liabilities:	
Claims and Judgments Payable	\$ 1,239,380
Total Liabilities	<hr/> \$ 1,239,380 <hr/>
<u>NET ASSETS</u>	
Unrestricted	<hr/> \$ 2,940,780 <hr/>
Total Net Assets	<hr/> <hr/> \$ 2,940,780 <hr/> <hr/>

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, 2010

	Governmental Activities - Internal Service Fund <hr/> Self-Insurance Fund <hr/>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 1,511,531
Refunds	2,916
Total Operating Revenues	<hr/> \$ 1,514,447 <hr/>
<u>Operating Expenses</u>	
General Government	\$ 42,145
Finance	34,445
Administration of Justice	33,278
Public Safety	135,921
Public Health and Welfare	240,550
Social, Cultural, and Recreational Services	34,753
Agriculture and Natural Resources	1,752
Other Operations	204,006
Highways	56,010
Education - Support Services	754,196
Total Operating Expenses	<hr/> \$ 1,537,056 <hr/>
Operating Income (Loss)	<hr/> \$ (22,609) <hr/>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 27,379
Total Nonoperating Revenue	<hr/> \$ 27,379 <hr/>
Change in Net Assets	\$ 4,770
Net Assets, July 1, 2009	<hr/> 2,936,010 <hr/>
Net Assets, June 30, 2010	<hr/> \$ 2,940,780 <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, 2010

	Governmental Activities - Internal Service Fund <u>Self-Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-insurance Premiums	\$ 1,511,531
Receipts for Refunds	2,916
Payments for Administrative Costs and Premiums	(1,126,058)
Payments for Claims	(37,164)
Payments for Legal Costs	(39,025)
Payments for Other Charges	(9,370)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 302,830</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	<u>\$ 27,379</u>
Net Cash Provided By (Used In) Investing Activities	<u>\$ 27,379</u>
Net Increase (Decrease) in Cash	\$ 330,209
Cash, July 1, 2009	<u>3,849,951</u>
Cash, June 30, 2010	<u><u>\$ 4,180,160</u></u>
<u>Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (22,609)
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>325,439</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 302,830</u></u>
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Cash per Net Assets	\$ 3,387
Equity in Pooled Cash and Investments per Net Assets	<u>4,176,773</u>
Cash, June 30, 2010	<u><u>\$ 4,180,160</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, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,274,907
Equity in Pooled Cash and Investments	49,429
Accounts Receivable	6,976
Due from Other Governments	<u>2,041,083</u>
Total Assets	<u>\$ 4,372,395</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,015,742
Due to Litigants, Heirs, and Others	2,281,883
Due to Joint Venture	<u>74,770</u>
Total Liabilities	<u>\$ 4,372,395</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, 2010**

**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. There were no debt proceeds contributed by the county to the School Department during the year ended June 30, 2010.

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.

Additionally, Putnam County reports the following fund types:

**Capital Projects Fund** – The General Capital Projects Fund is used to account for various capital projects within the county.

**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.

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

**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.

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 1.84 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 Other Capital Projects Fund 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 \$15,000 (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 the discretely presented 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

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. Vacation pay is accrued when incurred in the government-wide financial statements for the discretely presented School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. 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, 2010, Putnam County had \$117,920,000 in outstanding debt for capital purposes for the Putnam County School Department. This debt is a liability of Putnam County, but the capital assets acquired are reported in the financial statements of the Putnam County School Department. Therefore, Putnam County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

**7. Prior-period Adjustment**

A prior-period adjustment of \$675,453 was recognized in the primary government's Statement of Activities. This prior-period adjustment resulted from an increase to the value of capital assets of \$675,453 since the historical values of capital assets estimated by the primary government were understated at June 30, 2009.

**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 County 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 Deficit

The Industrial/Economic Development Fund had a deficit in unreserved fund balance of \$2,050,280 as of June 30, 2010. This deficit resulted from the recognition of a long-term liability of \$2,777,776 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.

#### C. Cash Shortage

The discretely presented Central Cafeteria Fund had a cash shortage of \$6,564.98 at September 24, 2010, as reported by the independent contracted auditor. This cash shortage resulted from missing deposits at Parkview Elementary School during the period August 10, 2010, through

September 24, 2010. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

**D. Appropriations Exceeded Available Funds**

The budget and subsequent amendments approved by the County Commission for the Drug Control Fund and the discretely presented Extended School Program Fund resulted in appropriations exceeding estimated available funding by \$9,951 and \$2,701, respectively. Sound budgetary principles dictate that appropriations be held within estimated available funding.

**E. The Self-insurance Administrator Authorized Automatic Withdrawals from the Trustee's Checking Account Without County Approval**

The county's self-insurance administrator signed an authorization to allow the workers' compensation administrator to withdraw funds from the trustee's bank account without the trustee's approval. Furthermore, the funds are being disbursed to the workers' compensation administrator without being reviewed and approved by the County Executive's Office. During the year, the workers' compensation administrator withdrew \$536,661 from the county's self-insurance checking account. The absence of county approval or proper documentation for disbursements could result in a misappropriation of funds.

**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 on the balance sheets or statements of net assets 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 Comptroller’s Office 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 fair value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2010, 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.

<u>Investments</u>	<u>Maturities</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	\$ 351,819

**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, 2010, Putnam County's investment in the State Treasurer's Investment pool was unrated.

**B. Notes Receivable**

Notes receivable in the Industrial/Economic Development Fund totaling \$1,435,770 resulted from the joint purchase of property by the county and the City of Cookeville and is offset by other deferred revenues. The City of Cookeville paid this note in full in August 2010.

Notes receivable in the General Debt Service Fund totaling \$4,138,888 resulted from the issuance of interfund loans to the Industrial/Economic Development (\$2,777,776) and General (\$1,361,112) funds. The amount of the notes not expected to be collected within one year is \$3,388,888.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2010, was as follows:

**Primary Government**

**Governmental Activities:**

	Restated Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 4,907,122	\$ 98,200	\$ 0	\$ 5,005,322
Intangibles	4,642,047	38,452	0	4,680,499
Construction in Progress	12,801,457	0	(12,115,420)	686,037
Total Capital Assets Not Depreciated	<u>\$ 22,350,626</u>	<u>\$ 136,652</u>	<u>\$ (12,115,420)</u>	<u>\$ 10,371,858</u>

**Governmental Activities (Cont.):**

	Restated			Balance
	Balance	Increases	Decreases	6-30-10
	7-1-09			
Capital Assets Depreciated:				
Buildings and				
Improvements (1)	\$ 17,518,537	\$ 12,799,858	\$ 0	\$ 30,318,395
Roads and Bridges	46,963,505	872,604	0	47,836,109
Other Capital Assets (1)	12,613,455	422,787	(217,805)	12,818,437
Total Capital Assets				
Depreciated	<u>\$ 77,095,497</u>	<u>\$ 14,095,249</u>	<u>\$ (217,805)</u>	<u>\$ 90,972,941</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements (1)	\$ 4,814,441	\$ 443,431	\$ 0	\$ 5,257,872
Roads and Bridges	17,443,196	1,009,292	0	18,452,488
Other Capital Assets (1)	7,736,737	811,342	(199,230)	8,348,849
Total Accumulated				
Depreciation	<u>\$ 29,994,374</u>	<u>\$ 2,264,065</u>	<u>\$ (199,230)</u>	<u>\$ 32,059,209</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 47,101,123</u>	<u>\$ 11,831,184</u>	<u>\$ (18,575)</u>	<u>\$ 58,913,732</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 69,451,749</u>	<u>\$ 11,967,836</u>	<u>\$ (12,133,995)</u>	<u>\$ 69,285,590</u>

(1) These amounts do not include the capital assets of the Public Library or Sports and Recreation departments.

Restated balance includes prior-period adjustments of \$675,453 to correct management's estimates for historical costs.

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

**Governmental Activities:**

General Government	\$ 69,074
Administration of Justice	167,785
Public Safety	358,808
Public Health and Welfare	464,946
Social, Cultural, and Recreational Services	28,968
Agriculture and Natural Resources	5,617
Highways/Public Works	<u>1,168,867</u>
Total Depreciation Expense -	
Governmental Activities	<u><u>\$ 2,264,065</u></u>

**Discretely Presented Putnam County School Department**

**Governmental Activities:**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 5,037,975	\$ 0	\$ 0	\$ 5,037,975
Construction in Progress	19,370,867	21,443,761	(3,749,271)	37,065,357
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 24,408,842</b>	<b>\$ 21,443,761</b>	<b>\$ (3,749,271)</b>	<b>\$ 42,103,332</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 95,613,183	\$ 5,215,115	\$ 0	\$ 100,828,298
Other Capital Assets	4,279,322	564,745	0	4,844,067
<b>Total Capital Assets Depreciated</b>	<b>\$ 99,892,505</b>	<b>\$ 5,779,860</b>	<b>\$ 0</b>	<b>\$ 105,672,365</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 23,078,733	\$ 1,813,001	\$ 0	\$ 24,891,734
Other Capital Assets	1,994,635	328,054	0	2,322,689
<b>Total Accumulated Depreciation</b>	<b>\$ 25,073,368</b>	<b>\$ 2,141,055</b>	<b>\$ 0</b>	<b>\$ 27,214,423</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 74,819,137</b>	<b>\$ 3,638,805</b>	<b>\$ 0</b>	<b>\$ 78,457,942</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 99,227,979</b>	<b>\$ 25,082,566</b>	<b>\$ (3,749,271)</b>	<b>\$ 120,561,274</b>

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

**Governmental Activities:**

Instruction	\$ 1,890,244
Support Services	241,589
Operation on Non-Instructional Services	<u>9,222</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u><u>\$ 2,141,055</u></u></b>

**D. Construction Commitments**

At June 30, 2010, the General Capital Projects Fund had uncompleted construction contracts of approximately \$250,559 to renovate the office building for the county clerk. Funding has been received for these future expenditures.

At June 30, 2010, the discretely presented Other Capital Projects Fund had uncompleted construction contracts of approximately \$8,478,008 for Prescott South K-8. Funding has been received for these future expenditures.

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

The composition of interfund balances as of June 30, 2010, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 4,505
Discretely Presented Putnam County School Department:		
General Purpose School	School Federal Projects	78,262
"	Nonmajor governmental	22,730

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.

The receivable in the General Purpose School Fund of \$22,730 was in transit from the Central Cafeteria Fund at June 30, 2010.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

**Primary Government**

<u>Transfers Out</u>	<u>Transfers In</u>	
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
General	\$ 0	\$ 1,098,410
General Debt Service	522,000	0
Total	<u>\$ 522,000</u>	<u>\$ 1,098,410</u>

**Discretely Presented Putnam County School Department**

<u>Transfers Out</u>	<u>Transfers In</u>	
	<u>General Purpose School Fund</u>	
School Federal Projects	\$	221,340
Nonmajor governmental funds		<u>188,894</u>
Total	<u>\$</u>	<u>410,234</u>

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 \$522,000 from the General Debt Service Fund to the General Fund to purchase computer software and for a paving project.

**F. Operating Leases**

During the prior 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, 2010, were \$131,000 for the governmental funds.

**G. 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.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2010, were as follows:

Year Ending June 30	Governmental Funds
2011	\$ 177,206
Total Minimum Lease Payments	\$ 177,206
Less: Amount Representing Interest	(8,476)
Present Value of Minimum Lease Payments	\$ 168,730

**H. 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, 2010, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Obligation Bonds	4 to 5.5%	\$ 108,800,000	\$ 72,800,000
General Obligation Bonds - Refunding	2.125 to 5.5	85,240,000	60,920,000

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2010, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2016-2020	41,855,000	19,886,096	61,741,096
2021-2025	35,900,000	10,395,050	46,295,050
2026-2028	22,500,000	2,135,625	24,635,625
Total	\$ 133,720,000	\$ 60,893,768	\$ 194,613,768

There is \$11,779,018 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$2,457, based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Bonds	Compensated Absences
Balance, July 1, 2009	\$ 139,745,000	\$ 211,397
Additions	0	215,218
Deductions	(6,025,000)	(199,895)
Balance, June 30, 2010	\$ 133,720,000	\$ 226,720
Balance Due Within One Year	\$ 6,570,000	\$ 56,753

	Other Postemployment Benefits	Landfill Postclosure Care Costs
Balance, July 1, 2009	\$ 50,500	\$ 413,219
Additions	74,200	3,145
Deductions	(16,400)	(151,112)
	<hr/>	<hr/>
Balance, June 30, 2010	\$ 108,300	\$ 265,252
	<hr/>	<hr/>
Balance Due Within One Year	\$ 0	\$ 29,382
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 134,356,921
Less: Balance Due Within One Year	<u>(6,679,901)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 127,677,020</u>

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

Defeasance of Prior Debt

In prior years, Putnam County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2010, the following outstanding bonds were considered defeased:

	<u>Amount</u>
1993 General Obligation School and Public Improvement Bonds	\$ 9,000,000

**Discretely Presented Putnam County School Department**

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Putnam County School Department for the year ended June 30, 2010, was as follows:

	Capital Leases	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	\$ 329,400	\$ 167,985	\$ 1,176,831
Additions	0	106,037	681,797
Deductions	(160,670)	(123,030)	(803,936)
Balance, June 30, 2010	<u>\$ 168,730</u>	<u>\$ 150,992</u>	<u>\$ 1,054,692</u>
Balance Due Within One Year	<u>\$ 168,730</u>	<u>\$ 65,306</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 1,374,414
Less: Balance Due Within One Year	<u>(234,036)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,140,378</u>

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

**I. 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, 2010, were \$195,971 and \$59,921, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**J. 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
Extrication Truck	\$ 175,000	0 %	6-30-09	6-30-12
Software and Paving	522,000	0	6-28-10	6-28-13
			Paid and/or Matured	
	Outstanding 7-1-09	Issued During Period	During Period	Outstanding 6-30-10
Extrication Truck	\$ 175,000	\$ 0	\$(58,333)	\$ 116,667
Software and Paving	0	522,000	0	522,000
Total	\$ 175,000	\$ 522,000	\$(58,333)	\$ 638,667

Also, internally reported notes receivable from idle funds loaned from the General Debt Service Fund will be paid by the Industrial/Economic Development (\$2,777,776) and General (\$1,361,112) funds. Amounts financed are presented as a long-term liability in the governmental funds. Internally reported notes receivable at June 30, 2010, 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 7-1-09		During Period	Outstanding 6-30-10
General Debt Service Fund:				
Land	\$ 3,333,332	\$	\$(555,556)	\$ 2,777,776
Building	1,555,556		(194,444)	1,361,112
Total	\$ 4,888,888	\$	\$(750,000)	\$ 4,138,888

**K. 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 county, on behalf of 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, 2010.

	Balance 7-1-09	Issued	Paid	Balance 6-30-10
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 \$248,420,326. 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
2008-2009	\$ 990,873	\$ 93,935	\$ (170,867)	\$ 913,941
2009-2010	913,941	362,603	(37,164)	1,239,380

**B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance, nonfinancial in nature, and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Putnam County and the Putnam County School Department had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Putnam County and the School Department may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons,

derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Putnam County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statements of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e., effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Putnam County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Putnam County may enter into derivative transactions in subsequent years.

**C. Subsequent Events**

On August 31, 2010, Gail Glover left the Office of Trustee and was succeeded by Freddie Nelson.

On December 22, 2010, Putnam County issued a \$7,200,000 general obligation bond for an industrial and business park.

**D. Contingent Liabilities**

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

**E. Change in Administration**

Road Supervisor Billy Lamb died on February 2, 2010. Terry Lamb performed the duties of the road supervisor from the time of Mr. Lamb's death through May 26, 2010. On May 27, 2010, the County Commission appointed Randy Jones as road supervisor, and he was elected by the public effective September 1, 2010.

**F. 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 \$265,252 reported as postclosure care liability at June 30, 2010, represents amounts based on what it would cost to perform all postclosure care in 2010. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**G. Joint Ventures**

The Cookeville - Putnam County Emergency Management Agency was established in 1951 as a joint venture between the City of Cookeville and Putnam County. The purpose of the Cookeville - Putnam County Emergency Management Agency is to plan and prepare for emergency operations and to assist other emergency services during emergencies or disasters. Putnam County contributed \$123,495 to the Cookeville - Putnam County Emergency Management Agency for the year ended June 30, 2010.

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, 2010.

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, 2010.

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 \$76,888 to the Chamber of Commerce for the year ended June 30, 2010.

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 did not make appropriations to the Rail Trail Authority for the year ended June 30, 2010.

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

**H. Jointly Governed Organization**

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

**I. Retirement Commitments**

**Employees**

**Plan Description**

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

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

**Funding Policy**

Putnam County requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, 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, 2010, Putnam County's annual pension cost of \$2,342,450 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 postretirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Putnam County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 12 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

### **Trend Information**

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6-30-10	\$2,342,450	100%	\$0
6-30-09	2,371,343	100	0
6-30-08	2,234,723	100	0

### **Funded Status and Funding Progress**

As of July 1, 2009, the most recent actuarial valuation date, the plan was 78.38 percent funded. The actuarial accrued liability for benefits was \$61.24 million, and the actuarial value of assets was \$47.99 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$13.24 million. The covered payroll (annual payroll of active employees covered by the plan) was \$23.3 million, and the ratio of the UAAL to the covered payroll was 56.83 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year 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 TCRS uses the frozen entry age actuarial cost method to calculate the annual required contribution. Effective July 1, 2009, the TCRS reestablished the unfunded accrued liabilities for all groups.

## **School Teachers**

### **Plan Description**

The Putnam County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

### **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, 2010, 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, 2010, 2009, and 2008, were \$2,329,182, \$2,324,699, and \$2,175,089, respectively, equal to the required contributions for each year.

**J. 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	\$ 74,300
Interest on the NPO	2,000
Adjustment to the ARC	<u>(2,100)</u>
Annual OPEB cost	\$ 74,200
Amount of contribution	<u>(16,400)</u>
Increase/decrease in NPO	\$ 57,800
Net OPEB obligation, 7-1-09	<u>50,500</u>
 Net OPEB obligation, 6-30-10	 <u><u>\$ 108,300</u></u>

Fiscal Year Ended* Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09 Commercial Insurance	\$ 70,400	28%	\$ 50,500
6-30-10 "	74,200	22	108,300

\* Data only available for two years.

#### Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

	Commercial Plan
Actuarial valuation date	7-1-09
Actuarial accrued liability (AAL)	\$ 654,800
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 654,800
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 9,858,700
UAAL as a % of covered payroll	7%

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 multi-year 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, 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 \$803,936 were recognized for postemployment health care by the Putnam County School Department.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 679,000
Interest on the NPO	52,958
Adjustment to the ARC	<u>(50,161)</u>
Annual OPEB cost	\$ 681,797
Amount of contribution	<u>(803,936)</u>
Increase/decrease in NPO	\$ (122,139)
Net OPEB obligation, 7-1-09	<u>1,176,831</u>
Net OPEB obligation, 6-30-10	<u><u>\$ 1,054,692</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	\$ 1,155,634	55%	\$ 525,354
6-30-09	"	1,166,794	44	1,176,831
6-30-10	"	681,797	118	1,054,692

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-09
Actuarial accrued liability (AAL)	\$ 6,317,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 6,317,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 33,863,415
UAAL as a % of covered payroll	19%

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 multi-year 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, 2009, actuarial valuation for the Local Education Group Plan, 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 four percent for the fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. 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.

### **K. 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, 2010, 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 Plan**

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. Information about this plan can be found in footnote V.I.

**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, 2010, 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. 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. Annual sick leave is calculated at \$50 per day as mandated by the board of directors.

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

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

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

Additional information can be found in footnote V.A.

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

**H. Capital Assets**

The following table provides a summary of changes to accumulated depreciation at June 30, 2010:

Assets	Balance 7-1-09	Depreciation Expense	Balance 6-30-10
Computer Equipment	\$ 157,270	\$ 20,363	\$ 177,633
Library Equipment	114,289	5,847	120,136
Furniture/Fixtures	19,672	2,994	22,666
Building Improvements	25,008	12,699	37,707
Library Collection	985,069	58,774	1,043,843
Total	\$ 1,301,308	\$ 100,677	\$ 1,401,985

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

Assets	Balance 7-1-09	Additions (Deductions)	Balance 6-30-10
Computer Equipment	\$ 218,540	\$ 0	\$ 218,540
Library Equipment	128,012	0	128,012
Furniture/Fixtures	36,463	0	36,463
Building Improvements	439,263	0	439,263
Library Collection	1,276,321	(66,605)	1,209,716
Total	\$ 2,098,599	\$ (66,605)	\$ 2,031,994

**I. Reserved for Other General Purposes**

Reserved for Other General Purposes consist of the following:

Board Reserve - Boiler Maintenance	\$ 2,846
Memorials	2,949
Cookeville Expansion	5,284
Gifts and Grants	28,263
Total	\$ 39,342

**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, 2010, 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. Information about this plan can be found in footnote V.I.

**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, 2010:

Checking - Operating Account	\$ 47,930
Checking - Payroll Account	3,287
Checking - Soccer Account	<u>1,181</u>
 Total	 <u><u>\$ 52,398</u></u>

At June 30, 2010, the carrying amount of the Putnam County Parks, Recreation, and Conservation Board's cash deposits was \$52,398. 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, 2010, and is also the leave expected to be taken within one year. Retirement sick leave accrued at June 30, 2010, is presented as a long-term liability since it will not be taken within one year.

**H. Capital Assets**

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

Assets	Balance 7-1-09	Additions	Balance 6-30-10
Improvements	\$ 187,811	\$ 69,000	\$ 256,811
Equipment	193,395	11,891	205,286
Park Fixtures	79,093	0	79,093
Vehicles	119,948	0	119,948
Office Equipment	15,585	0	15,585
Total	\$ 595,832	\$ 80,891	\$ 676,723

The following table provides a summary of changes to accumulated depreciation at June 30, 2010:

Assets	Balance 7-1-09	Depreciation Expense	Balance 6-30-10
Improvements	\$ 23,568	\$ 19,356	\$ 42,924
Equipment	111,084	16,489	127,573
Park Fixtures	17,004	5,560	22,564
Vehicles	54,840	10,372	65,212
Office Equipment	13,172	854	14,026
Total	\$ 219,668	\$ 52,631	\$ 272,299

## **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 Financial Accounting Standards Board Statements and Interpretations 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	2010 Depreciation
Building/Improvements	S/L	5-20	\$ 11,923
Furniture and Fixtures	S/L	5	625
Communications Equipment	S/L	4-7	127,896
Vehicle	S/L	5	1,100
Total			\$ 141,544

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

**B. Cash and Cash Investments**

The following is a schedule of bank accounts at June 30, 2010:

Checking - Bank of Putnam County	\$ 20,000
Money Market - Bank of Putnam County	449,179
Certificates of Deposit - Bank of Putnam County	900,000
Total	\$ 1,369,179

At June 30, 2010, the carrying amount of the Putnam County Emergency Communications District's cash deposits was \$1,369,179. 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, 2010. Other risk areas include theft, property damage, and public liability. The district carries general liability insurance as well as insurance that cover 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, 2010:

Assets	Cost	Accumulated Depreciation	Net
<b><u>Depreciable Assets</u></b>			
Building/Improvements	\$ 210,648	\$ 41,023	\$ 169,625
Furniture and Fixture	8,339	625	7,714
Communications Equipment	987,495	219,501	767,994
Vehicle	84,730	52,842	31,888
Total Depreciable	<u>\$ 1,291,212</u>	<u>\$ 313,991</u>	<u>\$ 977,221</u>
<b><u>Non-Depreciable</u></b>			
Construction in Progress	\$ 0	\$ 0	\$ 0
Total	<u>\$ 1,291,212</u>	<u>\$ 313,991</u>	<u>\$ 977,221</u>

Assets	Balance 7-1-09	Additions	Retirements	Balance 6-30-10
<b><u>Depreciable Assets</u></b>				
Building/Improvements	\$ 77,659	\$ 177,000	\$ 44,011	\$ 210,648
Office Equipment	3,844	0	3,844	0
Furniture and Fixture	0	8,339	0	8,339
Communications Equipment	737,512	866,543	616,560	987,495
Vehicle	51,742	32,988	0	84,730
Total Depreciable	<u>\$ 870,757</u>	<u>\$ 1,084,870</u>	<u>\$ 664,415</u>	<u>\$ 1,291,212</u>
<b><u>Non-Depreciable</u></b>				
Construction in Progress	\$ 534,448	\$ 0	\$ 534,448	\$ 0
Total	<u>\$ 1,405,205</u>	<u>\$ 1,084,870</u>	<u>\$ 1,863,278</u>	<u>\$ 1,291,212</u>

Putnam County Emergency Communications District purchased equipment for some county agencies to 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 \$51,366 for the radios, which comprises 89 percent of small equipment purchases expense, the remaining \$6,600 is for the City of Monterey fire tower, for which the city has begun to reimburse the district. 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	\$ 21,572
Miscellaneous Wireless Charges	<u>9,596</u>
Subtotal	\$ 31,168
State Emergency Communications Board	<u>26,761</u>
Total	<u>\$ 57,929</u>

**G. Compensated Absences**

There were no employees at June 30, 2010, to receive compensation.

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

Net Book Value	<u>\$ 977,221</u>
Invested in Capital Assets	<u><u>\$ 977,221</u></u>

**I. 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. Management has decided to include this amount in operating revenue on the Statement of Revenues, Expenses, and Changes in Fund Net Assets.

**J. Budgetary Information**

The district must file a budget with Putnam County each year, which must be legally adopted by the county. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted budget is required at the program level as well as the object level.

**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, conduct an annual fair in Putnam County, Tennessee, and 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, 2010, the annual fair represented 98 percent of revenue.

**2. Basis of Accounting**

The financial statements of the Putnam County Agricultural and Industrial Fair, Inc., have been prepared on the accrual basis and according to Governmental Accounting Standards Board (GASB) Statement No. 20 follows pronouncements of the Financial Accounting Standards Board (FASB) issued before November 30, 1989. After November 30, 1989, the Putnam County Fair Board follows GASB guidelines only and does not follow any FASB guidelines issued after that date. The Putnam County Agricultural and Industrial Fair, Inc., follows GASB No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, implemented July 1, 2002.

**3. Capital Assets**

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

**4. Statement of Cash Flows**

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

**5. Unearned Revenue**

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

**6. Estimates**

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

**B. Cash and Investments**

Deposits (cash and certificates of deposit) are carried at cost, which approximates market value. At June 30, 2010, deposits of Putnam County Agricultural and Industrial Fair, Inc., consisted of the following:

Checking - Operating	\$ 17,599
Checking - Special Events	1,110
Checking - Premiums	7,460
Checking - Office	1,339
Certificate of Deposit	11,808
Certificate of Deposit	11,434
Certificate of Deposit	<u>15,000</u>
 Total	 <u><u>\$ 65,750</u></u>

At June 30, 2010, the carrying amount of the Putnam County Agricultural and Industrial Fair, Inc.'s, cash deposits was \$65,750. 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 2010.

**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, 2010.

**G. Prior-period Adjustment**

A prior-period adjustment of \$7,632 was made to correct an entry that was made to void old uncashed prize checks.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,859,777	\$ 0	\$ 0	\$ 13,859,777	\$ 13,492,190	\$ 13,492,190	\$ 367,587
Licenses and Permits	374,846	0	0	374,846	249,000	249,000	125,846
Fines, Forfeitures, and Penalties	647,103	0	0	647,103	609,500	609,500	37,603
Charges for Current Services	3,410,577	0	0	3,410,577	2,866,000	2,866,000	544,577
Other Local Revenues	1,065,653	0	0	1,065,653	998,000	1,036,253	29,400
Fees Received from County Officials	3,500,611	0	0	3,500,611	3,571,000	3,571,000	(70,389)
State of Tennessee	2,685,833	0	0	2,685,833	2,839,699	3,061,502	(375,669)
Federal Government	1,475,732	0	0	1,475,732	831,216	1,547,872	(72,140)
Other Governments and Citizens Groups	101,812	0	0	101,812	110,000	110,000	(8,188)
Total Revenues	\$ 27,121,944	\$ 0	\$ 0	\$ 27,121,944	\$ 25,566,605	\$ 26,543,317	\$ 578,627
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 147,169	\$ 0	\$ 0	\$ 147,169	\$ 147,595	\$ 156,287	\$ 9,118
Beer Board	1,574	0	0	1,574	1,940	1,940	366
County Mayor/Executive	351,053	(1,368)	0	349,685	282,406	357,988	8,303
County Attorney	96,059	0	0	96,059	131,000	142,200	46,141
Election Commission	316,032	(6,302)	93	309,823	318,010	371,454	61,631
Register of Deeds	255,361	(8,979)	0	246,382	222,314	274,407	28,025
Development	22,373	0	0	22,373	25,800	25,800	3,427
Codes Compliance	149,305	0	0	149,305	130,490	171,330	22,025
Geographical Information Systems	21,826	(3,783)	0	18,043	37,700	37,700	19,657
County Buildings	2,280,095	(69,893)	40,665	2,250,867	1,998,762	2,357,407	106,540
Other Facilities	227,317	(12,097)	425,548	640,768	283,400	679,525	38,757

(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 7/1/2009	Add: Encumbrances 6/30/2010	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	\$ 444,059	\$ 0	\$ 1,105	\$ 445,164	\$ 376,490	\$ 475,578	\$ 30,414
County Trustee's Office	367,573	0	6	367,579	289,064	370,409	2,830
County Clerk's Office	756,378	(3,419)	0	752,959	592,774	781,270	28,311
Other Finance	106,787	0	0	106,787	89,840	114,312	7,525
<u>Administration of Justice</u>							
Circuit Court	1,153,771	(3,420)	0	1,150,351	904,276	1,167,348	16,997
General Sessions Court	427,744	(450)	0	427,294	353,048	429,386	2,092
Drug Court	122,780	0	0	122,780	166,200	174,914	52,134
Chancery Court	295,488	0	0	295,488	247,064	326,590	31,102
Juvenile Court	222,805	(92)	0	222,713	174,185	226,134	3,421
Judicial Commissioners	71,044	(445)	0	70,599	54,799	70,727	128
Other Administration of Justice	23,245	(631)	0	22,614	25,656	27,986	5,372
<u>Public Safety</u>							
Sheriff's Department	4,167,750	(58,067)	24,166	4,133,849	3,291,086	4,433,719	299,870
Jail	2,980,933	(51,331)	19,235	2,948,837	2,774,500	3,254,322	305,485
Workhouse	69,494	(1,654)	0	67,840	56,270	73,627	5,787
Juvenile Services	690,576	(1,855)	190	688,911	525,650	701,618	12,707
Commissary	98,921	(1,436)	953	98,438	100,000	100,000	1,562
Fire Prevention and Control	207,865	(17,474)	4,642	195,033	248,909	275,657	80,624
Civil Defense	178,306	0	0	178,306	169,320	237,351	59,045
Other Emergency Management	1,309,992	(2,516)	1,317	1,308,793	784,216	1,430,412	121,619
County Coroner/Medical Examiner	68,729	(6,850)	405	62,284	63,250	63,250	966
Other Public Safety	50,638	0	0	50,638	0	193,210	142,572

(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 7/1/2009	Add: Encumbrances 6/30/2010	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	\$ 344,105	\$ (97,180)	\$ 2,232	\$ 249,157	\$ 242,697	\$ 271,703	\$ 22,546
Ambulance/Emergency Medical Services	3,484,683	(63,412)	20,300	3,441,571	2,778,000	3,732,242	290,671
Other Local Health Services	34,174	(7,753)	2,674	29,095	36,684	32,536	3,441
General Welfare Assistance	10,670	0	0	10,670	10,760	10,760	90
Aid to Dependent Children	7,758	0	0	7,758	7,760	7,760	2
Other Public Health and Welfare	995,403	(222)	0	995,181	1,040,500	1,257,966	262,785
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	79,319	0	290	79,609	92,670	93,015	13,406
Libraries	0	0	0	0	385,471	0	0
Parks and Fair Boards	176,130	0	0	176,130	875,558	179,397	3,267
Other Social, Cultural, and Recreational	4,850	0	0	4,850	4,850	4,850	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	156,017	0	0	156,017	153,686	158,692	2,675
Forest Service	1,455	0	0	1,455	1,455	1,455	0
Soil Conservation	64,281	0	0	64,281	51,500	67,844	3,563
<u>Other Operations</u>							
Tourism	132,180	0	0	132,180	148,000	148,000	15,820
Airport	28,000	0	0	28,000	28,000	28,000	0
Veterans' Services	33,180	(75)	0	33,105	30,375	35,282	2,177
Contributions to Other Agencies	277,932	0	0	277,932	222,572	277,932	0
Employee Benefits	14,090	0	0	14,090	4,486,000	428,070	413,980
Miscellaneous	667,673	(300)	0	667,373	1,308,199	830,570	163,197
<b>Total Expenditures</b>	<b>\$ 24,194,942</b>	<b>\$ (421,004)</b>	<b>\$ 543,821</b>	<b>\$ 24,317,759</b>	<b>\$ 26,770,751</b>	<b>\$ 27,069,932</b>	<b>\$ 2,752,173</b>

(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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 2,927,002	\$ 421,004	\$ (543,821)	\$ 2,804,185	\$ (1,204,146)	\$ (526,615)	\$ 3,330,800
<b>Other Financing Sources (Uses)</b>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 169,967	\$ 0	\$ 0
Insurance Recovery	1,541	0	0	1,541	0	0	1,541
Transfers In	522,000	0	0	522,000	58,334	580,301	(58,301)
Transfers Out	(1,098,410)	0	0	(1,098,410)	(229,444)	(1,296,743)	198,333
Total Other Financing Sources (Uses)	\$ (574,869)	\$ 0	\$ 0	\$ (574,869)	\$ (1,143)	\$ (716,442)	\$ 141,573
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 2,352,133	\$ 421,004	\$ (543,821)	\$ 2,229,316	\$ (1,205,289)	\$ (1,243,057)	\$ 3,472,373
	4,663,026	(421,004)	0	4,242,022	4,206,236	4,206,236	35,786
Fund Balance, June 30, 2010	\$ 7,015,159	\$ 0	\$ (543,821)	\$ 6,471,338	\$ 3,000,947	\$ 2,963,179	\$ 3,508,159

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 387,633	\$ 371,170	\$ 371,170	\$ 16,463
Other Local Revenues	498,319	0	201,999	296,320
Other Governments and Citizens Groups	0	201,999	0	0
Total Revenues	<u>\$ 885,952</u>	<u>\$ 573,169</u>	<u>\$ 573,169</u>	<u>\$ 312,783</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 451,904	\$ 135,000	\$ 542,529	\$ 90,625
Miscellaneous	7,750	8,500	8,500	750
<u>Capital Projects</u>				
Other General Government Projects	0	48,310	48,310	48,310
Total Expenditures	<u>\$ 459,654</u>	<u>\$ 191,810</u>	<u>\$ 599,339</u>	<u>\$ 139,685</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 426,298</u>	<u>\$ 381,359</u>	<u>\$ (26,170)</u>	<u>\$ 452,468</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	\$ 426,298	\$ (174,197)	\$ (581,726)	\$ 1,008,024
Fund Balance, July 1, 2009	<u>(2,476,578)</u>	<u>3,026,617</u>	<u>3,026,617</u>	<u>(5,503,195)</u>
Fund Balance, June 30, 2010	<u><u>\$ (2,050,280)</u></u>	<u><u>\$ 2,852,420</u></u>	<u><u>\$ 2,444,891</u></u>	<u><u>\$ (4,495,171)</u></u>

Exhibit F-3

Putnam County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Putnam County School Department  
June 30, 2010

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-09	\$ 47,995	\$ 61,236	13,241	78.38 %	\$ 23,301	56.83 %
6-30-07	43,011	52,044	9,033	82.64	21,066	42.88

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method went into effect during the year of the 2007 actuarial valuation; therefore, only the two most recent actuarial valuations are presented.

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, 2010

(Dollar amounts in thousands)

Plans	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	7-1-09	\$ 0	\$ 603	\$ 603	0 %	\$ 9,618	6 %
Local Education Group	7-1-07	0	14,878	14,878	0	36,097	41
"	7-1-09	0	6,317	6,317	0	33,863	19

\* Data for three actuarial valuations will be presented when available.

**PUTNAM COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2010**

**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 County 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 had a deficit in unreserved fund balance of \$2,050,280 as of June 3, 2010. This deficit resulted from the recognition of a long-term liability of \$2,777,776 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

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

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions 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.

# Capital Projects Fund

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

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

Putnam County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2010

	Special Revenue Funds				
	Public Library	Solid Waste/ Sanitation	Special Purpose	Drug Control	Sports and Recreation
\$ 108,151	\$ 0	\$ 0	\$ 0	\$ 0	\$ 52,398
Equity in Pooled Cash and Investments	1,461,572	76,876	71,138	0	0
Accounts Receivable	183,850	0	0	0	0
Allowance for Uncollectibles	(2,056)	0	0	0	0
Due from Other Governments	8,748	0	0	0	0
Property Taxes Receivable	2,607,017	0	0	0	0
Allowance for Uncollectible Property Taxes	(92,737)	0	0	0	0
Prepaid Items	14,095	0	0	0	1,735
Total Assets	\$ 122,246	\$ 4,166,394	\$ 76,876	\$ 71,138	\$ 54,133

ASSETS

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

LIABILITIES AND FUND BALANCES

Liabilities					
Accounts Payable	0	0	0	0	14,270
Accrued Payroll	8,463	0	0	0	8,669
Payroll Deductions Payable	4,698	0	0	0	0
Due to Other Funds	0	0	0	0	0
Due to State of Tennessee	216	0	0	0	0
Deferred Revenue - Current Property Taxes	0	2,427,391	0	0	0
Deferred Revenue - Delinquent Property Taxes	0	78,321	0	0	0
Other Deferred Revenues	0	81,329	0	0	0
Total Liabilities	\$ 13,377	\$ 2,587,041	\$ 0	\$ 0	\$ 22,939
Fund Balances					
Reserved for Encumbrances	0	8,114	0	0	0
Reserved for Other General Purposes	39,342	0	0	0	0
Unreserved	69,527	1,571,239	76,876	71,138	31,194
Total Fund Balances	\$ 108,869	\$ 1,579,353	\$ 76,876	\$ 71,138	\$ 31,194
Total Liabilities and Fund Balances	\$ 122,246	\$ 4,166,394	\$ 76,876	\$ 71,138	\$ 54,133

Exhibit G-1

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

	Special Revenue Funds (Cont.)				Capital Projects Fund		Total Nonmajor Governmental Funds
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects	Fund	
\$	0	4,505	0	165,054	0	0	165,054
	11,291	0	763,998	2,384,875	1,266,287		3,651,162
	0	0	0	183,850	0		183,850
	0	0	0	(2,056)	0		(2,056)
	0	0	406,502	415,250	0		415,250
	0	0	1,173,157	3,780,174	260,702		4,040,876
	0	0	(41,732)	(134,469)	(9,274)		(143,743)
	0	0	0	15,830	0		15,830
\$	11,291	4,505	2,301,925	6,808,508	1,517,715		8,326,223

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities  
 Accounts Payable  
 Accrued Payroll  
 Payroll Deductions Payable  
 Due to Other Funds  
 Due to State of Tennessee  
 Deferred Revenue - Current Property Taxes  
 Deferred Revenue - Delinquent Property Taxes  
 Other Deferred Revenues  
 Total Liabilities

Fund Balances  
 Reserved for Encumbrances  
 Reserved for Other General Purposes  
 Unreserved  
 Total Fund Balances

Total Liabilities and Fund Balances

Putnam County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2010

	Special Revenue Funds					
	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Sports and Recreation	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 2,590,267	\$ 0	\$ 0	\$ 129,351	
Fines, Forfeitures, and Penalties	0	0	0	54,694	0	
Charges for Current Services	35,674	810,523	93,626	0	102,412	
Other Local Revenues	773	291,846	3,706	16,060	48,923	
State of Tennessee	0	22,383	5,000	1,218	3,000	
Other Governments and Citizens Groups	373,371	0	0	0	20,620	
Total Revenues	\$ 409,818	\$ 3,715,019	\$ 102,332	\$ 71,972	\$ 304,306	
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 40,089	\$ 0	\$ 0	
Finance	0	0	0	0	0	
Administration of Justice	0	0	0	0	0	
Public Safety	0	0	0	76,560	0	
Public Health and Welfare	0	3,635,723	0	0	0	
Social, Cultural, and Recreational Services	774,584	0	0	0	1,045,455	
Other Operations	0	59,496	0	0	0	
Highways	0	0	0	0	0	
Capital Projects	0	0	0	0	0	
Total Expenditures	\$ 774,584	\$ 3,695,219	\$ 40,089	\$ 76,560	\$ 1,045,455	
Excess (Deficiency) of Revenues Over Expenditures	\$ (364,766)	\$ 19,800	\$ 62,243	\$ (4,588)	\$ (741,149)	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 385,470	\$ 0	\$ 0	\$ 0	\$ 712,940	
Total Other Financing Sources (Uses)	\$ 385,470	\$ 0	\$ 0	\$ 0	\$ 712,940	
Net Change in Fund Balances	\$ 20,704	\$ 19,800	\$ 62,243	\$ (4,588)	\$ (28,209)	
Fund Balance, July 1, 2009	88,165	1,559,553	14,633	75,726	59,403	
Fund Balance, June 30, 2010	\$ 108,869	\$ 1,579,353	\$ 76,876	\$ 71,138	\$ 31,194	

(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.)					Capital Projects Fund	Total Nonmajor Governmental Funds
	District Attorney General	Constituti- onal Officers - Fees	Highway / Public Works	Total	General Capital Projects		
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 0	\$ 1,323,873	\$ 4,043,491	\$ 258,391	\$ 4,301,882	
Fines, Forfeitures, and Penalties	39,125	0	0	93,819	0	93,819	
Charges for Current Services	0	617	0	1,042,852	0	1,042,852	
Other Local Revenues	806	0	12,955	375,069	8,371	383,440	
State of Tennessee	0	0	2,212,087	2,243,688	8,852	2,252,540	
Other Governments and Citizens Groups	0	0	0	393,991	177,000	570,991	
Total Revenues	\$ 39,931	\$ 617	\$ 3,548,915	\$ 8,192,910	\$ 452,614	\$ 8,645,524	
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 16	\$ 0	\$ 40,105	\$ 505,945	\$ 546,050	
Finance	0	44	0	44	642,198	642,242	
Administration of Justice	0	396	0	396	0	396	
Public Safety	42,969	161	0	119,690	0	119,690	
Public Health and Welfare	0	0	0	3,635,723	800,744	4,436,467	
Social, Cultural, and Recreational Services	0	0	0	1,820,039	0	1,820,039	
Other Operations	0	0	0	59,496	5,164	64,660	
Highways	0	0	3,423,965	3,423,965	0	3,423,965	
Capital Projects	0	0	0	0	248,960	248,960	
Total Expenditures	\$ 42,969	\$ 617	\$ 3,423,965	\$ 9,099,458	\$ 2,203,011	\$ 11,302,469	
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,038)	\$ 0	\$ 124,950	\$ (906,548)	\$ (1,750,397)	\$ (2,656,945)	
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 1,098,410	\$ 0	\$ 1,098,410	
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 1,098,410	\$ 0	\$ 1,098,410	
Net Change in Fund Balances	\$ (3,038)	\$ 0	\$ 124,950	\$ 191,862	\$ (1,750,397)	\$ (1,558,535)	
Fund Balance, July 1, 2009	14,329	0	878,239	2,690,048	3,017,541	5,707,589	
Fund Balance, June 30, 2010	\$ 11,291	\$ 0	\$ 1,003,189	\$ 2,881,910	\$ 1,267,144	\$ 4,149,054	

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 35,674	\$ 34,980	\$ 34,980	\$ 694
Other Local Revenues	773	755	755	18
Other Governments and Citizens Groups	373,371	372,812	372,812	559
Total Revenues	<u>\$ 409,818</u>	<u>\$ 408,547</u>	<u>\$ 408,547</u>	<u>\$ 1,271</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 774,584	\$ 794,556	\$ 794,556	\$ 19,972
Total Expenditures	<u>\$ 774,584</u>	<u>\$ 794,556</u>	<u>\$ 794,556</u>	<u>\$ 19,972</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (364,766)</u>	<u>\$ (386,009)</u>	<u>\$ (386,009)</u>	<u>\$ 21,243</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 385,470	\$ 385,470	\$ 385,470	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 385,470</u>	<u>\$ 385,470</u>	<u>\$ 385,470</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 20,704	\$ (539)	\$ (539)	\$ 21,243
Fund Balance, July 1, 2009	<u>88,165</u>	<u>88,165</u>	<u>88,165</u>	<u>0</u>
Fund Balance, June 30, 2010	<u>\$ 108,869</u>	<u>\$ 87,626</u>	<u>\$ 87,626</u>	<u>\$ 21,243</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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,590,267	\$ 0	\$ 0	\$ 2,590,267	\$ 2,549,600	\$ 2,549,600	\$ 40,667
Charges for Current Services	810,523	0	0	810,523	765,000	765,000	45,523
Other Local Revenues	291,846	0	0	291,846	225,000	225,000	66,846
State of Tennessee	22,383	0	0	22,383	23,000	23,000	(617)
<u>Total Revenues</u>	<u>\$ 3,715,019</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,715,019</u>	<u>\$ 3,562,600</u>	<u>\$ 3,562,600</u>	<u>\$ 152,419</u>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 2,907,671	\$ (89,870)	\$ 8,114	\$ 2,825,915	\$ 3,074,092	\$ 3,074,092	\$ 248,177
Landfill Operation and Maintenance	78,814	0	0	78,814	108,600	108,600	29,786
Other Waste Disposal	498,126	(3,270)	0	494,856	504,621	504,621	9,765
Postclosure Care Costs	151,112	0	0	151,112	154,050	154,050	2,938
<u>Other Operations</u>							
Miscellaneous	59,496	0	0	59,496	63,000	63,000	3,504
<u>Total Expenditures</u>	<u>\$ 3,695,219</u>	<u>\$ (93,140)</u>	<u>\$ 8,114</u>	<u>\$ 3,610,193</u>	<u>\$ 3,904,363</u>	<u>\$ 3,904,363</u>	<u>\$ 294,170</u>
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	<u>\$ 19,800</u>	<u>\$ 93,140</u>	<u>\$ (8,114)</u>	<u>\$ 104,826</u>	<u>\$ (341,763)</u>	<u>\$ (341,763)</u>	<u>\$ 446,589</u>
<u>Net Change in Fund Balance</u> <u>Fund Balance, July 1, 2009</u>	<u>\$ 19,800</u>	<u>\$ 93,140</u>	<u>\$ (8,114)</u>	<u>\$ 104,826</u>	<u>\$ (341,763)</u>	<u>\$ (341,763)</u>	<u>\$ 446,589</u>
	1,559,553	(93,140)	0	1,466,413	1,469,553	1,469,553	(3,140)
<u>Fund Balance, June 30, 2010</u>	<u>\$ 1,579,353</u>	<u>\$ 0</u>	<u>\$ (8,114)</u>	<u>\$ 1,571,239</u>	<u>\$ 1,127,790</u>	<u>\$ 1,127,790</u>	<u>\$ 443,449</u>

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 93,626	\$ 60,000	\$ 60,000	\$ 33,626
Other Local Revenues	3,706	15,000	15,000	(11,294)
State of Tennessee	5,000	5,000	5,000	0
Total Revenues	<u>\$ 102,332</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 22,332</u>
<u>Expenditures</u>				
<u>General Government</u>				
Preservation of Records	\$ 40,089	\$ 69,400	\$ 69,400	\$ 29,311
Total Expenditures	<u>\$ 40,089</u>	<u>\$ 69,400</u>	<u>\$ 69,400</u>	<u>\$ 29,311</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 62,243</u>	<u>\$ 10,600</u>	<u>\$ 10,600</u>	<u>\$ 51,643</u>
Net Change in Fund Balance	\$ 62,243	\$ 10,600	\$ 10,600	\$ 51,643
Fund Balance, July 1, 2009	<u>14,633</u>	<u>14,633</u>	<u>14,633</u>	<u>0</u>
Fund Balance, June 30, 2010	<u><u>\$ 76,876</u></u>	<u><u>\$ 25,233</u></u>	<u><u>\$ 25,233</u></u>	<u><u>\$ 51,643</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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 54,694	\$ 12,200	\$ 12,200	\$ 42,494
Other Local Revenues	16,060	0	0	16,060
State of Tennessee	1,218	0	0	1,218
Total Revenues	<u>\$ 71,972</u>	<u>\$ 12,200</u>	<u>\$ 12,200</u>	<u>\$ 59,772</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 76,560	\$ 70,500	\$ 90,500	\$ 13,940
Total Expenditures	<u>\$ 76,560</u>	<u>\$ 70,500</u>	<u>\$ 90,500</u>	<u>\$ 13,940</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (4,588)</u>	<u>\$ (58,300)</u>	<u>\$ (78,300)</u>	<u>\$ 73,712</u>
Net Change in Fund Balance	\$ (4,588)	\$ (58,300)	\$ (78,300)	\$ 73,712
Fund Balance, July 1, 2009	<u>75,726</u>	<u>68,349</u>	<u>68,349</u>	<u>7,377</u>
Fund Balance, June 30, 2010	<u>\$ 71,138</u>	<u>\$ 10,049</u>	<u>\$ (9,951)</u>	<u>\$ 81,089</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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 129,351	\$ 132,318	\$ 129,351	\$ 0
Charges for Current Services	102,412	105,500	101,101	1,311
Other Local Revenues	48,923	57,750	58,516	(9,593)
State of Tennessee	3,000	0	0	3,000
Other Governments and Citizens Groups	20,620	20,600	20,620	0
Total Revenues	<u>\$ 304,306</u>	<u>\$ 316,168</u>	<u>\$ 309,588</u>	<u>\$ (5,282)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Parks and Fair Boards	\$ 1,045,455	\$ 1,036,108	\$ 1,056,474	\$ 11,019
Total Expenditures	<u>\$ 1,045,455</u>	<u>\$ 1,036,108</u>	<u>\$ 1,056,474</u>	<u>\$ 11,019</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (741,149)</u>	<u>\$ (719,940)</u>	<u>\$ (746,886)</u>	<u>\$ 5,737</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 712,940	\$ 712,940	\$ 712,940	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 712,940</u>	<u>\$ 712,940</u>	<u>\$ 712,940</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (28,209)	\$ (7,000)	\$ (33,946)	\$ 5,737
Fund Balance, July 1, 2009	<u>59,403</u>	<u>59,403</u>	<u>59,403</u>	<u>0</u>
Fund Balance, June 30, 2010	<u>\$ 31,194</u>	<u>\$ 52,403</u>	<u>\$ 25,457</u>	<u>\$ 5,737</u>

Exhibit G-8

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,323,873	\$ 1,315,320	\$ 1,315,320	\$ 8,553
Other Local Revenues	12,955	1,000	1,000	11,955
State of Tennessee	2,212,087	2,879,673	2,879,673	(667,586)
Total Revenues	<u>\$ 3,548,915</u>	<u>\$ 4,195,993</u>	<u>\$ 4,195,993</u>	<u>\$ (647,078)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 289,650	\$ 303,061	\$ 302,628	\$ 12,978
Highway and Bridge Maintenance	2,369,823	2,556,029	2,562,001	192,178
Operation and Maintenance of Equipment	253,668	283,007	263,291	9,623
Other Charges	190,234	185,608	191,498	1,264
Capital Outlay	320,590	1,094,545	1,108,545	787,955
Total Expenditures	<u>\$ 3,423,965</u>	<u>\$ 4,422,250</u>	<u>\$ 4,427,963</u>	<u>\$ 1,003,998</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 124,950</u>	<u>\$ (226,257)</u>	<u>\$ (231,970)</u>	<u>\$ 356,920</u>
Net Change in Fund Balance	\$ 124,950	\$ (226,257)	\$ (231,970)	\$ 356,920
Fund Balance, July 1, 2009	<u>878,239</u>	<u>771,030</u>	<u>765,318</u>	<u>112,921</u>
Fund Balance, June 30, 2010	<u>\$ 1,003,189</u>	<u>\$ 544,773</u>	<u>\$ 533,348</u>	<u>\$ 469,841</u>

Exhibit G-9

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 258,391	\$ 0	\$ 0	\$ 258,391	\$ 252,160	\$ 252,160	\$ 6,231
Other Local Revenues	8,371	0	0	8,371	0	4,249	4,122
State of Tennessee	8,852	0	0	8,852	0	0	8,852
Other Governments and Citizens Groups	177,000	0	0	177,000	0	177,000	0
Total Revenues	\$ 452,614	\$ 0	\$ 0	\$ 452,614	\$ 252,160	\$ 433,409	\$ 19,205
<u>Expenditures</u>							
<u>General Government</u>							
County Buildings	\$ 505,945	\$ (313,633)	\$ 4,700	\$ 197,012	\$ 284,240	\$ 261,029	\$ 64,017
Finance	642,198	0	250,559	892,757	858,591	858,591	(34,166)
County Clerk's Office							
Public Health and Welfare	440,001	(424,948)	0	15,053	461,444	461,217	446,164
Local Health Center	360,743	(360,743)	0	0	105,930	365,803	365,803
Ambulance/Emergency Medical Services							
Other Operations	5,164	0	0	5,164	6,000	6,000	836
Miscellaneous							
Capital Projects	236,960	0	0	236,960	240,000	240,000	3,040
Public Safety Projects	12,000	0	0	12,000	0	12,000	0
Highway and Street Capital Projects							
Total Expenditures	\$ 2,203,011	\$ (1,099,324)	\$ 255,259	\$ 1,358,946	\$ 1,956,205	\$ 2,204,640	\$ 845,694
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,750,397)	\$ 1,099,324	\$ (255,259)	\$ (906,332)	\$ (1,704,045)	\$ (1,771,231)	\$ 864,899
Net Change in Fund Balance	\$ (1,750,397)	\$ 1,099,324	\$ (255,259)	\$ (906,332)	\$ (1,704,045)	\$ (1,771,231)	\$ 864,899
Fund Balance, July 1, 2009	3,017,541	(1,099,324)	0	1,918,217	2,875,199	2,875,199	(956,982)
Fund Balance, June 30, 2010	\$ 1,267,144	\$ 0	\$ (255,259)	\$ 1,011,885	\$ 1,171,154	\$ 1,103,968	\$ (92,083)

# Major Governmental Fund

## Debt Service Fund

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

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Exhibit H

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 9,744,874	\$ 9,580,320	\$ 9,580,320	\$ 164,554
Other Local Revenues	181,023	558,334	589,445	(408,422)
Total Revenues	<u>\$ 9,925,897</u>	<u>\$ 10,138,654</u>	<u>\$ 10,169,765</u>	<u>\$ (243,868)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 100,000	\$ 0	\$ 100,000	\$ 0
Education	5,925,000	11,826,326	5,925,981	981
<u>Interest on Debt</u>				
General Government	677,625	0	677,625	0
Education	5,901,145	0	5,901,145	0
<u>Other Debt Service</u>				
Education	171,841	201,000	200,200	28,359
<u>Capital Projects</u>				
Public Safety Projects	0	777,625	0	0
Total Expenditures	<u>\$ 12,775,611</u>	<u>\$ 12,804,951</u>	<u>\$ 12,804,951</u>	<u>\$ 29,340</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,849,714)</u>	<u>\$ (2,666,297)</u>	<u>\$ (2,635,186)</u>	<u>\$ (214,528)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 785,000	\$ 753,889	\$ (753,889)
Transfers Out	(522,000)	(228,301)	(580,301)	58,301
Total Other Financing Sources (Uses)	<u>\$ (522,000)</u>	<u>\$ 556,699</u>	<u>\$ 173,588</u>	<u>\$ (695,588)</u>
Net Change in Fund Balance	\$ (3,371,714)	\$ (2,109,598)	\$ (2,461,598)	\$ (910,116)
Fund Balance, July 1, 2009	<u>19,289,620</u>	<u>19,988,437</u>	<u>19,988,437</u>	<u>(698,817)</u>
Fund Balance, June 30, 2010	<u>\$ 15,917,906</u>	<u>\$ 17,878,839</u>	<u>\$ 17,526,839</u>	<u>\$ (1,608,933)</u>

# Fiduciary Funds

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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.

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

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

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

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

Exhibit I-1

Putnam County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2010

	Agency Funds					Total
	Cities - Sales Tax	Constitu- tional Officers - Agency	Other Agency	Judicial District Drug		
<u>ASSETS</u>						
Cash	\$ 0	\$ 2,274,907	\$ 0	\$ 0	\$ 0	\$ 2,274,907
Equity in Pooled Cash and Investments	0	0	15,822	33,607	0	49,429
Accounts Receivable	0	6,976	0	0	0	6,976
Due from Other Governments	2,015,742	0	0	25,341	0	2,041,083
Total Assets	\$ 2,015,742	\$ 2,281,883	\$ 15,822	\$ 58,948	\$ 0	\$ 4,372,395
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 2,015,742	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,015,742
Due to Litigants, Heirs, and Others	0	2,281,883	0	0	0	2,281,883
Due to Joint Ventures	0	0	15,822	58,948	0	74,770
Total Liabilities	\$ 2,015,742	\$ 2,281,883	\$ 15,822	\$ 58,948	\$ 0	\$ 4,372,395

Exhibit I-2

Putnam County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 11,681,915	\$ 11,681,915	\$ 0
Due from Other Governments	1,939,977	2,015,742	1,939,977	2,015,742
<b>Total Assets</b>	<b>\$ 1,939,977</b>	<b>\$ 13,697,657</b>	<b>\$ 13,621,892</b>	<b>\$ 2,015,742</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,939,977	\$ 13,697,657	\$ 13,621,892	\$ 2,015,742
<b>Total Liabilities</b>	<b>\$ 1,939,977</b>	<b>\$ 13,697,657</b>	<b>\$ 13,621,892</b>	<b>\$ 2,015,742</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,812,955	\$ 23,045,790	\$ 22,583,838	\$ 2,274,907
Accounts Receivable	7,425	6,976	7,425	6,976
<b>Total Assets</b>	<b>\$ 1,820,380</b>	<b>\$ 23,052,766</b>	<b>\$ 22,591,263</b>	<b>\$ 2,281,883</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,820,380	\$ 23,052,766	\$ 22,591,263	\$ 2,281,883
<b>Total Liabilities</b>	<b>\$ 1,820,380</b>	<b>\$ 23,052,766</b>	<b>\$ 22,591,263</b>	<b>\$ 2,281,883</b>
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 17,979	\$ 90,813	\$ 92,970	\$ 15,822
<b>Total Assets</b>	<b>\$ 17,979</b>	<b>\$ 90,813</b>	<b>\$ 92,970</b>	<b>\$ 15,822</b>
<u>Liabilities</u>				
Due to Joint Ventures	\$ 17,979	\$ 90,813	\$ 92,970	\$ 15,822
<b>Total Liabilities</b>	<b>\$ 17,979</b>	<b>\$ 90,813</b>	<b>\$ 92,970</b>	<b>\$ 15,822</b>
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 121,784	\$ 177,045	\$ 265,222	\$ 33,607
Due from Other Governments	20,829	25,341	20,829	25,341
<b>Total Assets</b>	<b>\$ 142,613</b>	<b>\$ 202,386</b>	<b>\$ 286,051</b>	<b>\$ 58,948</b>
<u>Liabilities</u>				
Due to Joint Ventures	\$ 142,613	\$ 202,386	\$ 286,051	\$ 58,948
<b>Total Liabilities</b>	<b>\$ 142,613</b>	<b>\$ 202,386</b>	<b>\$ 286,051</b>	<b>\$ 58,948</b>

(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	\$ 1,812,955	\$ 23,045,790	\$ 22,583,838	\$ 2,274,907
Equity in Pooled Cash and Investments	139,763	11,949,773	12,040,107	49,429
Accounts Receivable	7,425	6,976	7,425	6,976
Due from Other Governments	1,960,806	2,041,083	1,960,806	2,041,083
Total Assets	<u>\$ 3,920,949</u>	<u>\$ 37,043,622</u>	<u>\$ 36,592,176</u>	<u>\$ 4,372,395</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,939,977	\$ 13,697,657	\$ 13,621,892	\$ 2,015,742
Due to Litigants, Heirs, and Others	1,820,380	23,052,766	22,591,263	2,281,883
Due to Joint Ventures	160,592	293,199	379,021	74,770
Total Liabilities	<u>\$ 3,920,949</u>	<u>\$ 37,043,622</u>	<u>\$ 36,592,176</u>	<u>\$ 4,372,395</u>

# Putnam County School Department

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

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

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

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

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

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

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

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.

Exhibit J-1

Putnam County, Tennessee  
Statement of Activities  
Discretely Presented Putnam County School Department  
For the Year Ended June 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 48,958,910	\$ 42,263	\$ 5,982,576	\$ (42,527,314)
Support Services	25,488,403	334,048	286,718	(24,867,637)
Operation of Non-Instructional Services	7,705,685	2,306,365	5,811,094	411,774
Interest on Long-term Debt	10,488	0	0	(10,488)
Total Governmental Activities	\$ 82,163,486	\$ 2,682,676	\$ 12,080,388	\$ (66,993,665)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 12,033,288
Local Option Sales Taxes				15,437,748
Other Local Taxes				1,916
Grants and Contributions Not Restricted to Specific Programs				40,877,305
Unrestricted Investment Earnings				14,531
Miscellaneous				84,470
Total General Revenues				\$ 68,449,258
Change in Net Assets				\$ 1,455,593
Net Assets, July 1, 2009				147,803,866
Net Assets, June 30, 2010				\$ 149,259,459

Exhibit J-2

Putnam County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Putnam County School Department  
June 30, 2010

	Major Funds			Nonmajor	Total
	General	School	Other	Funds	
	Purpose School	Federal Projects	Capital Projects	Other Govern- mental Funds	
					Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,079	\$ 1,079
Equity in Pooled Cash and Investments	6,755,484	778,917	17,203,484	3,513,253	28,251,138
Accounts Receivable	20,969	33	31	92	21,125
Due from Other Governments	2,943,048	497,906	0	64,342	3,505,296
Due from Other Funds	100,992	0	0	0	100,992
Property Taxes Receivable	12,252,982	0	0	0	12,252,982
Allowance for Uncollectible Property Taxes	(435,863)	0	0	0	(435,863)
<b>Total Assets</b>	<b>\$ 21,637,612</b>	<b>\$ 1,276,856</b>	<b>\$ 17,203,515</b>	<b>\$ 3,578,766</b>	<b>\$ 43,696,749</b>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 208,005	\$ 18,903	\$ 384,455	\$ 613	\$ 611,976
Accrued Payroll	636,150	194,078	0	17,953	848,181
Payroll Deductions Payable	543,825	70,649	609	15,576	630,659
Retainage Payable	0	0	38,064	0	38,064
Due to Other Funds	0	78,262	0	0	78,262
Due to State of Tennessee	1,391	311	0	210	1,912
Deferred Revenue - Current Property Taxes	11,408,742	0	0	0	11,408,742
Deferred Revenue - Delinquent Property Taxes	368,110	0	0	0	368,110
Other Deferred Revenues	1,286,479	0	0	0	1,286,479
<b>Total Liabilities</b>	<b>\$ 14,452,702</b>	<b>\$ 362,203</b>	<b>\$ 423,128</b>	<b>\$ 34,352</b>	<b>\$ 15,272,385</b>
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 892,401	\$ 132,611	\$ 10,101,138	\$ 157,142	\$ 11,283,292
Reserved for Driver Education	55,477	0	0	0	55,477
Reserved for Career Ladder - Extended Contract	73,551	0	0	0	73,551
Reserved for Career Ladder Program	5,678	0	0	0	5,678
Reserved for Basic Education Program	984,099	0	0	0	984,099
Reserved for Title I Grants to Local Education Agencies	0	248,461	0	0	248,461
Reserved for Innovative Education Program Strategies	0	13,234	0	0	13,234
Reserved for Special Education - Grants to States	0	16,075	0	0	16,075
Other Federal Reserves	0	504,272	0	0	504,272
Unreserved, Reported In:					
General Fund	5,173,704	0	0	0	5,173,704
Special Revenue Funds	0	0	0	1,029,520	1,029,520
Capital Projects Funds	0	0	6,679,249	2,357,752	9,037,001
<b>Total Fund Balances</b>	<b>\$ 7,184,910</b>	<b>\$ 914,653</b>	<b>\$ 16,780,387</b>	<b>\$ 3,544,414</b>	<b>\$ 28,424,364</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 21,637,612</b>	<b>\$ 1,276,856</b>	<b>\$ 17,203,515</b>	<b>\$ 3,578,766</b>	<b>\$ 43,696,749</b>

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, 2010

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)		\$ 28,424,364	
(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	37,065,357		
Add: buildings and improvements net of accumulated depreciation	75,936,564		
Add: other capital assets net of accumulated depreciation	<u>2,521,378</u>	120,561,274	
(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	\$ (168,730)		
Less: compensated absences payable	(150,992)		
Less: accrued interest on capital leases	(6,354)		
Less: other postemployment benefits liability	<u>(1,054,692)</u>	(1,380,768)	
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,654,589</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 149,259,459</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, 2010

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 27,584,614	\$ 0	\$ 0	\$ 0	\$ 27,584,614
Licenses and Permits	5,102	0	0	0	5,102
Charges for Current Services	382,561	0	0	2,300,115	2,682,676
Other Local Revenues	193,221	0	0	40,263	233,484
State of Tennessee	40,334,629	0	0	47,974	40,382,603
Federal Government	667,338	8,952,826	0	3,259,180	12,879,344
Other Governments and Citizens Groups	246,783	0	0	0	246,783
Total Revenues	\$ 69,414,248	\$ 8,952,826	\$ 0	\$ 5,647,532	\$ 84,014,606
<u>Expenditures</u>					
Current:					
Instruction	\$ 40,513,989	\$ 5,689,954	\$ 0	\$ 0	\$ 46,203,943
Support Services	23,107,501	2,156,306	0	0	25,263,807
Operation of Non-Instructional Services	2,303,927	453,197	0	4,939,339	7,696,463
Debt Service:					
Principal on Debt	160,670	0	0	0	160,670
Interest on Debt	16,536	0	0	0	16,536
Capital Projects	0	0	24,249,975	211,237	24,461,212
Total Expenditures	\$ 66,102,623	\$ 8,299,457	\$ 24,249,975	\$ 5,150,576	\$ 103,802,631
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,311,625	\$ 653,369	\$ (24,249,975)	\$ 496,956	\$ (19,788,025)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 2,409	\$ 0	\$ 0	\$ 9,407	\$ 11,816
Transfers In	410,234	0	0	0	410,234
Transfers Out	0	(221,340)	0	(188,894)	(410,234)
Total Other Financing Sources (Uses)	\$ 412,643	\$ (221,340)	\$ 0	\$ (179,487)	\$ 11,816
Net Change in Fund Balances	\$ 3,724,268	\$ 432,029	\$ (24,249,975)	\$ 317,469	\$ (19,776,209)
Fund Balance, July 1, 2009	3,460,642	482,624	41,030,362	3,226,945	48,200,573
Fund Balance, June 30, 2010	\$ 7,184,910	\$ 914,653	\$ 16,780,387	\$ 3,544,414	\$ 28,424,364

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, 2010

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)		\$ (19,776,209)
(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	\$ 23,474,350	
Less: current-year depreciation expense	<u>(2,141,055)</u>	21,333,295
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$ 1,654,589	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(2,061,932)</u>	(407,343)
(3) 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:		
Add: principal payments on capital leases		160,670
(4) 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	\$ 6,048	
Change in compensated absences payable	16,993	
Change in other postemployment benefits liability	<u>122,139</u>	<u>145,180</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,455,593</u>

Exhibit J-6

Putnam County, Tennessee  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 Discretely Presented Putnam County School Department  
 June 30, 2010

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	Central Cafeteria	Extended School Program	Total	General Capital Projects	Education Capital Projects	Prescott Capital Projects	
Cash	\$ 1,079	\$ 0	\$ 1,079	\$ 0	\$ 0	\$ 0	\$ 1,079
Equity in Pooled Cash and Investments	1,038,857	116,644	1,155,501	9,408	55,154	2,293,190	3,513,253
Accounts Receivable	0	92	92	0	0	0	92
Due from Other Governments	64,342	0	64,342	0	0	0	64,342
<b>Total Assets</b>	<b>\$ 1,104,278</b>	<b>\$ 116,736</b>	<b>\$ 1,221,014</b>	<b>\$ 9,408</b>	<b>\$ 55,154</b>	<b>\$ 2,293,190</b>	<b>\$ 3,578,766</b>

ASSETS

Cash  
 Equity in Pooled Cash and Investments  
 Accounts Receivable  
 Due from Other Governments

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable  
 Accrued Payroll  
 Payroll Deductions Payable  
 Due to State of Tennessee  
 Total Liabilities

\$ 0	\$ 613	\$ 613	\$ 0	\$ 0	\$ 0	\$ 0	\$ 613
0	17,953	17,953	0	0	0	0	17,953
12,118	3,458	15,576	0	0	0	0	15,576
1	209	210	0	0	0	0	210
<b>\$ 12,119</b>	<b>\$ 22,233</b>	<b>\$ 34,352</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 34,352</b>

Fund Balances

Reserved for Encumbrances  
 Unreserved  
 Total Fund Balances

\$ 153,409	\$ 3,733	\$ 157,142	\$ 0	\$ 0	\$ 0	\$ 0	\$ 157,142
938,750	90,770	1,029,520	9,408	55,154	2,293,190	2,357,752	3,387,272
<b>\$ 1,092,159</b>	<b>\$ 94,503</b>	<b>\$ 1,186,662</b>	<b>\$ 9,408</b>	<b>\$ 55,154</b>	<b>\$ 2,293,190</b>	<b>\$ 2,357,752</b>	<b>\$ 3,544,414</b>

Total Liabilities and Fund Balances

<b>\$ 1,104,278</b>	<b>\$ 116,736</b>	<b>\$ 1,221,014</b>	<b>\$ 9,408</b>	<b>\$ 55,154</b>	<b>\$ 2,293,190</b>	<b>\$ 2,357,752</b>	<b>\$ 3,578,766</b>
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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, 2010

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Extended		General Capital Projects	Education		Prescott Capital Projects	Total	
	Central Cafeteria	School Program		Capital Projects	Capital Projects			
<b>Revenues</b>								
Charges for Current Services	\$ 1,576,738	\$ 723,377	\$ 2,300,115	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,300,115
Other Local Revenues	35,028	5,235	40,263	0	0	0	0	40,263
State of Tennessee	47,974	0	47,974	0	0	0	0	47,974
Federal Government	3,259,180	0	3,259,180	0	0	0	0	3,259,180
<b>Total Revenues</b>	<b>\$ 4,918,920</b>	<b>\$ 728,612</b>	<b>\$ 5,647,532</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,647,532</b>
<b>Expenditures</b>								
Current:								
Operation of Non-Instructional Services	\$ 4,192,182	\$ 721,430	\$ 4,913,612	\$ 0	\$ 0	\$ 25,727	\$ 25,727	\$ 4,939,339
Capital Projects	0	0	0	120,895	0	90,342	211,237	211,237
<b>Total Expenditures</b>	<b>\$ 4,192,182</b>	<b>\$ 721,430</b>	<b>\$ 4,913,612</b>	<b>\$ 120,895</b>	<b>\$ 0</b>	<b>\$ 116,069</b>	<b>\$ 236,964</b>	<b>\$ 5,150,576</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 726,738</b>	<b>\$ 7,182</b>	<b>\$ 733,920</b>	<b>\$ (120,895)</b>	<b>\$ 0</b>	<b>\$ (116,069)</b>	<b>\$ (236,964)</b>	<b>\$ 496,956</b>
<b>Other Financing Sources (Uses)</b>								
Insurance Recovery	0	0	0	9,407	0	0	9,407	9,407
Transfers Out	(188,894)	0	(188,894)	0	0	0	0	(188,894)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (188,894)</b>	<b>\$ 0</b>	<b>\$ (188,894)</b>	<b>\$ 9,407</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 9,407</b>	<b>\$ (179,487)</b>
<b>Net Change in Fund Balances Fund Balance, July 1, 2009</b>	<b>\$ 537,844</b>	<b>\$ 7,182</b>	<b>\$ 545,026</b>	<b>\$ (111,488)</b>	<b>\$ 0</b>	<b>\$ (116,069)</b>	<b>\$ (227,557)</b>	<b>\$ 317,469</b>
<b>Fund Balance, July 1, 2009</b>	<b>554,315</b>	<b>87,321</b>	<b>641,636</b>	<b>120,896</b>	<b>55,154</b>	<b>2,409,259</b>	<b>2,585,309</b>	<b>3,226,945</b>
<b>Fund Balance, June 30, 2010</b>	<b>\$ 1,092,159</b>	<b>\$ 94,503</b>	<b>\$ 1,186,662</b>	<b>\$ 9,408</b>	<b>\$ 55,154</b>	<b>\$ 2,293,190</b>	<b>\$ 2,357,752</b>	<b>\$ 3,544,414</b>

Exhibit J-8

Putnam County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Putnam County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 27,584,614	\$ 0	\$ 0	\$ 27,584,614	\$ 27,449,567	\$ 27,449,567	\$ 135,047
Licenses and Permits	5,102	0	0	5,102	5,000	5,000	102
Charges for Current Services	382,561	0	0	382,561	211,000	347,471	35,090
Other Local Revenues	193,221	0	0	193,221	142,498	174,436	18,785
State of Tennessee	40,334,629	0	0	40,334,629	39,303,801	40,445,533	(110,904)
Federal Government	667,338	0	0	667,338	285,040	790,159	(122,821)
Other Governments and Citizens Groups	246,783	0	0	246,783	9,000	9,000	237,783
<u>Total Revenues</u>	<u>\$ 69,414,248</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 69,414,248</u>	<u>\$ 67,405,906</u>	<u>\$ 69,221,166</u>	<u>\$ 193,082</u>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 33,577,622	(8,185)	395,303	\$ 33,964,740	\$ 34,584,361	\$ 34,584,207	\$ 619,467
Alternative Instruction Program	568,113	0	0	568,113	518,592	576,392	8,279
Special Education Program	5,054,929	(714)	209	5,054,424	6,231,062	5,149,221	94,797
Vocational Education Program	1,216,958	0	0	1,216,958	1,374,241	1,300,941	83,983
Adult Education Program	96,367	(1,649)	0	94,718	121,905	153,445	58,727
<u>Support Services</u>							
Attendance	178,647	0	0	178,647	178,096	182,196	3,549
Health Services	846,127	0	0	846,127	840,437	874,737	28,610
Other Student Support	2,404,865	0	0	2,404,865	2,346,811	2,427,311	22,446
Regular Instruction Program	2,481,641	0	600	2,482,241	2,367,202	2,573,541	91,300
Alternative Instruction Program	107,172	0	0	107,172	110,474	111,374	4,202
Special Education Program	399,378	(57)	1,074	400,395	369,763	402,228	1,833
Vocational Education Program	59,241	0	0	59,241	58,877	60,277	1,036

(Continued)

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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Adult Programs	\$ 114,368	\$ 0	\$ 0	\$ 114,368	\$ 130,193	\$ 134,193	\$ 19,825
Other Programs	255,892	0	0	255,892	0	255,892	0
Board of Education	1,387,876	0	0	1,387,876	1,526,957	1,526,957	139,081
Director of Schools	163,059	0	0	163,059	164,994	170,794	7,735
Office of the Principal	4,110,631	(14,772)	0	4,095,859	4,271,863	4,185,763	89,904
Fiscal Services	576,620	0	10,825	587,445	610,746	611,346	23,901
Human Services/Personnel	125,348	0	0	125,348	149,488	142,488	17,140
Operation of Plant	5,444,735	0	1,163	5,445,898	6,764,854	6,337,034	891,136
Maintenance of Plant	2,160,957	(214,102)	151,404	2,098,259	1,915,895	2,356,035	257,776
Transportation	1,797,253	(62)	318,447	2,115,638	2,212,920	2,459,020	343,382
Central and Other	493,691	(8,448)	12,836	498,079	535,821	535,821	37,742
<u>Operation of Non-Instructional Services</u>							
Food Service	190,216	0	0	190,216	187,424	191,224	1,008
Community Services	538,802	(15,793)	540	523,549	74,793	712,614	189,065
Early Childhood Education	1,574,909	0	0	1,574,909	1,591,211	1,602,779	27,870
<u>Principal on Debt</u>							
Education	160,670	0	0	160,670	0	160,670	0
<u>Interest on Debt</u>							
Education	16,536	0	0	16,536	0	16,536	0
Total Expenditures	\$ 66,102,623	\$ (263,782)	\$ 892,401	\$ 66,731,242	\$ 69,238,980	\$ 69,795,036	\$ 3,063,794
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,311,625	\$ 263,782	\$ (892,401)	\$ 2,683,006	\$ (1,833,074)	\$ (573,870)	\$ 3,256,876

(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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 2,409	\$ 0	\$ 0	2,409	0	2,409	\$ 0
Transfers In	410,234	0	0	410,234	1,833,074	571,461	(161,227)
Total Other Financing Sources (Uses)	\$ 412,643	\$ 0	\$ 0	412,643	1,833,074	573,870	\$(161,227)
Net Change in Fund Balance	\$ 3,724,268	\$ 263,782	\$(892,401)	\$ 3,095,649	0	0	\$ 3,095,649
Fund Balance, July 1, 2009	3,460,642	(263,782)	0	3,196,860	3,414,981	3,414,981	(218,121)
Fund Balance, June 30, 2010	\$ 7,184,910	\$ 0	\$(892,401)	\$ 6,292,509	\$ 3,414,981	\$ 3,414,981	\$ 2,877,528

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,000	\$ 0	\$ 0
Federal Government	8,952,826	0	0	8,952,826	11,541,005	12,764,529	(3,811,703)
<b>Total Revenues</b>	<b>\$ 8,952,826</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 8,952,826</b>	<b>\$ 11,601,005</b>	<b>\$ 12,764,529</b>	<b>\$ (3,811,703)</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,412,024	\$ (478)	\$ 10,620	\$ 2,422,166	\$ 3,153,859	\$ 3,349,298	\$ 927,132
Alternative Instruction Program	57,680	0	0	57,680	60,000	58,287	607
Special Education Program	3,128,510	(288)	0	3,128,222	3,642,709	3,700,756	572,534
Vocational Education Program	91,740	(2,761)	60,664	149,643	160,735	164,471	14,828
<u>Support Services</u>							
Health Services	27,661	0	0	27,661	78,255	29,785	2,124
Other Student Support	41,223	0	849	42,072	1,148,743	1,113,575	1,071,503
Regular Instruction Program	1,340,012	(43,887)	59,978	1,356,103	2,205,064	2,704,274	1,348,171
Special Education Program	684,242	0	0	684,242	744,608	751,578	67,336
Vocational Education Program	2,059	0	0	2,059	8,000	8,000	5,941
Transportation	61,109	0	0	61,109	47,050	79,871	18,762
<u>Operation of Non-Instructional Services</u>							
Community Services	453,197	0	500	453,697	0	522,070	68,373
<b>Total Expenditures</b>	<b>\$ 8,299,457</b>	<b>\$ (47,414)</b>	<b>\$ 132,611</b>	<b>\$ 8,384,654</b>	<b>\$ 11,249,023</b>	<b>\$ 12,481,965</b>	<b>\$ 4,097,311</b>
<b>Excess (Deficiency) of Revenues</b>	<b>\$ 653,369</b>	<b>\$ 47,414</b>	<b>\$ (132,611)</b>	<b>\$ 568,172</b>	<b>\$ 351,982</b>	<b>\$ 282,564</b>	<b>\$ 285,608</b>
<b>Over Expenditures</b>							

(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 7/1/2009	Add: Encumbrances 6/30/2010	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	\$ 413,916	\$ 522,337	\$ (522,337)
Transfers Out	(221,340)	0	0	(221,340)	(765,717)	(804,900)	583,560
Total Other Financing Sources (Uses)	\$ (221,340)	\$ 0	\$ 0	\$ (221,340)	\$ (351,801)	\$ (282,563)	\$ 61,223
Net Change in Fund Balance	\$ 432,029	\$ 47,414	\$ (132,611)	\$ 346,832	\$ 181	\$ 1	\$ 346,831
Fund Balance, July 1, 2009	482,624	(47,414)	0	435,210	0	0	435,210
Fund Balance, June 30, 2010	\$ 914,653	\$ 0	\$ (132,611)	\$ 782,042	\$ 181	\$ 1	\$ 782,041

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,576,738	\$ 0	\$ 0	\$ 1,576,738	\$ 1,808,377	\$ 1,808,377	\$ (231,639)
Other Local Revenues	35,028	0	0	35,028	21,000	21,000	14,028
State of Tennessee	47,974	0	0	47,974	53,000	53,000	(5,026)
Federal Government	3,259,180	0	0	3,259,180	2,710,694	3,004,874	254,306
Total Revenues	\$ 4,918,920	\$ 0	\$ 0	\$ 4,918,920	\$ 4,593,071	\$ 4,887,251	\$ 31,669
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 4,192,182	\$ (69,983)	\$ 153,409	\$ 4,275,608	\$ 4,075,647	\$ 4,480,427	\$ 204,819
Total Expenditures	\$ 4,192,182	\$ (69,983)	\$ 153,409	\$ 4,275,608	\$ 4,075,647	\$ 4,480,427	\$ 204,819
Excess (Deficiency) of Revenues Over Expenditures	\$ 726,738	\$ 69,983	\$ (153,409)	\$ 643,312	\$ 517,424	\$ 406,824	\$ 236,488
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (188,894)	\$ 0	\$ 0	\$ (188,894)	\$ (517,424)	\$ (406,824)	\$ 217,930
Total Other Financing Sources (Uses)	\$ (188,894)	\$ 0	\$ 0	\$ (188,894)	\$ (517,424)	\$ (406,824)	\$ 217,930
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 537,844	\$ 69,983	\$ (153,409)	\$ 454,418	\$ 0	\$ 0	\$ 454,418
	\$ 554,315	\$ (69,983)	\$ 0	\$ 484,332	\$ 0	\$ 0	\$ 484,332
Fund Balance, June 30, 2010	\$ 1,092,159	\$ 0	\$ (153,409)	\$ 938,750	\$ 0	\$ 0	\$ 938,750

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 723,377	\$ 0	\$ 0	\$ 723,377	\$ 789,383	\$ 789,383	\$ (66,006)
Other Local Revenues	5,235	0	0	5,235	0	3,630	1,605
Total Revenues	\$ 728,612	\$ 0	\$ 0	\$ 728,612	\$ 789,383	\$ 793,013	\$ (64,401)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 721,430	\$ (416)	\$ 3,733	\$ 724,747	\$ 789,383	\$ 793,013	\$ 68,266
Total Expenditures	\$ 721,430	\$ (416)	\$ 3,733	\$ 724,747	\$ 789,383	\$ 793,013	\$ 68,266
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,182	\$ 416	\$ (3,733)	\$ 3,865	\$ 0	\$ 0	\$ 3,865
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 7,182	\$ 416	\$ (3,733)	\$ 3,865	\$ 0	\$ 0	\$ 3,865
	87,321	(416)	0	86,905	(2,701)	(2,701)	89,606
Fund Balance, June 30, 2010	\$ 94,503	\$ 0	\$ (3,733)	\$ 90,770	\$ (2,701)	\$ (2,701)	\$ 93,471

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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, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Paid and/or	
						Matured During Period	Outstanding 6-30-10
<b>PRIMARY GOVERNMENT</b>							
<b>BONDS PAYABLE</b>							
<u>Payable through General Debt Service Fund</u>							
School	\$ 35,100,000	4.85 to 5.5 %	5-18-00	8-1-10	\$ 500,000	\$ 500,000	0
School Refunding	35,280,000	4.85 to 5.5	8-1-01	4-1-20	33,940,000	70,000	33,870,000
School Refunding	30,105,000	3 to 5	12-1-02	6-30-12	12,725,000	4,120,000	8,605,000
School Refunding	7,970,000	2.125 to 4	8-13-04	4-1-19	7,745,000	60,000	7,685,000
School Refunding	9,545,000	4.5	10-11-06	10-11-18	9,195,000	175,000	9,020,000
Public Improvement	16,000,000	4.38	6-7-07	4-1-28	15,900,000	100,000	15,800,000
School Bonds, Series 2007	57,700,000	4 to 5	9-12-07	4-1-28	57,400,000	400,000	57,000,000
School Refunding, Series 2009	2,340,000	2.78	3-31-09	4-1-13	2,340,000	600,000	1,740,000
Total Bonds Payable					\$ 139,745,000	\$ 6,025,000	\$ 133,720,000

DISCRETELY PRESENTED PUTNAM  
COUNTY SCHOOL DEPARTMENT

<b>CAPITAL LEASES PAYABLE</b>							
<u>Payable through General Purpose School Fund</u>							
Laptop Computers	506,606	5.02	9-26-08	10-10-10	\$ 329,400	\$ 160,670	\$ 168,730

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	Bonds		
	Principal	Interest	Total
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	\$ 133,720,000	\$ 60,893,768	\$ 194,613,768

DISCRETELY PRESENTED PUTNAM  
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2011	\$ 168,730	\$ 8,476	\$ 177,206
Total	\$ 168,730	\$ 8,476	\$ 177,206

Exhibit K-3

Putnam County, Tennessee  
Schedule of Notes Receivable  
For the Year Ended June 30, 2010

<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 6-30-10</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%	\$ 1,435,770
<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	2,777,776
Building	General Fund	1,750,000	6-24-08	6-24-17	2	1,361,112
<u>Total Notes Receivable</u>						<u>\$ 5,574,658</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, 2010

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Public Library	Operations	\$ 385,470
General	Sports and Recreation	Operations	712,940
General Debt Service	General	Capital outlay	522,000
Total Transfers Primary Government			<u>\$ 1,620,410</u>
<u>DISCRETELY PRESENTED PUTNAM COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 221,340
Central Cafeteria	General Purpose School	Salary reimbursements	188,894
Total Transfers Discretely Presented Putnam County School Department			<u>\$ 410,234</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, 2010

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:				
Billy Lamb (7-1-09 through 2-2-10)	Section 8-24-102, <u>TCA</u> and County Commission	49,495 (1)	100,000	"
Terry Lamb (2-3-10 through 5-26-10)		0 (7)	100,000	"
Horace Jones (5-27-10 through 6-30-10)		4,561 (1)	100,000	"
Director of Schools	State Board of Education and Putnam County Board of Education	97,850	(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> , Probate Judge, and County Commission	72,214 (1,3)	60,000	Western Surety Company
Clerk and Master	Section 8-24-102, <u>TCA</u> , 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 (1,4)	25,000	"
Employee Blanket Bonds Public Employee Dishonesty - Primary Government and the Discretely Presented Putnam County School Department			500,000	Hartford 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 \$650.
- (3) Does not include special commissioners fees of \$7,582.
- (4) Does not include payment of \$1,230 for serving as superintendent of the workhouse and a law enforcement training supplement of \$600.
- (5) The director of schools is covered by the \$500,000 employee blanket bond.
- (6) Includes additional appropriation of \$1,261.
- (7) Mr. Terry Lamb received compensation based on his salary as assistant road supervisor while serving as acting road supervisor.

Putnam County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2010

	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	\$ 11,401,927	\$ 0	\$ 2,444,967	\$ 368,078	\$ 0	\$ 0
Trustee's Collections - Prior Year	299,621	0	74,718	9,401	0	0
Circuit/Clerk & Master Collections - Prior Years	172,600	0	39,814	5,688	0	0
Interest and Penalty	62,302	0	14,057	2,010	0	0
Payments in-Lieu-of Taxes - T.V.A.	131,422	0	101	0	0	0
Payments in-Lieu-of Taxes - Other	1,926	0	498	40	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	5,739	0	0	0	0	0
Hotel/Motel Tax	258,577	0	0	0	0	0
Litigation Tax - General	253,459	0	0	0	0	0
Litigation Tax - Special Purpose	56,514	0	0	0	0	0
Business Tax	903,026	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Other County Local Option Taxes	947	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	74,919	0	16,112	2,416	0	0
Wholesale Beer Tax	233,012	0	0	0	0	0
Interstate Telecommunications Tax	3,786	0	0	0	0	0
Total Local Taxes	\$ 13,859,777	\$ 0	\$ 2,590,267	\$ 387,633	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	252,268	0	0	0	0	0
<u>Permits</u>						
Building Permits	100,690	0	0	0	0	0
Electrical Permits	7,990	0	0	0	0	0
Plumbing Permits	9,648	0	0	0	0	0
Other Permits	4,250	0	0	0	0	0
Total Licenses and Permits	\$ 374,846	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	General	Special Revenue Funds					
		Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	
<u>Circuit Court</u>							
Fines	\$ 71,922	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	20,639	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	4,019
Drug Court Fees	2,105	0	0	0	0	0	0
Jail Fees	49,862	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0
Judicial Commissioner Fees	1,961	0	0	0	0	0	0
DUI Treatment Fines	22,520	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,727	0	0	0	0	0	0
Courtroom Security Fee	1,352	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	66,099	0	0	0	0	0	0
Officers Costs	117,579	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	2,287
Drug Court Fees	7,193	0	0	0	0	0	0
Jail Fees	179,539	0	0	0	0	0	0
Interpreter Fees	4,660	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0
Judicial Commissioner Fees	2,851	0	0	0	0	0	0
DUI Treatment Fines	6,990	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	23,310	0	0	0	0	0	0
Courtroom Security Fee	5,722	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	2,256	0	0	0	0	0	0
Officers Costs	16,676	0	0	0	0	0	0
Drug Control Fines	4,188	0	0	0	0	0	0
Jail Fees	20,514	0	0	0	0	0	0
Interpreter Fees	60	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,990	0	0	0	0	0	0
Courtroom Security Fee	299	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>						
Chancery Court						
Officers Costs	\$ 7,747	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	2,458	0	0	0	0	0
Courts in Other District Counties						
District Attorney General Fees	0	0	0	0	0	0
Judicial District Drug Program	0	0	0	0	0	21,077
Drug Task Force Forfeitures and Seizures	328	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	27,311
Proceeds from Confiscated Property	4,556	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 647,103	\$ 0	\$ 0	\$ 0	\$ 0	\$ 54,694
<u>Charges for Current Services</u>						
General Service Charges						
Tipping Fees	\$ 0	\$ 0	\$ 770,370	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fees	0	0	40,000	0	0	0
Patient Charges	3,277,453	0	0	0	0	0
Other General Service Charges	8,541	0	153	0	5,419	0
Fees						
Subdivision Lot Fees	1,360	0	0	0	0	0
Recreation Fees	26,900	0	0	0	0	0
Library Fees	0	35,674	0	0	0	0
Archives and Records Management Fee - County Clerk	0	0	0	0	88,207	0
Telephone Commissions	53,310	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	22,662	0	0	0	0	0
Data Processing Fee - Sheriff	11,935	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	2,920	0	0	0	0	0
Data Processing Fee - County Clerk	5,496	0	0	0	0	0
Total Charges for Current Services	\$ 3,410,577	\$ 35,674	\$ 810,523	\$ 0	\$ 93,626	\$ 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	\$ 271,651	\$ 267	\$ 0	\$ 77,989	\$ 0	\$ 0
Lease/Rentals	305,074	0	0	0	0	0
Sale of Materials and Supplies	19,610	0	0	0	500	0
Commissary Sales	221,826	0	0	0	0	0
Sale of Gasoline	72,541	0	0	0	0	0
Sale of Recycled Materials	0	0	291,846	0	0	0
Miscellaneous Refunds	1,180	506	0	296,320	0	5,552
<u>Nonrecurring Items</u>						
Damages Recovered from Individuals	73,103	0	0	0	0	0
Contributions and Gifts	5,125	0	0	124,010	3,206	10,508
Performance Bond Forfeitures	49,510	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	46,033	0	0	0	0	0
Total Other Local Revenues	\$ 1,065,653	\$ 773	\$ 291,846	\$ 498,319	\$ 3,706	\$ 16,060
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 594,575	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	303,290	0	0	0	0	0
General Sessions Court Clerk	811,645	0	0	0	0	0
Clerk and Master	182,908	0	0	0	0	0
Juvenile Court Clerk	90,490	0	0	0	0	0
Register	264,195	0	0	0	0	0
Sheriff	33,092	0	0	0	0	0
Trustee	1,220,416	0	0	0	0	0
Total Fees Received from County Officials	\$ 3,500,611	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 62,858	\$ 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 (Cont.)</u>							
<u>General Government Grants (Cont.)</u>							
State Reappraisal Grant	\$ 17,431	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	22,383	0	0	0	0
Other General Government Grants	0	0	0	0	5,000	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	33,000	0	0	0	0	0	0
Drug Control Grants	42,131	0	0	0	0	0	0
Other Public Safety Grants	8,211	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	1,046,856	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	0
Litter Program	43,462	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	101,738	0	0	0	0	0	0
Beer Tax	17,778	0	0	0	0	0	0
Alcoholic Beverage Tax	62,923	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	643,527	0	0	0	0	0	0
Board of Jurors	295	0	0	0	0	0	0
Contracted Prisoner Boarding	571,411	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	17,832	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0	0	0
Other State Grants	0	0	0	0	0	0	0
Other State Revenues	0	0	0	0	0	0	1,218
Total State of Tennessee	\$ 2,685,833	\$ 0	\$ 22,383	\$ 0	\$ 5,000	\$ 0	\$ 1,218
<u>Federal Government</u>							
<u>Federal Through State</u>							
Civil Defense Reimbursement	\$ 50,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	1,334,081	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>						
Federal Through State (Cont.)						
Law Enforcement Grants	\$ 21,473	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	69,478	0	0	0	0	0
<u>Total Federal Government</u>	<u>\$ 1,475,732</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 69,291	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	350,531	0	0	0	0
<u>Citizens Groups</u>						
Donations	0	22,840	0	0	0	0
Other	32,521	0	0	0	0	0
<u>Total Other Governments and Citizens Groups</u>	<u>\$ 101,812</u>	<u>\$ 373,371</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Total</u>	<u>\$ 27,121,944</u>	<u>\$ 409,818</u>	<u>\$ 3,715,019</u>	<u>\$ 885,952</u>	<u>\$ 102,332</u>	<u>\$ 71,972</u>

(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			
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 1,100,388	\$ 6,620,480	\$ 243,279	\$ 22,179,119	
Trustee's Collections - Prior Year	0	0	0	32,022	170,752	8,147	594,661	
Circuit/Clerk & Master Collections - Prior Years	0	0	0	15,894	88,441	3,987	326,424	
Interest and Penalty	0	0	0	6,063	35,217	1,340	120,989	
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	44	242	0	131,809	
Payments in-Lieu-of Taxes - Other	0	0	0	218	1,324	27	4,033	
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	0	0	2,319,926	0	2,325,665	
Hotel/Motel Tax	129,351	0	0	0	464,990	0	852,918	
Litigation Tax - General	0	0	0	0	0	0	253,459	
Litigation Tax - Special Purpose	0	0	0	0	0	0	56,514	
Business Tax	0	0	0	0	0	0	903,026	
Mineral Severance Tax	0	0	0	161,994	0	0	161,994	
Other County Local Option Taxes	0	0	0	0	0	0	947	
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	0	7,250	43,502	1,611	145,810	
Wholesale Beer Tax	0	0	0	0	0	0	233,012	
Interstate Telecommunications Tax	0	0	0	0	0	0	3,786	
<b>Total Local Taxes</b>	<b>\$ 129,351</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,323,873</b>	<b>\$ 9,744,874</b>	<b>\$ 258,391</b>	<b>\$ 28,294,166</b>	
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 252,268	
<u>Permits</u>								
Building Permits	0	0	0	0	0	0	100,690	
Electrical Permits	0	0	0	0	0	0	7,990	
Plumbing Permits	0	0	0	0	0	0	9,648	
Other Permits	0	0	0	0	0	0	4,250	
<b>Total Licenses and Permits</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 374,846</b>	

(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			
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	71,922
Officers Costs	0	0	0	0	0	0	0	20,639
Drug Control Fines	0	0	0	0	0	0	0	4,019
Drug Court Fees	0	0	0	0	0	0	0	2,105
Jail Fees	0	0	0	0	0	0	0	49,862
District Attorney General Fees	0	4,072	0	0	0	0	0	4,072
Judicial Commissioner Fees	0	0	0	0	0	0	0	1,961
DUI Treatment Fines	0	0	0	0	0	0	0	22,520
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	1,727
Courtroom Security Fee	0	0	0	0	0	0	0	1,352
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	0	66,099
Officers Costs	0	0	0	0	0	0	0	117,579
Drug Control Fines	0	0	0	0	0	0	0	2,287
Drug Court Fees	0	0	0	0	0	0	0	7,193
Jail Fees	0	0	0	0	0	0	0	179,539
Interpreter Fees	0	0	0	0	0	0	0	4,660
District Attorney General Fees	0	10,304	0	0	0	0	0	10,304
Judicial Commissioner Fees	0	0	0	0	0	0	0	2,851
DUI Treatment Fines	0	0	0	0	0	0	0	6,990
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	23,310
Courtroom Security Fee	0	0	0	0	0	0	0	5,722
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	0	2,256
Officers Costs	0	0	0	0	0	0	0	16,676
Drug Control Fines	0	0	0	0	0	0	0	4,188
Jail Fees	0	0	0	0	0	0	0	20,514
Interpreter Fees	0	0	0	0	0	0	0	60
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	1,990
Courtroom Security Fee	0	0	0	0	0	0	0	299

(Continued)

Exhibit K-6

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

	Special Revenue Funds				Highway / Public Works	Debt Service Fund	Capital Projects Fund	Total
	Sports and Recreation	District Attorney General	Constitu- tional Officers - Fees	General				
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Chancery Court</u>								
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,747
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	2,458
<u>Courts in Other District Counties</u>								
District Attorney General Fees	0	24,749	0	0	0	0	0	24,749
<u>Judicial District Drug Program</u>								
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	0	21,077
Courtroom Security Fee	0	0	0	0	0	0	0	328
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	0	0	0	27,311
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	4,556
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 0</b>	<b>\$ 39,125</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 740,922</b>
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	770,370
Solid Waste Disposal Fees	0	0	0	0	0	0	0	40,000
Patient Charges	0	0	0	0	0	0	0	3,277,453
Other General Service Charges	0	0	0	0	0	0	0	14,113
<u>Fees</u>								
Subdivision Lot Fees	0	0	0	0	0	0	0	1,360
Recreation Fees	101,678	0	0	0	0	0	0	128,578
Library Fees	0	0	0	0	0	0	0	35,674
Archives and Records Management Fee - County Clerk	0	0	0	0	0	0	0	88,207
Telephone Commissions	0	0	0	0	0	0	0	53,310
Vending Machine Collections	734	0	0	0	0	0	0	734
Constitutional Officers' Fees and Commissions	0	0	617	0	0	0	0	617
Data Processing Fee - Register	0	0	0	0	0	0	0	22,662
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	11,935
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	2,920
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	5,496
<b>Total Charges for Current Services</b>	<b>\$ 102,412</b>	<b>\$ 0</b>	<b>\$ 617</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,453,429</b>

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Total
	Sports and Recreation	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 150	\$ 0	\$ 0	\$ 0	\$ 181,023	\$ 4,123
Lease/Rentals	43,364	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	2,580	0	0
Commissary Sales	0	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0	0
Miscellaneous Refunds	0	806	0	0	0	4,248
<u>Nonrecurring Items</u>						
Damages Recovered from Individuals	0	0	0	10,375	0	0
Contributions and Gifts	0	0	0	0	0	0
Performance Bond Forfeitures	0	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	5,409	0	0	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 48,923</b>	<b>\$ 806</b>	<b>\$ 0</b>	<b>\$ 12,955</b>	<b>\$ 181,023</b>	<b>\$ 8,371</b>
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	0	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0	0
Clerk and Master	0	0	0	0	0	0
Juvenile Court Clerk	0	0	0	0	0	0
Register	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0
Trustee	0	0	0	0	0	0
<b>Total Fees Received from County Officials</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 62,858

(Continued)

Exhibit K-6

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

	Special Revenue Funds				Highway / Public Works	Debt Service Fund	Capital Projects Fund	Total
	Sports and Recreation	District Attorney General	Constitu- tional Officers - Fees	General				
<u>State of Tennessee (Cont.)</u>								
<u>General Government Grants (Cont.)</u>								
State Reappraisal Grant	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	17,431
Solid Waste Grants	0	0	0	0	0	0	0	22,383
Other General Government Grants	0	0	0	0	0	0	0	5,000
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	0	0	0	0	0	0	0	33,000
Drug Control Grants	0	0	0	0	0	0	0	42,131
Other Public Safety Grants	0	0	0	0	0	0	0	8,211
<u>Health and Welfare Grants</u>								
Health Department Programs	0	0	0	0	0	0	0	1,046,856
<u>Public Works Grants</u>								
State Aid Program	0	0	0	271,513	0	0	0	271,513
Litter Program	0	0	0	0	0	0	0	43,462
<u>Other State Revenues</u>								
Income Tax	0	0	0	0	0	0	0	101,738
Beer Tax	0	0	0	0	0	0	0	17,778
Alcoholic Beverage Tax	0	0	0	0	0	0	0	62,923
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	643,527
Board of Jurors	0	0	0	0	0	0	0	295
Contracted Prisoner Boarding	0	0	0	0	0	0	0	571,411
Gasoline and Motor Fuel Tax	0	0	0	1,890,528	0	0	0	1,908,360
Petroleum Special Tax	0	0	0	50,046	0	0	0	50,046
Registrar's Salary Supplement	0	0	0	0	0	0	0	16,380
Other State Grants	3,000	0	0	0	0	0	8,852	11,852
Other State Revenues	0	0	0	0	0	0	0	1,218
Total State of Tennessee	\$ 3,000	\$ 0	\$ 0	\$ 2,212,087	\$ 0	\$ 0	\$ 8,852	\$ 4,938,373
<u>Federal Government</u>								
<u>Federal Through State</u>								
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	50,700
Homeland Security Grants	0	0	0	0	0	0	0	1,334,081

(Continued)

Exhibit K-6

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

	Special Revenue Funds				Highway / Public Works	Debt Service Fund	Capital Projects Fund	Total
	Sports and Recreation	District Attorney General	Constitu- tional Officers - Fees	General				
<u>Federal Government (Cont.)</u>								
<u>Federal Through State (Cont.)</u>								
Law Enforcement Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,473
Other Federal through State	0	0	0	0	0	0	0	69,478
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,475,732
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 69,291
Contributions	20,620	0	0	0	0	0	177,000	548,151
<u>Citizens Groups</u>								
Donations	0	0	0	0	0	0	0	22,840
Other	0	0	0	0	0	0	0	32,521
Total Other Governments and Citizens Groups	\$ 20,620	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 177,000	\$ 672,803
Total	\$ 304,306	\$ 39,931	\$ 617	\$ 3,548,915	\$ 9,925,897	\$ 452,614	\$ 46,579,317	

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, 2010

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 11,484,248	\$ 0	\$ 0	\$ 0	\$ 11,484,248
Trustee's Collections - Prior Year	343,110	0	0	0	343,110
Circuit/Clerk & Master Collections - Prior Years	175,847	0	0	0	175,847
Interest and Penalty	63,331	0	0	0	63,331
Payments in-Lieu-of Taxes - T.V.A.	352	0	0	0	352
Payments in-Lieu-of Taxes - Other	1,904	0	0	0	1,904
<u>County Local Option Taxes</u>					
Local Option Sales Tax	15,437,748	0	0	0	15,437,748
Other County Local Option Taxes	433	0	0	0	433
<u>Statutory Local Taxes</u>					
Bank Excise Tax	75,725	0	0	0	75,725
Interstate Telecommunications Tax	1,916	0	0	0	1,916
<b>Total Local Taxes</b>	<b>\$ 27,584,614</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 27,584,614</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 5,102	\$ 0	\$ 0	\$ 0	\$ 5,102
<b>Total Licenses and Permits</b>	<b>\$ 5,102</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,102</b>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 750	\$ 0	\$ 0	\$ 0	\$ 750
Lunch Payments - Children	0	0	849,204	0	849,204
Lunch Payments - Adults	0	0	89,197	0	89,197
Income from Breakfast	0	0	469,463	0	469,463
A la carte Sales	0	0	168,874	0	168,874
Transportation - Other State Systems	32,916	0	0	0	32,916
Transportation from Individuals	2,064	0	0	0	2,064
Contract for Administrative Services with Other LEAs	41,513	0	0	0	41,513
Contract for Instructional Services with Other LEAs	28,665	0	0	0	28,665
Contract for Instructional Staff Support with Other LEAs	600	0	0	0	600
Receipts from Individual Schools	254,807	0	0	0	254,807
Community Service Fees - Children	0	0	0	723,377	723,377
TBI Criminal Background Fees	14,996	0	0	0	14,996
<u>Other Charges for Services</u>					
Other Charges for Services	6,250	0	0	0	6,250
<b>Total Charges for Current Services</b>	<b>\$ 382,561</b>	<b>\$ 0</b>	<b>\$ 1,576,738</b>	<b>\$ 723,377</b>	<b>\$ 2,682,676</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 10,535	\$ 0	\$ 3,996	\$ 0	\$ 14,531
Sale of Materials and Supplies	903	0	0	0	903
Refund of Telecommunication and Internet Fees (E-Rate)	92,498	0	0	0	92,498
Miscellaneous Refunds	45,540	0	31,032	0	76,572
<u>Nonrecurring Items</u>					
Sale of Property	6,536	0	0	0	6,536
Damages Recovered from Individuals	2,349	0	0	0	2,349
Contributions and Gifts	31,993	0	0	5,235	37,228
<u>Other Local Revenues</u>					
Other Local Revenues	2,867	0	0	0	2,867
<b>Total Other Local Revenues</b>	<b>\$ 193,221</b>	<b>\$ 0</b>	<b>\$ 35,028</b>	<b>\$ 5,235</b>	<b>\$ 233,484</b>

(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	\$ 255,892	\$ 0	\$ 0	\$ 0	\$ 255,892
<u>State Education Funds</u>					
Basic Education Program	35,152,200	0	0	0	35,152,200
Basic Education Program - ARRA	1,883,800	0	0	0	1,883,800
Early Childhood Education	1,570,742	0	0	0	1,570,742
School Food Service	0	0	47,974	0	47,974
Other State Education Funds	87,924	0	0	0	87,924
Coordinated School Health - ARRA	155,000	0	0	0	155,000
Internet Connectivity - ARRA	29,828	0	0	0	29,828
Family Resource Centers - ARRA	33,300	0	0	0	33,300
Career Ladder Program	446,711	0	0	0	446,711
Career Ladder - Extended Contract - ARRA	44,009	0	0	0	44,009
<u>Other State Revenues</u>					
Mixed Drink Tax	140,598	0	0	0	140,598
Other State Grants	484,079	0	0	0	484,079
Safe Schools - ARRA	50,400	0	0	0	50,400
Other State Revenues	146	0	0	0	146
Total State of Tennessee	\$ 40,334,629	\$ 0	\$ 47,974	\$ 0	\$ 40,382,603
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,134,371	\$ 0	\$ 2,134,371
USDA - Commodities	0	0	268,680	0	268,680
Breakfast	0	0	745,448	0	745,448
USDA - Other	0	0	85,181	0	85,181
USDA Food Service Equipment Grant - ARRA	0	0	25,500	0	25,500
Adult Education State Grant Program	137,590	0	0	0	137,590
Vocational Education - Basic Grants to States	0	149,659	0	0	149,659
Other Vocational	11,045	0	0	0	11,045
Title I Grants to Local Education Agencies	0	3,346,034	0	0	3,346,034
Special Education - Grants to States	113,790	3,977,483	0	0	4,091,273
Special Education Preschool Grants	855	65,159	0	0	66,014
English Language Acquisition Grants	0	102,862	0	0	102,862
Safe and Drug-free Schools - State Grants	0	288,781	0	0	288,781
Education for Homeless Children and Youth	0	166	0	0	166
Eisenhower Professional Development State Grants	0	435,316	0	0	435,316
Job Training Partnership Act	15,000	0	0	0	15,000
Other Federal through State	12,262	587,366	0	0	599,628
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	62,537	0	0	0	62,537
Other Direct Federal Revenue	314,259	0	0	0	314,259
Total Federal Government	\$ 667,338	\$ 8,952,826	\$ 3,259,180	\$ 0	\$ 12,879,344
<u>Other Governments and Citizens Groups</u>					
<u>Citizens Groups</u>					
Donations	\$ 81,179	\$ 0	\$ 0	\$ 0	\$ 81,179
<u>Other</u>					
Other	165,604	0	0	0	165,604
Total Other Governments and Citizens Groups	\$ 246,783	\$ 0	\$ 0	\$ 0	\$ 246,783
Total	\$ 69,414,248	\$ 8,952,826	\$ 4,918,920	\$ 728,612	\$ 84,014,606

Exhibit K-8

Putnam County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2010

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	113,625	
Social Security		8,692	
Audit Services		18,695	
Dues and Memberships		3,078	
Travel		1,285	
Other Charges		1,794	
Total County Commission			\$ 147,169

Beer Board

Board and Committee Members Fees	\$	1,574	
Total Beer Board			1,574

County Mayor/Executive

County Official/Administrative Officer	\$	84,668	
Temporary Personnel		10,846	
Longevity Pay		4,200	
Other Salaries and Wages		151,800	
Social Security		18,415	
State Retirement		23,513	
Employee and Dependent Insurance		2,290	
Life Insurance		204	
Medical Insurance		22,429	
Dental Insurance		206	
Unemployment Compensation		379	
Communication		5,922	
Data Processing Services		6,504	
Dues and Memberships		1,650	
Maintenance and Repair Services - Equipment		85	
Travel		268	
Office Supplies		10,932	
Premiums on Corporate Surety Bonds		175	
Workers' Compensation Insurance		3,861	
Other Charges		1,545	
Data Processing Equipment		1	
Office Equipment		1,160	
Total County Mayor/Executive			351,053

County Attorney

County Official/Administrative Officer	\$	90,306	
Legal Services		4,763	

(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	\$ 990	
Total County Attorney		\$ 96,059

Election Commission

County Official/Administrative Officer	\$ 64,993	
Part-time Personnel	11,868	
Longevity Pay	1,100	
Overtime Pay	2,399	
Other Salaries and Wages	79,930	
Election Commission	4,440	
Election Workers	31,364	
Social Security	12,217	
State Retirement	14,267	
Life Insurance	163	
Medical Insurance	19,676	
Dental Insurance	262	
Unemployment Compensation	564	
Communication	2,189	
Data Processing Services	16,205	
Dues and Memberships	300	
Freight Expenses	1,080	
Legal Notices, Recording, and Court Costs	7,015	
Maintenance and Repair Services - Equipment	195	
Printing, Stationery, and Forms	22,752	
Travel	5,648	
Other Contracted Services	5,390	
Office Supplies	9,014	
Workers' Compensation Insurance	3,001	
Total Election Commission		316,032

Register of Deeds

County Official/Administrative Officer	\$ 72,214
Longevity Pay	2,000
Other Salaries and Wages	88,550
Social Security	11,798
State Retirement	14,915
Life Insurance	204
Medical Insurance	19,013
Unemployment Compensation	302
Communication	2,062

(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.)

Dues and Memberships	\$	516	
Maintenance Agreements		36,015	
Travel		419	
Office Supplies		3,392	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		3,861	
Total Register of Deeds			\$ 255,361

Development

Other Salaries and Wages	\$	11,250	
Engineering Services		3,323	
Other Contracted Services		7,800	
Total Development			22,373

Codes Compliance

Assistant(s)	\$	24,779	
Supervisor/Director		42,000	
Longevity Pay		1,400	
Other Salaries and Wages		29,550	
In-Service Training		1,385	
Social Security		7,030	
State Retirement		9,548	
Life Insurance		122	
Medical Insurance		15,774	
Dental Insurance		449	
Unemployment Compensation		265	
Communication		4,184	
Maintenance and Repair Services - Equipment		47	
Printing, Stationery, and Forms		477	
Gasoline		3,889	
Office Supplies		2,497	
Periodicals		600	
Uniforms		1,505	
Refunds		26	
Workers' Compensation Insurance		2,316	
Office Equipment		1,462	
Total Codes Compliance			149,305

Geographical Information Systems

In-Service Training	\$	1,135	
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(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Geographical Information Systems (Cont.)

Maintenance Agreements	\$	12,650	
Travel		492	
Other Contracted Services		283	
Office Supplies		3,785	
Other Equipment		3,481	
Total Geographical Information Systems			\$ 21,826

County Buildings

Supervisor/Director	\$	52,600	
Secretary(ies)		27,150	
Custodial Personnel		95,850	
Part-time Personnel		40,320	
Longevity Pay		12,600	
Overtime Pay		6,437	
Other Salaries and Wages		510,572	
In-Service Training		220	
Social Security		53,050	
State Retirement		68,270	
Life Insurance		950	
Medical Insurance		120,087	
Dental Insurance		1,548	
Unemployment Compensation		2,129	
Communication		10,455	
Maintenance Agreements		40,584	
Maintenance and Repair Services - Buildings		316,783	
Maintenance and Repair Services - Equipment		12,783	
Maintenance and Repair Services - Office Equipment		118	
Maintenance and Repair Services - Vehicles		173,595	
Rentals		50	
Custodial Supplies		22,277	
Gasoline		17,098	
Office Supplies		3,606	
Small Tools		3,396	
Uniforms		12,942	
Utilities		604,131	
Workers' Compensation Insurance		18,017	
Other Charges		2,813	
Interest on Notes		31,111	
Building Improvements		9,040	
Other Equipment		9,513	
Total County Buildings			2,280,095

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities

Computer Programmer(s)	\$	111,700	
Longevity Pay		2,900	
Overtime Pay		19,709	
In-Service Training		1,643	
Social Security		9,545	
State Retirement		11,197	
Life Insurance		122	
Medical Insurance		15,703	
Unemployment Compensation		216	
Communication		5,478	
Maintenance and Repair Services - Office Equipment		36,141	
Rentals		2,400	
Office Supplies		991	
Small Tools		645	
Workers' Compensation Insurance		3,861	
Other Charges		314	
Data Processing Equipment		3,979	
Other Equipment		773	
Total Other Facilities			\$ 227,317

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	72,214
Part-time Personnel		19,619
Longevity Pay		3,600
Other Salaries and Wages		199,599
Board and Committee Members Fees		800
In-Service Training		425
Social Security		20,907
State Retirement		28,076
Life Insurance		367
Medical Insurance		38,336
Dental Insurance		128
Unemployment Compensation		624
Audit Services		27,720
Communication		4,935
Data Processing Services		9,607
Dues and Memberships		1,383
Travel		857
Office Supplies		6,485

(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.)

Premiums on Corporate Surety Bonds	\$	100	
Workers' Compensation Insurance		6,949	
Office Equipment		1,328	
Total Property Assessor's Office			\$ 444,059

County Trustee's Office

County Official/Administrative Officer	\$	72,214	
Longevity Pay		8,400	
Other Salaries and Wages		176,575	
Social Security		18,672	
State Retirement		21,537	
Life Insurance		285	
Medical Insurance		26,363	
Dental Insurance		251	
Unemployment Compensation		432	
Communication		3,088	
Data Processing Services		16,811	
Dues and Memberships		676	
Legal Notices, Recording, and Court Costs		200	
Travel		174	
Office Supplies		12,832	
Premiums on Corporate Surety Bonds		3,488	
Workers' Compensation Insurance		5,405	
Office Equipment		170	
Total County Trustee's Office			367,573

County Clerk's Office

County Official/Administrative Officer	\$	72,214
Longevity Pay		10,500
Overtime Pay		6
Other Salaries and Wages		437,048
Social Security		37,334
State Retirement		50,781
Life Insurance		869
Medical Insurance		70,236
Dental Insurance		867
Unemployment Compensation		1,437
Communication		5,727
Data Processing Services		500
Dues and Memberships		716

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Maintenance Agreements	\$	13,452	
Travel		870	
Office Supplies		20,944	
Premiums on Corporate Surety Bonds		200	
Workers' Compensation Insurance		16,472	
Other Charges		327	
Office Equipment		15,878	
Total County Clerk's Office			\$ 756,378

Other Finance

Part-time Personnel	\$	12,547	
Longevity Pay		600	
Overtime Pay		1,120	
Other Salaries and Wages		54,200	
Social Security		4,365	
State Retirement		5,354	
Life Insurance		81	
Medical Insurance		11,906	
Dental Insurance		398	
Unemployment Compensation		224	
Communication		934	
Data Processing Services		7,695	
Office Supplies		3,489	
Workers' Compensation Insurance		1,544	
Office Equipment		2,330	
Total Other Finance			106,787

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	72,214	
Part-time Personnel		9,745	
Longevity Pay		20,500	
Other Salaries and Wages		679,107	
Jury and Witness Expense		20,179	
Other Per Diem and Fees		29,317	
Social Security		57,797	
State Retirement		68,557	
Life Insurance		815	
Medical Insurance		94,818	
Dental Insurance		1,443	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Unemployment Compensation	\$	1,964	
Communication		8,858	
Data Processing Services		6,823	
Dues and Memberships		741	
Maintenance Agreements		15,331	
Maintenance and Repair Services - Equipment		215	
Travel		1,311	
Data Processing Supplies		2,972	
Office Supplies		44,285	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		15,443	
Office Equipment		986	
Total Circuit Court			\$ 1,153,771

General Sessions Court

Judge(s)	\$	291,988	
Longevity Pay		1,600	
Other Salaries and Wages		52,471	
Social Security		21,512	
State Retirement		33,810	
Life Insurance		122	
Medical Insurance		15,072	
Dental Insurance		294	
Unemployment Compensation		66	
Data Processing Services		2,691	
Dues and Memberships		590	
Travel		1,386	
Office Supplies		2,281	
Workers' Compensation Insurance		3,861	
Total General Sessions Court			427,744

Drug Court

Social Workers	\$	27,200	
Social Security		2,028	
State Retirement		2,658	
Medical Insurance		3,895	
Unemployment Compensation		133	
Travel		1,681	
Other Contracted Services		84,351	
Office Supplies		834	
Total Drug Court			122,780

(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

County Official/Administrative Officer	\$	72,214	
Longevity Pay		3,700	
Other Salaries and Wages		118,638	
Other Per Diem and Fees		10,400	
Social Security		15,723	
State Retirement		21,238	
Life Insurance		244	
Medical Insurance		32,562	
Dental Insurance		678	
Unemployment Compensation		524	
Communication		2,781	
Dues and Memberships		636	
Maintenance Agreements		1,082	
Maintenance and Repair Services - Equipment		224	
Travel		50	
Data Processing Supplies		1,947	
Office Supplies		7,864	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		4,633	
Total Chancery Court			\$ 295,488

Juvenile Court

Probation Officer(s)	\$	24,600	
Youth Service Officer(s)		93,000	
Longevity Pay		1,400	
Other Salaries and Wages		20,850	
In-Service Training		2,092	
Social Security		10,328	
State Retirement		14,133	
Life Insurance		204	
Medical Insurance		21,658	
Unemployment Compensation		366	
Communication		6,424	
Data Processing Services		1,902	
Dues and Memberships		60	
Travel		1,059	
Other Contracted Services		19,442	
Office Supplies		1,426	
Workers' Compensation Insurance		3,861	
Total Juvenile Court			222,805

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners

Part-time Personnel	\$	1,900	
Longevity Pay		900	
Other Salaries and Wages		50,400	
In-Service Training		1,872	
Social Security		4,061	
State Retirement		5,051	
Life Insurance		81	
Medical Insurance		3,895	
Dental Insurance		232	
Unemployment Compensation		164	
Workers' Compensation Insurance		1,544	
Other Charges		499	
Communication Equipment		445	
Total Judicial Commissioners			\$ 71,044

Other Administration of Justice

Probation Officer(s)	\$	15,750	
Social Security		1,204	
State Retirement		73	
Life Insurance		41	
Medical Insurance		169	
Unemployment Compensation		71	
Travel		1,482	
Other Contracted Services		25	
Office Supplies		2,342	
Workers' Compensation Insurance		772	
Office Equipment		1,316	
Total Other Administration of Justice			23,245

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	79,436	
Deputy(ies)		1,748,929	
Investigator(s)		310,750	
Salary Supplements		47,325	
Dispatchers/Radio Operators		222,322	
Secretary(ies)		140,143	
Longevity Pay		59,100	
Overtime Pay		245,489	
Other Salaries and Wages		52,029	

(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.)

In-Service Training	\$	46,639	
Social Security		217,083	
State Retirement		268,282	
Employee and Dependent Insurance		1,008	
Life Insurance		2,511	
Medical Insurance		332,024	
Dental Insurance		4,010	
Unemployment Compensation		5,415	
Communication		42,411	
Contributions		13,515	
Data Processing Services		3,679	
Maintenance and Repair Services - Equipment		3,690	
Transportation - Other than Students		4,829	
Travel		1,025	
Animal Food and Supplies		5,561	
Gasoline		176,247	
Instructional Supplies and Materials		2,398	
Uniforms		22,651	
Other Supplies and Materials		12,565	
Premiums on Corporate Surety Bonds		7,200	
Workers' Compensation Insurance		47,616	
Communication Equipment		19,330	
Motor Vehicles		10,683	
Traffic Control Equipment		5,627	
Other Equipment		6,228	
Total Sheriff's Department			\$ 4,167,750

Jail

Medical Personnel	\$	98,662
Guards		1,293,394
Cafeteria Personnel		80,197
Part-time Personnel		23,930
Longevity Pay		9,900
Social Security		109,635
State Retirement		144,805
Life Insurance		1,684
Medical Insurance		193,156
Dental Insurance		716
Unemployment Compensation		3,783
Contracts with Government Agencies		221,074

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Medical and Dental Services	\$	415,142	
Custodial Supplies		36,692	
Food Supplies		243,012	
Office Supplies		22,015	
Other Supplies and Materials		5,326	
Workers' Compensation Insurance		31,143	
Other Charges		17,822	
Data Processing Equipment		3,600	
Office Equipment		10,108	
Other Equipment		15,137	
Total Jail			\$ 2,980,933

Workhouse

Supervisor/Director	\$	1,230	
Guards		39,000	
Part-time Personnel		8,508	
Longevity Pay		2,000	
Social Security		3,615	
State Retirement		4,126	
Life Insurance		625	
Medical Insurance		6,078	
Unemployment Compensation		141	
Uniforms		570	
Workers' Compensation Insurance		772	
Other Charges		2,829	
Total Workhouse			69,494

Juvenile Services

Supervisor/Director	\$	48,750	
Guards		403,798	
Secretary(ies)		29,480	
Longevity Pay		12,900	
Overtime Pay		10,836	
In-Service Training		540	
Social Security		36,292	
State Retirement		48,355	
Life Insurance		122	
Medical Insurance		63,568	
Dental Insurance		1,223	
Unemployment Compensation		1,007	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Communication	\$	3,326	
Laundry Service		1,297	
Medical and Dental Services		275	
Travel		477	
Food Supplies		1,684	
Gasoline		663	
Office Supplies		4,994	
Uniforms		2,014	
Other Supplies and Materials		73	
Workers' Compensation Insurance		11,840	
Other Charges		6,721	
Office Equipment		341	
Total Juvenile Services			\$ 690,576

Commissary

Food Supplies	\$	69,794	
Other Supplies and Materials		29,127	
Total Commissary			98,921

Fire Prevention and Control

Supervisor/Director	\$	38,284	
Other Salaries and Wages		39,506	
In-Service Training		10,937	
Social Security		2,929	
State Retirement		3,740	
Unemployment Compensation		221	
Communication		3,713	
Maintenance and Repair Services - Equipment		1,167	
Gasoline		16,571	
Office Supplies		1,256	
Uniforms		4,852	
Workers' Compensation Insurance		2,316	
Other Charges		775	
Building Construction		1,855	
Communication Equipment		3,273	
Other Equipment		76,470	
Total Fire Prevention and Control			207,865

Civil Defense

Contributions	\$	123,495	
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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.)

Civil Defense (Cont.)

Other Contracted Services	\$ 46,289	
Gasoline	8,522	
Total Civil Defense		\$ 178,306

Other Emergency Management

Communication Equipment	\$ 58,678	
Health Equipment	761,287	
Other Equipment	490,027	
Total Other Emergency Management		1,309,992

County Coroner/Medical Examiner

Other Per Diem and Fees	\$ 10,550	
Other Contracted Services	56,642	
Premiums on Corporate Surety Bonds	200	
Other Charges	1,337	
Total County Coroner/Medical Examiner		68,729

Other Public Safety

Overtime Pay	\$ 6,062	
Medical Insurance	1,049	
Unemployment Compensation	14	
Travel	92	
Other Contracted Services	29,330	
Other Supplies and Materials	14,091	
Total Other Public Safety		50,638

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$ 19,750	
Social Security	1,497	
State Retirement	1,930	
Life Insurance	41	
Medical Insurance	3,338	
Unemployment Compensation	100	
Communication	16,865	
Contracts with Government Agencies	130,973	
Rentals	1,600	
Other Contracted Services	14,072	
Custodial Supplies	6,699	
Drugs and Medical Supplies	9,396	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Office Supplies	\$	11,581	
Periodicals		186	
Workers' Compensation Insurance		772	
Other Charges		19,656	
Other Equipment		105,649	
Total Local Health Center			\$ 344,105

Ambulance/Emergency Medical Services

Supervisor/Director	\$	55,000	
Deputy(ies)		54,000	
Accountants/Bookkeepers		36,750	
Paraprofessionals		1,651,439	
Secretary(ies)		30,750	
Part-time Personnel		292,003	
Longevity Pay		43,200	
Overtime Pay		146,431	
In-Service Training		11,820	
Social Security		166,568	
State Retirement		198,685	
Life Insurance		1,982	
Medical Insurance		249,333	
Unemployment Compensation		4,497	
Communication		12,916	
Data Processing Services		5,464	
Maintenance and Repair Services - Equipment		14,351	
Medical and Dental Services		9,500	
Travel		632	
Permits		4,189	
Drugs and Medical Supplies		127,173	
Gasoline		114,405	
Office Supplies		14,259	
Uniforms		22,280	
Other Supplies and Materials		8,846	
Workers' Compensation Insurance		35,578	
Other Charges		814	
Communication Equipment		4,476	
Motor Vehicles		700	
Office Equipment		4,193	
Other Equipment		162,449	
Total Ambulance/Emergency Medical Services			3,484,683

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Supervisor/Director	\$	600	
In-Service Training		14,451	
Social Security		41	
State Retirement		59	
Life Insurance		41	
Medical Insurance		90	
Unemployment Compensation		1	
Drugs and Medical Supplies		18,119	
Workers' Compensation Insurance		772	
Total Other Local Health Services			\$ 34,174

General Welfare Assistance

Contributions	\$	10,670	
Total General Welfare Assistance			10,670

Aid to Dependent Children

Contributions	\$	7,758	
Total Aid to Dependent Children			7,758

Other Public Health and Welfare

Longevity Pay	\$	1,900	
Other Salaries and Wages		763,217	
Social Security		56,076	
State Retirement		64,603	
Employee and Dependent Insurance		578	
Life Insurance		869	
Medical Insurance		72,999	
Dental Insurance		1,702	
Unemployment Compensation		2,205	
Travel		11,964	
Drugs and Medical Supplies		2,127	
Office Supplies		1,691	
Workers' Compensation Insurance		15,472	
Total Other Public Health and Welfare			995,403

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	72,670	
Gasoline		345	
Building Improvements		6,304	
Total Senior Citizens Assistance			79,319

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards

Contracts with Government Agencies	\$	90,352	
Gasoline		12,528	
Refunds		4,250	
Other Capital Outlay		69,000	
Total Parks and Fair Boards			\$ 176,130

Other Social, Cultural, and Recreational

Contributions	\$	4,850	
Total Other Social, Cultural, and Recreational			4,850

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	100,501	
Other Salaries and Wages		22,750	
Social Security		1,673	
State Retirement		2,223	
Life Insurance		41	
Dental Insurance		55	
Unemployment Compensation		72	
Other Fringe Benefits		18,159	
Communication		4,874	
Maintenance and Repair Services - Equipment		170	
Matching Share		974	
Travel		3,357	
Workers' Compensation Insurance		772	
Other Charges		396	
Total Agriculture Extension Service			156,017

Forest Service

Contributions	\$	1,455	
Total Forest Service			1,455

Soil Conservation

Secretary(ies)	\$	27,750	
Other Salaries and Wages		20,187	
Social Security		3,533	
State Retirement		4,684	
Life Insurance		41	
Medical Insurance		7,136	
Dental Insurance		39	

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Unemployment Compensation	\$	139	
Workers' Compensation Insurance		<u>772</u>	
Total Soil Conservation			\$ 64,281

Other Operations

Tourism

Contributions	\$	<u>132,180</u>	
Total Tourism			132,180

Airport

Matching Share	\$	<u>28,000</u>	
Total Airport			28,000

Veterans' Services

Supervisor/Director	\$	23,550	
Social Security		1,721	
State Retirement		2,301	
Life Insurance		41	
Unemployment Compensation		72	
Communication		1,992	
Maintenance Agreements		450	
Travel		1,027	
Office Supplies		1,075	
Workers' Compensation Insurance		772	
Other Charges		<u>179</u>	
Total Veterans' Services			33,180

Contributions to Other Agencies

Contracts with Government Agencies	\$	15,175	
Contributions		207,397	
Gasoline		<u>55,360</u>	
Total Contributions to Other Agencies			277,932

Employee Benefits

Life Insurance	\$	706	
Workers' Compensation Insurance		<u>13,384</u>	
Total Employee Benefits			14,090

Miscellaneous

Dues and Memberships	\$	9,174	
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(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Legal Notices, Recording, and Court Costs	\$	1,043	
Maintenance and Repair Services - Equipment		704	
Other Contracted Services		6,437	
Library Books/Media		15,000	
Building and Contents Insurance		30,473	
Excess Risk Insurance		54,503	
Liability Insurance		78,750	
Refunds		373	
Trustee's Commission		330,237	
Tax Relief Program		91,872	
Other Charges		43,184	
Disabilities Act Improvements		5,923	
Total Miscellaneous			<u>\$ 667,673</u>

Total General Fund \$ 24,194,942

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Other Salaries and Wages	\$	556,215	
Legal Services		5,616	
Maintenance and Repair Services - Equipment		34,525	
Travel		2,907	
Library Books/Media		85,090	
Utilities		36,267	
Other Supplies and Materials		44,275	
Liability Insurance		2,017	
Other Charges		6,658	
Other Equipment		1,014	
Total Libraries			<u>\$ 774,584</u>

Total Public Library Fund 774,584

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	46,797	
Attendants		192,738	
Part-time Personnel		35,215	
Overtime Pay		26,121	

(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.)

Other Salaries and Wages	\$	428,942	
Other Fringe Benefits		175,710	
Communication		17,949	
Engineering Services		2,544	
Legal Services		4,989	
Maintenance and Repair Services - Buildings		28,241	
Maintenance and Repair Services - Equipment		91,934	
Maintenance and Repair Services - Vehicles		93,516	
Travel		1,981	
Disposal Fees		1,463,007	
Permits		150	
Other Contracted Services		43,158	
Crushed Stone		21,108	
Gasoline		70,301	
Office Supplies		3,075	
Uniforms		7,008	
Utilities		43,916	
Other Charges		5,079	
Building Improvements		27,543	
Motor Vehicles		6,874	
Office Equipment		125	
Solid Waste Equipment		69,650	
Total Sanitation Management			\$ 2,907,671

Landfill Operation and Maintenance

Engineering Services	\$	7,089	
Other Charges		1,125	
Other Construction		70,600	
Total Landfill Operation and Maintenance			78,814

Other Waste Disposal

Engineering Services	\$	65,585	
Contracts for Landfill Facilities		63,900	
Other Contracted Services		231,429	
Building Construction		46,212	
Other Construction		91,000	
Total Other Waste Disposal			498,126

Postclosure Care Costs

Engineering Services	\$	28,812	
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(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Postclosure Care Costs (Cont.)

Other Contracted Services	\$ 30,000	
Other Supplies and Materials	13,000	
Other Construction	79,300	
Total Postclosure Care Costs		\$ 151,112

Other Operations

Miscellaneous

Trustee's Commission	\$ 59,496	
Total Miscellaneous		59,496

Total Solid Waste/Sanitation Fund \$ 3,695,219

Industrial/Economic Development Fund

Other Operations

Industrial Development

Advertising	\$ 1,888	
Contracts with Government Agencies	356,247	
Contributions	75,000	
Legal Services	18,769	
Total Industrial Development		\$ 451,904

Miscellaneous

Trustee's Commission	\$ 7,750	
Total Miscellaneous		7,750

Total Industrial/Economic Development Fund 459,654

Special Purpose Fund

General Government

Preservation of Records

Supervisor/Director	\$ 24,800	
Other Fringe Benefits	8,560	
Communication	1,285	
Office Supplies	393	
Other Supplies and Materials	5,051	
Total Preservation of Records		\$ 40,089

Total Special Purpose Fund 40,089

(Continued)

Exhibit K-8

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

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	638	
Confidential Drug Enforcement Payments		45,000	
Rentals		8,738	
Other Supplies and Materials		2,891	
Law Enforcement Equipment		7,825	
Motor Vehicles		11,468	
Total Drug Enforcement			<u>\$ 76,560</u>

Total Drug Control Fund \$ 76,560

Sports and Recreation Fund

Social, Cultural, and Recreational Services

Parks and Fair Boards

Temporary Personnel	\$	107,762	
Other Salaries and Wages		406,315	
Social Security		36,961	
State Retirement		44,046	
Medical Insurance		34,137	
Dental Insurance		841	
Unemployment Compensation		2,093	
Audit Services		3,000	
Communication		13,467	
Dues and Memberships		751	
Maintenance and Repair Services - Buildings		38,405	
Maintenance and Repair Services - Vehicles		3,536	
Gasoline		16,894	
Office Supplies		1,767	
Small Tools		2,975	
Utilities		137,696	
Other Supplies and Materials		66,536	
Workers' Compensation Insurance		13,984	
Other Charges		27,005	
Other Equipment		18,284	
Other Capital Outlay		69,000	
Total Parks and Fair Boards			<u>\$ 1,045,455</u>

Total Sports and Recreation Fund 1,045,455

(Continued)

Exhibit K-8

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

District Attorney General Fund

Public Safety

Other Public Safety

Jury and Witness Expense	\$	50	
Communication		2,276	
Dues and Memberships		75	
Travel		11,939	
Other Contracted Services		10,261	
Office Supplies		1,162	
Other Charges		2,543	
Office Equipment		10,189	
Other Equipment		4,474	
Total Other Public Safety			\$ 42,969

Total District Attorney General Fund \$ 42,969

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	16	
Total Register of Deeds			\$ 16

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	\$	279	
Total Circuit Court Clerk			279

General Sessions Court Clerk

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

Juvenile Court Clerk

Constitutional Officers' Operating Expenses	\$	79	
Total Juvenile Court Clerk			79

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$	161	
Total Sheriff's Department			161

Total Constitutional Officers - Fees Fund 617

(Continued)

Exhibit K-8

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	54,056	
Assistant(s)		48,212	
Accountants/Bookkeepers		39,900	
Longevity Pay		4,200	
Other Salaries and Wages		29,550	
Social Security		10,668	
Employee and Dependent Insurance		9,818	
Life Insurance		103	
Medical Insurance		429	
Dental Insurance		645	
Unemployment Compensation		634	
Local Retirement		17,187	
Employer Medicare		2,817	
Data Processing Services		4,569	
Dues and Memberships		3,423	
Legal Services		40,684	
Legal Notices, Recording, and Court Costs		68	
Maintenance and Repair Services - Office Equipment		860	
Postal Charges		699	
Printing, Stationery, and Forms		449	
Data Processing Supplies		494	
Drugs and Medical Supplies		481	
Office Supplies		474	
Workers' Compensation Insurance		16,522	
Other Charges		895	
Communication Equipment		1,000	
Data Processing Equipment		813	
Total Administration			\$ 289,650

Highway and Bridge Maintenance

Foremen	\$	38,000
Equipment Operators		458,100
Truck Drivers		218,290
Laborers		68,874
Longevity Pay		28,100
Overtime Pay		10,000
Other Salaries and Wages		35,750
Social Security		50,860
Employee and Dependent Insurance		105,304
Life Insurance		878

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Dental Insurance	\$	1,333	
Unemployment Compensation		5,914	
Local Retirement		80,529	
Employer Medicare		11,933	
Other Contracted Services		923,935	
Asphalt - Cold Mix		1,000	
Asphalt - Hot Mix		9,999	
Asphalt - Liquid		54,368	
Crushed Stone		59,334	
Electricity		830	
Pipe - Metal		10,000	
Road Signs		49,956	
Salt		20,000	
Small Tools		2,922	
Wood Products		975	
Other Supplies and Materials		4,999	
Workers' Compensation Insurance		115,651	
Other Charges		1,989	
Total Highway and Bridge Maintenance			\$ 2,369,823

Operation and Maintenance of Equipment

Mechanic(s)	\$	69,858
Longevity Pay		3,400
Overtime Pay		602
Social Security		4,867
Employee and Dependent Insurance		6,000
Life Insurance		62
Medical Insurance		500
Dental Insurance		994
Unemployment Compensation		428
Local Retirement		7,157
Employer Medicare		998
Laundry Service		2,161
Maintenance and Repair Services - Equipment		9,955
Diesel Fuel		36,098
Equipment and Machinery Parts		44,938
Garage Supplies		5,888
Gasoline		30,114
Lubricants		6,627
Small Tools		1,965

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Tires and Tubes	\$	9,951	
Other Supplies and Materials		475	
Workers' Compensation Insurance		8,261	
Other Charges		2,369	
Total Operation and Maintenance of Equipment			\$ 253,668

Other Charges

Communication	\$	4,500	
Contributions		8,000	
Engineering Services		1,883	
Evaluation and Testing		710	
Electricity		6,379	
Natural Gas		4,375	
Water and Sewer		200	
Building and Contents Insurance		802	
Excess Risk Insurance		30,745	
Liability Insurance		78,750	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		44,182	
Other Charges		9,358	
Total Other Charges			190,234

Capital Outlay

Engineering Services	\$	61,244	
State Aid Projects		259,346	
Total Capital Outlay			320,590

Total Highway/Public Works Fund \$ 3,423,965

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	100,000	
Total General Government			\$ 100,000

Education

Principal on Bonds	\$	5,925,000	
Total Education			5,925,000

(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 677,625	
Total General Government		\$ 677,625

Education

Interest on Bonds	\$ 5,901,145	
Total Education		5,901,145

Other Debt Service

Education

Trustee's Commission	\$ 168,832	
Other Debt Service	3,009	
Total Education		<u>171,841</u>

Total General Debt Service Fund		\$ 12,775,611
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General Capital Projects Fund

General Government

County Buildings

Building Construction	\$ 123,000	
Furniture and Fixtures	308,933	
Land	74,012	
Total County Buildings		\$ 505,945

Finance

County Clerk's Office

Building Construction	\$ 642,198	
Total County Clerk's Office		642,198

Public Health and Welfare

Local Health Center

Building Construction	\$ 440,001	
Total Local Health Center		440,001

Ambulance/Emergency Medical Services

Building Construction	\$ 360,743	
Total Ambulance/Emergency Medical Services		360,743

Other Operations

Miscellaneous

Trustee's Commission	\$ 5,164	
Total Miscellaneous		5,164

(Continued)

Exhibit K-8

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

General Capital Projects Fund (Cont.)

Capital Projects

Public Safety Projects

Building Construction	\$ 24,991	
Motor Vehicles	<u>211,969</u>	
Total Public Safety Projects		\$ 236,960

Highway and Street Capital Projects

Other Construction	\$ 12,000	
Total Highway and Street Capital Projects		<u>12,000</u>

Total General Capital Projects Fund \$ 2,203,011

Total Governmental Funds - Primary Government \$ 48,732,676

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, 2010

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 21,568,681	
Career Ladder Program	258,612	
Career Ladder Extended Contracts	100,075	
Homebound Teachers	24,321	
Salary Supplements	391,178	
Educational Assistants	1,009,104	
Other Salaries and Wages	96,346	
Certified Substitute Teachers	158,370	
Non-certified Substitute Teachers	214,230	
Social Security	1,407,380	
State Retirement	1,528,211	
Life Insurance	15,438	
Medical Insurance	4,583,441	
Dental Insurance	69,808	
Unemployment Compensation	23,626	
Employer Medicare	331,239	
Maintenance and Repair Services - Equipment	12,253	
Payments to Schools - Other	3,679	
Other Contracted Services	94,311	
Instructional Supplies and Materials	514,198	
Textbooks	557,931	
Other Supplies and Materials	6,853	
In Service/Staff Development	1,510	
Fee Waivers	42,128	
Other Charges	27,483	
Regular Instruction Equipment	523,714	
Other Equipment	13,502	
Total Regular Instruction Program		\$ 33,577,622

Alternative Instruction Program

Teachers	\$ 403,045
Career Ladder Program	4,000
Educational Assistants	19,676
Social Security	25,493
State Retirement	28,066
Life Insurance	253
Medical Insurance	77,165
Dental Insurance	1,022
Unemployment Compensation	291

(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.)

Alternative Instruction Program (Cont.)

Employer Medicare	\$	5,962	
Instructional Supplies and Materials		1,059	
Other Supplies and Materials		1,040	
Other Charges		304	
Other Equipment		737	
Total Alternative Instruction Program			\$ 568,113

Special Education Program

Teachers	\$	2,322,905	
Career Ladder Program		40,832	
Career Ladder Extended Contracts		23,006	
Homebound Teachers		72,966	
Educational Assistants		771,432	
Speech Pathologist		235,662	
Other Salaries and Wages		150,341	
Certified Substitute Teachers		5,330	
Non-certified Substitute Teachers		8,030	
Social Security		214,502	
State Retirement		258,182	
Life Insurance		3,675	
Medical Insurance		714,497	
Dental Insurance		14,895	
Unemployment Compensation		4,335	
Employer Medicare		50,220	
Contracts with Private Agencies		53,455	
Instructional Supplies and Materials		57,627	
Other Supplies and Materials		2,256	
Special Education Equipment		50,781	
Total Special Education Program			5,054,929

Vocational Education Program

Teachers	\$	912,752	
Career Ladder Program		8,000	
Career Ladder Extended Contracts		1,681	
Certified Substitute Teachers		2,048	
Non-certified Substitute Teachers		3,448	
Social Security		55,294	
State Retirement		59,260	
Life Insurance		514	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Medical Insurance	\$	147,847	
Dental Insurance		2,761	
Unemployment Compensation		803	
Employer Medicare		12,937	
Maintenance and Repair Services - Equipment		738	
Instructional Supplies and Materials		8,875	
Total Vocational Education Program			\$ 1,216,958

Adult Education Program

Teachers	\$	55,301	
Other Salaries and Wages		21,562	
Social Security		4,672	
State Retirement		4,026	
Life Insurance		28	
Dental Insurance		131	
Unemployment Compensation		225	
Employer Medicare		1,093	
Travel		927	
Instructional Supplies and Materials		8,203	
Other Equipment		199	
Total Adult Education Program			96,367

Support Services

Attendance

Supervisor/Director	\$	66,410	
Career Ladder Program		1,000	
Clerical Personnel		11,778	
Other Salaries and Wages		61,002	
Social Security		8,263	
State Retirement		9,006	
Life Insurance		53	
Medical Insurance		16,316	
Dental Insurance		262	
Unemployment Compensation		76	
Employer Medicare		1,932	
Other Supplies and Materials		515	
Attendance Equipment		2,034	
Total Attendance			178,647

(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

Medical Personnel	\$	415,520	
Secretary(ies)		18,117	
Other Salaries and Wages		168,984	
Social Security		33,980	
State Retirement		54,851	
Life Insurance		641	
Medical Insurance		136,129	
Dental Insurance		2,856	
Unemployment Compensation		706	
Employer Medicare		7,970	
Travel		3,350	
Drugs and Medical Supplies		1,346	
Other Supplies and Materials		736	
Other Charges		941	
Total Health Services			\$ 846,127

Other Student Support

Career Ladder Program	\$	24,000	
Guidance Personnel		1,226,952	
Psychological Personnel		31,646	
Career Ladder Extended Contracts		5,081	
Social Workers		126,692	
Attendants		153,959	
Social Security		94,077	
State Retirement		109,130	
Life Insurance		1,065	
Medical Insurance		248,804	
Dental Insurance		4,546	
Unemployment Compensation		1,419	
Employer Medicare		22,023	
Contracts with Government Agencies		85,000	
Evaluation and Testing		187,458	
Travel		7,166	
Other Contracted Services		75,000	
Other Supplies and Materials		847	
Total Other Student Support			2,404,865

Regular Instruction Program

Supervisor/Director	\$	339,158	
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(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Career Ladder Program	\$	32,282	
Career Ladder Extended Contracts		13,048	
Librarians		855,419	
Materials Supervisor		21,798	
Instructional Computer Personnel		104,368	
Secretary(ies)		94,118	
Clerical Personnel		40,477	
Other Salaries and Wages		124,258	
Social Security		97,434	
State Retirement		108,942	
Life Insurance		883	
Medical Insurance		239,243	
Dental Insurance		4,966	
Unemployment Compensation		1,402	
Employer Medicare		22,798	
Travel		18,380	
Other Contracted Services		204,938	
Library Books/Media		107,981	
Office Supplies		380	
Periodicals		1,358	
Other Supplies and Materials		3,225	
In Service/Staff Development		18,740	
Other Charges		23,265	
Other Equipment		2,780	
Total Regular Instruction Program			\$ 2,481,641

Alternative Instruction Program

Supervisor/Director	\$	68,312	
Career Ladder Program		1,000	
Secretary(ies)		23,642	
Social Security		5,738	
State Retirement		6,760	
Life Insurance		56	
Dental Insurance		262	
Unemployment Compensation		60	
Employer Medicare		1,342	
Total Alternative Instruction Program			107,172

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	66,902	
Career Ladder Program		12,000	
Secretary(ies)		29,703	
Other Salaries and Wages		109,042	
Other Per Diem and Fees		1,400	
Social Security		13,349	
State Retirement		15,065	
Life Insurance		112	
Medical Insurance		16,096	
Dental Insurance		523	
Unemployment Compensation		153	
Employer Medicare		3,122	
Travel		24,618	
Other Contracted Services		39,174	
Other Supplies and Materials		15,935	
In Service/Staff Development		16,466	
Other Charges		25,346	
Other Equipment		10,372	
Total Special Education Program			\$ 399,378

Vocational Education Program

Supervisor/Director	\$	56,138	
Secretary(ies)		78	
Social Security		325	
State Retirement		345	
Unemployment Compensation		39	
Employer Medicare		818	
Travel		553	
Other Contracted Services		750	
Other Supplies and Materials		195	
Total Vocational Education Program			59,241

Adult Programs

Supervisor/Director	\$	55,245	
Career Ladder Program		1,000	
Clerical Personnel		22,416	
Social Security		4,701	
State Retirement		5,801	
Life Insurance		56	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

Medical Insurance	\$	18,218	
Dental Insurance		262	
Unemployment Compensation		77	
Employer Medicare		1,100	
Travel		3,903	
Other Supplies and Materials		245	
Other Charges		1,344	
Total Adult Programs			\$ 114,368

Other Programs

On-Behalf Payments to OPEB	\$	255,892	
Total Other Programs			255,892

Board of Education

Secretary to Board	\$	48,090	
Other Salaries and Wages		7,028	
Board and Committee Members Fees		24,150	
Social Security		4,568	
State Retirement		5,268	
Life Insurance		67	
Medical Insurance		10,589	
Dental Insurance		131	
Unemployment Compensation		42	
Employer Medicare		1,068	
Audit Services		10,000	
Dues and Memberships		17,439	
Legal Services		48,978	
Travel		5,086	
Other Contracted Services		19,263	
Office Supplies		1,074	
Liability Insurance		157,500	
Trustee's Commission		487,561	
Workers' Compensation Insurance		358,642	
In Service/Staff Development		2,470	
Criminal Investigation of Applicants - TBI		15,097	
Other Charges		163,765	
Total Board of Education			1,387,876

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	97,850	
Social Security		6,092	
State Retirement		6,282	
Life Insurance		28	
Medical Insurance		7,844	
Dental Insurance		131	
Unemployment Compensation		39	
Employer Medicare		1,425	
Communication		33,430	
Travel		5,185	
Other Contracted Services		306	
Office Supplies		1,932	
Other Charges		843	
Administration Equipment		1,672	
Total Director of Schools			\$ 163,059

Office of the Principal

Principals	\$	1,157,082	
Career Ladder Program		29,999	
Accountants/Bookkeepers		435,607	
Career Ladder Extended Contracts		23,000	
Assistant Principals		665,390	
Secretary(ies)		627,676	
Social Security		172,249	
State Retirement		222,600	
Life Insurance		1,970	
Medical Insurance		472,457	
Dental Insurance		9,088	
Unemployment Compensation		2,259	
Employer Medicare		40,284	
Communication		206,424	
Dues and Memberships		10,560	
Postal Charges		9,000	
Office Supplies		3,609	
Other Supplies and Materials		160	
Other Charges		21,217	
Total Office of the Principal			4,110,631

(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

Supervisor/Director	\$	70,333	
Accountants/Bookkeepers		225,953	
Purchasing Personnel		32,286	
Clerical Personnel		36,850	
Social Security		21,734	
State Retirement		35,581	
Life Insurance		260	
Medical Insurance		36,169	
Dental Insurance		1,178	
Unemployment Compensation		346	
Employer Medicare		5,083	
Travel		2,215	
Other Contracted Services		74,003	
Office Supplies		18,689	
In Service/Staff Development		748	
Other Charges		14,212	
Administration Equipment		980	
Total Fiscal Services			\$ 576,620

Human Services/Personnel

Supervisor/Director	\$	29,839	
Other Salaries and Wages		67,626	
Social Security		5,749	
State Retirement		9,522	
Life Insurance		56	
Medical Insurance		9,415	
Dental Insurance		262	
Unemployment Compensation		112	
Employer Medicare		1,345	
Travel		881	
Office Supplies		541	
Total Human Services/Personnel			125,348

Operation of Plant

Dental Insurance	\$	760	
Janitorial Services		1,940,171	
Operating Lease Payments		131,000	
Other Contracted Services		52,527	
Custodial Supplies		50,038	

(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	\$ 2,065,380	
Natural Gas	751,290	
Water and Sewer	233,150	
Other Supplies and Materials	52,706	
Building and Contents Insurance	164,318	
Other Charges	3,395	
Total Operation of Plant		\$ 5,444,735

Maintenance of Plant

Supervisor/Director	\$ 55,321	
Secretary(ies)	70,803	
Maintenance Personnel	546,205	
Social Security	39,312	
State Retirement	65,691	
Life Insurance	576	
Medical Insurance	118,265	
Dental Insurance	2,189	
Unemployment Compensation	878	
Employer Medicare	9,194	
Architects	1,279	
Travel	1,282	
Other Contracted Services	774,551	
Other Supplies and Materials	442,450	
Maintenance Equipment	10,228	
Other Equipment	22,733	
Total Maintenance of Plant		2,160,957

Transportation

Supervisor/Director	\$ 57,145	
Mechanic(s)	128,725	
Bus Drivers	742,056	
Clerical Personnel	54,851	
Other Salaries and Wages	22	
Social Security	56,001	
State Retirement	90,065	
Life Insurance	1,246	
Medical Insurance	222,028	
Dental Insurance	5,052	
Unemployment Compensation	1,793	

(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.)

Employer Medicare	\$	13,097	
Contracts with Parents		2,999	
Laundry Service		895	
Other Contracted Services		44,280	
Diesel Fuel		202,707	
Gasoline		41,468	
Lubricants		8,094	
Tires and Tubes		29,311	
Vehicle Parts		87,666	
Other Supplies and Materials		2,903	
Other Charges		3,024	
Transportation Equipment		1,825	
Total Transportation			\$ 1,797,253

Central and Other

Supervisor/Director	\$	59,881	
Career Ladder Program		2,000	
Computer Programmer(s)		235,995	
Clerical Personnel		28,770	
Social Security		19,222	
State Retirement		23,879	
Life Insurance		213	
Medical Insurance		50,678	
Dental Insurance		1,009	
Unemployment Compensation		258	
Employer Medicare		4,523	
Maintenance and Repair Services - Equipment		11,812	
Travel		1,752	
Other Contracted Services		11,200	
Office Supplies		167	
Other Supplies and Materials		33,915	
Data Processing Equipment		8,417	
Total Central and Other			493,691

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	70,488	
Career Ladder Program		1,000	
Accountants/Bookkeepers		35,268	

(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.)

Clerical Personnel	\$	56,105	
Social Security		9,693	
State Retirement		13,565	
Life Insurance		1,189	
Dental Insurance		523	
Unemployment Compensation		118	
Employer Medicare		2,267	
Total Food Service			\$ 190,216

Community Services

Supervisor/Director	\$	2,712	
Teachers		239,654	
Educational Assistants		52,488	
Other Salaries and Wages		51,887	
Social Security		19,706	
State Retirement		24,065	
Life Insurance		28	
Medical Insurance		8,609	
Dental Insurance		937	
Unemployment Compensation		68	
Employer Medicare		4,836	
Travel		5,372	
Other Contracted Services		43,413	
Other Supplies and Materials		49,800	
Other Charges		10,966	
Other Equipment		24,261	
Total Community Services			538,802

Early Childhood Education

Supervisor/Director	\$	36,331	
Teachers		740,889	
Clerical Personnel		15,323	
Educational Assistants		282,982	
Other Salaries and Wages		342	
Social Security		59,706	
State Retirement		75,581	
Life Insurance		991	
Medical Insurance		233,821	
Dental Insurance		4,651	

(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.)

Unemployment Compensation	\$	1,342	
Employer Medicare		14,656	
Travel		980	
Other Contracted Services		82,763	
Food Supplies		744	
Instructional Supplies and Materials		7,241	
Other Supplies and Materials		13,875	
In Service/Staff Development		454	
Other Charges		1,603	
Other Equipment		634	
Total Early Childhood Education			\$ 1,574,909

Principal on Debt

Education

Principal on Capital Leases	\$	160,670	
Total Education			160,670

Interest on Debt

Education

Interest on Capital Leases	\$	16,536	
Total Education			16,536

Total General Purpose School Fund \$ 66,102,623

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,297,870	
Educational Assistants		259,107	
Other Salaries and Wages		14,164	
Certified Substitute Teachers		14,730	
Non-certified Substitute Teachers		21,515	
Social Security		92,623	
State Retirement		106,858	
Life Insurance		1,105	
Medical Insurance		279,528	
Dental Insurance		4,973	
Unemployment Compensation		2,084	
Employer Medicare		22,360	

(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.)

Instructional Supplies and Materials	\$ 115,602	
Regular Instruction Equipment	179,505	
Total Regular Instruction Program		\$ 2,412,024

Alternative Instruction Program

Supervisor/Director	\$ 1,000	
Teachers	31,785	
Social Workers	1,575	
Certified Substitute Teachers	1,040	
Non-certified Substitute Teachers	880	
Social Security	2,230	
State Retirement	2,259	
Unemployment Compensation	18	
Employer Medicare	522	
Travel	2,209	
Other Contracted Services	9,664	
Other Supplies and Materials	3,998	
Other Charges	500	
Total Alternative Instruction Program		57,680

Special Education Program

Teachers	\$ 940,930	
Educational Assistants	1,142,823	
Speech Pathologist	47,853	
Social Security	122,991	
State Retirement	168,962	
Life Insurance	1,708	
Medical Insurance	432,666	
Dental Insurance	7,304	
Unemployment Compensation	3,071	
Employer Medicare	28,765	
Contracts with Private Agencies	11,781	
Other Contracted Services	15,007	
Instructional Supplies and Materials	98,795	
Other Supplies and Materials	18,550	
Special Education Equipment	87,304	
Total Special Education Program		3,128,510

(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.)

Vocational Education Program

Instructional Supplies and Materials	\$	12,786	
Other Supplies and Materials		6,864	
Vocational Instruction Equipment		72,090	
Total Vocational Education Program			\$ 91,740

Support Services

Health Services

Other Salaries and Wages	\$	18,510	
Social Security		1,038	
State Retirement		1,809	
Life Insurance		17	
Medical Insurance		5,979	
Dental Insurance		51	
Unemployment Compensation		14	
Employer Medicare		243	
Total Health Services			27,661

Other Student Support

Social Workers	\$	16,339	
Bus Drivers		364	
Social Security		1,004	
State Retirement		1,596	
Medical Insurance		734	
Dental Insurance		51	
Unemployment Compensation		23	
Employer Medicare		235	
Travel		19,795	
In Service/Staff Development		790	
Other Charges		292	
Total Other Student Support			41,223

Regular Instruction Program

Supervisor/Director	\$	73,990	
Secretary(ies)		53,418	
Other Salaries and Wages		420,582	
Certified Substitute Teachers		2,892	
Non-certified Substitute Teachers		4,382	
Social Security		33,488	
State Retirement		37,282	

(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.)

Life Insurance	\$	303	
Medical Insurance		69,793	
Dental Insurance		1,229	
Unemployment Compensation		502	
Employer Medicare		7,837	
Travel		106,946	
Other Contracted Services		59,468	
Other Supplies and Materials		128,206	
In Service/Staff Development		105,819	
Other Charges		40,350	
Other Equipment		193,525	
Total Regular Instruction Program			\$ 1,340,012

Special Education Program

Psychological Personnel	\$	284,816	
Assessment Personnel		68,878	
Clerical Personnel		38,800	
Other Salaries and Wages		94,099	
Social Security		28,557	
State Retirement		32,529	
Life Insurance		262	
Medical Insurance		88,014	
Dental Insurance		1,242	
Unemployment Compensation		409	
Employer Medicare		6,679	
Travel		115	
Other Contracted Services		24,827	
In Service/Staff Development		13,077	
Other Charges		1,938	
Total Special Education Program			684,242

Vocational Education Program

Travel	\$	1,969	
In Service/Staff Development		90	
Total Vocational Education Program			2,059

Transportation

Contracts with Parents	\$	1,369	
Rentals		24,145	

(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.)

Transportation (Cont.)

Gasoline	\$	503	
Other Supplies and Materials		92	
Transportation Equipment		35,000	
Total Transportation			\$ 61,109

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	3,287	
Teachers		251,348	
Bus Drivers		20,417	
Clerical Personnel		1,436	
Educational Assistants		44,288	
Other Salaries and Wages		19,761	
Social Security		19,077	
State Retirement		22,367	
Unemployment Compensation		84	
Employer Medicare		4,787	
Travel		4,141	
Other Contracted Services		12,634	
Other Supplies and Materials		21,623	
Other Charges		13,408	
Other Equipment		14,539	
Total Community Services			<u>453,197</u>

Total School Federal Projects Fund \$ 8,299,457

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,330,915	
Social Security		74,024	
State Retirement		98,439	
Medical Insurance		265,337	
Dental Insurance		5,245	
Unemployment Compensation		6,148	
Employer Medicare		17,312	
Communication		12,567	
Maintenance and Repair Services - Equipment		52,800	
Travel		5,123	

(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Contracted Services	\$	32,855	
Food Preparation Supplies		84,869	
Food Supplies		1,743,515	
Office Supplies		12,601	
USDA - Commodities		268,680	
Other Supplies and Materials		3,831	
In Service/Staff Development		1,172	
Other Charges		59,234	
Food Service Equipment		117,515	
Total Food Service			\$ 4,192,182

Total Central Cafeteria Fund \$ 4,192,182

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	538,547	
Social Security		31,886	
State Retirement		26,738	
Life Insurance		252	
Medical Insurance		56,960	
Dental Insurance		1,217	
Unemployment Compensation		1,627	
Employer Medicare		7,540	
Travel		1,239	
Food Supplies		21,922	
Other Supplies and Materials		1,086	
Refunds		717	
Other Charges		30,577	
Other Equipment		1,122	
Total Community Services			\$ 721,430

Total Extended School Program Fund 721,430

General Capital Projects Fund

Capital Projects

Education Capital Projects

Building Construction	\$	87,151	
Other Equipment		33,744	
Total Education Capital Projects			\$ 120,895

Total General Capital Projects Fund 120,895

(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

Operation of Non-Instructional Services

Food Service

Food Service Equipment	\$ 25,727	
Total Food Service		\$ 25,727

Capital Projects

Education Capital Projects

Other Contracted Services	\$ 90,342	
Total Education Capital Projects		<u>90,342</u>

Total Prescott Capital Projects Fund \$ 116,069

Other Capital Projects Fund

Capital Projects

Education Capital Projects

Other Salaries and Wages	\$ 53,492	
Social Security	3,292	
State Retirement	5,226	
Medical Insurance	4,102	
Dental Insurance	131	
Unemployment Compensation	35	
Employer Medicare	770	
Architects	121,798	
Consultants	77,653	
Legal Services	2,223	
Other Contracted Services	486,143	
Building Construction	22,789,391	
Data Processing Equipment	332,872	
Food Service Equipment	21,746	
Furniture and Fixtures	54,088	
Land	1,000	
Regular Instruction Equipment	271,043	
Right-of-Way	12,500	
Other Equipment	12,470	
Total Education Capital Projects		<u>\$ 24,249,975</u>

Total Other Capital Projects Fund 24,249,975

Total Governmental Funds - Putnam County School Department \$ 103,802,631

Exhibit K-10

Putnam County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Proprietary Fund  
For the Year Ended June 30, 2010

	Internal Service Fund
	Self- Insurance Fund
<u>Operating Revenues</u>	
<u>Charges of Current Services</u>	
Self-Insurance Premiums/Contributions	\$ 1,511,531
<u>Other Local Revenues</u>	
Miscellaneous Refunds	2,916
Total Operating Revenues	<u>\$ 1,514,447</u>
 Total Operating Revenues	 <u><u>\$ 1,514,447</u></u>
 <u>Operating Expenses</u>	
<u>General Government</u>	
<u>County Mayor/Executive</u>	
Building and Contents Insurance	\$ 998
Excess Risk Insurance	2,885
Workers' Compensation Insurance	496
<u>Election Commission</u>	
Building and Contents Insurance	798
Excess Risk Insurance	2,308
Workers' Compensation Insurance	396
<u>Register of Deeds</u>	
Building and Contents Insurance	998
Excess Risk Insurance	2,885
Workers' Compensation Insurance	496
<u>Codes Compliance</u>	
Building and Contents Insurance	599
Excess Risk Insurance	1,731
Workers' Compensation Insurance	297
<u>County Buildings</u>	
Building and Contents Insurance	4,655
Excess Risk Insurance	13,466
Workers' Compensation Insurance	2,313
Liability Claims	4,186
<u>Other Facilities</u>	
Building and Contents Insurance	599
Excess Risk Insurance	1,731
Workers' Compensation Insurance	297
Other General Administration	
Other Charges	11
Total General Government	<u>\$ 42,145</u>

(Continued)

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	\$ 1,796
Excess Risk Insurance	5,194
Workers' Compensation Insurance	892
<u>County Trustee's Office</u>	
Building and Contents Insurance	1,397
Excess Risk Insurance	4,040
Workers' Compensation Insurance	694
<u>County Clerk's Office</u>	
Building and Contents Insurance	4,256
Excess Risk Insurance	12,311
Workers' Compensation Insurance	2,114
<u>Other Finance</u>	
Building and Contents Insurance	399
Excess Risk Insurance	1,154
Workers' Compensation Insurance	198
Total Finance	<u>\$ 34,445</u>
<u>Administration of Justice</u>	
<u>Circuit Court</u>	
Building and Contents Insurance	\$ 3,990
Excess Risk Insurance	11,542
Workers' Compensation Insurance	1,982
<u>General Sessions Court</u>	
Building and Contents Insurance	599
Excess Risk Insurance	1,731
Workers' Compensation Insurance	297
<u>Chancery Court</u>	
Building and Contents Insurance	1,197
Excess Risk Insurance	3,463
Workers' Compensation Insurance	595
<u>Juvenile Court</u>	
Building and Contents Insurance	998
Excess Risk Insurance	2,885
Workers' Compensation Insurance	496
<u>District Attorney General</u>	
Building and Contents Insurance	200
Excess Risk Insurance	577
Workers' Compensation Insurance	99

(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	\$ 399
Excess Risk Insurance	1,154
Workers' Compensation Insurance	198
<u>Other Administration of Justice</u>	
Building and Contents Insurance	200
Excess Risk Insurance	577
Workers' Compensation Insurance	99
Total Administration of Justice	<u>\$ 33,278</u>
<u>Public Safety</u>	
<u>Sheriff's Department</u>	
Legal Services	\$ 13,350
Building and Contents Insurance	12,303
Excess Risk Insurance	35,587
Workers' Compensation Insurance	6,112
Liability Claims	2,046
Other Charges	118
<u>Jail</u>	
Building and Contents Insurance	8,047
Excess Risk Insurance	23,276
Workers' Compensation Insurance	3,998
<u>Workhouse</u>	
Building and Contents Insurance	200
Excess Risk Insurance	577
Workers' Compensation Insurance	99
<u>Juvenile Services</u>	
Building and Contents Insurance	3,059
Excess Risk Insurance	8,849
Workers' Compensation Insurance	1,520
<u>Fire Prevention and Control</u>	
Building and Contents Insurance	599
Excess Risk Insurance	15,492
Workers' Compensation Insurance	297
<u>Civil Defense</u>	
Workers' Compensation Insurance	392
Total Public Safety	<u>\$ 135,921</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	\$ 200
Excess Risk Insurance	577
Workers' Compensation Insurance	99
<u>Ambulance/Emergency Medical Services</u>	
Building and Contents Insurance	9,709
Excess Risk Insurance	40,647
Liability Insurance	9,550
Workers' Compensation Insurance	104,462
Liability Claims	11,449
<u>Other Local Health Services</u>	
Building and Contents Insurance	200
Excess Risk Insurance	577
Workers' Compensation Insurance	99
<u>Sanitation Management</u>	
Building and Contents Insurance	3,259
Excess Risk Insurance	9,426
Workers' Compensation Insurance	29,208
Liability Claims	2,407
<u>Other Public Health and Welfare</u>	
Building and Contents Insurance	4,256
Excess Risk Insurance	12,311
Workers' Compensation Insurance	2,114
Total Public Health and Welfare	<u>\$ 240,550</u>
<u>Social Cultural and Recreational Services</u>	
<u>Libraries</u>	
Workers' Compensation Insurance	\$ 196
<u>Parks and Fair Boards</u>	
Workers' Compensation Insurance	34,557
Total Social Cultural and Recreational Services	<u>\$ 34,753</u>
<u>Agriculture and Natural Resources</u>	
<u>Agriculture Extension Service</u>	
Building and Contents Insurance	\$ 200
Excess Risk Insurance	577
Workers' Compensation Insurance	99
<u>Soil Conservation</u>	
Building and Contents Insurance	200
Excess Risk Insurance	577
Workers' Compensation Insurance	99
Total Agriculture and Natural Resources	<u>\$ 1,752</u>

(Continued)

Exhibit K-10

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

	<u>Internal Service Fund</u> <u>Self- Insurance Fund</u>
<u>Operating Expenses (Cont.)</u>	
<u>Other Operations</u>	
<u>Veterans' Services</u>	
Building and Contents Insurance	\$ 200
Excess Risk Insurance	577
Workers' Compensation Insurance	99
<u>Other Charges</u>	
Handling Charges and Administrative Costs	10,699
Building and Contents Insurance	3,093
Workers' Compensation Insurance	189,338
Total Other Operations	<u>\$ 204,006</u>
<u>Highways</u>	
<u>Other Charges</u>	
Handling Charges and Administrative Costs	\$ 6,294
Other Contracted Services	1,820
Building and Contents Insurance	39,119
Workers' Compensation Insurance	5,453
Liability Claims	3,324
Total Highways	<u>\$ 56,010</u>
<u>Education</u>	
<u>Central and Other</u>	
Handling Charges and Administrative Costs	\$ 14,475
Legal Services	13,149
Other Contracted Services	4,185
Building and Contents Insurance	105,655
Workers' Compensation Insurance	258,494
Liability Claims	358,095
Other Charges	143
Total Education	<u>\$ 754,196</u>
Total Expenses	<u>\$ 1,537,056</u>

Putnam County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2010

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 11,681,915
Total Cash Receipts	<u>\$ 11,681,915</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 11,565,096
Trustee's Commission	116,819
Total Cash Disbursements	<u>\$ 11,681,915</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2009	<u>0</u>
Cash Balance, June 30, 2010	<u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841

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

March 1, 2011

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, 2010, which collectively comprise Putnam County's basic financial statements and have issued our report thereon dated March 1, 2011. 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 Sports and Recreation funds, special revenue funds, and the Putnam County Emergency Communications District and 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 10.04 and 10.06.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 10.01, 10.02, 10.03, 10.07, 10.08, 10.09, 10.10, and 10.11.

## Compliance and Other Matters

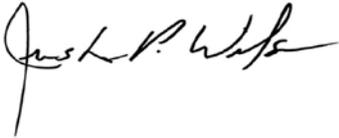
As part of obtaining reasonable assurance about whether Putnam County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and is described in the accompanying Schedule of Findings and Questioned Costs as item 10.05.

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 the responses.

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 long vertical stroke extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
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

March 1, 2011

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, 2010. 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 of 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, 2010.

#### Internal Control Over Compliance

The management of Putnam County is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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

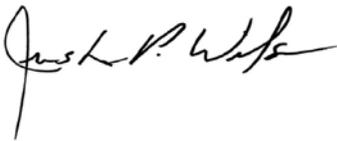
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Putnam County as of and for the year ended June 30, 2010, and have issued our report thereon dated March 1, 2011. 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 the responses.

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 large initial "J" and a long, sweeping underline.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

Putnam County, Tennessee  
 Schedule of Expenditures of Federal Awards and State Grants (1)  
 For the Year Ended June 30, 2010

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Distance Learning and Telemedicine Grant	10.855	N/A	\$ 314,259
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	268,680 (3)
Fresh Fruits and Vegetable Program	10.582	N/A	29,515
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	745,448
National School Lunch Program	10.555	N/A	2,190,037 (3)
Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579	N/A	25,500
Total U.S. Department of Agriculture			<u>\$ 3,573,439</u>
U.S. Department of Labor:			
Passed-through Upper Cumberland Human Resource Agency:			
WIA Youth Activities	17.259	(2)	<u>\$ 15,000</u>
Total U.S. Department of Labor			<u>\$ 15,000</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z-09-214651-00	<u>\$ 21,473</u>
Total U.S. Department of Transportation			<u>\$ 21,473</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-10-218454-00	\$ 137,590
Passed-through State Department of Education:			
Title I Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,744,920
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	519,939
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,320,368
Special Education - Grants to States, Recovery Act	84.391	N/A	1,758,349
Special Education - Preschool Grants	84.173	N/A	33,666
Special Education - Preschool Grants, Recovery Act	84.392	N/A	34,270
Vocational Education - Basic Grants to States	84.048	N/A	119,313
Safe and Drug-free Schools and Communities - State Grant	84.186	(2)	162,977
Twenty-first Century Community Learning Centers	84.287	(2)	466,178
Innovative Education Program Strategies	84.298	N/A	70,117
Education Technology Cluster:			
Education Technology State Grants	84.318	N/A	51,809
Education Technology State Grants, Recovery Act	84.386	N/A	246
Reading First State Grants	84.357	(2)	96,026
English Language Acquisition Grants	84.365	(2)	106,258
Mathematics and Science Partnerships	84.366	(2)	50,182
Improving Teacher Quality State Grants	84.367	N/A	232,775
Education from Homeless Children and Youth, Recovery Act	84.387	N/A	166
State Fiscal Stabilization Cluster:			
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	N/A	1,883,800
State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397	(4)	312,537
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	CG08-22045	<u>11,045</u>
Total U.S. Department of Education			<u>\$ 11,112,531</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	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
National Bioterrorism Hospital Preparedness Program	93.889	GG-10-29709-00	\$ 58,678
Total U.S. Department of Health and Human Services			<u>\$ 58,678</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	\$ 12,262
Total U.S. Corporation for National and Community Service			<u>\$ 12,262</u>
U.S. Department of Homeland Security:			
Direct Program:			
Assistance to Firefighters Grant	97.044	N/A	\$ 76,612
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	15,461
Homeland Security Grant Program	97.067	(5)	1,242,008
Total U.S. Department of Homeland Security			<u>\$ 1,334,081</u>
Total Expenditures of Federal Awards			<u>\$ 16,127,464</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
Adult Drug Court - State Administrative Office of the Courts	N/A	(2)	\$ 42,131
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	17,431
Youth Services Program - State Commission on Children and Youth	N/A	GG-09-26176	451
Litter Program - State Department of Transportation	N/A	(2)	43,462
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)	22,383
Adult Education - State Department of Labor and Workforce Development	N/A	Z-10-218454-00	65,600
Voluntary PreK for Tennessee - State Department of Education	N/A	(2)	1,570,742
Lottery for Education - Afterschool Programs (LEAPS) - State Department of Education	N/A	(2)	484,078
Family Resource - State Department of Education	N/A	(2)	22,324
Tennessee Agricultural Enhancement Program - State Department of Agriculture	N/A	Z-09-213879-00	8,852
Intensive Probation - State Commission on Children and Youth	N/A	GG-10-29028	53,407
Salary Supplement Program - State Commission on Children and Youth	N/A	GG-10-30734	9,000
Personal Care Services - State Department of Health	N/A	GG-10-29220-00	74,239
Local Health Services - State Department of Health	N/A	(6)	972,617
Highway Safety - State Department of Transportation	N/A	(2)	8,211
Total State Grants			<u>\$ 3,427,928</u>

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) Total for CFDA No. 10.555 is \$2,458,717.

(4) Coordinated School Health: \$155,000; Internet Connectivity: \$29,828; Family Resource Center: \$33,300; Career Ladder - Extended Contract: \$44,009; Safe Schools: \$50,400.

(5) GG-08-24129-00: \$42,499; GG-09-27496-00: \$727,201; GG-10-30065-00: \$472,308.

(6) Z-10-219818-00: \$213,699; Z-10-219818-01: \$707,159; Z-10-219818-01 H1N1: \$49,979; Z-10-219819-01 H1N1: \$1,780.

Putnam County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2010

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, 2009, which have not been corrected.

**OFFICE OF COUNTY EXECUTIVE**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.02	231	Deficiencies were noted in the maintenance of capital asset records
09.03	231	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>
09.05	232	The School Federal Projects Fund required material audit adjustments for proper financial statement presentation
09.09	235	General ledger payroll liability accounts were not reconciled

**OFFICE OF COUNTY CLERK**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.10	235	The office had internal control deficiencies related to collections

**OTHER FINDING**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.11	236	Duties were not segregated adequately in the Offices of County Executive; Road Supervisor; Director of Schools; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff

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**PUTNAM COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2010**

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**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 no instances of noncompliance that were material to the financial statements.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education - Grants to States, Special Education – Preschool Grants, Special Education - Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); the State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund – Education State Grants, Recovery Act and State Fiscal Stabilization Fund – Governmental Services, Recovery Act (CFDA Nos. 84.394 and 84.397); and the Homeland Security Grant Program (CFDA No. 97.067) were determined to be major programs.
8. A \$483,824 threshold was used to distinguish between Type A and Type B federal programs.
9. Putnam County did not qualify as a low-risk auditee.

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

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county executive, director of schools; trustee; circuit, general sessions, and juvenile courts clerk; and clerk and master are paraphrased in this report.

### **OFFICE OF COUNTY EXECUTIVE**

**FINDING 10.01**      **DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSET RECORDS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination revealed the following deficiencies in the maintenance of capital asset records. These deficiencies resulted from the failure of management to adequately monitor and review capital asset procedures. The inclusion of the assets noted below in the county's capital asset records was not considered to be material to the county's financial statements.

- A.      During the year, the County Commission declared several assets surplus and sold the assets at public auction; however, the assets were not removed from the county's capital asset records by June 30, 2010. The office did not have procedures in place to ensure that items sold were removed from the capital asset records.
  
- B.      During the year, the county increased the threshold for the capitalization of assets from \$5,000 to \$15,000; however, our examination revealed that numerous assets valued between \$5,000 and \$15,000 had not been removed from the capital asset records by June 30, 2010.

### **RECOMMENDATION**

Officials should have procedures to ensure that the capital asset records accurately reflect the assets owned by the county. Capital assets sold and those assets that are valued at less than the new capitalization threshold should be removed from the capital asset records.

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

We continue to work toward better communication between all departments to correct the findings relative to our capital assets.

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**FINDING 10.02      THE INDUSTRIAL/ECONOMIC DEVELOPMENT FUND HAD A DEFICIT IN UNRESERVED FUND BALANCE AT JUNE 30, 2010  
(Internal Control – Significant Deficiency Under Government Auditing Standards)**

The Industrial/Economic Development Fund had a deficit in unreserved fund balance of \$2,050,280 at June 30, 2010. This deficit resulted from the recognition of a long-term liability of \$2,777,776 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 the City of Cookeville.

**RECOMMENDATION**

County officials should liquidate the deficit in unreserved fund balance.

**MANAGEMENT’S RESPONSE – COUNTY EXECUTIVE**

This finding should be corrected in 2010-11. The City of Cookeville paid the intergovernmental loan due the county in August 2010. The remaining debt the county owes to debt service should now be considered long-term.

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**FINDING 10.03      APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDING  
(Internal Control – Significant Deficiency Under Government Auditing Standards)**

The budget and subsequent amendments approved by the County Commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding by \$9,951. Sound budgetary principles dictate that appropriations be held within estimated available funding. The budget deficiency resulted from a lack of management oversight.

**RECOMMENDATION**

Appropriations that exceed estimated available funding should not be submitted to the County Commission, and the County Commission should not approve such appropriations.

**MANAGEMENT’S RESPONSE – COUNTY EXECUTIVE**

This was an oversight, and while the amendment was approved, the money was never spent. There was never a deficit of the actual fund balance.

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## OFFICES OF COUNTY EXECUTIVE AND TRUSTEE

FINDING 10.04      **THE SELF-INSURANCE ADMINISTRATOR AUTHORIZED  
AUTOMATIC WITHDRAWALS FROM THE TRUSTEE'S  
CHECKING ACCOUNT WITHOUT COUNTY APPROVAL**  
(Internal Control – Material Weakness Under Government Auditing  
Standards)

The county's self-insurance administrator signed an authorization to allow the workers' compensation administrator to withdraw funds from the trustee's bank account without the trustee's approval. Furthermore, the funds are being disbursed to the workers' compensation administrator without being reviewed and approved by the County Executive's Office. During the year, the workers' compensation administrator withdrew \$536,661 from the county's self-insurance checking account. The absence of county approval or proper documentation for disbursements could result in a misappropriation of funds.

### RECOMMENDATION

Funds should not be withdrawn from the trustee's checking account without prior approval by the trustee and supervisory review by the county executive.

### MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

This office was aware of the withdrawals and disbursements for workers' compensation claims made by the administrator of our self-insurance fund. It was our position that this was within the scope of his authority as administrator. We are in the process of rewriting the contract that should correct this finding.

### MANAGEMENT'S RESPONSE – TRUSTEE

As stated in the finding, the Trustee's Office was unaware of this until the reconciliation of the bank statements and was never notified by the administrator. After several discussions with the County Executive's Office, we continued in this manner. All funds that were withdrawn in the self-insurance account were identified and posted. In the future, a suggestion would be for the county executive, trustee, administrator, and bank to enter into a written agreement that would clarify who pays for the self-insurance account.

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**OFFICE OF DIRECTOR OF SCHOOLS**

**FINDING 10.05     **A CASH SHORTAGE TOTALING \$6,564.98 EXISTED AT PARKVIEW ELEMENTARY SCHOOL CAFETERIA ON SEPTEMBER 24, 2010**  
(Noncompliance Under Government Auditing Standards)**

Our office received allegations concerning missing bank deposits at the Park View Elementary School Cafeteria. Since cafeteria operations in Putnam County are reviewed by a contracted certified public accountant (CPA), our office contacted the CPA and requested an investigation of these allegations. The investigation for the period August 10, 2010, through September 24, 2010, concluded that between August 18, 2010, and September 24, 2010, collections of cash totaling \$3,281.38 and checks totaling \$3,283.60 had not been deposited to the cafeteria fund resulting in a cash shortage totaling \$6,564.98. Also, it was noted that other collections were not being deposited to the bank account within three days as required by Section 5-8-207, Tennessee Code Annotated.

The CPA conducted various interviews with the director of schools, school finance director, food service supervisor, cafeteria manager, cafeteria cashier, and two other school employees. Also, bank statements, deposit slips, and bank security tapes were reviewed. On October 18, 2010, an envelope with some of the missing checks totaling \$3,000.40 was delivered through interoffice mail to Park View Elementary School. Therefore, as of October 19, 2010, funds still missing were \$283.20 in checks and \$3,281.38 in cash totaling \$3,564.58. The late and missing deposits are noted in the tables as follow:

Late Deposits

<u>Collection Date</u>	<u>Deposit Date</u>	<u>Amount</u>
8-10-10	9-7-10	\$ 310.35
8-11-10	9-7-10	126.93
8-12-10	9-7-10	253.13
8-13-10	9-7-10	195.41
8-16-10	9-7-10	339.92
8-17-10	9-7-10	<u>300.05</u>
Total Late Deposits		<u><u>\$ 1,525.79</u></u>

Missing Deposits

<u>Collection Date</u>	<u>Amount</u>
8-18-10	\$ 220.00
8-20-10	312.40
8-23-10	230.45
8-24-10	257.95
8-25-10	297.40
8-26-10	233.58
8-27-10	263.80
8-30-10	158.28
8-31-10	232.43
9-1-10	347.30
9-3-10	193.60
9-8-10	359.37
9-9-10	324.41
9-10-10	291.86
9-13-10	287.88
9-14-10	501.72
9-15-10	143.31
9-16-10	246.56
9-17-10	158.04
9-20-10	237.09
9-21-10	441.13
9-22-10	222.42
9-23-10	360.67
9-24-10	<u>243.33</u>
Total Missing Deposits/Cash shortage 9-24-10	\$ 6,564.98
Checks Returned, 10-18-10	<u>(3,000.40)</u>
Cash Shortage, 10-19-10	<u><u>\$ 3,564.58</u></u>

The results from the CPA's review have been forwarded to the district attorney general.

RECOMMENDATION

Officials should liquidate the remaining cash shortage. All collections should be deposited to the bank account within three days of receipt. The food service supervisor should provide supervisory review to ensure collections are reconciled with bank deposits.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Procedures have been established to verify daily deposits from each cafeteria location by independent verification with the bank.

**FINDING 10.06      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, 2010, 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 properly present the financial statements in this report.

**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 have been established to produce accurate end-of-year receivables in the School Federal Projects Fund.

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**FINDING 10.07      GRANT FUNDS IN THE SCHOOL FEDERAL PROJECT FUND WERE IMPROPERLY RECLASSIFIED TO A MISCELLANEOUS ACCOUNT**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The School Department administers numerous grants in the School Federal Projects Fund, each of which is designated by an object sub-fund within the general ledger to identify the revenues, expenditures, and fund balance for each grant. Over the past few years, balances have accumulated in some of these sub-fund accounts. During the year, the School Department transferred \$127,456 from several sub-fund accounts to a miscellaneous account in an attempt to dispose of these accumulated balances. As a result of this transfer, these unspent grant proceeds are no longer identifiable by grant. Grant proceeds can only be expended for purposes approved by the grant. Grant contracts typically require any unspent grant funds to be refunded to the grantor after a certain period of time. Since these funds are no longer identifiable by grant, the School Department cannot determine if the

funds are being disbursed for the uses approved in the grant, and the disbursements may not be properly reported to the grantor agencies. Subsequent to June 30, 2010, the School Department has used this miscellaneous account and the unidentified funds to adjust unidentified differences in the payroll liability accounts.

RECOMMENDATION

The School Department should identify the grant programs associated with the \$127,456 and ensure that the funds are spent for authorized grant expenditures or refunded to the grantor agency. As an alternative, school officials could consult with the state Department of Education about obtaining a waiver for the use of the unspent grant funds.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Management concurs with the recommendation. Management will identify the grant programs affected and consult with state Department of Education personnel regarding the indicated grant funds.

---

FINDING 10.08      **GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED TIMELY**

(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.

**FINDING 10.09      APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDS IN THE EXTENDED SCHOOL PROGRAM FUND**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The original budget approved by the County Commission for the Extended School Program Fund had appropriations in excess of estimated available funding by \$2,701. Amendments were made to this fund during the year; however, the appropriations in excess of estimated available funds of \$2,701 remained at June 30, 2010. Sound budgetary principles dictate that appropriations be held within estimated available funding.

**RECOMMENDATION**

Appropriations that exceed estimated available funding should not be submitted to the County Commission, and the County Commission should not approve such appropriations.

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

Management concurs with this finding and will take appropriate actions to comply with budget requirements.

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**OFFICE OF COUNTY CLERK**

**FINDING 10.10      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 the finding 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 one 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 by the same employee who receipted the funds in Baxter. The two-part title application and renewal forms are prenumbered; however, one copy is given to the customer and the other is sent to the state with the motor vehicle report so there is not a copy of the receipt in the office for review. The office does not account for the prenumbered title and renewal applications; therefore, we could not determine that all manual receipts were entered into the office’s computer system.

## RECOMMENDATION

Employees should not take office collections and paperwork home overnight. Collections and paperwork should be transported to the central office daily. The office should have controls in place to ensure that manually prepared title applications and renewals are entered into the computer properly.

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## OTHER FINDING AND RECOMMENDATION

### FINDING 10.11      **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF COUNTY EXECUTIVE; ROAD SUPERVISOR; DIRECTOR OF SCHOOLS; 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; 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.

### MANAGEMENT'S RESPONSE – CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

We are taking every precaution to adequately ensure duties are segregated. We have initiated several additional steps within the last year in an attempt to clear this finding.

### MANAGEMENT'S RESPONSE – CLERK AND MASTER

I concur with the finding regarding segregation of duties in my office. We strive to operate our office in as efficient a manner as possible with the number of deputies that I have. As always, we will try to correct this finding.

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## BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices that should be considered by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens in Putnam County.

### ITEM 1.     **PUTNAM COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Putnam County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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### ITEM 2.     **PUTNAM COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

Putnam County does not have an Audit Committee. An Audit Committee can assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks. County officials should consider the establishment of an Audit Committee as a best practice.

**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, 2010**

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